

CSR COMMUNICATION CONFERENCE 2015

CONFERENCE
PROCEEDINGS

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Faculty of Social Sciences



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Faculty of Social Sciences, University of Ljubljana

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EDITORIAL NOTE

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The third International CSR Communication Conference held in Ljubljana in September 2015, welcomed more than 80 academics and practitioners with around 60 presentations coming from all five continents. The conference once again confirmed that studying communicational aspects of CSR is becoming important.

With a strong “core” of academics and researchers that are returning to this conference, which now has around 60% retention rate among participants, we may be witnessing a graduate institutionalization of CSR communication in academic community. Citing Scott (2008, p. 86)¹, a community which connotes a “recognised area of institutional life” where participants are trying to establish a common meaning and where interactions are becoming more frequent among the members of this “community” than among scholars from the other fields of interest, indicates that a field of CSR communication is slowly emerging. And, as it develops, it is important to see the progress that has been made so far and to reflect on the directions taken in this evolution.

A very brief overview² of papers and presentations held at the three conferences in the last four years shows us that a graduate shift of the themes is emerging, which on one hand, reflects the timeliness of the research. But on the other hand, it also shows us how the agenda of CSR communication is changing.

The contributions of 2011 conference were mainly concerned with the questions of the role of media and media outlets in CSR communication, with different stakeholders such as employees and consumers, and challenging the issues of strategy and management in CSR communication. This has encouraged the editors of the special issue in *Corporate Communications: An International Journal (CCIJ)*, to reflect upon instrumental approach and such emerging alternatives to studying CSR communication as CCO and social constructionist approaches. The papers presented at 2013 conference tackled the issues related to stakeholders, engagement, action, but also management, relationships and internal aspects. Again, this development was discussed in the editorial of the second special issue of CCIJ, addressing stakeholder engagement and relationship issues related to CSR communication.

This years’ most often used words related to CSR communication research captured from the contributions’ titles are: reporting, sustainability, challenges, stakeholder value and transparency among others.

Conference proceedings presenting these contributions are divided into eight main sections:

- (1) CSR-related theoretical and research perspectives,
- (2) CSR reporting: disclosure and transparency issues,
- (3) The role of print and digital media in relation to perceptions of CSR,
- (4) Strategic role of CSR communication and legitimacy issues,
- (5) Exploring CSR dissemination and institutionalization,
- (6) Engaging and communicating with stakeholders,
- (7) Marketing perspectives on CSR and the importance of building reputational and client value, and
- (8) CSR communication in different industries.

The conference committee wishes to express its gratitude to the conference keynote speakers, professors Laura J. Spence and W. Timothy Coombs. We would also like to thank all presenters, discussants and participants from academia and practice for sharing new thoughts and ideas and again contributing to the enrichment of CSR communication debate. And our final thank you goes to the brilliant conference team as well as to our sponsors for their support.

¹ Scott, W. R. (2008). *Institutions and organizations: Ideas and interests*. Thousand Oaks: Sage.

² This short overview was done via identifying the words from the titles of presentations that occurred most frequently and were considered relevant in terms of contents.

1. CSR-RELATED THEORETICAL AND RESEARCH PERSPECTIVES

Mapping the CSR Communication Field in Europe

Abstract

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Abstract

Purpose

This paper explores the developments and current state of the CSR communication in Europe, both from theoretical and practical/educational perspectives. Its aim is to map the field of CSR communication in Europe, its distinctiveness and development. The aim is also to explore the ways of how the field is institutionalising.

Design/methodology/approach

This is a descriptive exploratory research. The contributions and works of Europe-based scholars are examined.

Findings

The findings reveal that so far the institutionalization of CSR communication field in Europe has been guided and shaped by three institutional logics: operational/transactional, constitutive and holistic. The main contribution, however, focuses on exposing and critically examining these main approaches to studying CSR communication used by Europe-based scholars and their potential influence in the field.

Originality/value

The findings have implications for CSR communication scholars and practitioners and for further development and institutionalisation of CSR communication field. They also point to the potential influence of Europe-based researchers and to the possibilities to further the European CSR communication school of thought.

Keywords

CSR, CSR communication, institutionalisation, Europe

Introduction

Over a span of the past two decades, CSR (Corporate Social Responsibility) discourse has proliferated as a result of a global increase in societal demands for a revision of traditional business-centric approaches to managing business-society relations and their replacement with more enlightened ones. Such demands placed the issues of CSR reporting and (in later stages) CSR communication on the political agenda of the EU institutions and granted them higher visibility among managers and communication practitioners, which then resulted in a considerable rise in the amount of CSR-related messages (e.g. Golob and Bartlett, 2007; Podnar, 2008; Crawford and Williams, 2011; Ihlen et al., 2011). In the early 2000s, European scholars (along with their North-American colleagues) started addressing and analysing this disclosure-related set of changes in a more systematic way and have since then contributed greatly to the development of the CSR communication field in Europe.

One can observe that several attempts at defining the role and the 'place' of communication within the process and (strategic) models of CSR exist in the broader research field of CSR. In general, this type of scholarly contributions focus on (1) a company's communication about the particularities of the implementation of its past and present CSR-related activities or (2) on the use of communication strategies for aligning a variety of stakeholders' expectations so that a company could gain stakeholders' support for its CSR programmes (e.g. Maignan et al., 2005; O'Riordan and Fairbrass, 2008; Maon et al., 2009; Du et al., 2010).

By contrast, the scholars, who focus more exclusively on the communication aspects of CSR, are becoming less interested in exploring how to fit communication within the process of CSR. In fact, they move towards the idea that CSR itself should be understood primarily as a communication process (Schoeneborn and Trittin, 2013). As such, CSR communication refers to "the ways that corporations communicate in and about" the process of implementing their CSR (Ihlen et al., 2011, p. 8) as well as to "an arena where social standards and expectations for /CSR/ are constantly articulated, negotiated and developed" (Christensen and Cheney, 2011, p. 494). The focus thus spans from communication as a means of transferring information and gaining visibility to building dialogue with stakeholders and their involvement in the co-creation of CSR meanings.

By including the constitutive perspective to this rather broad conceptual spectrum of CSR communication, considerable attention is given to the idea of CSR communication being able to inspire CSR action (Cornelissen et al., 2015) and not only vice versa. This, in turn, raises questions about (1) the ways different actors - academic community being one of them - add to the construction of CSR meanings by participating in discussions on CSR communication and (2) the ways their active participation in the construction of meanings affects the institutionalisation of CSR communication.

Emerging (organisational) fields can be seen as "sites of struggle in which dominant groups emerge and, with that emergence, dominant meanings become embedded" (Archel et al., 2011). The process of questioning the role of academia in the development of an evolving field, such as the field of CSR communication, leads us not only to the analysis of the academic community as a whole and in relation to other arenas where CSR meanings evolve, but also to the inspection of struggles over the understanding of CSR communication within the academic arena itself. Our field level study is thus set to identify the main research streams (i.e. institutional logics) of European-based CSR communication studies and thereby assess the current state and character of academic contributions on CSR communication in Europe.

Studying CSR Communication within the Institutional Framework

An institutional perspective, recently often used to discuss CSR-related phenomena (Brammer et al., 2012) seems to be an appropriate frame for thinking about how CSR communication has become established in the European context. Institutional perspective suggests that decisions and discourses about CSR communication are not purely instrumental but are "framed vis-à-vis a broader social context" (Jackson and Apostolakou, 2010, p. 374).

A new field, such as CSR or CSR communication, evolves around new institutional arrangements that give more satisfactory responses to certain problems. Once responses are examined and compared, participants engage in theorisation to institutionalise solutions. Institutional construction can be either "demand-sided" where there is a demand for solving certain problems (e.g., societal expectations of businesses to address certain issues in society) and institutions are crafted from the scratch by those who are challenged because no other solutions are available at that point, or it can be "supply-sided" where certain type of actors (e.g., scientists, professionals) have the ability to "devise and promote new schemas, rules, models, routines, and artefacts" (Scott, 2008, p. 104) to solve the problems. Our aim is to explore the supply-sided perspectives, focusing on the academic community.

To provide the context for examining the emergence and construction of CSR communication field in Europe, we would like to focus mainly on the cultural-cognitive aspects as sources for "shaping and interpreting individual and organisational activities" (Thornton and Ocasio, 2008, p. 103). These include institutional logics defined by Friedland and Alford (1991, p. 248) as "a set of material practices and symbolic constructions which constitutes its organising principles and which is available to organisations and individuals to elaborate". Thornton and Ocasio (1999) propose different mechanisms by which institutional logics can shape organising at the field level. One relevant for the purpose of our examination is that the "meaning, appropriateness, and legitimacy ... are shaped by the rules of the prevailing institutional logics" (Thornton and Ocasio, 1999, p. 806). The second is related to the issues that are relevant in terms of CSR communication and that shape the cognition of social actors and organisations. And thirdly, "the assumptions, values, beliefs, and rules that comprise institutional logics determine what answers and solutions are available and appropriate" for CSR communication practice (Thornton and Ocasio, 1999, p. 806).

Scott (2008, p. 186) notes that there are multiple frameworks differentiated around specialised arenas such as political, financial, (anti)consumerist and so on, which are all governed by their own different logic that shape heterogeneity, stability and change in the actors working at the meso levels within these arenas (Thornton and Ocasio, 2008). One such level is the notion of (organisational) field that connotes the "recognized area of institutional life" where the common meaning system is being established together with the interactions among participants that are more frequent with one another than "with

actors outside of the field" (Scott, 2008, p. 86). Hence, the field "is a level of analysis; it is a place where institutional logics get played out ..." (Thornton and Ocasio, 2008, p. 119).

According to Scott (2008, p. 187) institutional logics vary in their contents (the nature of beliefs and assumptions), penetration or vertical depth (general societal understandings vs. specific understandings of how a particular area works), as well as in their horizontal linkage and exclusiveness or the extent they are being contested. They also vary in terms of level on which they are formed. They may, for example, emerge within the field by competing institution-building projects or actors, or alternatively, they may be shaped by higher-order logics (e.g., political, economic etc.; Thornton and Ocasio, 2008).

Continuing with our observation of CSR communication field in Europe we can trace several macro level arenas where institutional logics emerge (e.g. business and political systems, transnational associations, different stakeholders, such as non-governmental organisations, and society as a whole). Our attempt, however, is to turn the attention towards a field level perspective and examine how some of the actors within the field – carriers and promoters such as academics – are shaping CSR communication in Europe.

The Role of Academic Society in Constructing the CSR Communication Field in Europe

Research Purpose and Design

If the macro level institutional construction mainly serves as a framework that orders reality, provides meaning to actions taken by social actors, and gives a sense of direction for future development of the field (Thornton and Ocasio, 1999), the actors involved in the field level institutional construction, on the other hand, act as "an intermediate unit" between micro level (individuals and individual organisations) and macro level actors (societal and trans-societal networks) (Scott 2008, p. 191) and produce sources that structure the decision making as well as practices of CSR communication. In practice this means that the ongoing confrontation of different institutional logics and their 'struggle' over defining the purpose, the character and the preferred model of CSR communication detected at the macro level (e.g. Jackson and Apostolakou, 2010) also takes place at the field level conversations about CSR communication. This shifts our attention to the constitution of CSR communication as a research field and the role of academic community, which, as noted by Siltaoja (2009) in his discussion on discursive construction of CSR, embodies one of the main contributors in the process of creating a shared meaning of CSR and CSR communication. The vital role of academic community in shaping social reality seems tightly connected to its knowledge-generating, reflective and integrative nature. Namely, the process of generating new theoretical and empirical knowledge regarding the concept of CSR communication depends on scholars' ability to detect the main characteristics of macro, meso and micro level processes of institutionalising CSR communication (Schultz and Wehmeier, 2010), to critically reflect upon them and explain how these levels intersect to drive the institutionalisation.

Because we place our focus on the academic contributions as an important source of institutionalisation, our field level analysis aims to identify (1) main types, sources, and numbers of academic contributions based on the thematic scope, and (2) research streams (i.e. institutional logics) in the European studies on CSR communication on the basis of examining their discursive (content) orientation as a main indicator defining a particular logic. Our insight into the nature of contemporary European studies on CSR communication is grounded on a systematic literature review.

Recently a few similar attempts of mapping academic contributions on the topic of CSR communication have been made (e.g. May, 2011; Nielsen and Thomsen, 2012; Golob et al., 2013), but none of them put the focus entirely on the European context, although studies show that significant differences exist between the state and the underpinnings of CSR in Europe, North-America and Asia (see Welford, 2005; Matten and Moon, 2008). With the intention of placing the emphasis on the latter our sample is composed of those studies on CSR communication, which can be considered as a product of European scholars. Accordingly, academic papers were included into our sample if at least the first author of a particular study was identified as a member of a European-based institution/university. A total of 103 papers were collected by performing an examination of relevant marketing and management online databases (SAGE, ScienceDirect, Proquest, and EBSCO) and using a standard keywords search (keywords used: corporate social responsibility/CSR communication, communicating CSR, CSR disclosure, CSR advertising, and CSR reporting). After an initial inspection 91 papers were selected for further content analysis. The majority of papers excluded from the final sample addressed the topic of CSR reporting with the emphasis on (the structure of) accountability standards, not communication processes per se.

Mapping the Types, Numbers and Sources of Academic Contributions on CSR Communication

Since scholars from various academic disciplines have taken interest in the communication aspect of CSR phenomenon, the body of research on CSR communication is often labeled as "heterogenous" (Shoeneborn and Trittin, 2013, p. 195). Our data analysis supports this notion by showing that European authors have published their papers on CSR communication in 39 different publication sources, ranging from marketing, public relations and management journals to journals of organisation studies and accounting. Yet, only a quarter of these journals (25.6 per cent) contain more than one CSR communication-related paper. In fact, 58.3 per cent of all papers have been published in a total of six journals. Two of these leading

publication sources – *Journal of Business Ethics* and *Corporate Communications: An International Journal* – seem to be by far the most targeted by the European authors (see Table 1), as both of them together contain more than one-third (38.5 per cent) of all papers from our dataset. These observations are consistent with findings presented by Golob et al. (2013) in their overall literature review of CSR communication papers. By taking this into consideration, we can arguably confirm that both European and Non-European authors contribute to the current fragmentation of the CSR communication field.

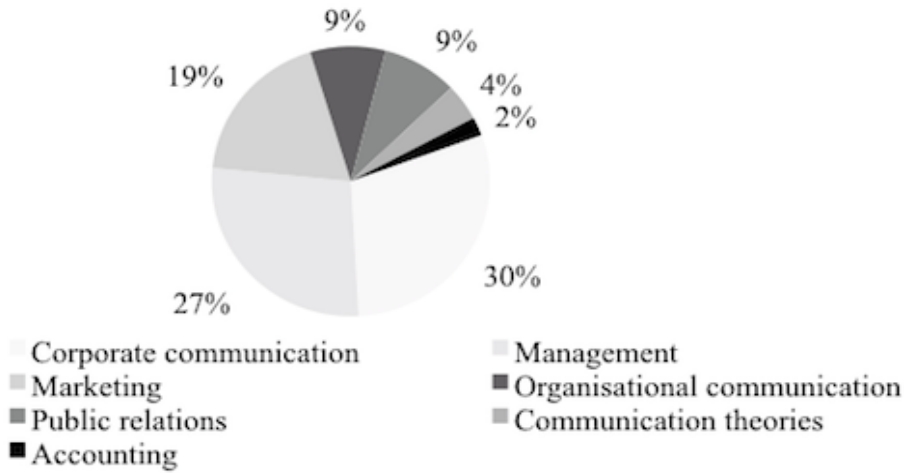
Further analysis reveals that the ranking order of leading publication sources can also serve as an indicator for identifying main conceptual frameworks on which authors build the understanding of CSR communication. Among European authors the issue of CSR communication is most frequently examined within the framework of corporate communication (30 per cent), followed by management (27 per cent) and marketing frameworks (19 per cent) (see Figure 1). This can be of relevance when assessing the nature of CSR and CSR communication studies, as the literature shows that a choice of a specific conceptual framework can influence the thematic focus of studies (Lockett et al., 2006; May, 2011; Nielsen and Thomsen, 2012). For example, Nielsen and Thomsen (2012) report that papers adopting a corporate communication or a management approach to CSR communication primarily deal with CSR communication strategies and strategies of stakeholder engagement as well as their influence on corporate reputation. On the other hand, the studies embedded within the marketing communication framework focus on CSR communication effects in relation to consumer attitudes and behaviour.

TABLE 1: LEADING PUBLICATION SOURCES OF CSR COMMUNICATION STUDIES

<i>Journal</i>	<i>Number of studies</i>	<i>Percentage of total</i>	<i>Cumulative percentage</i>
<i>Journal of Business Ethics</i>	19	20.9	20.9
<i>Corporate Communications: An International Journal</i>	16	17.6	38.5
<i>Journal of Communication Management</i>	5	5.5	44.0
<i>Journal of Marketing Communications</i>	5	5.5	49.5
<i>Corporate Social Responsibility and Environmental Management</i>	4	4.4	53.9
<i>Public Relations Review</i>	4	4.4	58.3
<i>Business Ethics: A European Review</i>	3	3.3	61.6
<i>Accounting, Auditing & Accountability Journal</i>	2	2.2	63.8
<i>Business Communication Quarterly</i>	2	2.2	66.0
<i>International Journal of Business Communication</i>	2	2.2	68.2

Note: The next journal in the ranking only contains one study.

FIGURE 1: DISTRIBUTION OF CSR COMMUNICATION STUDIES ACCORDING TO THEIR CONCEPTUAL ORIGIN/Framework OF INVESTIGATION

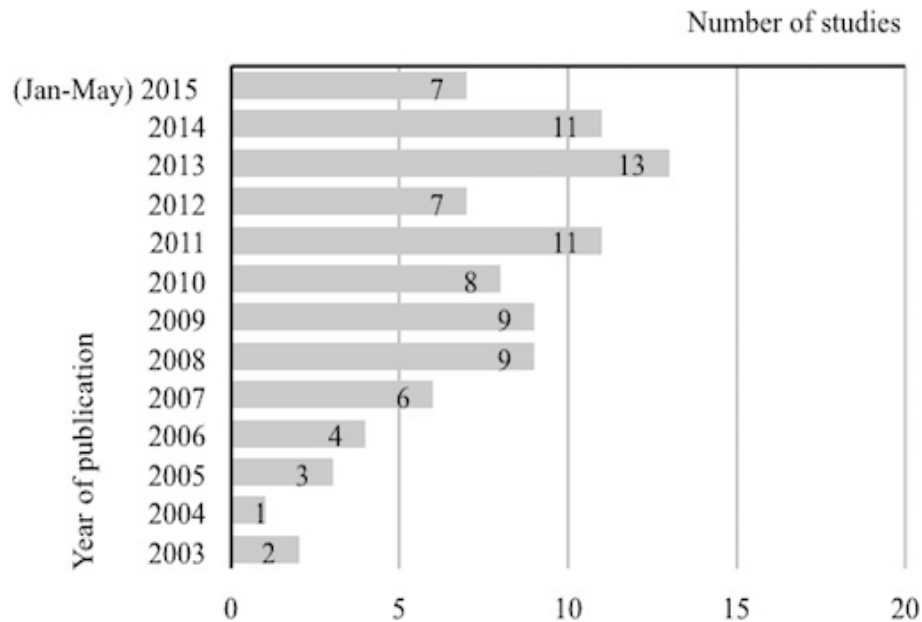


Apart from their academic contributions published in a wide range of journals, the active role of European scholars in constructing the CSR communication field is evident from their participation in organising special issues on CSR communication. To date, they have served both as editors and co-editors of five special issues on this topic; in three of them CSR communication acts as a central issue, in the remaining two the connection to CSR communication is rather implicit (see Table 2). First CSR communication-related special issue was published in *Journal of Marketing Communications* in 2008. Despite that, the highest level of involvement of European authors in the making of such special issues with respect to their content can be detected in both issues, which appeared in *Corporate Communications: An International Journal* as a tribute to the first and second international CSR Communication Conference (held in 2011 and 2013, respectively).

These particular issues have also been the source of some progressive papers in terms of their dedication to: (1) exposing a need for adopting a constructivist approach to CSR communication (Schoeneborn and Trittin, 2013), (2) outlining new 'social media'/interactivity challenges for CSR communication (e.g. Colleoni, 2013) and (3) providing an overview of the development and the characteristics of CSR communication as a research field (e.g. Golob et al., 2013; Elving et al., 2015). Special issues published in *Journal of Business Ethics* in 2013 and in *Corporate Social Responsibility and Environmental Management* in 2010 addressed the topic of CSR communication in a more implicit way as they were primarily focused on new media as facilitators of new forms of interaction between responsible business and its audiences and on emerging discourses on CSR, respectively.

Generally speaking, special issues have added to the visibility of the concept of CSR communication and inspired much anticipated, albeit subtle, increase in the number of CSR communication studies, which can be noted if we compare the period after the publication of a first special issue to the period of early and mid 2000s. Still, the annual rise in volume of European-based CSR communication studies has remained relatively slow and inconsistent for more than a decade (see Figure 2), which suggests that the issue of CSR communication has yet to gain a more prominent place in the mindset of a broader pool of European scholars from business and communication disciplines and from different European countries.

FIGURE 2: NUMBER OF CSR COMMUNICATION STUDIES BY YEAR OF PUBLICATION



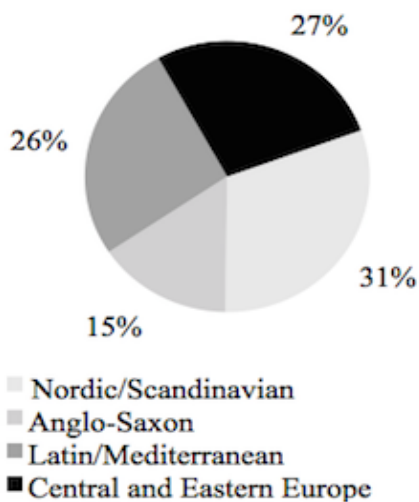
Papers included in our sample originate from 18 different European countries, the indicator being the origin of the first author of selected papers. Further, scholars from Denmark and United Kingdom (see Figure 3), whose studies together account for 30.8 per cent of all European-based CSR communication studies, appear to be in the forefront of the European academic debate on CSR communication. This might, in some ways, be a result of Denmark (e.g. Morsing et al. 2007; Gjølborg, 2010; Nielsen and Frederiksen, 2015) and United Kingdom (e.g. Moon, 2005; Jackson and Apostolakou, 2010; Vertigans, 2015) often being referred to as those countries which pull ahead of other members of different European regions, both with regard to public policies on CSR and actual business behaviour. At the same time, they are continuously portrayed as two rather contrasting examples of implementing CSR, considering the VoC perspective (see varieties of capitalism theory; Hall and Soskice, 2001). Denmark, as a representative of CMEs (coordinated market economies), is argued to be characterised by its 'welfare-state' based understanding of business-society relations, meaning that business activities are strongly entwined with the society's well-being. Society's involvement in CSR-related activities of the corporate world is thus institutionalised; in fact, the majority of CSR directives are state prescribed and, as a result, mandatory for Danish companies (Nielsen and Frederiksen, 2015). In contrast, the United Kingdom – a representative of LMEs (liberal market economies) – favours a voluntary approach to CSR. As indicated by Jackson and Apostolakou (2010), this does not hinder the implementation of CSR practices on the part of British companies; however, it encourages them to communicate about CSR in a more explicit way.

Since, as illustrated above, noticeable differences as well as similarities exist among different European countries with regard to the implementation of CSR, scholars have been able to identify (usually) four mainstream CSR models that have emerged and now co-exist in the European context. These CSR models, at least for the most part, coincide with the political, economic and cultural heritage of different European regions. Further, they show us how a particular cluster of European countries approaches to CSR regulation and implementation, CSR reporting and CSR communication (e.g. Tixier, 2003; Lenssen and Vorobey, 2005; BIRTH et al., 2008; Matten and Moon, 2008; Argandoña and Hoivik, 2009). Following this idea, we decided to inspect the distribution of European-based CSR communication studies not only according to their country of origin but also according to its approach to CSR (communication). Our analysis reveals that European authors who come from countries which employ a Nordic, Anglo-Saxon or Latin CSR model have contributed a rather equal share to the total number of European-based studies on CSR communication (see Figure 4). Authors from Central and Eastern European countries (e.g. Germany, Belgium, Austria, Poland, and Slovenia), which have adopted their own approach to CSR (Argandoña and Hoivik, 2009), are lagging somewhat behind. This could be related to scholarly observations on how governments as well as business entities in these countries still struggle with developing and/or following CSR standards (Habisch et al., 2005; Argandoña and Hoivik, 2009; Idowu et al., 2015).

FIGURE 3: NUMBER OF CSR COMMUNICATION STUDIES BY EUROPEAN COUNTRIES



FIGURE 4: DISTRIBUTION OF CSR COMMUNICATION STUDIES BY MAINSTREAM MODELS OF CSR IN EUROPE



Note: Norway, Sweden, Finland, Denmark – Nordic/Scandinavian model; United Kingdom, Ireland – Anglo-Saxon model; Italy, Spain, Portugal, Greece, France – Latin/Mediterranean model; Slovenia, Poland, Belgium, Germany, The Netherlands, Switzerland, Austria – Central and Eastern European model (for classification see Lenssen and Vorobey, 2005; Midttun et al., 2006; Argandoña and Hoivik, 2009).

Exploring Discursive Orientations of Contributions in the CSR Communication Field

By turning our attention to the content of European-based CSR communication studies, we can arguably identify what we refer to as three 'camps of thought' or three institutional logics on CSR communication and its role in modern organisations. Our literature review upholds the observation made by Nielsen and Thomsen (2012), who reveal that so far discourse on CSR communication has been largely governed by operational and transactional logic of business-society relations. On the other hand, constructivism, together with a CCO (i.e. communication constitutes organisations) perspective, has served as a basis for a set of alternative discussions on CSR communication. Most recently, an idea of following a third model, a holistic approach, has been employed by a rather small group of European authors (e.g. Seele and Lock, 2014; Elving et al., 2015) as an attempt of bridging the gap between instrumental-strategic and constructivist interpretations of the nature of CSR communication.

Contemporary definitions of CSR seem to fully embrace the idea of business and society being mutually dependent (e.g. Wood, 1991; Wood and Logsdon, 2008; Athanasopoulou and Selsky, 2015), meaning that corporate actions should be re-evaluated in relation to the social context. Nevertheless, an extensive amount of studies on CSR phenomenon has adopted an instrumental approach to evaluating its value for companies, disregarding its social value at the same time (Garriga and Melé, 2004). This business-centric approach, which focuses on the operational use of CSR as a managerial tool and the measurement of CSR outputs in terms of profits and corporate reputation (Windsor, 2006; Secchi, 2007) has also provided a resource for discussion on the supporting role of communication in relation to CSR behaviour. Authors somewhat modified this narrow approach to studying CSR by exposing the value of embedding CSR within a corporate strategy (e.g. Werther and Chandler, 2005; McWilliams et al., 2006; Bhattacharyya, 2010) and by recognising the importance of employing a relational, rather than an instrumental stakeholder approach to CSR (Kakabadse, 2005; Secchi, 2007).

Our data analysis shows that a high similarity exists between the above mentioned developments of studying CSR and the evolution of European academic debates on CSR communication. As in the case of international contributions on the topic of CSR, the predominant part of European authors has adopted an instrumental-strategic approach to investigating CSR communication. Their contributions account for more than three quarters (79.1 per cent) of all papers from our sample. This group of authors strives to assess corporate efforts related to communicating CSR. Their rhetoric is thus concentrated either on CSR communication as a tool for increasing the visibility of CSR practices, enhancing brand/corporate reputation and achieving profit-related goals, or on managerial strategies and models for effective CSR communication. Adopting a Habermasian perspective, Elving et al. (2015, p. 120) argue that such studies try to institutionalise CSR communication as a form of "instrumental/strategic" action and imply that CSR-related disclosure is used merely "as a medium of self-presentation". More specifically, European authors, who focus on CSR communication as a tool of marketing or corporate communications, orient their research around the characteristics of channels used for delivering CSR messages and their content. Their goal is to provide answers to questions about 'what' is being communicated and 'how'. Special attention, as previously pointed out by Golob et al. (2013), is given to the characteristics and challenges of CSR communication within the online environment. This thematic focus, as indicated by our data analysis, is most prominent among authors originating from a group of countries with a Latin model of CSR, especially Spain and Portugal (e.g. Capriotti and Moreno, 2007; Chaves et al., 2011; Castelo Branco et al., 2014). Moreover, studies with their focus on the 'form of delivery' of CSR messages also frequently expose CSR communication as a vogue advertising topic (Mögele and Tropp; 2010; Perks et al., 2013; Lauritsen and Perks; 2015).

Such explicit forms of CSR communication are questioned by another stream of authors, who argue that companies can employ different strategies when communicating about CSR. Two main typologies of such strategies appear in the European-based literature. The first one inspects the approaches to CSR communication on the implicit-explicit continuum (e.g. Tixier, 2003; Morsing et al., 2008; Ligethi and Oravec; 2009). The second one categorises the same approaches on the basis of the level of stakeholder engagement in the process of CSR communication employed by a certain company. Stakeholders' role in CSR communication, from this perspective, can range from stakeholders being passive receivers of information to being actively involved in the co-creation of CSR meanings (Morsing and Schultz, 2006). By pointing out that companies across Europe take on different approaches to communicating CSR, we could argue that they are not so much confronted with a Hobson's choice whether to communicate about their CSR or not, but rather with a dilemma regarding the extent and the dialogical potential of their communication. If the value of implicit CSR communication strategies is, at least for the most part, more thoroughly explored by Scandinavian authors (e.g. Morsing and Schultz, 2006; Morsing et al., 2008), no such region-specific observation can be made with regard to studies on explicit CSR communication. However, this could serve as an indicator of the 'invasion' of explicit CSR communication practices, traditionally favoured by Anglo-Saxon countries, into other parts of Europe (Jackson and Apostolakou, 2010).

A strong stakeholder orientation could also be recognised as a common denominator of studies dealing with strategic approaches to CSR communication. Generally, such studies emphasize that the main goal of CSR communication from a corporate point of view is to align expectations of multiple stakeholder groups and gain their trust in order to optimise CSR-related profits (Chaudhri, 2014, p. 3). The focus in European studies, however, is put mainly on investigating consumers' expectations regarding CSR communication (e.g. Colleoni, 2013; Bögel, 2015; Lauritsen and Perks, 2015). According to our data analysis, mixed findings on consumers' expectations regarding the preferred style of CSR communication can be identified within the European context, ranging from their preference of implicit to explicit ways of communication. Mors-

ing et al. (2008), for example, report that Danish consumers put companies in a conflicting situation, by expecting to be well informed, but not appreciating if companies resort to (overly) explicit forms of communicating about CSR. In contrast, Bögel (2015) shows that German consumers with a higher involvement in CSR activities expect to receive detailed and explicit CSR-related information from companies. Either way, the emphasis in this type of studies appears to be on organisational reactions to stakeholders' expectations and demands, not on their proactive role in constructing CSR meanings. Moreover, these studies might concentrate on different communication strategies, but only a few of them explicitly address the value of CSR communication as a strategic instrument which, if aligned with the overall corporate strategy (e.g. Podnar, 2008; Nielsen and Thomsen, 2009), can help offset stakeholder scepticism towards CSR-related messages (Chaudhri, 2014).

In recent years, as indicated by our findings, European authors have responded to the criticism of the limitations of instrumental approach to CSR communication with shifting their focus from operational to performative (i.e. constitutional) role of CSR communication (Christensen et al., 2013; Schoeneborn and Trittin, 2013). This shift builds on the idea that the institutionalisation of "a language of CSR in Europe" has provided European companies with the opportunity to act in a more socially responsible way (Matten and Moon 2005, p. 335). CSR communication, in this case, is perceived as the imperative for CSR actions, meaning that organisational talk about CSR has the power of instigating, shaping, directing and redirecting organisational CSR-related practices (Christensen et al., 2013). As such, "CSR is not a preexisting, out there idea, but one that is constructed /.../ through communication" (Chaudhri, 2014, p. 5) and should on this account be inspected as a social and communicative process. Authors, who adopt a constructivist approach to CSR communication, are said to offer a fresh and alternative, often contrasting, view on the role of CSR communication if compared to a more established operational/transactional camp (Nielsen and Thomsen, 2012; Elving et al., 2015). As a result, studies with a constructivist background make up less than one-fifth (15.4 per cent) of our sample. In Europe, the idea of communication being a cornerstone of organisational reality seems to be the most accepted among the Scandinavian scholars, who take centre stage in the current constructivist debate on CSR and CSR communication.

In comparison with instrumental-strategic studies on CSR communication, this group of scholarly contributions replaces the business-centric view on CSR communication with the idea of a plurality of voices which act as co-creators of CSR meanings. Chaudhri (2014), for example, highlights the importance of stakeholders' involvement in the dialogical (two-way) process of CSR communication. CSR meanings, he states, are being constantly negotiated and not merely transferred from business entities to their audiences. Hence, the attention is no longer given solely to the content of CSR messages, but to the social context/reality and its constituents as well. Further, the role of stakeholder management in relation to CSR-related activities is not only informative but also relational. The goal is to encourage stakeholders to become actively engaged in a dialogue with a company (Brennan et al., 2013). Central line of discussion in these studies evolves around the following concepts: dialogue and (dynamic) interaction (e.g. Brennan et al., 2013; Schultz et al., 2013), networks (Schultz et al., 2013), co-construction of meaning (e.g. Shoneborn and Trittin, 2013), CSR as a polyphonic construct (e.g. Castelló et al., 2013), deliberation (e.g. Seele and Lock, 2014), and sense-making (Schultz and Wehmeier, 2010). The rhetoric of 'the need for stakeholder engagement', which is expected to be found in this type of European-based studies, is reinforced by the findings concerning the deliberative character of new communication technologies. However, Seele and Lock (2014) argue that only a limited set of online tools actually allows a deliberative discourse to develop (e.g. blogs, social media).

Further analysis of the above-mentioned shift from operational/transactional logic, which still guides a good amount of discussions in the CSR communication field and communication-related solutions employed by CSR practitioners, to constructivist logic shows that the developments in the field reflect the shift captured in Quazi and O'Brien's two-dimensional model of CSR. This means that scholars are gradually starting to think about CSR in terms of 'wide responsibility' and focus their attention on long-term benefits of CSR communication, such as (1) maintaining good relationships with stakeholders that can serve as a basis for including stakeholders in the process of co-creation of CSR meanings or (2) aligning corporate actions with corporate-speak on the long run, and not only on profit maximisation achieved by communication activities that usually accompany CSR campaigns (see Quazi and O'Brien, 2000, p. 4).

The third conceptual camp of CSR communication studies combines both approaches to studying CSR communication and tries to critically reflect upon the professed incompatibility between the operational and constructivist approach. For instance, it challenges the belief that CSR communication-action gap can only result in consumer scepticism and argues that such issue could also lead to improvements in the organisational reality, provided that the performative role of CSR communication is taken into account (Elving et al., 2015). Such studies try to institutionalize CSR communication as a multidimensional process, which includes rather than excludes different roles of communication in the CSR context (e.g. informational, strategic, engaging and performative role) and recognizes the value of each of them. What is more, their holistic/integrative nature also promises to address the gap between academic calls for seizing the interactive potential of new communication technologies and business 'reality' (Chaudhri, 2014). Since this perspective, at least in the European context, is still at an emerging stage, not more than 5.5 per cent of all studies in our sample can be described as holistic.

In order to examine the identified institutional logics on CSR communication within the broader institutional framework, we tied our classification to the categories of theoretical approaches to studying communication in institutional theory, developed by Cornelissen et al. (2015). The authors analyse how the process of communication is addressed and understood in studies from a variety of research fields, such as linguistics, discourse or media studies that employ the ideas of institutional theory. They argue that within the institutional framework communication is generally observed as a: (1) conduit, (2) performative force, or (3) constitutive of institutions (Cornelissen et al., 2015).

By comparing these categories to the three institutional logics, which guide the European academic debate on CSR communication, we notice that the characteristics of the operational/transactional approach to studying CSR communication accord with a conduit model of communication. In both cases the language and communication are perceived “as a means to encode, transfer, and decode cognitive contents between communication actors”. Basically, the communication is perceived as a process in which “semantic or pragmatic outcomes are already largely prefigured and predetermined by actors initiating the communication” (Cornelissen et al., 2015, p. 12). According to this perspective, CSR communication is used as a means to achieve business goals in a highly business-centric and thus asymmetrical context.

The constructivist logic, on the other hand, falls somewhere between the category of performative approach to communication and the model of communicative institutionalism. The former represents an upgrade of perceiving communication strictly in transactional terms and recognises that institutions are not preexistent structures, but arise in the process of continual production and reproduction of meanings, where communication plays a central role. Nonetheless, in studies which apply a performative approach to CSR communication and deal with CSR discourses, frames or rhetorical construction “acts of a speaker are usually privileged over those of a listener” (Cornelissen et al., 2015, p. 13). In such cases, for example, the need to establish a dialogical exchange between a company and a wider network of its stakeholders is clearly recognised, but the emphasis remains on a company as the ‘initiator’ of such exchange and on stakeholders as actors/listeners who are ‘given’ the opportunity to participate in the creation of CSR meanings (e.g. Christensen et al., 2013; Schmeltz, 2014; Seele and Lock, 2014). The model of communicative institutionalism, however, tries to represent the emergence of institutions as a collaborative effort of actors involved in a communication process, which all act as interpreters, producers, and reproducers of meanings (e.g. Schoeneborn and Trittin, 2013). As both communicative institutionalism and constitutive approach to CSR communication are inherently connected to and inspired by the CCO perspective, the constitutive role of communication here is even more pronounced than in the case of performative models of communication (Schoeneborn and Trittin, 2013; Cornelissen et al., 2015; Ocasio et al., 2015). But the question remains how can such approaches gain more attention from scholars in the field of CSR communication. It seems that the first step would be to adopt the concept of dispersive CSR along with the idea of the need for the inclusive co-creation of CSR meanings (Ludescher et al., 2012). Finally, the holistic approach to studying CSR communication, as already mentioned, tries to bridge the gap between individual (generic) approaches to analysing communication within the institutional framework and bring to view that these approaches can be carried out simultaneously but in “different forms and for different purposes” (Elving et al, 2015, 124).

TABLE 2: THE INSTITUTIONAL LOGICS ON CSR COMMUNICATION WITHIN THE BROADER INSTITUTIONAL FRAMEWORK

<i>Institutional logic on CSR communication</i>	<i>Understanding of communication within the institutional framework (Cornelissen et al., 2015)</i>
Operational/transactional	Communication as conduit
Constructivist	Performative approach/ Communicative institutionalism
Holistic	Communication as conduit/ Performative approach/ Communicative institutionalism

Conclusions

CSR communication has become an important notion inside a wider CSR field, both in practice and research. In Europe, CSR might have had a rather long tradition, however it was mostly practiced in an implicit way. The CSR term as we know it today in Europe was introduced into the lexicon not so long ago together with the forces that made CSR much more explicit (Strand et al., 2014). The explicitness has brought into the forefront the importance of communication processes in CSR, both from the perspective of sharing information and establishing dialogues.

Our analysis of academic contributions as one of the most influential sources on the “supply-side” (Scott, 2008) exposed three institutional logics that structure and frame the decision making, practices of and developments in CSR communication in Europe: operational/transactional, constructivist, and holistic. As a result of the current predominance of the operational logic, the CSR communication is explored primarily through the prism of profit maximisation, transactions with stakeholders and a set of guidelines for using specific channels and strategies of CSR communication, which, if applied appropriately, supposedly translate into benefits for companies. The remaining approaches offer alternative ways of thinking about communication in relation to CSR that are centred around and powered by concepts, such as participation, social construction of meaning and network society. These approaches also carry the potential to inspire innovative and transformative CSR communication practices that would go beyond the scope of the traditional marketing communication tools and towards new forms of participation with stakeholders, following perhaps the lessons provided by the latest trends in the area of the participatory digital democracy.

To conclude, the study offers a starting point for further research on CSR communication within the institutional framework. The developed categorisation of institutional logics that shape the CSR communication field in Europe would benefit greatly from further inspection either within a global research field of CSR communication or within other arenas (e.g. supranational organisations, professional associations), where institutional construction of CSR and CSR communication takes place.

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The Common Good Balance: Sustainability Performance, Measurable and Comparable

Conference paper

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Abstract

Introduction

According to the European Commission more and more European companies have been providing greater transparency regarding their social and environmental commitment in the last years, by means of CSR and sustainability reports. However, it is still an informal practice, on voluntary basis. Furthermore, the formats used for disclosure of non-financial information are too long, not very clear and normally result from a one-way communication strategy. The Economy for the Common Good takes a new approach to this issue and proposes a process in which human values are embedded in social and economic life, and organisations who translate these values into action are rewarded. Indeed, this presupposes that both monetary-based indicators currently used to express the “success” of a country and a corporation (GDP and financial balance, respectively) shall be replaced with more comprehensive parameters.

Purpose

This paper describes the fundamental idea behind the concept of the Economy for the Common Good as well as the new indicators developed for measuring and comparing sustainability performance of organisations.

Findings

It is argued that, compared with the conventional CSR and sustainability reports, the holistic and stakeholder-oriented character of the Common Good Balance as well as its concise and clear reporting format by means of the Common Good Matrix, represent a qualitative improvement in the way organisations conceive and communicate social responsibility.

Keywords

Economy for the Common Good, Common Good Balance, Common Good Matrix, measurable and comparable sustainability performance, transparency, value shift, holistic and stakeholder-oriented

Economy for the Common Good – Overview

The Economy for the Common Good (ECG) is a quite new alternative approach that emerged in Austria in 2010, in the scope of a democratic process led by some socially committed entrepreneurs. This idea came about as a response to the general “no way out mentality” (also known as TINA = There Is No Alternative) that has been dominating the scenario of economic, environmental and social crises in the last years. The Economy for the Common Good proposes an alternative economic order based on the core elements of a more social, ecological and democratic framework for economy, without falling into the trap of extreme positions both from capitalism and communism. The concept is no new invention, but simply an effort to implement the principles contained in Article 151 of the Constitution of the Free State of Bavaria, which says: “all economic activities have to serve the common good.”

Christian Felber, one of the creators and principal ambassador of the Economy for the Common Good, defines its essence as the collective share of the basic values that forms the pillars of fulfilled interpersonal relationships, i.e. confidence building, cooperation, appreciation, democracy, and solidarity (Felber, 2012). According to him, results from scientific research have proven that happiness and motivation can be better achieved when people experience full interpersonal relations. In this context, this alternative concept bears on the revision of the fatal cultural development of humanity that has led to a dichotomisation of human behaviour regarding personal life and business relationships.

In the scope of the Economy for the Common Good, the basic values that permit individual and communal life to succeed should be promoted and rewarded. For this purpose, the basic premises for a successful development in the actual economic model, i.e. profit seeking and competition, should be replaced by consensual 'guiding stars' like confidence building, cooperation, solidarity, and sharing (Felber, 2012). Assuming that economic success, as it is measured today, is based on the monetary value and as such can say very little about the value of benefit generated by an enterprise or a national economy, the Economy for the Common Good proposes to replace the monetary-based indicators, both on macroeconomic and microeconomic levels (GDP and financial balance sheet) by the Common Good Product (CGP) and the Common Good Balance Sheet (CGBS), respectively.

It must be said that many efforts have already been made to move from the traditional way of doing business to a more responsible approach. Many companies, especially transnational corporations and brand companies – even when moved by concerns about their reputation due to excessive profit seeking – have been implementing instruments like product labels (bio-farming, fair trade), environmental management (EMAS, ISO), quality management (EFQM, BSC), codes of conduct and sustainability reports (GRI) in the last years. This confirms that the enterprises have taken well-being issues into account and acted in a responsible way as well. However, all these CSR tools are neither binding nor subject to any legal control. The normal consequence is that it works well as long as it does not negatively affect the performance in the principal balance. Companies that persist in the application of CSR tools despite a decrease in the financial results normally become uncompetitive and are driven out of business.

The spirit of the Economy for the Common Good is just the contrary: companies that promote these common good principles shall be awarded bonus points. The instrument for measuring the performance of an enterprise in accordance with the universal values that are contained in the most constitutions and form the basic principles of the common good is the Common Good Balance.

Economy for the Common Good – Some core aspects

On the macroeconomic level, the Economy for the Common Good rejects the current indicator based only on the monetary success. The concept proposes that GDP should be replaced by the Common Good Product (CGP). This indicator shall be established through a Democratic Convention which is directly elected as well as constituted by different population groups. The suggestions made by these groups are then evaluated by the Convention and decisions are made by means of a plebiscite. The results shall be included as political goals in the constitution. On the microeconomic level, the financial balance sheet is to be replaced by the Common Good Balance Sheet (CGBS) which considers social, ecological and democratic components. The improvement of the results as well as the diffusion of Common Good Balance Sheets in a national economy may contribute to its higher Common Good Product.

The Economy for the Common Good goes for something like the extension of the categorical imperative by adding an ecological dimension to it. As mentioned by Christian Felber, "one may only choose a living standard that can be shared by all people of the world without diminishing the possibility of others to choose the same standard of living. Individuals and companies will be encouraged to reduce their ecological footprint to a globally just and sustainable level" (Felber, 2012).

The Economy for the Common Good defends an environmentally friendly behaviour and a sustainable life style. The parameters shall be democratically discussed and defined in the Common Good Matrix. The 'sense of sufficiency' is indirectly contained in the Common Good Criteria for Sustainability, in the key concept of 'cooperation instead of competition', and in the preference of commons over private property. This could also be a topic in the education standards to be defined by the Democratic Convention. According to the concept, essential sectors of the economy, e.g. railways, universities, kindergartens, public services, banks etc., shall be controlled by the population.

Concerning inequality issues, the Economy for the Common Good proposes some concrete guidelines as initial parameters for further democratic discussion. For example, the maximum salary should not exceed ten times the minimum wage; individual wealth should be limited to 10 million Euros; and transfer of capital and inheritance would be allowed tax-free up to 500,000 Euros, and in the case of family-owned enterprises up to 10 million Euros per child. The exact figures should be defined by the economic conventions. Unemployment is considered quite improbable in this concept, as the reduction of labour-force as a factor of profit maximisation doesn't make sense anymore. Furthermore, excessive working pressure would have a negative impact on the Common Good Balance.

The Economy for the Common Good challenges and promotes concrete initiatives for boosting social and ecological innovations, like the electric mobility of employees (in car sharing system), the cooperation among business partners

for developing ecological design of products and services according to the Cradle to Cradle and Zero Waste principles, etc. These topics are important elements of the Common Good Balance, and companies and organisations that cope with these standards are rewarded accordingly. Furthermore, social and ecological innovations should be integrated as school subjects in the course curriculum from elementary schools until universities with a view to providing a more ethical education system.

One of the pillars of this concept is the 'humanisation' of production processes. The Economy for the Common Good prioritises the organisation of the economy in small local scale. Small enterprises, cooperatives, organisations, and communities should better co-operate with each other, according to the ethical principles of human dignity, solidarity, ecological sustainability, social justice, democratic co-determination, and transparency.

The Economy for the Common Good requires a banking system quite different from the one we currently have. In this context, the Democratic Bank has been created and operates out-side the global financial market. Deposits and lending operations are carried out exclusively according to socio-ecological criteria; money and credit becomes a public asset. There are no stock funds and no stock corporations anymore. People live from their wages and salaries and not from capital income.

The Economy for the Common Good regards itself as a form of market economy. However, it is no capitalist economy like the current system but a 'cooperative market economy'. Private companies and free market still exist, but they are anchored on ethical and legal principles that are democratically defined by the community. The aim is not at the maximisation of self-interest but the maximisation of common welfare, where priority is given to co-operation instead of conflict. Another cornerstone of this concept is that essential services like energy supply companies, schools, railway, postal system or banks are common goods and do not follow the market logic but are controlled by the population. Moreover, the Common Good Economy model contains contributions from various models and economic systems, whose positive aspects are then creatively integrated and further improved.

The Economy for the Common Good takes the indications from the 'Happiness Research' into account and proposes the limitation of private assets, for example, up to 10 million Euro. Additionally, the inheritance law should be reformed, so that transfer of capital and inheritance can be permitted tax-free up to 500,000 Euros and in the case of family-owned enterprises up to 10 million Euros per child. Any exceeding amount is distributed to the next generation via a 'generation fund'. Private ownership of nature is not allowed. A person, family or company can be assigned a piece of land required for living, farming or manufacturing purposes, free of charge. Ecological management and the fulfilment of a concrete need are a pre-condition for this. These measures will contribute to eradicate some noxious practices like land grabbing, large-scale land holding, real estate speculation, etc.

The system immanent pressure for growth (to become bigger, more competitive and thus a 'global player' are the ultimate goals) leads to the development of giant companies that abuse of their market power, close off the access to the market, block up innovation, and devour or drive the competitors out of the market. The Economy for the Common Good is not essentially against economic growth. The basic difference between the current market economy (a win-lose arrangement) and the ECG is that in the latter, the profit is just an instrument, but no longer the business goal (Felber, 2010). Financial surpluses generated by enterprises are used for: investments (with social and/or ecological value), loan repayment, accrued liabilities (to a limited extent), and limited distribution of profit to employees and for interest-free loans to other companies.

The basis of Economy for the Common Good is a sustainable development achieved through 'recovery of the commons', in full compliance with Article 151 of the Constitution of the Free State of Bavaria, which says: "all economic activities have to serve the common good."

One of the main focuses of the concept is that it does not prioritise 'money making' as the aim of the economic process where satisfaction of needs, prosperity and meaningful work can (needn't have to) be side effects. On the contrary, the Economy for the Common Good considers that satisfaction of needs, prosperity and meaningful work should be the purpose of economic activity; business creation and management is just the means to an end (Felber, 2012). Economic growth is no goal per se. And since the success of a company is no longer measured by the financial profit, but by the results from the Common Good Balance, the in-crease of monetary value is no longer a required/meaningful premise for attaining this goal.

As already explained, the Common Good Balance is elaborated from the democratically conceived Common Good Matrix, which reflects the largest consensus as regarding the common good and sustainability goals set by the communities involved in the process. The basis to this end would be the extension of Kant's Categorical Imperative, like mentioned by Niko Paech: "We should choose a life style that could be chosen by every human being on earth, without decreasing the life chances of other human beings or future generations" (Paech, 2012). Consequently, the better the results of the Common Good Balance, the greater will be the benefit for the Common Good.

The Common Good Balance

Let's firstly analyse the two indicators that currently measure the "success" of a national economy and a corporation, respectively, the GDP and the Financial Balance. At the macro-level, an increasing GDP does not provide any reliable information on social and environmental concerns of a country and its citizens. Is the country at war or peace? Is it a democracy or a dictatorship? Are natural resources being preserved or depleted? Analogically, the same is true at the micro-level. A higher corporate profit says nothing about its commitment to social and environmental issues. Has the company created or cut jobs? Has the quality of work conditions raised or decreased? Are female employees equally treated and paid like the male ones? How does the company deal with natural resources? Does it produce weapons or regional organic food? The financial balance provides information just on how much a company has benefited from itself, but not on how much the society has benefited from the company's activities.

In order to verify and illustrate whether a company has contributed to the Common Good, and to what extent, another indicator than the financial balance is required. For this purpose the pioneers of the Economy for the Common Good have developed the Common Good Balance. The Common Good Balance is the core element of the Economy for the Common Good. By means of the Common Good Balance the organisation, be it private or public, non-profit or profit-oriented, can measure and illustrate its contribution to the Common Good. The organisation's moral behaviour and activities are normative evaluated, visible structured and freely accessible to everyone (Behrens-Scholvin, 2013).

The development process of the Common Good Balance began in 2009, with a small group of 15 globalisation critical enterprises in Austria who addressed the question of what the civil society could do to deal with the economic crisis. The key point at that time was to search for alternatives to the decoupling of the current economic system from the real needs of people and planet. The group came to the conclusion that a positive change could only take place when a shift on the values that are the basis of the today's political and economic system also occurs: a shift from profit maximisation to profit optimisation, competition to cooperation, from individual benefits to common good. These entrepreneurs then developed the first version of the Common Good Balance which was published in August 2010. Thereon, 50 pioneer companies committed themselves to improve the Balance with view to implementing its 2.0 version in 2011. But this was still not practical enough. The group kept working on it and the 3.0 version came out in July 2011. This was the first official Common Good Balance which was implemented by about 60 enterprises in 2011. Two further revisions were carried out, respectively in 2012 (4.0) and 2013 (4.1).

According to the Common Good Balance 4.1, seventeen Common Good Indicators give precise information on core aspects of the current debate on sustainability and Corporate Social Responsibility. During the process of compilation and evaluation, the organisation deals with following fundamental questions such as:

- How meaningful are our products/services?
- How human are the work conditions?
- How environmentally-friendly are our production methods?
- How does the company deal with suppliers and clients?
- To what extent does the company express solidarity with other organisations?
- How is the income distributed?
- Are women equally treated and paid?
- How democratically is the decision-making process?

The Common Good Point System

The total sum of all criteria can reach a maximal score of 1,000 points; at most 90 points for each Common Good criterion. The Common Good Balance has been developed in such a way that it can be applied for any kind of organisation, independent from its size, industry and legal form; from the OPE (one-person enterprise), non-profit organisation and SME to the stock listed company or the public university. In the first and second balance years, the best organisations scored between 550 and 675 points. It is assumed that a "normal" organisation that hasn't really cared much about Common Good issues till now will probably score between - 100 and + 100 points. No organisation can be exemplary in all aspects, so that we should not expect that some of them could reach the mark of 1,000 points. Yet it is important to emphasise that process of preparing the Common Good Balance and then the Common Good Report shall prevail over the score. Nevertheless, the ECG editorial team, together with all stakeholders, is working on the improvement of balance and its graphic presentation in form of a matrix. The group is now discussing whether the 5.0 version should still be based on score points or replaced with a colour system. For the moment, the results of the Common Good Balance are graphically displayed on one DIN A4 page, in the Common Good Matrix 4.1, where the X-axis represents the basic values and the Y-axis the stakeholders.

The Common Good Matrix 4.1

In the actual version of the Common Good Matrix (from 2013) following stakeholders and values are considered:

Stakeholders:

- A) Suppliers
- B) Investors
- C) Employees including Business Owners
- D) Customers / Products / Services / Business Partners
- E) Social Environment (region, electorate, future generations, fellow human beings, animals and plants)

Values:

- 1) Human Dignity
- 2) Cooperation and Solidarity
- 3) Ecological Sustainability
- 4) Social Justice
- 5) Democratic Co-determination and Transparency

Negative Criteria:

Additionally, companies are also evaluated according negative criteria, like violation of ILO norms and human rights as well as national and international environmental standards, hostile takeovers, blocking patents, dumping prices, discrimination, non-transparency, etc.

The 17 core indicators as well as the negative criteria have been developed from the combination of these values and stakeholders as follows :

- A SUPPLYERS
 - A1 Ethical supply management
- B INVESTORS
 - B1 Ethical financial management
- C EMPLOYEES, INCLUDING BUSINESS OWNERS
 - C1 Workplace quality and affirmative action
 - C2 Just distribution of labour
 - C3 Promotion of environmentally-friendly behaviour of employees
 - C4 Just income distribution
 - C5 Corporate democracy and transparency
- D CUSTOMERS, PRODUCTS, SERVICES, BUSINESS PARTNERS
 - D1 Ethical customer relations
 - D2 Cooperation with business in the same field
 - D3 Ecological design of products and services
 - D4 Socially oriented design of products and services
 - D5 Raising social and ecological standards
- E SOCIAL ENVIRONMENT (REGION, ELECTORATE, FUTURE GENERATIONS, CIVIL SOCIETY, NATURE)
 - E1 Meaningfulness and social impact of products and services
 - E2 Contribution to the commonwealth
 - E3 Reduction of environmental impact
 - E4 Common Good oriented distribution of profits
 - E5 Social transparency and co-determination
- N NEGATIVE CRITERIA
 - N1 Violation of human dignity
 - N2 Uncooperative behaviour
 - N3 Massive environmental pollution
 - N4 Socially unfair behaviour
 - N5 Undemocratic behaviour

These 17 core indicators and the negative criteria have been then broken down into 52 more positive as well as 17 indicators. Each sub-indicator describes a contextual or an organisational aspect. But, these indicators should not prevent

organisations from seeking negative sub-indicators. Each sub-indicator describes a contextual or an organisational aspect. But, these indicators should not prevent organisations from seeking their own ways and means of serving the Common Good. Besides the fulfilment of the individual indicators, organisations shall always pose the global question: "How can we best meet and improve Value X in relation to Stakeholder Y?"

Through the joint search by organisations, ECG editorial teams and auditors new and more precise indicators, criteria and examples are continuously developed. The matrix makes this process easier. The 17 indicators help to set goals and give examples for the concrete implementation, whilst preserving the possibility for organisations to develop their own, new, equivalent implementation paths. This open process offers some creative freedom to the organisations as well as some margin of appreciation to the auditors. In this way, the Balance provides not only rigid criteria, but also allows for a certain degree of flexibility, in order for the organisations can contribute to the further development of ideas. At the end of the day, the direction must be right.

Positive indicators

A1: Ethical supply management

An organisation shall fully observe its responsibility for the upstream supply chain steps and choose only Common Good oriented suppliers. A Common Good oriented organisation deals actively with the issues regarding products/services and tries to minimise its total resource consumption as well as the related social and ecological effects through active measures, until "back to the cradle". The active confrontation as well as the concrete acquisition of social and ecological value added products and services shall be rewarded. As, for example, the organic apple from a regional, solidary farm is expected to be more consistent with the society's perceptions of a sustainable economy (fair distribution of the value added, work conditions etc.) than the organic apple from a food retail chain.

This indicator is sub-divided in three sub-indicators as follows:

- A1.1 Observance of regional, ecological and social aspects as well as high quality alternatives
- A1.2 Active analysis of risks regarding purchased products and services / Processes to ensure quality, extent and form of verification
- A1.3 Structural frameworks for fair pricing

B1: Ethical financial management

The change into a new, non-profit oriented bank and the claim for ethical and sustainable financial services promote the just distribution of wealth as well the meaningful use of financial resources. The fundamental elements of a Common Good oriented financial management are the partial or full waiver of interests or dividends and the investment on Common Good oriented projects and organisations. Money shall serve people and planet, not the contrary!

This indicator is made up of following four sub-indicators:

- B1.1 Institutionalisation
- B1.2 Ethical and sustainable quality of the financial services provider
- B1.3 Common Good oriented assessment value
- B1.4 Common Good oriented corporate financing

C1: Workplace quality and affirmative action

Concerning the workplace, human dignity is shown through equality and equal opportunities for all people who work for an organisation as well as the aim at the healthiest, freest and most cooperative working conditions as possible. The contrary would mean exploitation in favour of individual profit, denial of co-determination, discrimination or damage to health. The quality of a workplace is considered exemplary when the needs of all employees – also regarding their heterogeneity – are met, continuously and to the greatest possible extent. Due to the high level of disadvantage still faced by people who do not belong to social dominant groups, corporate equality policies that aim to ensure equal opportunities as well as the promotion of diversity in an organisation play an especially important role for achieving high quality of working conditions.

Indicator C1 is also constituted from four sub-indicators, namely:

- C1.1 Employee-oriented organisation culture and structures
- C1.2 Fair employment and remuneration policy
- C1.3 Occupational safety and promotion of healthy lifestyles incl. work-life balance / flex-time
- C1.4 Equality and diversity

C2: Just distribution of labour

Gainful employment is an important element of social participation. However, the current situation of the labour market shows an unbalanced figure: some people work too much whilst others have no job. The primary goal of this indicator is, therefore, the just distribution of the work volume among all employable people. If the overtime hours are gradually reduced and transferred to other people who have a minor or no employment, companies can so give a substantial contribution to bring this unsustainable situation into balance. The continuous downsizing of workload would then lead to other employment models. According to new economics foundation (nef, a UK-based think tank) "moving towards a standard of 21 hours could help to redistribute unpaid as well as paid time – for example by making more jobs available for the unemployed and giving men more time to look after their children" (nef, 2010).

The following three sub-indicators build the C2 indicator:

- C2.1 Reduction of normal working hours
- C2.2 Increase of share of part-time job models and promotion of temporary employment (under full remuneration)
- C2.3 Conscious approach to life and work situations

C3: Promotion of environmentally-friendly behaviour of employees

The objective of a Common Good oriented organisation is to push the ecological awareness of its employees as well as to enable an environmentally-friendly behaviour at the workplace by creating framework conditions, finding role models, rewarding projects etc.

Detailed information is provided by the following three sub-indicators:

- C3.1 Diet during the working time (factory canteen, catering, self-catering)
- C3.2 Mobility (e.g. travelling to and from workplace)
- C3.3 Organisation culture, awareness of ecological issues, company-internal processes

C4: Just income distribution

This indicator aims at a fairer distribution of income. The remuneration shall be based on performance (equal effort per working hours), responsibility, risk and demand. The following points shall be considered in the evaluation:

C4 is made up of three further sub-indicators:

- C4.1 Company-internal income spread
- C4.2 Guaranteed minimum income
- C4.3 Transparency of corporate-internal remuneration system

C5: Corporate democracy and transparency

From a legal point of view, we live in a democracy. In fact, the opportunities for citizens to participate in political decisions are limited to elections every 4-5 years or scarcely known. Concerning the economy, the democratic principles can be even less applied. Shareholders and managers make the decisions, whereas employees' participation is normally restricted to their representatives in trade unions and work councils. Several recent studies have demonstrated that employees are more satisfied, committed, innovative and productive in democratic organised companies than in traditional corporate structures. The Economy for the Common Good advocates the highest possible form of transparency and employee co-determination in all fundamental decisions (at least in her/his area of work) as well as the legitimization of the managers by means of a direct election.

These points are summed up in the following four sub-indicators:

- C5.1 Level of transparency
- C5.2 Legitimacy of leaders (senior executives, managers)
- C5.3 Participation in fundamental and framework decisions
- C5.4 Joint ownership of employees

D1: Ethical customer relations

Sales and marketing are necessary to get the own products/services on to the end-user. Without these activities there is no or just a small turnover. However, it is not a question of “whether or not” but “how marketing activities are conceived and practiced”. Indeed, this indicator deals not only with the sales activities but with the whole customer relations. Customers are treated as equal partners; communication takes place at eye level, aimed at the well-being and the optimal fulfilment of customers’ needs in all phases of the customer relations and, if necessary, even against the own business interests. For a better implementation of ethical customer relations the Economy for the Common Good has drawn inspiration from the integer marketing concept developed by Thomas Maak and Peter Ulrich which points towards the following motto: “Does it make sense?” (Maak & Ulrich, 2007).

Four sub-indicators provide a deeper insight into this issue:

- D1.1 All measures regarding ethical customer relations (ethical marketing and sales)
- D1.2 Product transparency
- D1.3 Scope of customer co-determination / joint product development / market research
- D1.4 Service management

D2: Cooperation with business in the same field

The Economy for the Common Good builds on systemic cooperation with mankind and nature. As a natural result, solidarity among business partners develops into a basic value for entrepreneurial behaviour. By perceiving the interconnectedness of all things and the cooperation generated from that, corporations can develop their creativity, experience new possibilities and chances on the market as well as mitigate crisis better than in a competitive “society of everyone for himself”. Competition turns into a learning, developing and solidary community of organisations where corporates are rewarded for their cooperative and solidary behaviour.

This indicator is evaluated by means of three sub-indicators, as follows:

- D2.1 Disclosure of relevant information (e.g. cost calculation, sources of supply), know-how transfer (open source principle)
- D2.2 Cession of workforce in case of weak order situation, transfer of orders, cooperative market participation
- D2.3 Cooperative marketing (e.g. creation of a joint product information system)

D3: Ecological design of products and services

By designing products or services at least four pre-conditions for ecological sustainability are to be observed: consistency, efficiency, sufficiency and resilience. Under the requirement for consistency, the Economy for the Common Good points out the necessity that all economic activities are to be designed in such a way that, in the medium term, they can be integrated into the natural cycle, i.e. they are nontoxic, renewable, biodegradable (e.g. circular economy, cyclonomy, cradle to cradle). Regarding efficiency, the ECG considers it fundamental to use energy, materials, spaces (and money) efficiently, i.e. as much and as long as possible, as they are finite. Sufficiency means that we have to come along with the existing physical resources. And in order for our systems (natural, technical or economic) to be resilient, their buffer capacity has to be as good as possible consolidated, so that in the event of disturbance the systems remain reasonably stable. The active approach regarding these four criteria is then rewarded. However, company and sector specific characteristics play an important role for the relevance of the individual aspects.

These points are summed up in the following sub-indicators:

- D3.1 Efficiency and consistency: comparing within the industry, products/services are at least as environmentally sustainable as the ones from other trade partners
- D3.2 Sufficiency: active product/service design for an ecological use and sufficient consumption
- D3.3 Active communication of ecological aspects towards customers

D4: Socially oriented design of products and services

This indicator shows how much an organisation is committed with social aspects regarding its customers’ sphere. It has a special relevance for the retail business, as it serves the whole spectrum of disadvantaged and non-disadvantaged consumer groups. For example, a small store can be designed and equipped in such a way that it offers full accessibility to persons with physical impairments. This indicator is equally of high relevance for providers of essential services like banks, energy and telecommunication suppliers, educational institutions, hospitals and medical offices etc.

Two main factors are essential for the evaluation of the corporate social responsibility in the sales policy:

- D4.1 Simplified and adequate access of disadvantaged customer groups to information, products and services
- D4.2 Sales policy benefits structures worthy of further support (SMEs, Common Good oriented organisations)

D5: Raising social and ecological standards of business sector

The objective of this indicator is to encourage organisations of the same sector to cooperate with one another in socially and environmentally relevant questions, to find innovative solutions, to join already existing initiatives (e.g. labels, voluntary industry standards) and to make relative information transparent and accessible to other trade partners, and so to contribute to the improvement of the standards. At the political level, the organisations promote measures (according to their size and weightiness) for creating higher, more transparent and more precise legal frameworks.

Detailed information is provided by the following three sub-indicators:

- D5.1 Cooperation with “competitors” and partners in the supply chain
- D5.2 Active contribution to improve legislative standards
- D5.3 Range of influence, breadth and depth of content

E1: Meaningfulness and social impact of products and services

Considering the overall system of our planet, the activity of a Common Good oriented organisation cannot be only aimed at the satisfaction of demand. It is necessary to evaluate the social impact as well as the meaningfulness of products and services. According to the concept of the Economy for the Common Good global production shall just be extended to items that people really need for a sufficient (frugal) lifestyle. And it shall be practiced in the most ecological and sustainable possible way. Common Good oriented organisations get support for developing and providing meaningful, socially and environmentally sustainable products and services. In addition, with their offer, Common Good oriented organisations promote a socio-cultural shift in awareness that contributes to the solution of some of the greatest challenges facing mankind today, like poverty reduction, access of all people to adequate and appropriate nutrition, health care, education and solutions to social grievances.

Two sub-indicators sum up the core idea behind this new approach:

- E1.1 Products/services meet the basic needs or contribute to the development of people/ community/planet and generate positive benefits
- E1.2 Environmental and social performance of products/services compared with alternatives with similar final use

E2: Contribution to the commonwealth

Every person and every organisation benefits from the commonwealth, for example, through services provided by community facilities and the existing infrastructure. These services are financed by taxes and social contributions. In addition, several people and organisations contribute voluntarily, in form of financial donations, physical resources or voluntary work. This contribution can be even higher, if the existing individual productive factors (nowadays usually understood as soil, capital, work and knowledge) are increasingly applied to strengthen the commonwealth instead of private patrimonies. Besides the services that corporations normally provide, the impact of these measures (the “social footprint”) shall be also evaluated to a greater extent.

The contribution to the commonwealth is determined by means of the following three sub-indicators:

- E2.1 Performance/Achievement: effort, independent from “success”
- E2.2 Impact: real, perceptible changes that are achieved through the efforts
- E2.3 Intensity: depth and level of sustainability of corporate commitment, concrete form of assumption of responsibility

E3: Reduction of environmental impact

You can't manage what you don't measure. For this reason, a Common Good oriented organisation

- 1) deals actively with its environmental impacts;
- 2) investigates and reports its direct and indirect environmental impacts, according to its size and activities;
- 3) has a program to continuously reduce its negative impacts; and
- 4) has a program to strengthen and communicate its positive impacts.

The organisation activities shall follow the above-mentioned “sustainability quartet”: consistency, efficiency, sufficiency and resilience.

The efforts to reduce the environmental impacts are measured and presented through the following sub-indicators:

- E3.1 Absolute impacts
- E3.2 Relative impacts
- E3.3 Management and strategy

E4: Common Good oriented distribution of profits

The application of company profits is the hottest point of discussion in the economy now-a-days. The debate has become even more hectic due to the increasing distribution rates of listed stock corporations put under pressure by the globalised financial markets. Also small companies can distribute part of their profit (or yet a higher amount) to shareholders, even if the employment relationships no longer exist. According to the Economy for the Common Good the corporate profits shall be distributed or reinvested as just and meaningful as possible, promoting the Common Good to the highest level of social justice. For better cope with this challenging shift of mind-set, the ECG suggests some fundamental questions that the whole society should deal with:

- What's the purpose of an enterprise?
- What does "performance/achievement" mean for us?
- In principle, should capital growth be a natural claim?
- Which systemic impacts does ROI have (generation of more money, without performing any work)?

The core values behind this new approach can be summed up in two sub-indicators:

- E4.1 External distribution of profits
- E4.2 Common Good oriented use of dividends: distribution to organisations that generate jobs, strengthening of equity capital, social reinvestments

E5: Social transparency and co-determination

Company-internal decisions can have a long-lasting impact on external stakeholders, such as neighbours, people in the region, civil society, future generations and nature (fauna and flora). These groups are affected by corporate decisions on location and kind of products and services and, as party concerned, they should participate in the decision processes. For a greater involvement of all stakeholders, full transparency is an indispensable prerequisite. Although sustainability reporting has been increasing, fundamental aspects are mostly hidden or just partially considered. The external verification of published data in sensitive areas (e.g., locations in critical countries etc.) frequently does not appear. A Common Good oriented organisation shall inform the public about all fundamental aspects of its business activities, so that all stakeholders can have an insight into the company, put through their interests and needs and take positive influence on the company for the purposes of the Common Good. The credibility of this transparency increases if the information can be externally authenticated or freely accessible to independent institutions.

The following three sub-indicators help to evaluate the level of transparency and lived democracy within an organisation:

- E5.1 Scope of ECG report (or sustainability report at GRI level)
- E5.2 Form of co-determination and documentation
- E5.3 Scope of co-determination and involved stakeholders

Negative Indicators

As already mentioned, organisations whose business practices are unethical and unfair receive negative points in the balance process. The negative points can vary from 100 to 200 for each core indicator.

N1: Violation of human dignity

- N1.1 Violation of ILO norms / Human Rights
- N1.2 Products/services detrimental to human dignity and human rights (e.g. landmines, nuclear power, GMOs)
- N1.3 Outsourcing to or cooperation with organisations that violate human dignity

N2: Uncooperative behaviour

- N2.1 Hostile takeovers
- N2.2 Blocking patents
- N2.3 Dumping prices

N3: Massive environmental pollution

- N3.1 Massive environmental pollution
- N3.2 Gross violation of environmental standards
- N3.3 Planned obsolescence (short lifespan of products)

N4: Socially unfair behaviour

- N4.1 Unequal pay for women and men
- N4.2 Job cuts or moving jobs overseas (despite having made a profit)
- N4.3 Subsidiaries in tax heavens
- N4.4 Equity yield rate > 10%

N5: Undemocratic behaviour

- N5.1 Non-disclosure of subsidiaries
- N5.2 Prohibition of work council
- N5.3 Non-disclosure of payments to lobbyists
- N5.4 Excessive income inequality within a business

Common Good Balance – A step further beyond the traditional CSR reports

In the framework of its Strategy 2011-14 for Corporate Social Responsibility the EU has de-fined CSR as “the responsibility of enterprises for their impacts on society”. In the strategy paper the European Commission explicitly encourages enterprises “to have in place a process to integrate social, environmental, ethical human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders (European Commission, 2011). Indeed, a growing number of companies disclose social and environmental information. However, SMEs often communicate such information still informally and on a voluntary basis.

A further Public Consultation on the EU’s CSR Strategy was realised by the Directorate-General for Enterprise & Industry of the European Commission between April and August 2014. The 525 respondents from different member countries and stakeholder groups (industry, civil society, public authorities, non-profit foundations, CSR Consultants, CSR lecturers and researchers at university as well as think tanks) have pointed out the main objectives for the future EU policy on CSR as well as the main challenges for their implementation. It is worth mentioning here that the promotion of transparency measures on CSR (e.g. reporting, sustainable responsible investment etc.), the raise of visibility and importance of CSR amongst all societal actors, and the enhancement of market reward for CSR (through e.g. public procurement, investment or consumer policies) are among the main objectives that received the highest ranking points. Some of the principal challenges pointed out in the study are to find the right balance between voluntary and regulatory actions; to raise visibility and importance of CSR amongst all societal actors, especially consumers and investors; to generate a shift in business thinking from short-term focused accounting to a broader vision that takes into account all economic aspects; to ensure that actors are engaged and act in a true spirit of CSR, rather than just ticking boxes and “mechanically” following guidelines; and to find a balance between standardising and harmonizing CSR reporting (European Commission, 2014).

The comprehensive approach and the far-reaching measures proposed by the Economy of the Common Good provide a well suited concept for addressing these main objectives and tackling the mentioned challenges. A large advantage of the Common Good Balance over the conventional CSR instruments is that, in the framework of the elaboration of a balance, enterprises – and their stakeholders as well – get more involved in the process and develop a stronger content-related and methodical orientation. This experience definitively contributes to identify blind spots and work on solutions for improving awareness and strengthening re-sponsibility. Another innovative characteristic of the Common Good Balance is that, after have been democratically developed by representatives of the largest possible spectrum of stakeholders, the indicators are compiled in a report. The content of these indicators is then binding and serves as a “script” for all enterprises willing to draw up a Common Good Balance. This data consistency, allied to a point system, makes it possible to measure and compare sustainability performance in a reliable and trustworthy way. To crown it all, the re-sults of the balancing process are visually summarised in a one-page Common Good Matrix that provide all key information at a glance. In a further step, if desired, a formal certification can be carried out by an authorised ECG Auditor.

This comprehensive and at the same time concise format for reporting and disclosing information on sustainability and CSR commitment of business and other organisations represents a cornerstone that goes beyond the current “state of the art” in the field of CSR communication.

At present, more than 1,800 companies, in Europe and Latin America, have joined the Economy of the Common Good movement and drawn up a Common Good Balance. It is a seed of hope that has been planted, looking forward to being watered and so contributing to raise awareness in business and in the society as a whole.

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¹ Free translation from the original text in German

² Free translation from the original text in German

³ Free translation from the original text in German

⁴ For the complete version see the Common Good Matrix 4.1 in the Attachment 1

ECONOMY FOR THE COMMON GOOD

An economic model for the future

COMMON GOOD MATRIX 4.1

This version is valid for Common Good Balance Sheets generated in 2015

STAKEHOLDER	VALUE	Human dignity	Cooperation and Solidarity	Ecological Sustainability	Social Justice	Democratic Co-determination and Transparency
A) Suppliers	<p>A1: Ethical Supply Management Active mitigation of the risks of purchased goods and services, consideration of the social and ecological aspects of suppliers and service partners</p> <p>90</p>					
B) Investors	<p>B1: Ethical Financial Management Consideration of social and ecological aspects when choosing financial services, common good oriented investments and financing</p> <p>30</p>					
C) Employees, including business owners	<p>C1: Workplace quality and affirmative action Employee-oriented organizational culture and structure, fair employment and payment policies, workplace health and safety, flexible balance, flexible work hours, equal opportunity and diversity</p> <p>90</p>	<p>C2: Fair distribution of labor Rotation of overtime, dismissal, unpaid overtime, reduction of total work hours, contribution to the reduction of unemployment</p> <p>50</p>	<p>C3: Promotion of environmentally friendly behavior of employees Active promotion of sustainable behavior of employees (recycling, sorting, training and environmental education, sustainable organizational culture)</p> <p>30</p>	<p>C4: Fair income distribution Less income disparity within a company, compliance with minimum and maximum wages</p> <p>60</p>	<p>C5: Corporate democracy and transparency Comprehensive transparency within the company, election of managers by employees, democratic decision-making on fundamental strategic issues, transfer of property to employees</p> <p>90</p>	
D) Customers / Products / Services / Business Partners	<p>D1: Ethical customer relations Ethical business relations with customers, customer-oriented development, high quality of service, high product transparency</p> <p>50</p>	<p>D2: Cooperation with business in same field Transfer of know-how, personnel, contracts and know-how (even to other business in the same field, cooperation in cooperative networking activities and crisis management)</p> <p>70</p>	<p>D3: Ecological design of products and services Offering of ecologically superior products/services, assistance in production programs, consideration of ecological aspects when choosing customer target groups</p> <p>90</p>	<p>D4: Socially oriented design of products and services Information, products and services for disadvantaged groups, support for value-oriented market structures</p> <p>30</p>	<p>D5: Raising social and ecological standards Employing business best-practices, designation of higher standards with businesses in the same field, lobbying</p> <p>30</p>	
E) Social Environment: Regional, national, transnational, civil society, fellow human beings, animals and plants	<p>E1: Value and social impact of products and services Products and services that benefit human health, environment, society or the environment</p> <p>90</p>	<p>E2: Contribution to the local community Mutual support and cooperation through financial resources, services, products, logistics, time, know-how, knowledge, contacts, influence</p> <p>40</p>	<p>E3: Reduction of environmental impact Reduction of environmental effects towards a sustainable level, resources, energy, climate, emissions, waste etc.</p> <p>70</p>	<p>E4: Investing profits for the Common Good Refraining or minimizing dividend payments to owners, payments to employees, increasing early, ecological investments</p> <p>60</p>	<p>E5: Social transparency and co-determination Common good and sustainability reports, participation in decision-making by local stakeholders and NGOs</p> <p>30</p>	
Negative Criteria	<p>Violation of ILO conventions/national labor standards/human rights</p> <p>Products detrimental to human dignity and human rights (e.g. in climate, nuclear power, GMOs)</p> <p>Cooperating in or cooperation with companies which violate human dignity</p>	<p>Hard to take over</p> <p>Blocking parents</p> <p>Jumping Prices</p>	<p>Major environmental pollution</p> <p>Excess violation of environmental standards</p> <p>Planned obsolescence (short lifespan of products)</p>	<p>Unequal pay for women and men</p> <p>Jobs cuts or moving jobs overseas despite having made a profit</p> <p>Subsidies in tax systems</p> <p>Equity payments > 10 %</p>	<p>Manufacture of substances</p> <p>Prohibition of a waste council</p> <p>Non-observance of payments to lobbyists</p> <p>Executive income inequality within a business</p>	<p>-100</p> <p>-150</p> <p>-200</p> <p>-150</p> <p>-200</p> <p>-150</p>



Unlocking Corporate Social Responsibility: Minimalism, Maximization, and Neo-institutionalist Resource Dependency Keys

Conference paper

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Examination of organizational corporate social responsibility (CSR) covers topics ranging from legitimacy, and legitimacy gaps, to the ways best for organizations to measure and publicize their good CSR report as corporate social performance (CSP).

Purpose

This paper explores the proposition that organizational policies and actions gain more legitimacy when they proactively improve (rather than reactively defend) their CSR standing by meeting challenges discursively mounted by competitors, watchdog activists, and governmental officials.

Design/methodology/approach

The paper reviews literature, including social capital, to consider CSR as both a reactionary and proactionary construct against which organizations defend and publicize their CSP. The paper examines four premises relevant to the discursive (contentious and collaborative) approach to formulating and implementing CSR norms. The case of fracking (hydraulic fracturing) in the USA provides text for exploring these premises.

Research limitations/implications

The case study offers limited support for the findings; more cases need to be examined to determine whether the findings are robust.

Findings

This paper concludes that the viability of CSR expectations of industry performance rests on threshold and excellence standards that not only withstand but also are improved by discursive challenge.

Originality/value

Discussion of CSR and CSP as employing profit for the good of society, based on discussions of legitimacy and social capital, strengthens CSR as strategic management and communication options. Such research clarifies how evaluative expectations of CSR are a legitimacy threshold as well as basis for reputational enhancement.

Keywords

Corporate social responsibility, neo-institutional theory, resource dependency theory, legitimacy, social capital

Introduction

Discussions of the normative role corporate social responsibility (CSR) plays in organizations' resource dependency frame it broadly as right to operate and gain reward, or in more narrow senses as measures of corporate social performance (CSP). Such discussions of organizational legitimacy ask whether organizations bend society (opinions and narratives) to serve them or bend themselves to serve society. These options conceptualize reactionary and proactionary approaches to strategic management and communication. As artificial citizens, organizations seek societal/stakeholder approval based on the degree to which they comply with legitimacy standards (functional--formal/public policy and normative--informal/cultural).

Because of its complexity and importance, CSR is viewed in different ways. For instance, Schrempf's (2014) social connection approach prefers a proactionary commitment by enterprise to serve society—that is to make it better—rather than adopt the liability, reactionary, bias—that is meeting the lowest CSR bar of approval. The strategic management choice weighs the best performance options to foster reward for all, rather than a reactionary, least damage version of CSR as a sum-zero game.

As a normative concept, CSR features managerial and societal judgments forged through discourses that translate into performance expectations held by stakeholders who consequently support or oppose (and of course, ignore) what organizations do and say. This normative, discursive approach to CSR can be, and is in the literature, seen to range from relatively different perspectives, but all seem to be grounded on tests of legitimacy. Such tests are motivated by differences in expectations that lead to contention, disputation, strained/dysfunctional relationships, legitimacy gaps, public policy battles, and power/knowledge moves. Once (or if) support is granted, CSR can be claimed, publicized and measured as corporate social performance (CSP), a strategy for doing well by doing good.

This juried approach potently treats CSR as legitimacy bars. Stakeholders find violations offensive and oppose rather than support organizations so strongly that violations can threaten an organization's viability. Extreme examples include Enron, World Com, Tyco, Global Crossing, and Lehman Brothers.

However dramatic such organizational deaths (crisis-motivated reformations and restructurings) are, the more typical situation is that the CSR violation highlights a management decision, an operational strategy, or performance standard which is significant to the organization's resource dependency, but not critical, at least not immediately so, to its existence. Thus, without endangering the viability of a paint company, it is prohibited from including named ingredients, especially lead, in paint. An entire company, or industry, such as Monsanto is not threatened when some product lines, such as GMO, are controversial. Over the past 50 years, oil and gas companies have been pressed toward higher CSR standards to reduce emissions and environmental damage, clean up spills and leaks, increase worker safety, and such. The food industry has been criticized for producing unhealthy food which is marketed by misleading narratives.

Managerially, organizations assert themselves into environments where political economies are enacted; they do so by testing the limits of resistance. Internally, co-enactors shape the organization (internal forces of agency); so too externally, co-enactors construct organizations' role and assess their impact on society (societal agency). Analysis of such discourse arenas leads critics to appreciate Mumby's (2005) dialectics of resistance "as a set of situated discursive and nondiscursive practices that are simultaneously enabling and constraining, coherent and contradictory, complex and simple, efficacious and ineffectual" (p. 38).

Framed that way, the purpose of this paper is to feature CSR as best when in a proactionary way organizations, particularly businesses, hold themselves to high CSR standards as a way of demonstrating their right to operate and gain reward. The challenge for such organizations is to use CSR normative logics to manage resistance. Normative resistance can be viewed metaphorically as stewardship, the care for a tree, for instance. In the most dramatic violation of CSR, an organization—as a tree—either dies for lack of reward or is killed or severely altered as change agents resist its offensive presence. NGO activists prune offending branches, or force managements to do so.

Thus, CSR defines, in a dynamic and change management fashion, the conditions of meeting stakeholder resistance. The question, and that is fundamental to this paper, is how discourse resources are brought to bear to define the normative standards used to judge organizational performance that leads stakeholders to support or oppose the organization, some of its policies, which may need to be pruned and shaped. Such battles need not be zero-sum, but can advance through collaborative engagement. If so, by what discourse resources can collaboration be advanced? Can CSR norms, and the discourses by which they are decided and implemented—and even used for CSR-CSP promotion, be a process-means for achieving common good (Mahon and McGowan, 1991)?

Such contentiousness deserves continual investigation if we are to understand the connections between discourse, legitimacy, CSR, and organizations' abilities to make societies better places to live and work as the rationale for their existence and managerial governance. The purpose of this paper is to explore the disputational aspects of CSR as it plays out in society as premises are tested relevant to (1) the threshold challenge of legitimacy and reward dependency which first must

be met to warrant the right to operate and the granting of reward which can be used (2) to do well by doing good. (3) The level(s) of CSR expectation(s) is the result of voiced preferences and the enactment of management preferences which are challenged, shaped, and tempered by discourse resources brought together in various rhetorical arenas. (4) CSR research and theory require a meaning-centric approach which is inherently built on the normative logic of (social) resource dependency and legitimacy rights to resources.

Thus, as a gardener shapes a tree, so too stakeholders shape organizations to please them. Although the incentive for change is the resistance encountered, how that resistance is addressed reflects the (self-regulatory) character of the organization (Potoski and Prakash, 2005; Bartnett and King, 2008) which sets the foundation for evaluating its CSP.

To explore this orientation to CSR, this paper begins (1) by revisiting the history of CSR as contested ground and social construction, (2) exploring the additive effects of social capital which are forged through social exchange, (3) and by examining four premises that explain the discursive processes by which legitimacy gap CSR standards are forged, the existence and degree of legitimacy gap contests, and the goodness of fit between organizational performance and stakeholder expectation:

P1: CSR (and consequently CSP) discourse is inherently rhetorical contention between many voices over scientific/social scientific (factual/pragmatic) analysis and moral (evaluative/policy) preferences.

P2: Multiple voices debate the meaning and normative implications of CSR standards and judge organizational performance regarding the legitimacy of whose interests are served and how; within these latitudes enterprises are privileged to organize to operate but obligated to communicate that they meet such standards and therefore deserve reward.

P3: Language and meaning provide the keys that unlock CSR tensions in order to ascertain when and how organizations bend themselves to earn resources by serving society rather than bend societies to serve their self-interested resource dependency.

P4: CSR is best when viewed not as reactionary but as proactionary decision making that results when multiple voices debate public policy definitions, review norms of corporate behavior/performance, and implement public versus private policy norms for the good of the many.

The use of fracking (hydraulic fracturing) to increase oil and gas production in the USA provides text for exploring these premises.

Revisiting CSR

CSR's origins reach back in the United States to the 19th century Industrial Revolution. As corporations increasingly dominated mass production/mass consumption matrices, critics argued that businesses, especially protected by their alliance with government agencies, exhibited inadequate CSR standards. Large companies created workplace and market conditions that shifted risks and imposed hardships on a political economy lacking sufficient managerial and public policy restraints.

This history of CSR parallels issues management peaks of interest: Era of the US industrial revolution (1880s to 1920s); era of the Great Depression – 1950s, and the 1960s-1990s (see Heath and Palenchar, 2009). The US is experiencing a fourth stage, which gained momentum in 2000 when industry and political voices began to define CSR-CSP by aggressively applying the logic of free market exceptionalism; politicians and business leaders claim that for-profit organizations serve best when allowed maximum deregulation. This norm is championed by business voices such as American Enterprise Institute.

Deregulation advocates seek to roll back more than a century-long trend toward a proactionary model of CSR by returning to a predominantly reactionary model. It presumes that rather than proactively contributing to the full functionality of society, rewards accrue best to organizations as they use society (government's voice in the political economy) to buffer the costs of their operations and maximize profits at others' expense. Thus, if restraints harm the efficiency and profitability of organizations, society needs to absorb the cost (such as dealing with the risks of reduced sustainability) of doing business. CSR in this way can become a sea change of power distribution.

In the past decade, a steady debate has sought to shape the definition and implementation of symbolic (and therefore actual) power. As Edwards (2013) observed, "Those who enjoy symbolic power tend to be positioned at the top of the social hierarchy, enjoying a status underpinned by attributions of symbolic value that give them the power to construct a version of reality that others are unlikely to contest" (p. 673). This is a sea shift from the time when social movement activists had industries rocked back on their heels; today, roll-backs occur in legislative halls, executive offices, and court decisions.

The current argument goes this way: Government, rather than constraining business through general engagement over CSR standards and increased public policy definition, should buffer and protect enterprise, compensate it for regulatory-

imposed inefficiencies, and deploy the resources available through society to advance its interests. Thus, businesses become too big to fail and so committed to being the only “job creators” that what harms businesses harms society. The reasoning of this era is that as organizations generate rewards they benefit a reward dependent society. Through this exchange, socially constructed, the state becomes the organ by which industries increase the nature and quality of rewards they deserve and accrue. As such, this era of CSR presumes that society serves itself by how well it benefits its benefactors.

Each of these four issue management periods witnessed substantial discord over industrial health, safety, worker/civil rights, fairness, and environmental quality; standards were battled by industry, activist, and government voices/textuality. These eras demonstrate the shifting tensions between organizations’ legitimacy, legitimacy gaps, complex relationships, and conflicting stakeholder interests (Waymer and Heath, 2014; Waymer, 2013). Examining the dynamics of the discourse field of enterprise and regulation as well as consequences of legitimate relationships, Waymer and Heath (2014) postulated: Critics questioned whether companies could operate as they preferred or whether they should be guided by or defer to stakeholder expectations. These questions, rooted in concerns over legitimacy, were the rationale for the development of an extensive body of literature on corporate social responsibility (p. 3).

These eras view policy battlefields as arenas where definitions of CSR standards are contested, corporate performance becomes booed or applauded, and drains on social capital become resource contingent norms.

Sometimes the stakes that are brought to bear on “offending” organizations include consumer purchases, but that product boycott presumes that alternatives are available. At other times the battle is over some process, which actually often is immune to consumer backlash. One instance is bisphenol A in containers which deliver it into endocrine systems, especially those of children. Another is fracking (hydraulic fracturing), an oilfield services technique for increasing natural gas and oil production. Many industries have become so dominant, consolidated and insulated that they are virtually immune to consumer pressures. They have again become integrated with state legislators who pass indemnification laws and shift costs of “trivial” lawsuits onto plaintiffs.

Judgments and claims about performance are inherently discursive, potentially adversarial—elements of traditional debate. There are contests of fact, where evidence is brought to bear and reasoning applied to build a case that indicts or justifies some business choice. This kind of contention is typical of risk assessments, product and process safety. Is the product or process “sufficiently” safe, or does it offend stakeholders’ expectations? Values are important, as in the instances of clear-cutting to harvest trees, mountain top mining to produce coal, and pay/compensation differentials based on gender, race, ethnicity, age, organizational level, or some factor other than performance. Added to the discourse resources of fact and value are arguments over the wisdom of policies, the battleground between private policies of the organization against preferences for public policy (the rationale for legislation, regulation, and litigation). Finally, discourses focus on identification, battles over how organizations seek to create identifications with various stakeholder groups. For instance, sports teams have been criticized (as failing to meet sufficient levels of CSR) for working hard to build identification with men, while marginalizing women. Similarly, the firearms industry, with its commitment to unlimited access, has offended stakeholders who seek what they believe to be reasonable restraints on possession and use. The industry uses identification (2nd Amendment) tactics to create relationships with politicians who buffer industry against its critics.

The point: CSR legitimacy discourse is often pointed, consisting of specific charges, and capable of being analyzed by fact, reasoning, value, policy, and identification. For instance, Gill and Wells (2014) explored the rhetorical construction of NGO-non-profit legitimacy. They found that rhetorical constructions create symbolic capital based on values shared by donors, volunteers, the organization, and its vision/cause. Such constructions are vital to the legitimacy of any organization that calls on donors and volunteers to help solve problems and serve valued causes.

The rhetorical construction of CSR is, to use a sports metaphor, like the hurdle event in track and field competition. As organizations, primarily businesses, circle the field they are required to jump over hurdles. Except insofar as some businesses gain competitive advantage through higher standards, the general tendency is to prefer lower standards (lower hurdles and longer distances between them). Activist CSR advocates believe that society, typically through corporate self-regulation as well as legislation, regulation, and judicial interpretation, should raise the hurdles and shorten the distance between them to elevate organizational performance. The concept of CSR as inherently contestable stakeholder expectations is a means by which multiple voices judge organizations’ positive or negative role in society, their ability to be good places to work and to make communities good places to live.

Doing “right” and doing “good” can morally warrant that the organization is rewardable. Such traditional reasoning claims that organizations deserve resources (get those they want and need) if their strategic management plans and operations meet the approval of key stakeholders, those who matter in such circumstances (Agle, Mitchell, and Sonnenfeld, 1999; Phillips, 2003) and over contested matters (Miles, 2012).

Traditionally institutional theory reasons that organizations seek reward by how they organize and enact themselves into the societal reward pool. Framing that theme as contentious discourse, Hardy and Clegg (2006) noted how “instead of concerning itself with the use of power to prevent or constructively resolve conflict [the critical approach], it [functionalist

approach] focused almost exclusively on the use of power to defeat conflict" (p. 760).

A post-modern view of this relationship, neo-institutionalism, contends that organizations participate in the collaborative construction of the definitions and norms of reward by which managerial and communicative actions end up being shaped and judged by the discourse exchanged and conclusions drawn. But it may be that as they seem to be participating to set and champion standards, they actually are creating a level of expectation they can easily jump over to claim their reward. The height of the hurdle is the telling factor; who sets it and who judges whether it is properly cleared? Industry may help craft standards that foster the common good. One way to determine which stakeholders are most important in each case, as Agle et al. (1999) pondered, is based on at least two factors: Those who can create the most resistance and, to that end, those that have the most compelling rhetorical skills.

Since at least the 1970s, scholars and communication practitioners have sought to understand the decision-making processes and logics that organizations, most often businesses, use to determine issue salience and impact (c.f. Mitchell, Agle, and Wood, 1997) as well as strategic response options (c.f. Bundy, Shropshire, and Buchholtz, 2013). Such strategic options focus on the degree to which an issue position is consistent with and supportive of a firm's business plan or challenges and even denies it. In either case, the initial strategic management stance seems to be the desire to resist change—or to control the resistance with a bias to serving the interest of the organization.

The existential contexts, challenges, and goals of CSR are inseparable from legitimacy tests that become the rationale for reflective management; thus they are inherent to the challenges of strategic issues management which blends the norms of strategic management, contested CSR expectations, monitoring trends, and communicating monologically and dialogically. This conceptualization keeps in mind that stakeholders are variously legitimate (Phillips, 2003) and that different managerial and communicative (i.e., stakeholder participation, Heath, Palenchar, McComas, and Proutheau, 2012) timing and strategies are variously pragmatic and ethical (Heath, 2010).

In such matters, the decision-making health as well as other aspects of the quality of community, Hallahan (2004) reasoned, depends on whether the agency of "public relations should be looked upon as a process of building and preserving communities—versus the adversarial (and often reactionary) reconciliation of organizational and public goals" (p. 234). Hallahan's (2013) community-centric approach to strategic communication called for community building from the grassroots up, and through engaged dialogue and management commitment to nurture rather than drain society.

To build, nurture, and organize society/community, supporters of postmodern thinking aspire to integrate geographic and symbolic communities, balance collectivism and individualism, and align interests rather than instrumentalize stakeholders to the benefit of enterprises. As Hallahan (2004, 2013) aspired, organizations seeking to justify their legitimacy should be involved/engaged with community, nurture community rather than bend it to serve business, and engage with multiple stakeholders from the grassroots up. Society(ies), not individuals alone, must determine the communicative means by which to set, judge, and implement CSR legitimacy expectations.

Advocates of normative and pragmatic CSR as organizational legitimacy propose that if organizations cannot or will not set and meet sufficiently high CSR standards to satisfy stakeholder expectations, public policy constraints are needed; stakeholders will impose them through various means onto resource dependent organizations. That view, including the conservative (classical liberalism) critique by Milton Friedman, collided with the social activism that proposed comprehensive performance standards and public policy constraints in the last three decades of the 20th Century.

When analyzed through a Friedman perspective that champions profits above all, critics counter with the claim that profits corrupt, a narrative that can actually be exacerbated by CSP reputational claims. Such claims can be constituted as only being performed so as to "do well by doing good." Without a "profit" incentive, would the CSP activities be performed? Thus, what once was merely a challenge over the standards of operation has become an even more complex debate whether CSP is merely a marketing strategy to gain profit advantage. What happens when industry creates CSR hurdles that not only are easy to jump but also are used tautologically to reaffirm the role of business in society (Reich, 2008)? Mythen (2015) has broadly characterized this as the challenge of risk governance by which societies seek to manage not-knowing (uncertainty). Whose interests define and guide risk governance (Heath and McComas, 2015)?

Taking a Friedman approach, critics of restraining CSR complain that when higher operating standards are implemented (whether voluntarily or through public policy) CSR is likely to have an adverse effect on profitability. That strongly contested claim is quite relevant to this paper's case study; Sun and Stuebs (2013) found that voluntarily raised CSR increased the productivity of the US chemical industry. This initiative was driven by a trade association, American Chemistry Council (1988), and designed to increase mutual trust with stakeholders, support higher HSE (health, safety, and environmental) standards, promote cooperation with regulators, and enhance accountability. If managements are able to explain when and why change is needed to satisfy CSR standards, as in the case of providing an improved service which is the basis for the organization's legitimacy, shareholders can see such changes in their best interests as well (Ogden and Watson, 1999).

These paradoxes force the literature debate over whether CSR standards are, and should be, inherently reactionary (meet-

ing threshold/not violating standards of performance expectation) or proactionary (going beyond minimalism to aspire to, define, and lead toward) CSR efforts that empower society by building social capital. (See Schrempf, 2014, for a “social connection approach to corporate responsibility” which champions proactionary commitment by enterprise to serve society rather than adopt the liability, reactionary, bias.)

Breit (2014) discussed the paradoxes/use of paradoxes to establish/rebuild damaged legitimacy. The rhetorical resources examined were acknowledgement/denial, voice/silence, unity/fragmentation, and image/substance. Rebuilding legitimacy requires corrective actions, along with the use of symbolic resources that navigate these paradoxes. Focused discourse can address the organization, employees’ organizational selves, and nature of the criticism. Paradoxes allow sufficient ambiguity that the organizational members, along with leadership, can co-create legitimizing meanings that construct organizational identities that create internal legitimacy in ways that are independent of, or buffer, external legitimacy challenges. It is as though the organizational members have to create legitimacy by adapting CSR constructions to justify their response to external critics and thereby begin a road to recovery and renewal (Humphreys and Brown, 2002).

Normatively and pragmatically, does CSR improve, rather than not harm, vital aspects of political economy? This interpretation of CSR features it as a threshold standard of resource dependent organizational legitimacy and adds the challenge of adding social capital. Traditionally the battle waged by organizations has sought to convince societal stakeholders that legitimacy standards should be only sufficiently high for organizations to justify their request for resources as a favorable cost-benefit balance which posits that the benefits provided by the enterprise are sufficient to justify the societal costs of operations. Or, as critics such as Robert Reich (2008) caution, corporations prefer minimal standards by which they claim legitimacy resources and augment that claim by pointing to some good works. Organizations imply that as their interests are served so are those of society.

Analysis of historical tensions, as well as management and communication struggles, brings us to propose that enterprise CSR is the normative enactment of trust as proactively co-created and co-managed legitimacy brokering of risk/reward ratios in the face of uncertainty. As an activity, one that can build or harm trust, CSR is the corporate attempt to negotiate its relationship to stakeholders and the public at large. It might include the process of mapping and evaluating demands from stakeholders, the development and implementation of actions and policies to meet (or ignore) these demands. (Ihlen, Bartlett, and May, 2011b, p. 8)

Such a view builds on Phillips’ (2003) distinction between normative and derivative legitimacy, that between “stakeholders who retain the ability to affect the organization” as being “managerially legitimate (derivatively)”; “this legitimacy arises from the moral obligation owed other (normative) stakeholders and the two sets of legitimacy are importantly different from one another” (p. 26). The organization, in the case of normative legitimacy, is obligated to be fair, to accord regard to “social actors simply by virtue of their being human” (p. 31). Rather than respecting others’ humanity, derivative legitimacy results from the influence that certain stakeholders can levy against the organization.

Such parsing of the concept of stakeholders and legitimacy creates a sense of CSR as resource dependent, by addressing resources not only as normative or derivative, but as contributing to social capital or drawing on it. That topic is expanded in the next section.

Resource Dependency as Social Capital

CSR discussants such as Beliveau, Cottrill, and O’Neill (1994) contend that profit and managerial efficiency metrics are too narrow to sufficiently integrate the role of CSR into strategic management. They used institutional theory, economic theory, and agency theory to ground that discussion. Contesting the simplistic contention that higher CSR standards hurt profits whereas lower ones increase them, they argue that discussions of CSR should focus on what profit can accomplish to balance management policies and stakeholder judgments.

Such integration can produce reciprocal benefit within the framework of resource dependency. Combining business activities with philanthropy may increase the resources that can be drawn upon to legitimize the organization. But the combined emphasis of the managerial dimension of this troika suggests that they bring character, reputation, to support the norms enacted within their organization and those that foster community, even internationally. Thinking of the good that profits can produce can make an organization a good place to work and with which to do business. CSR contributes most when it leads organizations to aspire to add value; profit should be a tool not an end.

Such multi-dimensional, multi-layered, and multi-textual approaches are well established. Heath and Palenchar (2007) synthesized several models to capture the concept’s rich dimensionality. At the macro level, CSR features topics relevant to qualitative assessments of each political economy such as economic, social, and political constructions and enactments (Wartick and Cochran, 1985). A reflective management model features ethical, technical, functional, conceptual, and operational concerns (Hosmer, 1991). A discursive model features goodness of fit expectations, specifically stakeholders’ evaluations and motivations for change, such as security, fairness, equality, and environmental quality/quality of life (Buchholz, Evans, and Wagley, 1985; Heath, 1988). A fourth model features the intersection of functional dimensions and normative

principles of corporate responsibility, such as economic, legal, ethical, and philanthropic (Carroll, 1991).

Differentiating the proactionary or reactionary roles organizations play in society, Lin (1999) presumed that social capital is more than material/tangible resources; from a capitalist view, it is all of the means of production and consumption—idiosyncratic political economy narratives. It justifies the rights of ownership and reward and, by the definition and explanation of those rights, grants access to and utilization of rewards. The price of inclusion in a reward system requires having something that others want and are willing to exchange for granted rewards. Access to reward networks is guided by societal norms and values by which the rewarding or withholding of resources is framed as the conditions of reward. Such right to reward is the societal fabric of CSR: The standards by which reward dependent organizations justify their right to reward by meeting or exceeding operant standards.

Social capital justifies this approach to CSR. Focusing on its norm-reward paradoxes, Sommerfeldt and Taylor (2011) reasoned that social capital is best conceived of “as the norms, cultural values and trust intrinsic to groups, organizations or communities” (p. 198). Also inspired by Bourdieu, Ihlen (2013) featured social capital “as networks and the benefits which accrue from inclusion in those networks” (p. 838). What is the social capital key to reward and the price of inclusion in reward networks? To answer that question, Ihlen stressed the importance of trust and forces of reciprocity that produce a happy, well-educated, healthy, and safe society.

Such views of social capital augment CSR/legitimacy standards as socially constructed norms that guide institutional enactment by serving as thresholds various stakeholders use to judge the extent to which organizations meet them. As exemplified by the political discourse in the USA that flaunts businesses as “job creators,” textual analysis reveals that enterprises can use such narratives as tools to counterbalance all sorts of CSR legitimacy failings as they attempt to obscure enactments that are either marginally rewardable or done poorly. Thus, communication regarding CSR/CSP can be parsed fundamentally as (1) deliberative (democracy as the case may be), (2) judgmental/evaluative, (3) informative CSR reports by organizations that draw attention to how and how well they meet prevailing standards, and (4) CSP which often includes a marketing (brand equity/reputation) dimension. As this normative, metric theory of institutionalization becomes refined by neo-institutionalism, what does this shift add to the discussion of CSR?

Neo-Institutionalization

Neo-institutionalism gives the rationale and means for revisiting and re-grounding the discussion of CSR in context. It features the figure-ground reversal that sees CSR battles as a central rationale for corporate communication and strategic management (Taylor and Van Every, 2000) in which case organizations’ right to be (their legitimacy) is contingent upon their acting as “stewards” of society by conforming to and building social capital. As currently theorized, rationale for CSR and the logics of its grounding can be obscured particularly when CSP is touted as reputation marketing. Such obscuring logic can greatly privilege organizational self-interest above societal interests, therefore reducing the normative consequence of CSR for management planning and societal discourse and public policy planning. It suggests that organizing asks society to bend to and serve its interests.

This reversal shifts analytical perspectives from focusing on (1) how enterprises organize to communicate to addressing (2) how communication organizes (Christensen and Cornelissen, 2011). As Frandsen and Johansen (2013) reasoned about such shifting perspectives, “Whereas institutional theory reasoned that members of organizations ritualize the enactment of organization, neo-institutional theory is based on the principle that organizations change their behavior, not so much out of rationality or a need for effectiveness, but because of their search for legitimacy” (pp. 601-602). Given that organizations may influence but do not control the standards of legitimacy through CSR norms, it is reasonable to conclude that CSR and CSP are neither binary nor righteous (Heath & Waymer, in press).

In such constructions, language and meaning (including framing and positioning) constitute the textuality of critical analysis (Ihlen, Bartlett, and May, 2011a). The question, then, is whether organizations’ sense of CSR normatively and derivatively agree with or collide with key stakeholders’ views, based on a common rationale that is forged deliberately. Such a standard presumes CSR as goodness of fit within multiple dimensions, layered discourses, and multiple texts.

Given the ambiguity and uncertainty inherent in shared meaning, do standards of CSR, commonly shared, prescribe the conditions that produce rewardable harmony or sanctionable differences (Heath, 2011)? One of the seeming paradoxes of the current CSR era is that the two sides (or their collision) in such debates often tend to hold up completely different standards, which in one way or another end up being conflicting interpretations and enactments of societal risk management (Beck, 1992). The question is whether CSR norms as justified, enacted, and judged lead societies to be better places to live.

Looking Forward while Looking Behind

As a search for legitimacy, CSR socially constructs the reward networks of society, conditions and obligations of reward, and priorities of competing and collaborating interests. This paper proposes four premises to help illuminate the instrumental conditions upon which CSR rests. This shaping of the CSR terrain asks whether it is a reactionary concept or one far more

proactionary. A case study of fracking (hydraulic fracturing) in the United States provides data for examining these premises (see Boudet, Clarke, Bugden, Maibach, Roser-Renouf, and Leiserowitz 2014.)

After being invented in the 1940s, fracking (hydraulic fracturing) was developed and refined over the past three decades to increase the production of oil and gas reserves, especially in more porous formations (shale, for instance). Its name comes for the process by which water, grit (sands), and chemicals are forced by enormous pressures into rock formations around wells. The process fractures rock to loosen formations. Once the pressure is reduced, the sands and chemicals hold the formation open and the oil/gas resources migrate more easily to where they are captured and brought to the surface. The process requires substantial amounts of water, which raises a CSR controversy when the water is no longer potable; that problem is compounded if the water, now containing chemicals, migrates or is withdrawn from the well and pumped into formations where it is supposed to remain indefinitely.

So, good water is made bad. Water that could be used by humans, animals, and plants becomes stranded—or migrates into potable water formations. States, cities, counties, and the European Union are seeking CSR restraints, while enjoying the benefits of more abundant, and therefore less expensive, gas and oil. Fracking even became a pawn in the 2015 Republican presidential primaries when former Texas governor, Rick Perry, proposed that US natural gas could be used to make Europe secure against Putin's Russia. So, for many reasons, the legitimacy of fracking and the companies that use it to increase production become excellent texts to examine the dynamics of CSR discourse.

Not only is the process of fracking contentious, but so are the specific public discourse arenas in which it is deliberated. Activists and industry spokespersons wage battles to determine whether the decision-making arena is federal, state, or local. Smith and Ferguson (2013) examined these combat zones to understand how pro- and anti-fracking players seek advantage. At one point during the Marcellus Shale controversy, the battleground was the federal level, which the critics of fracking believed gave them the most leverage. Through negotiation, both sides eventually agreed to conduct the policy debate at the state level. That strategic move worked to the advantage of the industry because at that level it was able to limit activist pressure and maximize its own. Similarly, in Texas, the City of Denton passed, through a citizens' referendum, an ordinance restraining fracking based on quality of life and health/safety performance standards. Soon after that ordinance passed, the state legislature and governor limited the city's rights to home rule in May 2015. The same legislation in Oklahoma seeks to stifle community activism in Stillwater.

The literature on fracking ranges from the highly scientific to anecdotal discussions of its health and environmental impact. It transpires at scientific conferences, and in scientific journals, news stories and editorials, public policy arenas, and on-line—especially social media. Americans Against Fracking (2015) asked supporters to “help us ban fracking by spreading the word over Twitter and Facebook.”

The legitimacy battle over fracking offers an excellent case to examine the following premises:

P1: CSR (and consequently CSP) discourse is inherently rhetorical contention between many voices over scientific/social scientific (factual/pragmatic) analysis and moral (evaluative/policy) preferences.

- Textual grounding of fracking debates reveals factual/pragmatic battles over whether the chemicals used for fracking pose health hazards and whether the process increases the number/frequency of seismic events in states such as Ohio, Oklahoma, Texas, Colorado, Kentucky, Maryland, and New York. Science/social science investigates implications of health, safety, and environmental (HSE) impact and the migration of water and chemicals to determine whether they contaminate potable water.
- Stakeholders and industry voices disagree over which stakeholders' opinions count and which governmental levels offer the most leverage for a collaborative, mutual or narrow/self-interested (at times a zero-sum) debate.
- Focal points of issue contention include fact and reasoning, value, policy, and identification.
- Moral (evaluative/policy) discussions focus on the quality of life implications whereby risks of harm are shifted from industry to near neighbors.

P2: Multiple voices debate the meaning and normative implications of CSR standards and judge organizational performance regarding the legitimacy of whose interests are served and how; within these latitudes enterprises are privileged to organize to operate but obligated to communicate that they meet such standards and therefore deserve reward.

- CSR standards of fracking are debated while the process is being used to increase oil and gas production. The burden of proof rests with critics to prove the process is harmful rather than the industry to prove it is safe.
- Proponents point to the advantages of abundant production: Reduced trade deficits, increased exports, lower costs, abundant jobs, and industry (and related industry) vitality. Their diagrams (even featured in brand advertising) show how the process works in concept. Proponents argue that oil and gas production is “natural” because the earth's pressures push it up; fracking merely aids nature.
- Proponents argue that the process opens formations to production levels well beyond the traditional

- “pooling” method of production.
- Critics point to worker safety (exposure to silica) and near neighbor 24/7 noise, light pollution, and competition for safe, usable water.
- Critics point to measurable increases of methane released into the atmosphere.
- Critics argue that the metrics of societal return on investment are at a deficit when pros are weighed against cons.

P3: Language and meaning provide keys that unlock CSR tensions in order to ascertain when and how organizations bend themselves to earn resources by serving society rather than bend societies to serve their self-interested resource dependency.

- Scientific language suffices and inspires debate among experts which lay audiences and advocates tend to understand in biased ways, if at all. Industry supports research that affirms the process, and critics point to research that questions it.
- Standard risk texts are central to the debate as voices contend whether the process is “safe” and “fair.” Even when discussed in ostensibly scientific terms, these terms have value dimensions.
- In classic risk communication discourse, critics and stakeholders who are merely curious claim they have “a right to know.” That principle presumes that information not only be made available (transparency) but in a manner and vocabulary by which lay people can make informed judgments.
- Conflicting discourses, especially between scientists, create angst and uncertainty.

P4: CSR is best when viewed as proactionary decision making by which multiple voices debate public policy definitions, review norms of corporate behavior/performance, and implement public versus private policy norms for the good of the many.

- The conditions central to the first three premises have adverse affect on this premise. Would the industry be willing to demonstrate its commitment to science and stakeholder interests by suspending fracking until (assuming it would) the voices of critics become champions of the process? Perhaps no CSR strain is greater, more reactionary, than to use inertia and state and local government to support the industry in ways that appear to place safety in the hands of politicians, not scientists and ordinary citizens.

The essential contexts, challenges, and goals of CSR are inseparable from the metrics used for legitimacy tests that become the rationale for reflective management. They are inherent to the challenges of contested CSR expectations, means for monitoring trends, and monologic and dialogic communication. Normative CSR debates include complex assessment of the metrics for measuring societal return on investment: what is gained by granting an organization legitimacy?

Conclusion

Reflective management theory champions the virtue of internal and external collaborative decision making, applies resistance as an incentive to grow, rather than as a rationale to bend society to organizational interests. Gilley, Gilley, and McMillan (2009) contended that management leadership is inherently characterized by the challenges of organizational change management in the face of resistance.

Such change management challenges necessarily reflect visions of CSR. Such visions become relevant not only to research on the topic, but its impact on strategic management and regulatory improvements, whether for instance within an industry or from external stakeholder pressure.

For instance, the 2015 CSR Conference (<http://csr-com.org>) defines CSR communication as “a process of anticipating stakeholder expectations, articulation of corporate social responsible policy and the managing of different communication tools designed to provide true and transparent information about a company or brand’s integration of its business operations, social and environmental concerns, and interactions with stakeholders.” Given the analysis provided in this paper, should this definition be restated to make it less monologic and more dialogic to create a normatively stronger awareness of the paradoxes of an organization communicating to bend society to it or to bend itself to society?

Sun and Stueb (2013) featured the voluntary nature of CSR standards, as suggested by the European Commission (2002); thus, it is “the voluntary integration of social and environmental concerns into business operations and their interaction with stakeholders” (p. 252). At minimum, this view offers a multidimensional, multi-textual approach based on vision, community relations, workplace accountability, and marketplace conditions (Vilanova, Lozano, and Arenas, 2009).

The intersection of CSR expectations and industry performance requires the ability of standards to withstand and be improved by discursive challenge. The degree to which this is daunting to industry rests upon its ability to create collaborative relationships, as advocated by the American Chemistry Council (1988) to build mutual trust, promote HSE planning, foster cooperation between industry and regulators, and enhance industry accountability.

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Building a Theory of CSR Communication on Meso and Macro Level

Abstract

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Purpose

This conceptual paper asks for elements towards a theory of CSR communication to describe and explain different forms of CSR engagement on organizational meso and a societal macro level.

Design/methodology/approach

The approach starts with a literature review on CSR and CSR communication research that is arranged according to the main stakeholder groups (e.g. employees, investors, consumers, journalists, NGOs).

Findings

CSR is a management concept. Beyond that obvious insight, CSR communication is part of communication management, whereas the operative tasks of it (e.g. CSR reports) are part of PR/communication departments. Moreover, literature review identifies two different perspectives on CSR communication: (1) an organisational view as part of communication management; and (2) a public-oriented view as part of a public discourse. Combining both perspectives, CSR and CSR communication can be described and explained as a public rationalized myth that is reflected differently in the organisational construction of reality.

Originality/value

This conceptual paper brings together theoretical concepts and empirical findings. The combination of theories is able to explain CSR communication on an organisational level and to describe on macro level the differences of organisations, industries, and countries.

Keywords

CSR communication, conceptual paper, systems theory, new sociological institutionalism, public relations

A Theoretical Model for Communicating Within and About CSR

Conference paper

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Abstract

Corporate Social Responsibility (CSR) has, amongst others, two main objectives: to contribute to sustainable development and to create strategic value for the organization. With regards to CSR communication, these two objectives imply that organizations should communicate about CSR initiatives with all relevant stakeholders to create strategic value, whilst also communicating within CSR with the beneficiaries of these initiatives to contribute to sustainable development.

Gap in the literature

In the relative new field of CSR communication, the majority of literature is however only focusing on communication about CSR, while communication with beneficiaries within CSR is often overlooked. This can contribute to CSR initiatives not reaching its development goals. In this paper it is argued that both types of CSR communication are equally important and deserve equal attention to ensure that the development goals of CSR are met, while CSR initiatives adds strategic value to organizations.

Purpose

This paper presents a model for communicating both about and within CSR initiatives. The concepts and constructs of communication within and about CSR communication are analysed to identify similarities and differences in order to present a holistic model for CSR communication with regards to the content, channels/media, nature, principles and goals of CSR communication.

Design

The model for communicating about and within CSR has been created through a literature study focussing mainly on the two-way symmetrical communication approach, the reflective paradigm, strategic communication management as well as on the participatory approach to communication for social change.

Originality

To apply communication both as a tool to foster empowerment and social change, and also to create strategic value for the organization is a complex task, since the type of communication needed to accomplish both goals are situated in different theoretical fields of communication, stemming from different meta-theoretical assumptions regarding the role of communication. The model presented in this paper is the first attempt to reconcile the diverse goals of CSR through the use of communication.

Keywords

CSR, CSR communication, CSR initiatives, development communication, strategic communication management, strategic value, sustainable development

Introduction

No single definition of CSR is universally accepted, but different definitions emphasise similar aspects and objectives of CSR. This paper concentrates on two widely recognised objectives of CSR initiatives, namely:

- CSR should create strategic value for organisations (see Lantos, 2001; EU, 2001; Hillman & Keim, 2001; IoD, 2002; Schwartz & Carroll, 2003; Porter & Kramer, 2006; Husted & Allan, 2007; Jones & Bartlett, 2009; ISO, 2010); and
- CSR should contribute to sustainable development (see EU, 2001; IoD, 2002; SA, 2005; WBCSD, 2005; UN, 2005; Skinner & Mersham, 2008; Blowfield & Dolan, 2008; IoD, 2009; ISO, 2010; Piederiet, 2010; Ford, 2010; Valor, 2012).

To reach these two objectives organisations should communicate both about and within their CSR initiatives. Communication about CSR is important in creating strategic value and competitive advantage for organisations. Numerous studies have found that stakeholders are more positive towards organisations who accept their social responsibility and that organisations need to communicate effectively with stakeholders about their CSR initiatives to get this benefit (see Golob and Bartlett, 2007, pp. 1-3; Sweeny and Coughlan, 2008, pp. 113, 121; Morsing et al., 2008, pp. 97-98; KPMG, 2008, pp. 14; Crowter and Aras, 2008 pp. 16, 33; Podnar, 2008, pp. 76; Dawkins and Ngunjiri, 2008, pp. 288; Ziek, 2009, pp. 137; IoD, 2009, pp. 202-204; NBS, 2010; Wang and Anderson, 2011, pp. 51; Du et al., 2012, pp. 8; Bravo et al., 2012, pp. 130).

When the aim of a CSR initiative is to promote sustainable development, it is vital to communicate effectively with the beneficiaries/communities who are to gain from this initiative. Several studies indicate that development communication is indispensable in reaching development goals (see Melkote and Steeves, 2001; Chitnis, 2005; UNDP, 2006; Servaes, 2008; UNESCO, 2011). Therefore organisations need to communicate with beneficiaries within CSR initiatives to increase the chances of those initiatives to contribute to sustainable development.

Many critics however question the ability of CSR initiatives to truly contribute to sustainable development. These arguments are supported by the situation where CSR and CSR communication is often regarded only as tools for creating strategic benefits for organizations, including an improved reputation, license to operate, competitive advantage, prevention of conflict and greater public trust. Accordingly, current literature on CSR communication concentrates mainly on communication about CSR, while communication with beneficiaries within CSR is frequently overlooked. This can contribute to CSR initiatives not reaching its development goals.

In this paper it is argued that both types of CSR communication are equally important and deserve equal attention to ensure that the development goals of CSR are met, while CSR initiatives adds strategic value to organizations.

Research methods

An in-depth literature study was conducted to determine the concepts and constructs of communication both about and within CSR. With regards to communication about CSR, the literature study focussed on the following communication theories: the two-way symmetrical communication approach; the reflective paradigm; and strategic communication management.

The motivation for choosing these theories is discussed in section 3 of the paper.

In the study of communication within CSR, the literature study focussed on the participatory approach to development communication which is viewed as the normative approach to development communication.

Through the literature study the most important principles for communicating about and within

CSR was firstly identified. These principles were seen as the concepts of CSR communication. These concepts were secondly studied through in-depth literature studies to determine the constructs of each concept. In the third phase of the study the constructs of both communication about CSR and communication within CSR have been operationalised to determine which constructs were relevant for both communication about and within CSR and which were relevant for only one type of CSR communication. The outcome of the literature study was a model for CSR communication, focussing on communication within and about CSR.

Communication about CSR

The goals of communicating about CSR initiatives with stakeholders is broadly to understand stakeholder's expectations of the organization and to communicate to stakeholders how the organization is fulfilling its social responsibility in order to create mutual understanding, positive long term relationships and a favourable image and reputation. These goals place communication about CSR in the field of communication management, where the following theories are identified as relevant normative theories to guide communication about CSR:

- the two-way symmetrical communication approach;
- the reflective paradigm; and
- strategic communication management.

Research from the Excellence study identified two-way symmetrical communication as both the most ethical and effective approach to communication management; and states that two-way symmetrical communication is inherently socially responsible (Dozier, 1989, pp. 5; Grunig and Grunig, 1992, pp. 10, 307-308; Grunig et al., 2002, pp. 312, 323, 377-378; Haung, 2004, pp. 346). For these reasons the two-way symmetrical approach provides a point of departure for social responsible behaviour and is therefore relevant for creating a model for CSR communication.

Two-way communication implies that organisations communicate information to stakeholders, while stakeholders have the opportunity to communicate with the organisation as well. If communication is approached as a two-way process, organisations are actively trying to get feedback from stakeholders and create opportunities for stakeholders to communicate with the organisation (Grunig and Grunig, 1992, pp. 288; 289; Dozier et al., 1995, pp. 13).

In symmetrical communication, the aim of communication is to create discussion, negotiation and compromise between organisations and stakeholders. Through communication the organisation is trying to establish a “win-win” relationship with stakeholders where the long term goals of both the organisation and its stakeholders can be reached to create a positive, long term, mutual beneficial relationship. This kind of relationship is created through mutual understanding. Through practicing two-way symmetric communication, organisations admit to an interdependent relationship between themselves and their stakeholders (Grunig and Grunig, 1992, pp. 287, 289; Grunig and White, 1992, pp. 39; Dozier et al., 1995, pp. 13, 95; Grunig et al., 2002, pp. 11, 306; Grunig, 2006b, pp. 156).

According to Dozier (1995, pp. 13) the focus of the two-way symmetrical approach is to understand, address and protect the stakes of both the company as well as its stakeholders. This approach makes room for the possibility that both the stakeholders as well as the company can change its behaviour as a result of the communication process (Dozier et al., 1995, pp. 21; Grunig et al., 2002, pp. 25).

In the reflective paradigm, social responsibility is seen as the core of an organization's existence and it is argued that social responsibility should be a core aspect of the organization's communication management (Holström, 1997, pp. 25, 76). In this paradigm organisations firstly admit to having an impact on society which translates to a responsibility towards society (Verčič et al., 2000; Verčič and Van Ruler, 2002, pp. 16; Steyn and Niemann, 2008, pp. 4; Burger, 2009, pp. 107). Secondly, organisations admit that there is an independent relationship between themselves and society and that they need the support of society for survival. Therefore the organisation must understand and address society's needs and expectations (Holmström, 1996, pp. 81; Holmström, 1997, pp. 14; Verčič et al., 2000; Verčič et al., 2001, pp. 382; Verčič and Van Ruler, 2002, pp. 11, 14, 16; Holmström, 2005, pp. 498-499, 503; Steyn and Niemann, 2008, pp. 4). Through reflection, organisations are trying to dissolve and prevent conflict between the organization's actions and society's perceptions of social responsible behaviour (Holmström, 1997, pp. 3; Verčič et al., 2001, pp. 382; Burger, 2009, pp. 107, 111).

Mutual understanding is seen as the overall aim of communication, although theorists agree that this is extremely hard to reach (Holmström, 1997, pp. 9, 17; Verčič et al., 2000; Verčič and Van Ruler, 2002, pp. 14; Burger, 2009, pp. 110-111). Effective two-way symmetrical communication between organisations and society is essential to enable the organisation to understand society's expectations and to plan its CSR strategy accordingly.

Steyn and De Beer (2012, pp. 29) describe strategic communication management as a stakeholder orientated and stakeholder responsible approach to communication management. The main aim of strategic communication management is to prevent or dissolve conflict between organisations and society by determining the expectations of society towards the organisation. Another important function of strategic communication management is to create two-way communication between organisations and stakeholders with regard to strategic issues in order to create mutual beneficial relationships (Steyn and De Beer, 2012, pp. 29)

Strategic communication management can be used to provide an “outside-in” perspective so that organisations can understand society's expectations, needs and values. Organisations can use this information when planning their own goals, objectives and strategies to ensure that they function in harmony with society (Steyn, 2002, pp. 42, 43; 2007, pp. 139; Steyn and Niemann, 2008, pp. 5-6; Steyn and De Beer, 2012, pp. 31-32, 51). Strategic communication management can also be utilised to communicate “inside-out” to keep society and stakeholders informed about the way the organisation is committed to its social responsibility (Steyn, 2002, pp. 42, 43; 2007, pp. 139; Steyn & Niemann, 2008, pp. 5-6; Steyn and De Beer, 2012, pp. 31-32, 51).

From the short discussion it is clear that the two-way symmetric approach, the reflective paradigm and strategic

communication management share many views regarding communication. For this paper four basic assumptions have been identified which are relevant for communication about CSR. After each assumption a theoretical statement will be provided (generated from the literature study) to operationalise the assumption and thereafter the constructs of each specific concept will be identified.

Assumption 1

The end goal of communication about CSR is to create strategic value for the organisation (reflective paradigm, two-way symmetrical communication approach, strategic communication management).

Theoretical statement 1: The end goal of communication about CSR

The end goals of communication about CSR are, amongst others, to create long term, positive relationships between organisations and their stakeholders, to improve the organisation's corporate image and reputation, to create mutual understanding between organisations and stakeholders, to create a competitive advantage for the organisation and to generate a licence to operate for the organisation.

Constructs: Long term positive relationships, corporate image and reputation, mutual understanding, competitive advantage, licence to operate.

Assumption 2

Communication about CSR should take the form of two-way symmetrical communication (reflective paradigm, two-way symmetrical communication approach, strategic communication management).

Theoretical statement 2: Two-way symmetrical communication in the context of communication about CSR

Two-way symmetrical communication about CSR implies balanced, horizontal communication between organisations and stakeholders who are participating as equal partners in a mutual conversation where communication is used to communicate information to stakeholders but also to obtain information from stakeholders.

Constructs: Balanced horizontal communication, equal partners, mutual conversation

Assumption 3:

Communication about CSR should be a continuous process (reflective paradigm, two-way symmetrical communication approach, strategic communication management).

Theoretical statement 3: Continuous communication about CSR

Organisations should approach communication about CSR as a continuous process where information is constantly being communicated to stakeholders, whilst providing stakeholders with opportunities to give input.

Construct: Continuous process

Assumption 4:

Communication about CSR should focus on the organisations performance regarding the triple-bottom line (strategic communication management).

Theoretical statement 4: Communication about CSR according to the triple-bottom line

When communication about CSR, organisations should focus on their performance and influence on economic, social and environmental aspects.

Constructs: Economic influence, social influence, environmental influence

Communication within CSR

The goal of communicating in CSR is however to contribute to the development goals of CSR initiatives, by empowering the beneficiaries of these initiatives to become self-sustainable. This sets communication in CSR within the theoretical field of communication for social change, where the participatory approach is widely recognized as the normative approach (Servaes, 1996a, pp. 105; Jacobson and Kolluri, 1999, pp. 267; Servaes and Arnst, 1999, pp. 116; Moemeka, 2000, pp. 5;

Melkote, 2001, pp. 426; Kenny, 2005, pp. 1).

In the participatory approach it is argued that sustainable development is only possible when the development initiatives are participatory. This implies that the beneficiaries or communities should be actively involved in all steps of the initiative, actively participate in all communication regarding the initiative than that they should take control of their own development. The role of participatory communication is emphasised and it is argued that outsiders can never “develop” beneficiaries, but can only assist them in empowering themselves.

Although there are no single definition of participatory communication, most theorists agree that empowerment and shared/mutual understanding are the most important outcomes of participatory communication (see Jacobson and Servaes, 1999, pp. 2-5; Melkote & Steeves, 2001, pp. 38, 43-44, 336-339; Servaes, 2008, pp. 15, 18, 21-22; Servaes and Malikhao, 2008, pp. 169-175).

Through a literature study on the participatory approach to development communication, four theoretical assumptions have been made. After the assumptions theoretical statements will follow and the constructs of each concept will be identified.

Assumption 5:

Communication within CSR initiatives should adhere to the principles of dialogical communication.

Theoretical statement 5: Dialogue in the context of communication within CSR

Dialogue between beneficiaries and organisations should be a continuous process of balanced horizontal communication where both parties can communicate as equal partners to create mutual and shared understanding between them.

Constructs: continuous process, balanced horizontal communication, equal partners, mutual and shared understanding.

Assumption 6:

Communication within CSR should adhere to the principles of the ideal communication situation to enhance dialogue and participation in the communication process.

Theoretical statement 6: The ideal communication situation in the context of communication within CSR

In the context of communication within CSR all parties should communicate in an understandable and appropriate way with one another by sharing the truth in sincerity, while everyone has the same opportunity to participate in the conversation and where all issues which any of the parties view as relevant can be discussed.

Constructs: equal opportunity, all issues can be discussed

Assumption 7:

Beneficiaries should participate in all phases and aspect of communication within CSR and should take control in the communication process.

Theoretical statement 7: Participation in the context of communication within CSR

Communication within CSR should use participation both as a means to and end as well as an end in itself; the beneficiaries should actively participate in all phases and aspects of the CSR initiative to become the main role players in the communication process who determines the content of communication, as well as in decision making with regards to their own development.

Constructs: Participation as a means to an end and an end in itself, active participation in all phases and aspects, main role players in communication and decision making, determines content of communication.

Assumption 8:

The aim of communication within CSR is to empower beneficiaries to become independent and self-sustainable.

Theoretical statement 8: Empowerment in the context of communication within CSR

Beneficiaries should take control over their own lives to become self-sustainable through active participation in a relationship of balanced power.

Constructs: Self-sustainable, balanced power

Quite a few of the constructs identified above are not only relevant for communication within or about CSR, but for both. In the next section these overlapping constructs are identified in table format. The constructs only relevant for communication within CSR are in the blue column, those only relevant for communication about CSR are in the pink column and those relevant for both communication within and about CSR in the purple column.

Constructs of CSR Communication

TABLE 1. CONSTRUCTS OF CSR COMMUNICATION

Communication within CSR	Communication within and about CSR	Communication about CSR
All issues can be discussed	Mutual and shared understanding	Long term positive relationships
Participation as a means to an end and an end in itself	Balanced horizontal communication	Positive corporate image and reputation
Active participation in all phases and aspects	Equal partners	Competitive advantage
Main role players in communication and decision making	Continuous process	Licence to operate
Self-sustainability		Economic, social and environmental information
Beneficiaries determines content of communication		

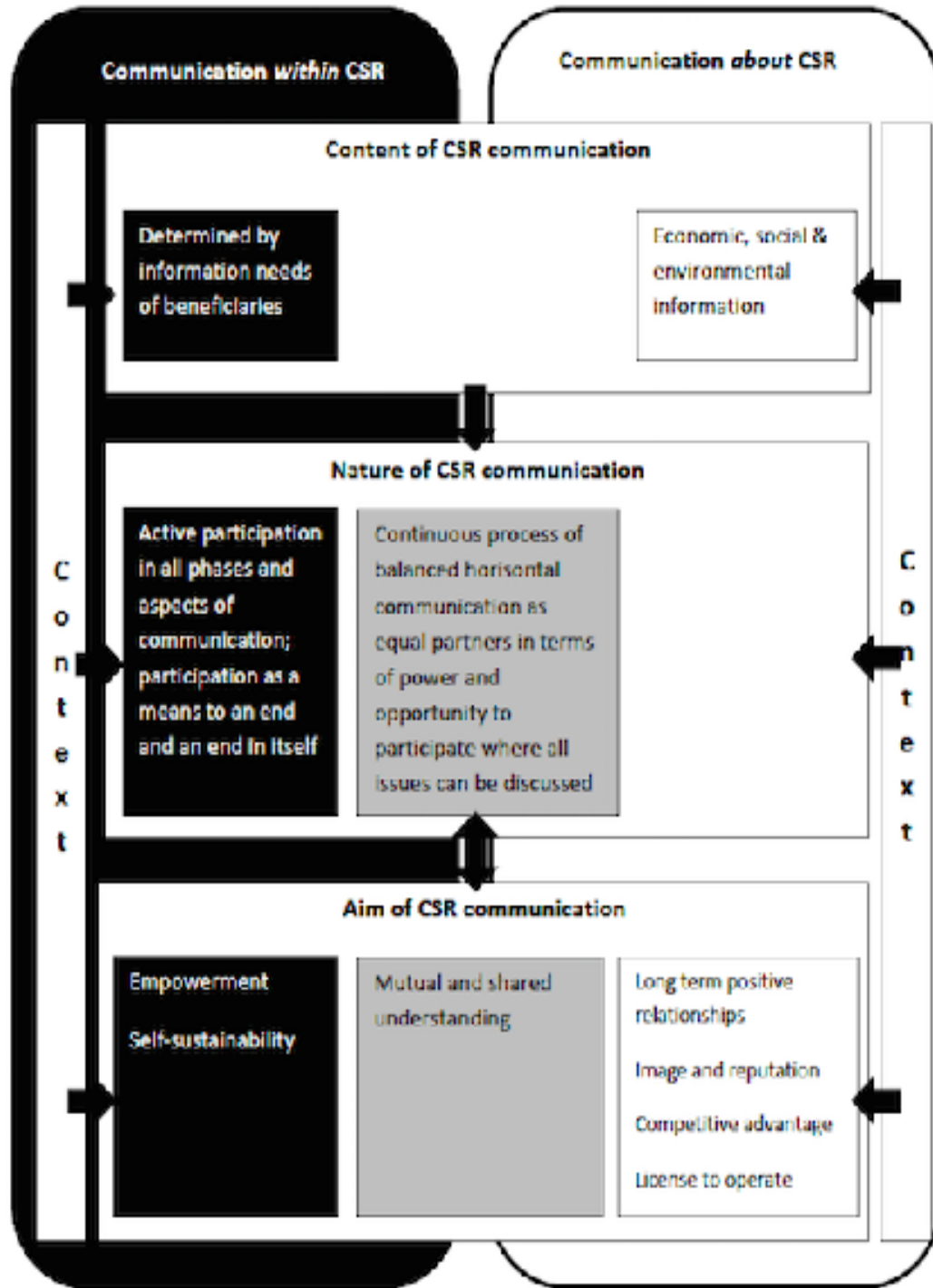
For the purposes of the model, the constructs are divided into three categories:

- Content of CSR communication;
- Nature of CSR communication; and
- Aim of CSR communication.

As in the table, constructs in blue indicates that it is only relevant for communication within

CSR, constructs in pink are only relevant for communication about CSR and the constructs in purple are relevant for both communication within and about CSR.

FIGURE 1. A THEORETICAL MODEL FOR COMMUNICATION WITHIN AND ABOUT CSR



Discussion of model

As indicated in the model, it is assumed that the context in which CSR communication is practiced will have an influence on all the aspect thereof, namely the content, nature and aims of CSR communication. In this study, context refers to four aspects:

- The relationship between the organisation and its stakeholders as well as the meta-theoretical framework of the organisation with regards to communication;
- The issue addressed by the CSR initiative as well as the end goals of the initiative;
- The stakeholders knowledge on as well as their perceptions and attitudes regarding the issue that is being addressed by the CSR initiative; and
- The image and reputation the organisation is trying to create and sustain.

Conclusion

For CSR communication to support both goals of CSR, namely to contribute to sustainable development whilst creating strategic value for the organisation, organisations should communicate within and about CSR. The current literature focuses mainly on communication about CSR, but the importance of communication with beneficiaries within

CSR initiatives is often overlooked. In this paper a theoretical model has been proposed that includes communication within and about CSR.

In the model it is clear that there are important overlapping constructs which are relevant for communication both within and about CSR. Although the content of communication within and about CSR will differ, the nature of communication as well as the aim of communication are to a large extent the same. However, it is important to remember that CSR communication should not be the same for different organisations or even for different CSR initiatives in the same organisation, since the context of the organisation and the initiative should have a major impact on all the elements of CSR communication.

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A Conceptual Foundation for Expectations of Corporate Responsibility

Conference paper

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Abstract

Purpose

Ability to identify and meet stakeholder expectations is often seen as imperative for succeeding in corporate responsibility (CR). However, the existing literature treats expectations as predominantly positive constructions. The article addresses this positivity bias and offers insights for a more profound conceptual and empirical understanding of stakeholder expectations.

Design/methodology/approach

The article is mainly conceptual with empirical illustrations and it builds on a dissertation project that concentrated on stakeholder expectations.

Findings

The conceptual understanding of expectations is advanced by presenting four types of expectations, two positive (optimistic and hopeful), and two negative (cynical and pessimistic). To add to the empirical understanding, the article presents analysis examples that portray how the analysis of expectations becomes more complex when expectations turn negative.

Research limitations/implications

The conceptual foundations of expectations are clarified to help future studies address expectations of corporate responsibility with less positivity bias and, instead, with more conceptual and empirical precision.

Practical implications

The identification of different expectation types can help practitioners map and analyze stakeholder expectations of corporate responsibility.

Social implications

A more profound understanding of stakeholder expectations has the potential to make organizations more sensitive toward their societal context, especially concerning corporate responsibility as social connectedness.

Originality/value

The article addresses a gap in current literature concerning the positivity bias of expectations and offers conceptual and empirical tools for future research.

Keywords

Corporate responsibility, expectations, social connection

Introduction

There is a wide-spread agreement in the literature of corporate responsibility that identifying and meeting stakeholder expectations and societal expectations is an important factor for succeeding in corporate responsibility (e.g., introductions to literature by Scherer and Palazzo, 2007; 2011). More specifically, corporate responsibility is often explained as conformance to societal expectations or as anticipation of societal expectations (e.g., Westhues and Einwiller, 2006; Golob et al., 2009). This article departs from this background and draws on the results of a recent doctoral dissertation that included a targeted literature search in communication journals to map the use of expectations in the current literature. Responsibility was the concept expectations was second most often connected to, ranking second after reputation (Olkkonen and Luoma-aho, 2015). Despite the wide circulation and use of expectations in the literature, the conceptual understanding of expectations tends to be narrow and biased in the sense that expectations are understood solely or, at least, predominantly as positive anticipations that organizations can start to fulfill in order to attain important, tangible and intangible assets (Olkkonen and Luoma-aho, 2015; Olkkonen, forthcoming).

The article is mainly conceptual and it aims to investigate deeper into details and individual examples that are drawn from the dissertation this article builds on. Furthermore, the article presents previously unpublished analysis examples of different expectation types. The empirical examples portray how an analysis of expectations becomes more complex when outcomes and expectations turn negative. The purpose of this article is, first, to address and mitigate the positivity bias by presenting four expectation types, two positive (optimistic and hopeful) and two negative (cynical and pessimistic), and second, to present empirical examples of the different expectation types and how they can be broken down by identifying (1) the issue that is addressed in the expectation, (2) the outcome that is assessed in the expectation, and (3) the confidence that is attached to the expectation.

The input of this article advances the viewpoints in existing literature on what we know about what expectations are—conceptually and empirically—that is, how they form, and how they are attached to organizations when stakeholders assess organizations and, more specifically, their corporate responsibility. The value of this input is especially important in the light of corporate responsibility as social connection. Social connection means that corporate responsibility is assessed not only as liabilities (direct consequences between an action and an outcome), but as the perceived indirect consequences of doing business and responsibilities that different actors have in interdependent processes (Young, 2006; Schrempf 2012; see also Scherer and Palazzo, 2011).

Before discussing expectation types, empirical examples, and, finally, social connection, the next section maps how expectations are currently understood in literature of corporate responsibility communication by presenting results from a targeted literature search.

How responsibility and expectations are currently connected

In a targeted literature search executed in six central journals of organizational communication and public relations (Corporate Communications: An International Journal, Corporate Reputation Review, Journal of Communication Management, Journal of Public Relations Research, Journalism & Mass Communication Quarterly, and Public Relations Review; reported in full in Olkkonen and Luoma-aho, 2015), responsibility was one of the concepts that expectations was most often connected to, ranking second after reputation and followed by relationship, legitimacy, satisfaction, trust, and identity. The sample was broad, as there were no time limitations set and the search words expectations, expectancies, expectancy, and expectancies were allowed to appear anywhere in the text. The initial search returned 353 articles, which was narrowed down to a final sample of 197 articles that actually mentioned expectations in relation to organization-stakeholder relations, and had a full file available.

Roughly one article in five of the overall sample mentioned expectations in connection to corporate responsibility. This formed a sample of 38 articles that is further analyzed next. The sample included only academic, peer-reviewed articles (for example, editorials were removed) that mentioned expectations and corporate responsibility to a degree that it was possible to identify how the authors connected the two. Table 1 lists these 38 articles and distinguishes between different ways of connecting expectations and corporate responsibility (See Appendix 1 for full reference information of the sample).

TABLE 1: THE CONNECTION OF EXPECTATIONS TO CORPORATE RESPONSIBILITY IN THE LITERATURE SAMPLE

Expectations' connection to corporate responsibility	Authors
CR as driven/defined by expectations	Heath and Palenchar, 2000; Hanson and Stuart, 2001; Bruning and Galloway, 2003; Berens and van Riel, 2004; Dawkins, 2004; Lindgreen and Swaen, 2005; Kampf, 2007; Pelozo and Papania, 2008; Carroll, 2009; Friedman, 2009; Golob, Jancic and Lah, 2009; Lee, Fairhurst and Wesley, 2009; Kim, Park and Wertz, 2010
CR as meeting/satisfying/responding to expectations	Anderson, 1992; de Quevedo-Puente, de la Fuente- Sabaté and Delgado-García, 2007; Hillenbrand and Money, 2007; Podnar and Golob, 2007; Bertels and Pelozo, 2008; Steyn and Niemann, 2010; Bae and Park, 2011
CR as aligning company operations with expectations	González-Herrero and Pratt, 1996; Westhues and Einwiller, 2006; Colleoni, 2013
CR as identifying/exploring/understanding expectations	Signitzer & Prexl, 2008; Vaaland and Heide, 2008; Lindgreen, Swaen, and Johnston, 2009
CR as reputation building where reputation is (partly) assessed based on expectations	Ki & Hon, 2007; Ponzi, Fombrun, and Gardberg, 2011; Soppe, Schauten, Soppe and Kaymak, 2011; Brønn, 2012
CR as legitimacy building where legitimacy (partly) depend on expectations	Ihlen, 2008; Johansen and Nielsen, 2011; Johansen and Nielsen, 2012
CR as branding/marketing that is (partly) guided by expectations	Griffin, 2002; Hagen, 2008; Kim, 2011; Papisolomou and Kitchen, 2011
CR as trust building that is (partly) affected by expectations	Adams, Highhouse and Zickar, 2010

As Table 1 portrays, corporate responsibility is often seen to be driven or defined by societal or stakeholder expectations, or corporate responsibility is seen as meeting, satisfying, or responding to expectations. Also alignment of company operations with expectations, and the ability to identify, explore, or understand expectations are given as explanations to corporate responsibility. Furthermore, some scholars discuss expectations in order to explain the connections between corporate responsibility and reputation, legitimacy, branding, marketing, or trust.

Overall, in this sample of articles there seemed to be some sort of agreement that societal or stakeholder expectations are important for corporate responsibility, both in articles that mentioned the connection only briefly and concentrated on studying something else (e.g., Ki and Hon 2007; Carroll 2009) and in articles that concentrated particularly on studying expectations of corporate responsibility (e.g., Podnar and Golob, 2007; Bertels and Pelozo, 2008; Colleoni, 2013). However, it was rarely explained what these societal or stakeholder expectations are and especially how they form in more detail. Some hints were given, for example, by Podnar and Golob (2007) who mention that societal expectations can be economic, legal, ethical and discretionary, and they can touch upon issues such as legislative rules, ethical conduct, trustworthiness, transparency and responsiveness.

In only four articles out of the 38 that were analyzed, expectations were given an explicit definition. Golob et al. (2009, p. 458) define expectations as beliefs of what should happen, and Podnar and Golob (2007, p. 329) follow a definition according to which expectations are beliefs of what is to be expected. Furthermore, Brønn (2012, p. 81) and de Quevedo-Puente et al. (2007, p. 66) connect their definitions of expectations in institutional contexts where elements such as norms, values, legal demands, and social definitions shape expectations.

What is worth noting is that based on this sample the current literature understands expectations as predominantly positive constructions—meeting expectations is seen to lead to more responsibility, a better reputation, a more solid legitimacy. Only two of the 38 articles attempt to break this positivity bias: Adams et al. (2010) mention that expectations can be distrusting when, for example, there is reason to expect exploitation or deceiving behavior, and Golob et al. (2009) briefly mention that expectations can be skeptical. Thus, although expectations seem to be often mentioned in the literature and seen important for corporate responsibility, there are gaps in how expectations have been understood, and hence, there is room for further conceptual and empirical work on what expectations actually are. The next chapters offer some viewpoints for a more solid conceptual foundation for expectations, followed by empirical examples that further unravel expectations as positive and negative constructions.

Stakeholder expectations: optimistic, hopeful, cynical, and pessimistic

The existing literature on expectations and corporate responsibility in communication journals tell relatively little about what expectations are conceptually and empirically—how they form, and how they are attached to organizations when stakeholders assess organizations and, more specifically, their corporate responsibility. Other streams of literature, especially customer management and customer satisfaction, have presented expectations as a dynamic phenomenon where different factors, such as values, norms, experience, wishes, and available information, can affect the final formation of an expectation (see, e.g., Miller, 1977; Summers and Granbois, 1977; Swan et al., 1982; Woodruff et al., 1983; Zeithaml et al., 1993; Olkkonen and Luoma-aho, 2015). There is heterogeneity in how to define expectations, as different scholars stress different things—some see elements such as brand comparisons and information based on word-of-mouth as focal (e.g., Woodruff et al., 1983), while others might stress norms, values, or even assessments of what one thinks is deserved (e.g., Miller, 1997).

In Olkkonen and Luoma-aho (2015), the input from customer management and customer satisfaction literature was used to suggest four factors that can affect expectations in the context of organization-stakeholder relations: values, information, experience, and personal interest.

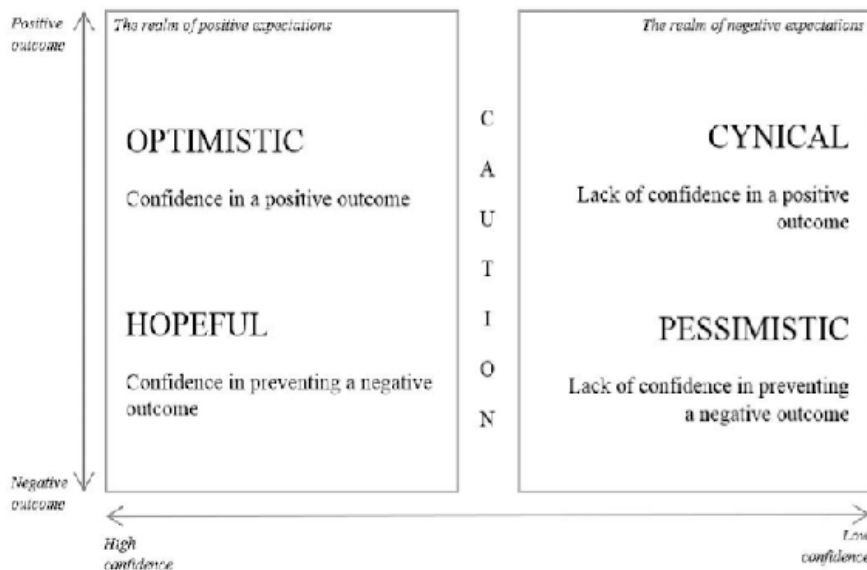
Moreover, as a central result of the dissertation this article builds on (Olkkonen, forthcoming), it was suggested that to understand stakeholder expectations, one needs to understand both a normative assessment and an organization-specific assessment, where the latter is embedded in the former.

As part of the normative assessment, expectations are influenced by values and interests that are relatively static in the sense that they remain the same when stakeholders assess different organizations (Olkkonen, forthcoming). Values and interests are the baseline for forming expectations, and they represent what an individual or a group finds valuable and good, and hence, they vary depending on what is valued and why, bound not only by individual variance but cultural variance. Hence, values can, for example, range from economic values to societal values, and interests can be anything from very limited self-interest to utilitarianism.

The organization-specific assessment, in turn, is predictive and it describes how likely it is that an organization will do something (Olkkonen, forthcoming). This predictive element has not, thus far, been strongly present in the literature of CR communication, as it implies that expectations can be not only positive but negative (Olkkonen and Luoma-aho, 2015; Olkkonen, forthcoming). In the predictive assessment, stakeholder assess how likely their expectations are to be fulfilled—that is, how willing and able the organization is perceived to meet their values and interests.

The organization-specific assessment can turn an expectation negative, if the organization is perceived as unwilling or unable to either offer an outcome that is valued, or to prevent an outcome that is not valued (Olkkonen, forthcoming). The likelihood and violations (Burgoon, 1993) of different outcomes are assessed as part of expectation formation. Thus, the ability to decipher expectations and their formation is an opportunity to assess stakeholders’ attitudes and mindsets toward organizations; expectations can be positive (optimistic or hopeful), or negative (cynical or pessimistic). Figure 1 below opens up the differences between these positive and negative expectations in the form of the Expectation Grid (first introduced in Olkkonen and Luoma-aho, 2015; empirically tested and revised in Olkkonen, in press; forthcoming).

FIGURE 1: THE REALM OF POSITIVE AND NEGATIVE EXPECTATIONS ON THE EXPECTATION GRID



When stakeholders have optimistic expectations, they anticipate that the organization is willing and able to offer outcomes that they value. The other positive expectation type is hopeful expectations that indicate an anticipation that the organization is willing and able to prevent an outcome the stakeholder perceives negative. The difference between these two is the outcome that is assessed—an optimistic expectation is connected to a positive outcome (and its delivery), whereas a hopeful expectation is connected to a negative outcome (and its prevention). Overall, positive expectations are a sign of trust in the organization, and hence, their violation is likely to violate also the trust invested in them.

When stakeholder expectations are negative, confidence in the organization's willingness and ability is low. Cynical expectations indicate an anticipation that the organization is unwilling or unable to offer outcomes the stakeholder perceives positive. The difference to a pessimistic expectation, is again, the outcome—a pessimistic expectation indicates an anticipation that the organization unwilling or unable to prevent an outcome the stakeholder perceives negative.

As noted during the testing and revising of the Expectation Grid (Olkkonen, in press; forthcoming), these four expectation types are extremities as in reality stakeholders might display caution in their expectation rather than, for example, pure optimism or cynicism. Thus, an area of caution was added between the positive and negative realms of expectations. Furthermore, an empirical testing of expectation mapping showed that expectations are often interconnected; the optimism or hopes in positive expectations are pulled down by a simultaneous impact of negative expectations (Olkkonen, in press).

The next section presents empirical examples of different expectation types in the context of sector-based corporate responsibilities. If stakeholders' expectations of corporate responsibility—on a general level—deal with the societal role of business and how an organization is performing as a member of the society (cf. Dahlsrud, 2008; Matten and Moon, 2008; Okoye, 2009), expectations that concern sector-based corporate responsibilities deal with the specific consequences of doing a certain type of business and the larger issues and processes a certain business is connected to, both from the liability perspective and social connection perspective (cf. Young, 2006; Timonen and Luoma-aho, 2010; Vidal et al., 2010; Schrempf, 2012; Olkkonen, in press).

Empirical examples

To illustrate how expectations can be analyzed and categorized, this section presents empirical examples from a sub-study of a recent doctoral dissertation (Olkkonen, forthcoming). The empirical data for the sub-study was generated by interviewing 13 NGO experts about their views on corporate responsibility and societal role of a specific sector—the media sector. The interviewees had followed the development of the media sector as part of their jobs that concentrated either directly (e.g., media education), or indirectly (e.g. global education, Internet issues) on media-related issues. The interviews and analysis concentrated especially on the sector-specific traits of corporate responsibility.

Compared to many other lines of business, media differs especially in its central role in supporting democratic ideals, such as providing a truthful, comprehensive, and intelligent report on events, safeguarding individual rights, and enlightening the public (Commission on Freedom of the Press, 1947; Peterson, 1956). From the viewpoint of corporate responsibility, this role is part of the sector-specific traits that characterize corporate responsibility for a certain sector (Olkkonen, in press). In essence, the sector-specific corporate responsibility for the media sector is defined by the direct and indirect consequences of producing media content (cf. Young, 2006; Schrempf, 2012).

This empirical part will concentrate on explaining the analysis and the use of the realms of positive and negative expectations form the Expectation Grid in identifying, first, (1) the issue that is addressed in the expectation, (2) the outcome that is assessed in the expectation (positive or negative), and (3) the confidence that is attached to the expectation (high to low). Furthermore, the empirical examples will portray how an analysis of expectations becomes more complex, when outcomes and expectations turn negative, as negative outcomes are contrasted with positive outcomes. Hence, this empirical section will not present a comprehensive description of the data and results (for this, see Olkkonen, in press) but, rather, it will go deeper into individual examples and offer empirical illustrations of the different expectation types: optimistic, hopeful, cynical, and pessimistic.

The first example concerns optimistic expectations. In the interview extract below, an NGO expert interviewee talks about how media companies should participate in media education that promote media literacy:

Part of the media's responsibility could be that the leading commercial media would cooperate somehow

in terms of media education, that they would offer, for example, some tools for it, kind of like the Newspaper Week and others. But, somehow, more broadly connected to social media. (NGO expert 6)

To analyze an individual interview extract such as the one above, first the extract was coded by giving it a general category based on the issue that was addressed in the extract—in this case, media literacy (the coding rested on thematic analysis, see e.g., Boyatzis, 1998; Braun and Clarke, 2006). The reason the expectation expressed in this extract was identified as optimistic depended on the outcome the interviewee discussed, and how likely the interviewee assessed the outcome, based on the four-fold model presented in the Expectation Grid. Table 2 below explicates how the extract was analyzed.

TABLE 2: ANALYSIS EXAMPLE: OPTIMISTIC EXPECTATION

Extract	Code/Issue	Outcome	Confidence	Expectation
Part of the media’s responsibility could be that the leading commercial media would cooperate somehow in terms of media education, that they would offer, for example, some tools for it, kinds of like the Newspaper Week and others. But, somehow, more broadly connected to social media.	media literacy	positive	High (in achieving a positive outcome)	optimistic

Optimistic expectations, such as the one in the extract above, were relatively straightforward to interpret and analyze, whereas hopeful expectations were much more difficult to identify. This was because negative outcomes were often reflected on how things should be (positive outcomes), and hence, negative and positive outcomes were often discussed together. This interlinking often resulted in cautious expectations with mixed confidence as opposed to clear positive or negative expectation types. The following is an example of interlinking between a hopeful and a cautious expectation:

We have great things happening—there are magazines [...] that form a counterforce somehow, even though one can argue that even their journalism is produced from an elitist perspective. But there are attempts to break [mainstream journalism]—for example, the youth have their own [magazine]. There are attempts, and as a media educator I would hope that we will not stay in this [state] that we already have some [new forms] but that we try to develop it further and bring forth opportunities. And this has to do with the future in the sense that I would be very hopeful to see how mainstream journalism might be a lot different than it currently is. (NGO expert 8)

In the extract, the interviewee discusses interlinking that occurs with concentrated media and the hope of increased diversity brought about by new media forms. Table 3 breaks the interview extract to smaller proportions to show how to distinguish between positive and negative elements and analyze them further. In the first part of the extract the interviewee expresses caution, both concerning diversity and media concentration, but toward the end the expectations that concern media concentration turn from cautious to hopeful.

TABLE 3: ANALYSIS EXAMPLE: CAUTIOUS AND HOPEFUL EXPECTATIONS

Extract	Code/Issue	Outcome	Confidence	Expectation
We have great things happening—there are magazines [...]that form a counterforce somehow,	diversity	positive	mixed	cautious
even though one can argue that even their journalism is produced from an elitist perspective.	media concentration	negative	mixed	cautious
But there are attempts to break [mainstream journalism]—for example, the youth have their own [magazine]. There are attempts, and as a media educator I would hope that we will not stay in this [state] that we already have some [new forms]	diversity	positive	mixed	cautious
But that we try to develop it further and bring forth opportunities. And this has to do with the future in the sense that I would be very hopeful to see how mainstream journalism might be a lot different than it currently is.	media concentration	negative	high (in preventing a negative outcome)	hopeful

The examples of cautious expectations above already indicate how stakeholder expectations are not always positive—cautious expectations express a mixed confidence in the organization’s ability to either offer positive outcomes or to prevent negative outcomes. When expectation are negative, the confidence turns from mixed to low. The following extract represents the realm of negative expectations. In the extract, the interviewee assesses media content and media’s behavior in connection to crises:

[News include] pictures from accidents scenes and of people covered in blood, and they take interviews from people who are clearly in shock and they surely cannot assess whether they are in a condition to make statements on the subject [...]. This kind of information I don’t need, I need information such as figures and... I mean that the fact that someone is in shock does not interest me, I can figure that out when I know what has happened. But what I do need is how such an event is possible and how—is there something bigger in the background. (NGO expert 6)

In this extract, similar to the earlier example of hopeful expectations, the interviewee discusses positive and negative outcomes simultaneously and interconnected. The negative outcomes that is assessed is scandal seeking, and this negative development is assessed in the light of outcomes the interviewee would like to see more of, sensitivity and curating. Table 4 portrays the analysis in more detail.

TABLE 4: ANALYSIS EXAMPLE: PESSIMISTIC, CYNICAL, AND CAUTIOUS EXPECTATIONS

Extract	Code/Issue	Outcome	Confidence	Expectation
[News include] pictures from accidents scenes and of people covered in blood, and they take ...	scandal seeking	negative	Low (in preventing negative outcome)	pessimistic
... interviews from people who are clearly in shock and they surely cannot assess whether they are in a condition to make statements on the subject [...]. This kind of information I don't need,	sensitivity	positive	Low (in achieving positive outcome)	cynical
I need information such as figures and...	curating	positive	mixed	cautious
I mean that the fact that someone is in shock does not interest me, I can figure that out ...	scandal seeking	negative	Low (in preventing negative outcome)	pessimistic
... when I know what has happened.	sensitivity	positive	Low (in achieving positive outcome)	cynical
But what I do need is how such an event is possible and how—is there something bigger in the background.	curating	positive	mixed	cautious

The interconnectedness becomes particularly visible in this example, as even a single comment such as “I mean the fact that someone is in shock does not interest me, I can figure that out when I know what has happened” is connected to a negative (scandal seeking) and a positive outcome (sensitivity) that are weighed simultaneously by the interviewee. This means that while the interviewee discusses the negative development of scandal seeking that the interviewee sees likely to continue, the desired state of affairs is implicitly expressed in the same comment: the interviewee sees a need for sensitivity in media’s conduct. Especially this type of example of negative expectations show that to analyze stakeholder expectations is far from simple and expectations should not be treated as observable data or as if one automatically knows what is meant by expectations and how to identify what they are.

The examples presented above have all dealt with sector-specific corporate responsibility. Thus the scope of this analysis has been narrow in the sense that the empirical examples only touched upon a few examples of corporate responsibility issues that concern the direct and indirect consequences of producing products in a specific sector, the media sector. However, the empirical examples show that even with a narrow focus and a few examples, the analysis is bound to be quite complex, especially when expectations turn negative. Next, the concluding section offers further insights on how to use the input of this article and proceed with a less positivity-biased conceptual understanding of stakeholder expectations.

Conclusions

This article set out to address and mitigate the positivity bias in studying expectations of corporate responsibility. The purpose was to advance the viewpoints in existing literature both in terms of conceptual and empirical understanding. Four expectation types were presented, two positive (optimistic and hopeful) and two negative (cynical and pessimistic), supported by empirical examples that broke expectations down by identifying (1) the issue that is addressed in the expectation, (2) the outcome that is assessed in the expectation, and (3) the confidence that is attached to the expectation.

The empirical examples of analyzing expectations showed that even with a very limited data, such as individual interview extracts presented in this article, analysis of expectations require quite intricate analysis. Furthermore, especially when the sector-specific traits of corporate responsibility are under analysis, corporate responsibility is connected to complex issues and interdependent processes that are difficult to identify and unravel without a thorough analysis. This relates to corporate responsibility as social connection (Young, 2006; Schrempf, 2012) and the change in the scope of corporate responsibility when businesses address issues that have previously belonged to nation-states, such as public health, education, social security, business regulation, human rights, and social stability (Scherer and Palazzo, 2011).

Social connection adds complexity to expectations, and an analysis of positive and negative expectations can help to unravel that complexity and how positive and negative assessments actually influence each other and are connected. A more profound understanding of stakeholder expectations has the potential to make organizations more sensitive toward their societal context, especially concerning corporate responsibility as social connectedness. Furthermore, the ability to analyze expectations can help organizations to distinguish when their stakeholders' expectations deal with social connection expectations, and when they can be defined as societal expectations. At the moment, it seems that societal and stakeholder expectations are used somewhat interchangeably in the literature (e.g., Berens and van Riel, 2004; Bertels and Pelozo, 2008). I would suggest that for an expectation to be societal, it needs to be a prevalent or integral part of the institutional context that surrounds organizations. This means that some stakeholder expectations can be societal, and can deal issues of social connection, but not necessarily.

Hopefully the input of this article will aid future studies to address expectations of corporate responsibility with more precision and to further theorize their relevance for corporate responsibility communication. Future research is invited to take part in mitigating the positivity bias in understanding expectations and to execute empirical studies where expectations are studied and analyzed both as positive and negative constructions. As a practical output, the analysis examples of the article can help communication professionals to map and analyze the different expectation that their organizations faces concerning corporate responsibility.

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APPENDIX 1

SAMPLE OF ACADEMIC ARTICLES LISTED IN TABLE 1

Author(s)	Year	Title	Journal, volume, number, and pages
Adams, J. E., Highhouse, S. and Zickar, M. J.	2010	Understanding general distrust in corporations	Corporate Reputation Review, Vol. 13 No 1, pp. 38-51
Anderson, D. S.	1992	Identifying and responding to activist publics: A case study	Journal of Public Relations Research, Vol. 4 No. 3, pp. 151-165
Bae, J. and Park, S-A.	2011	Socio-contextual influences on the Korean news media's interpretation of Samsung's \$847.6 million donation	Journal of Public Relations Research, Vol. 23 No. 2, pp. 141-166
Berens, G. and van Riel, C. B. M.	2004	Corporate associations in the academic literature: Three main streams of thought in the reputation measurement literature	Corporate Reputation Review, Vol. 7 No. 2, pp. 161-178
Bertels, S. and Peloza, J.	2008	Running just to stand still? Managing CSR reputation in an era of ratcheting expectations	Corporate Reputation Review, Vol. 11 No. 1, pp. 56-72
Brønn, P. S.	2012	Adapting the PZB service quality model to reputation risk analysis and the implications for CSR communication	Journal of Communication Management, Vol. 16 No. 1, pp. 77-94
Bruning, S. D. and Galloway, T.	2003	Expanding the organization-public relationship scale: Exploring the role that structural and personal commitment play in organization-public relationships	Public Relations Review, Vol. 29, pp. 309-319
Carroll, C.	2009	Defying a reputational crisis: Cadbury's salmonella scare: why are customers willing to forgive and forget?	Corporate Reputation Review, Vol. 12 No. 1, pp. 64-82
Colleoni, E.	2013	CSR communication strategies for organizational legitimacy in social media	Corporate Communications: An International Journal Vol. 18 No. 2, pp. 228-248
Dawkins, J.	2004	Corporate responsibility: The communication challenge	Journal of Communication Management, Vol. 9 No. 2, pp. 108-119
de Quevedo-Puente, E., de la Fuente-Sabaté, J. M. and Delgado-García, J. B.	2007	Corporate social performance and corporate reputation: Two interwoven perspectives	Corporate Reputation Review, Vol. 10 No. 1, pp. 60-72
Friedman, B. A.	2009	Human resource management role implications for corporate reputation	Corporate Reputation Review, Vol. 12 No. 3, pp. 229-244
Golob, U., Jancic, Z. and Lah, B. M.	2009	Corporate social responsibility and transparent pricing in the case of the euro changeover	Corporate Communications: An International Journal, Vol. 14 No. 4, pp. 456-469

González-Herrero, A. and Pratt, C. B.	1996	An integrated symmetrical model for crisis-communications management	Journal of Public Relations Research, Vol. 8 No. 2, pp. 79-105
Griffin, J. J.	2002	To brand or not to brand? Trade-offs in corporate branding decisions	Corporate Reputation Review, Vol. 5 No 2-3, pp. 228-240
Hanson, D. and Stuart, H.	2001	Failing the reputation management test: The case of BHP, the big Australian	Corporate Reputation Review, Vol. 4 No. 2, pp. 128-143
Hagen, Ø.	2008	Seduced by their proactive image? On using auto communication to enhance CSR	Corporate Reputation Review, Vol. 11 No. 2, pp. 130-144
Heath, R. L. and Palenchar, M.	2000	Community relations and risk communication: A longitudinal study of the impact of emergency response messages	Journal of Public Relations Research, Vol. 12 No. 2, pp. 131-161
Hillenbrand, C. and Money, K.	2007	Corporate responsibility and corporate reputation: Two separate concepts of two sides of the same coin?	Corporate Reputation Review, Vol. 10 No. 4, pp. 261-277
Ihlen, Ø.	2008	Mapping the environment for corporate social responsibility: Stakeholders, publics and the public sphere	Corporate Communications: An International Journal, Vol. 13 No. 2, pp. 135-146
Johansen, T. S. and Nielsen, A. E.	2011	Strategic stakeholder dialogues: A discursive perspective on relationship building	Corporate Communications: An International Journal Vol. 16 No. 3, pp. 204-217
Johansen, T. S. and Nielsen, A. E.	2012	CSR in corporate self-storying: Legitimacy as a question of differentiation and conformity	Corporate Communications: An International Journal Vol. 17 No. 4, pp. 434-448
Kampf, C.	2007	Corporate social responsibility: WalMart, Maersk and the cultural bounds of representation in corporate web sites	Corporate Communications: An International Journal Vol. 12 No. 1, pp. 41-57
Ki, E.-J. and Hon, L. C.	2007	Testing the linkages among the organization-public relationship and attitude and behavioral intentions	Journal of Public Relations Research, Vol. 19 No. 1, pp. 1-23
Kim, S.	2011	Transferring effects of CSR strategy on consumer responses: The synergistic model of corporate communication strategy	Journal of Public Relations Research, Vol. 23 No. 2, pp. 218-241
Kim, S., Park, J.-H. and Wertz, E. M.	2010	Expectation gaps between stakeholders and web-based corporate public relations efforts: Focusing on Fortune 500 corporate web sites	Public Relations Review, Vol. 36, pp. 215-221
Lee, M.-Y., Fairhurst, A. and Wesley, S.	2009	Corporate social responsibility: A review of the Top 100 US retailers	Corporate Reputation Review, Vol. 12 No. 2, pp. 140-158
Lindgreen, A. and Swaen, V.	2005	Corporate citizenship: Let not relationship marketing escape the management toolbox	Corporate Reputation Review, Vol. 7 No. 4, pp. 346-363

Lindgreen, A., Swaen, V. and Johnston, W.	2009 The supporting function of marketing in corporate social responsibility	Corporate Reputation Review, Vol. 12 No. 2, pp. 120-139
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2. CSR REPORTING: DISCLOSURE AND TRANSPARENCY ISSUES

A Cross-Cultural Analysis of Blame, Hardship, and Denial in CSR Reporting

Abstract

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Purpose

The purpose of this study is to explore the degree to which Anglo and Confucian Asia cultures share similar characteristics in the reporting of negative information in CSR reporting. The study compares companies' negative disclosures to normative profiles that accompany DICTION 7.1.

Design

The sample consists of 367 negative information passages (paragraphs) from the 2014 English language CSR reports of companies headquartered in Anglo (n= 9) and Confucian Asia (n= 9) cultural clusters that differ in individualism-collectivism, importance of face, and high vs. low context communication. The reports were content analyzed using DICTION 7.1 in two steps: First, negative passages were extracted from the reports, and then passages were coded using DICTION's theoretical variables. We analyzed the negative passages' word counts and degrees of blame, hardship and denial, certainty, rapport, embellishment, variety, and complexity.

Findings

Anglo companies had a greater number of negative passages (Anglo N = 270; Asian N =77). Per negative passage, Asian reports had a greater number of word characters and number of unique words. Anglo reports expressed a greater degree of ambivalence, but both cultures' negative passages expressed lower levels of ambivalence than DICTION's norms. Both cultures' reports demonstrated low levels of praise and satisfaction, but surprisingly, were both within DICTION's normative range, albeit closer to the lower level of the normative range. The Asian reports demonstrated slightly higher satisfaction. Both cultures demonstrated lower levels of denial than DICTION's norms. Both levels were within DICTION's normative range for blame. Anglo companies were with DICTION's norms for hardship, but the Asian companies expressed levels of hardship that were higher than DICTION's norms. Both cultures demonstrated higher levels of embellishment, variety, and complexity than DICTION's norms, and both demonstrated lower levels of certainty than DICTION's norms. Both cultures demonstrated levels of rapport within DICTION's normative range, but Anglo reporting had higher levels of report.

Originality/value

This research compares companies' negative disclosures in their CSR reporting to DICTION's normative database built up over years. The study demonstrates that negative CSR disclosures have particularly unique characteristics, and some that transcend cultures.

Keywords

CSR reporting, culture, negative information, transparency signaling, computer-aided content analysis

(In)Transparency in CSR Reporting?

Abstract

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Purpose

It is frequently demanded of companies to provide information about CSR activities and societal impact in a transparent manner. A central aspect of transparency is balance, i.e. disclosing positive as well as negative information. The purpose of this study is to reveal the quantity and quality of negative disclosures in large companies' CSR reports and to explore cultural differences in this respect.

Design

The sample consists of nearly 100 CSR reports (English language only) from companies headquartered in three different cultural clusters (Anglo, Confucian Asia, Germanic/Northern Europe) that differ in individualism-collectivism, importance of face, and high vs. low context communication. The reports were content analyzed by human coders in two steps: First, negative passages were identified; second passages were coded following a comprehensive codebook.

Findings

Quantity of negative disclosure varies greatly between cultural clusters. While reports from G/N Europe show the highest number of negative disclosures, Confucian Asia has the lowest with Anglo in between. In line with Hall's differentiation between low- and high-context communication, companies from G/N Europe report on negative aspects most concretely and provide a comprehensible explanation most often followed by Anglo and Confucian Asian companies.

Originality/value

Balance as part of transparency is a central claim for CSR communication and reporting. This research contributes to the sparse empirical knowledge on balanced CSR reporting regarding quantity and quality of negative disclosures. It furthermore extends our understanding on intercultural differences in CSR reporting.

Keywords

CSR reporting, culture, transparency, balance, negative information, content analysis

The Evolution of CEO Letters on BP's Sustainability Reports: A Longitudinal Study

Abstract

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Purpose

The paper aims to examine the evolution of the Corporate Social Responsibility discourse investigating the CEO letter of BP's CSR reports from 1998 to 2013. It is important to examine the CEO letter as it is considered one of the most powerful and influential type of corporate communication.

Design/methodology/approach

This paper is a longitudinal study and uses text analysis of CEO letters appearing in the CSR reports of BP from 1998 to 2013 to evaluate if, how and why the organizations CSR discourse changed during the time period.

Findings

The CSR discourse changes over the period from 'science still provisional ... but climate change is too serious to be ignored' to 'our commitment to report clearly on what we do and the effects our actions have'. Further, the research finds that BP increasingly acknowledged and emphasized the importance of partnerships in order to increase their CSR credibility.

Originality/value

The papers value and originality is the study of a major corporation during a period of serious environmental catastrophes and through a longitudinal analysis evaluates how the CEO responded through their letters in CSR reports. Further, there has been limited study of disclosure through CEO letters in CSR reports in comparison to Annual Reports.

Keywords

CEO letter, CSR reports, textual analysis, longitudinal study

CSR Reporting Discussed in the Light of Signalling and Stakeholder Perception Theories

Extended abstract

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Abstract

Purpose

This conceptual paper discusses CSR reporting in the light of signalling theory and stakeholder perception theories, showing how a CSR report is able to effect the (CSR) reputation - depending on underlying factors such as the context for CSR reporting and the psychological factors of how stakeholders perceive and evaluate CSR engagement.

Design/methodology/approach

A literature review and the design of a conceptual framework are used to analyze the importance of CSR reporting for a company's (CSR) reputation.

Findings

The paper shows which underlying factors contribute to a positive or negative evaluation of the CSR report as part of a company's CSR engagement. There are four possible effects due to stakeholder perception: (1) In a positive context for CSR reporting, a negatively evaluated signal produces a loss to the (CSR) reputation. (2) In a negative context for CSR reporting, a negatively evaluated signal produces no effect on the reputation. (3) In a positive context for CSR reporting, a positively evaluated signal leads to a neutral or win situation. (4) In a negative context for CSR reporting, a positively evaluated signal leads to the biggest win situation. This effect leads also to a modified favourable or unfavourable context for CSR reporting.

Research limitations

Due to the paper's conceptual approach an empirical test of the framework is missing.

Originality/value:

By addressing both corporate signalling and stakeholders' CSR perception aspects, the paper contributes to an area of research on CSR reporting that has been rarely addressed.

Introduction

A positive corporate image which results in a positive corporate reputation leads to a competitive advantage when it results in trust in the company and motivates stakeholders to contract with it in one way or the other (e.g. Lange et al., 2011; Walker, 2010). The corporate image is what is generally perceived about a company by the public and by the company's stakeholders and is the product of a process in which stakeholders receive different sorts of signals from the company and third parties and reflect (un-) consciously on them (e.g. Fombrun and Shanley, 1990; Melewar et al., 2012). Galbreath (2010: 417) points out that "reputation formation can be broadly understood as a signaling process in which firms' strategic choices and activities send signals to stakeholders [...]; stakeholders in turn use these signals to form impressions or associations of these firms". One important vehicle to do so is corporate communication, understood as a strategic management function overseeing and coordinating the work of all communication practitioners in a company (Balmer and Gray, 1999). Moreover, corporate communication can be seen as a diffusion system for organizational signals expressing positive organizational attributes of which quality is a key one (Bird and Smith, 2005; Connelly et al., 2011). Signalling can therefore be seen as an action which is able to establish or reinforce some sort of social status (Bird and Smith, 2005) - in a corporate context, image and reputation (Basdeo et al., 2006; Connelly et al., 2011). Besides quality, in the present day, responsibility is another key dimension of a company's attributes. CSR communication can include stakeholder information and response and involvement strategies (Morsing and Schultz, 2006). Furthermore, CSR reporting is understood as a strategy to legitimise the company's activities (Hooghiemstra, 2000) so that it complements having good engagement with multiple stakeholders.

Purpose

A company is constantly in relationships with stakeholders; thus it is vital how their corporate social responsibility is perceived since credibility and trustworthiness are a source of competitive advantage. Yet it is difficult for stakeholders to observe trustworthiness directly, and so signals of trustworthiness are named as one approach in stakeholder communication (Aqueveque, 2005). Clearly, the stakeholders' perception of a company and its CSR activities are of great importance for all reputation and communication management activities. What has been missing in the literature, however, is a holistic view on CSR reporting that brings the different aspects of signalling and stakeholder perception theories together.

Methodology: Literature review Signalling CSR

With regard to signalling theory, several scholars have discussed CSR as a signalling mechanism in which the signalling of social responsiveness to stakeholders activates the stakeholders' goodwill and thus creates a good reputation (Aqueveque, 2005; Galbreath, 2010). Such signals of responsiveness – CSR as a sign of a company's ethical standards and values and moreover of trustworthiness – are seen as positively affecting economic activities (Aqueveque, 2005; Basdeo et al., 2006). Galbreath (2010) shows here that a firm can decide to do either substantive or symbolic signalling actions. The author thus concludes that "CSR is expected to signal to stakeholders a positive ideal of corporate behavior, thereby increasing reputation" (Galbreath, 2010: 412). In this regard, it is argued that CSR reputation is a key dimension and thus a very important aspect of corporate reputation (e.g. Lewis, 2003) and may serve as an insurance-like protection (Eisingerich et al., 2011).

CSR communication and reporting

Besides other forms of CSR communication, reporting is an important communication tool which provides information regarding different sorts of CSR issues (Golob and Bartlett, 2007). Printed CSR reports have developed further from social (1970s) and environmental reporting (1980s/1990s), while in recent years companies use the internet more for their reporting and in a more extensive way (Herzig and Godemann, 2010). A CSR report can hence be seen as a 'substantive signalling action' that requires resources in order to show that the company fulfils its responsibility (Galbreath, 2010; Hahn and Kühnen, 2013).

Perception and evaluation of CSR activities by stakeholders

One strand of research has analyzed the perception and evaluation of CSR engagement by stakeholders (e.g. Bhattacharya et al., 2009; Golob et al., 2008). A different strand of literature has analyzed the perception by specific stakeholder groups in different contexts (e.g. Skouloudis et al., 2015). This paragraph outlines in more detail the perceptions and evaluations of CSR engagement by two different stakeholder groups – consumers and employees.

The perception of CSR engagement by consumers is largely influenced by the two factors values and attribution. First of all, the consumer's values can influence his/her perception of CSR engagement (Golob et al., 2008; Mueller, 2014), which means that consumers' expectations of CSR engagement are based on their value orientations in the sense that consumers expect companies to act on the basis of values that are similar to their own (Golob et al., 2008: 86). A second important aspect of CSR perception by consumers refers to attributions. Attributions are defined as "causal reasoning consumers engage in when trying to understand a company's CSR activities" (Bhattacharya and Sen, 2004: 14), are described in short as "CSR motives", and are also called "key psychological mechanisms" (Green and Peloza, 2014; Groza et al., 2011: 639). It was shown that these attributions can be based on different reasoning as assumed and perceived by the stakeholder: a company's altruism, value basement, strategy, egoism or stakeholder pressure (Alcaniz et al., 2010; Green and Peloza, 2014; Groza et al., 2011). In the case of a perception of sincere CSR motives, CSR activities are thus considered to be effective for improving a company's corporate image (Yoon et al., 2006). This advantage of proactive CSR engagement can also be true for CSR communication in the sense that a good CSR communication is a way to create a positive association with the company (Groza et al., 2011: 639).

The perception of CSR engagement by (potential) employees is largely influenced by the two factors attributions and organizational commitment. First, attributions, in the sense of the employees' interpretation of CSR motives, are again named a key factor for perception (Vlachos et al., 2013). The authors explain in this regard that employees use their intuitive psychology to judge subjectively the sincerity of the company's CSR engagement. The organizational commitment refers to the employee's identification with the employer as the result of a psychological attachment (Choi and Yu, 2014). In this regard, it is important to reflect on the fact that employees match the "person-organization fit" (Kim and Park, 2011). Therefore, social identity theory is referenced in order to explain that employees gain positive effects for their self-esteem when working for a company with a positive corporate reputation, because the employee can then be proud of being part of the staff (Choi and Yu, 2014; McShane and Cunningham, 2012).

Factors for a positive CSR perception by consumers and employees as derived from the literature review are thus values, attributions, and organizational commitment. This is why aspects of social psychology, such as attribution theory (e.g. Martinko et al., 2011), play an important part when analyzing possible effects of CSR reporting on corporate reputation.

On the basis of the concepts outlined, a framework has been developed for CSR reporting as a communication signal that passes two filters and that is able to affect the (CSR) reputation

Findings: Framework of CSR reporting between signalling and stakeholder perception theory

The elements of the conceptual framework are the CSR signal, two filters, the signal's filtered effect on the (CSR) reputation and an effect on the context for CSR reporting resulting from the previous effect on the reputation.

Proposition 1: CSR reporting works as a communication signal that has to pass two filters.

CSR reporting is done in the context of communication and reputation management and works as a CSR signal. It has to pass two filters to affect the company's (CSR) reputation. The first filter takes into account that a good or bad context for CSR reporting is created by the signalling environment. In this signalling environment that consists of the three players, the signalling company, its signalling competitors/third parties and the signal-receiving and -interpreting stakeholders, several factors linked to the players can make for a good or bad context for CSR reporting.

In addition, a second filter of the stakeholder's perception of CSR engagement exists. Here, the psychological factors outlined previously come into play. Stakeholders evaluate CSR reporting as part of a company's CSR engagement based on these factors. Stakeholders evaluate the CSR engagement demonstrated by the CSR report either positively or negatively based on their values and the attributions they perceive in response to the CSR signal.

Proposition 2: The evaluation of the signal leads to four possible effects on the (CSR) reputation.

(1) In a positive context for CSR reporting, in which the CSR report is evaluated as a dubious signal, it produces a loss to the (CSR) reputation, because the formerly good reputation decreases due to the negative effect of the signal. (2) In a negative context for CSR reporting, a CSR report that is evaluated as a dubious signal produces no effect on the reputation because the formerly bad reputation remains bad. (3) In a positive context for CSR reporting, a CSR report that is evaluated as a credible signal leads to a neutral or win situation, because a formerly good reputation is confirmed or even improved due to a positive effect of the CSR signal. (4) In a negative context for CSR reporting, a CSR report that is evaluated as a credible signal leads to the biggest win situation, because a formerly bad (CSR) reputation increases due to the positive effect of the signal.

Proposition 3: The affected (CSR) reputation finally has an impact on the modified reporting context.

This context is improved or worsened by the changed reputation. This must be considered when reflecting on the effect of CSR reporting on the reputation.

Implications and Conclusion

In this article CSR reporting is discussed in the light of signalling and stakeholder perception theory. A conceptual framework is elaborated that shows how a CSR report is able to contribute to the (CSR) reputation when it is perceived and evaluated as a credible signal by the stakeholders due to psychological factors. The paper thus adds to the current debate on the relevance of CSR communication for corporate communications and corporate reputation. Moreover, the paper offers CSR and communication practitioners a theoretically-based view of CSR reporting in the context of signalling and stakeholder perception theories. Further research is, however, needed in order to test the conceptual framework and to demonstrate an empirical result for the filtered effect of a CSR signal on the (CSR) reputation.

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Strategies for Implementing the Requirements of New Reporting Guidelines in the Sustainability Reporting of Swiss Companies

Extended abstract

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Abstract

Purpose

The aim of a two-year research project is to shed light on the current challenges and needs of Swiss companies in the transformation of their reporting practices according to the latest developments in sustainability reporting and to elaborate a toolset for the implementation of new reporting guidelines (GRI G4 and Integrated Reporting IR) for Swiss companies.

Design/methodology/approach

A multiple case study approach is applied that allows in-depth analysis of the current reporting practices of two large Swiss companies, one from the banking sector, the other from tourism industry.

Findings

The two case study companies are struggling with the decision on how to implement the new GRI G4 reporting guidelines and the Integrated Reporting framework best. Two of their main reporting challenges are (1) how to integrate supply chain issues into the materiality assessment and (2) how to present the reporting information in order to meet the target group's needs. The toolset, which consists of the four modules supply chain, stakeholder orientation, materiality, and target group orientation, should serve as a guiding framework for the companies in addressing the new challenge in sustainability reporting.

Research limitations

The research project focuses on a limited number of two case study companies.

Practical implications

After the research project, the developed toolset will be provided to further companies in order to improve the implementation of the new reporting guidelines by a larger sample of Swiss and international companies.

Originality/value

The implementation of requirements of both the GRI G4 and Integrated Reporting guidelines is currently one of the biggest challenges for the reporting especially of medium sized and large companies. Therefore, the toolset as well as instructive guidance for the use of the toolset is developed in close collaboration with the case study companies.

Introduction

With regard to the standard of reporting suggested by the Global Reporting Initiative (GRI), the KPMG Survey of Corporate Responsibility Reporting 2013 finds that the reporting guidelines of the GRI are and should remain the benchmark since they are the most commonly used, surpassing national guidelines and any others standards in use today (KPMG, 2013: 31). According to the figures quoted by KPMG, e.g., 78 percent of the 100 largest companies worldwide use specifications established by the GRI. A major problem for companies working with the GRI Reporting Guidelines since they were first introduced 15 years ago has been the fact that they were mainly conceived to cover all different types of organizations in diverse business sectors and areas of society. They are therefore understandably vague with regard to how the fundamental principles and elements of "good" reporting they contain should be implemented. The GRI's G4 Sustainability Reporting Guidelines have brought some clarity, which raises hope that companies will have to be considerably more concrete and

transparent with regard to their sustainability efforts in future (cf. Daub, 2014).

The main issue remains that such reporting guidelines do not include any manageable tools to enable companies to directly comply with reporting requirements; there is no comprehensive toolset which would meet the specific needs of a company, support it in its stakeholder-oriented sustainability reporting, and help it publicize its sustainability performance. Companies are left in the dark as to how they can, as the GRI Guidelines put it, “involve stakeholders”, e.g., into the management process and the reporting process. Similarly, they do not know how to analyze the “materiality” of certain corporate activities or what it means for a company to consider the whole value chain in illustrating its sustainability performance. A range of different concepts and methods is available to help with stakeholder management which can be applied in many different contexts. However, no holistic overview exists, and neither is there a way to link stakeholder management with taking into account “materiality” and the “value chain” as transparent sustainability reporting would require. Furthermore, there are no specific decision-making tools tailored to the needs of companies that could support them in their stakeholder communication.

These days, companies of all sizes and in all sectors wanting to publicize their activities using sustainability reports need sustainability reporting that is modern and oriented towards stakeholders. Some of the challenges these companies are faced with are:

Choosing a suitable framework: In general, companies can be said to choose from a small range of internationally applicable reporting guidelines (GRI, IIRC, UN Global Compact, SASB, and GISR). What still needs to be examined further is which guidelines will prevail for which types of companies and how compatible these guidelines are with each other.

- Implementing the contextual GRI principles: GRI G4 focuses more strongly on the following four principles: materiality, comprehensiveness, sustainability context, and stakeholder involvement. It remains to be determined how these principles can be implemented.
- Deciding on a level of integration: The tendency to combine annual report and sustainability report into one document and integrate the two reporting processes has its benefits, but it also makes it harder for some companies to use sustainability topics to distinguish themselves.
- Orientation towards different stakeholder or target groups: The increasing standardization of reporting processes by following recognized guidelines makes it harder to present sustainability-related information in a manner that is tailored to the needs of specific target groups.
- Choosing suitable communication tools: For a long time, printed reports were the medium of choice in sustainability reporting. Online communication has opened up new possibilities such as pdf reports, e-books, or blogs, which makes the choice more difficult.

Consequently, there can be said to be a conceptual gap with regard to coordinated sets of instruments (“toolsets”) which would allow stakeholder-oriented sustainability reporting for larger companies and SMEs alike.

Purpose

The model-based approach to be designed and the set of instruments (flowcharts, lists of criteria, or checklists) to be developed is to be presented in the form of “Instructions to Adapt Sustainability Reporting to Meet Current Requirements”. The approach includes an analysis part to enable companies to review and reflect on the current state of their reporting processes and a design part based on the results of the analysis which guides companies in updating their reporting processes. The entire approach is geared towards the need of companies to address the challenges they have identified and provide practically oriented solutions that are easy to implement. The individual tools center on the following modules: “Effects along the Value Chain”, “Stakeholder Involvement”, “Determining Materiality”, and “Target Group Orientation of Reporting”.

- Value Chain: A practical, efficient process is needed to determine consequences within a reporting context. Companies are mainly faced with the challenge to identify all relevant issues along the value chain if possible and record their respective positive and negative effects. The “Value Chain” module is to enable user companies to prepare for the modules “Stakeholder Involvement” and “Determining Materiality” by mapping their value chain, identifying their effects, and thus localizing the sustainability aspects that are relevant, determining and commenting on possibilities for taking action, and, as a result, defining system boundaries with regard to their reporting. To do so, criteria need to be developed to determine the scope of different issues and a process needs to be defined to delimit said scope.
- Stakeholder Involvement: The involvement of relevant stakeholders is a key success factor in the context of modern reporting systems such as GRI G4 and IIRC. The module “Stakeholder Involvement” is to enable user companies to analyze how they have been involving their stakeholders in the various stages of their reporting process so far and, based on this, to define specific types of involvement. The more extensive requirements of modern sustainability reporting are taken into account. As part of the project, solution approaches are developed jointly with the company to build and maintain long-term interactive and communicative relationships to stakeholders.

- **Materiality:** In future, companies should be able to follow GRI G4 principles in reporting on issues they consider essential for their particular business activities. For issues that have been defined as “material” they can then describe both the management approach and report on performance using pre-defined indicators. The module “Determining Materiality” is to enable user companies to determine the weighting of material sustainability aspects and define which are the essential issues for their organization in a sustainability context – while providing sound arguments for their decisions. The procedure which is to be developed is to incorporate both GRI and IIRC requirements in its materiality considerations, demonstrate commonalities as well as differences, and show how the two sets of guidelines can be combined within the meaning of “integrated materiality determination”.
- **Target Group Orientation in Reporting:** Increasingly, companies come to realize that that a one-size-fits-all approach is not ideal for exploiting the full potential of a sustainability reporting system. The module “Target Group Orientation in Reporting” provides criteria and best practice examples to enable companies, on the one hand, to decide on the degree of integration of financial and sustainability reporting and, on the other hand, choose and develop suitable means of communicating with their specific target groups.

In using these modules, companies can enhance and optimize their sustainability reporting in accordance with the requirements of GRI G4 and IIRC.

Methodology

A multiple case study approach was applied that would allow in-depth analysis of the current reporting practices of two large Swiss companies, one from the banking sector (Bank), the other from the tourism industry (Tourism Group). We followed each company and recorded how they optimized their sustainability reporting and communication. This had two advantages: It generated practical research findings and immediately benefitted the two companies involved. First, the existing reporting process was analyzed using the modules “Stakeholder Involvement”, “Determining Materiality”, “Value Chain” and “Sustainability Context”. This was done using an analysis matrix developed from an existing instrument to analyze sustainability reporting according to GRI to which relevant elements of the IIRC Framework were added. This enabled analysis of reports of both case examples along GRI principles, taking into account criteria of the IR framework and using UNGC criteria as well as general aspects.

Next, selected results from the report analysis and the reporting process were discussed with company representatives in group interviews.

The project will continue until March 2017, which means that based on this situational analysis a toolset will be developed over the course of several project phases involving the two companies which will support them in actually developing a sustainability report as part of their stakeholder-oriented sustainability communication.

Findings

Results have so far remained only at the level of situational analysis. The two case study companies are struggling with the decision of how to implement the new GRI G4 Reporting Guidelines and the Integrated Reporting Framework best. Two of their main reporting challenges were (1) how to integrate supply chain issues into the materiality assessment and (2) how to present the reporting information in order to meet the target group’s needs. The toolset, which consisted of the four modules “Supply Chain”, “Stakeholder Involvement”, “Materiality”, and “Target Group Orientation”, was to serve as a guiding framework for the companies in addressing the new challenges of sustainability reporting.

First Finding: Initial Situations of Bank and Tourism Group:

The first case company, i.e., the Bank, has been orienting its reporting towards the requirements of the Global Reporting Initiative (GRI G3). Over the next few years, it plans to further develop its reporting in accordance with the updated guidelines of GRI G4 and, if necessary, take into account the requirements of other international standards such as the IIRC in order to create an integrated reporting system. The growing complexity of reporting, or rather the need to comply with the requirements of different standards makes it necessary for reporting companies to continuously deal with new developments on an international scale. By participating in the project, and by using the standardized procedural model which will be the result of its participation, the Bank will have it a lot easier in future to further develop its reporting taking into consideration the new relevant standards. The focus in this context is on the further development of stakeholder management, materiality analysis, the determination of reporting elements, systematic data gathering and analysis, and target-group-appropriate reporting.

The Tourism Group published its own sustainability report for the years 2006 to 2010. This was integrated into their annual report and, together with detailed online information, it was published on its corporate website. The company operates in an international environment and has to meet the expectations of diverse stakeholder groups. It is therefore essential for them to have reporting that is both transparent and credible in order to be able to maintain the trust of its various stakeholder groups.

Using the toolset to be developed will facilitate the process of sustainability reporting. Sustainability reporting is an important strategic pillar in a sustainability strategy which has to be developed further. In particular, the process has to be as clear as possible with regard to the definition of materiality in accordance with GRI G4.

Second Finding: Results from Report Analysis

In a first analysis step, the reporting of the two companies was reviewed using the analysis matrix described above. First results for the Tourism Group show that the requirements of the areas reviewed were largely met; there were however a few gaps: The most recent sustainability report, for instance, mainly contained information on stakeholder management and on the materiality analysis conducted. Some of the relevant GRI or IR requirements were not sufficiently complied with since stakeholder expectations and how to incorporate them were not illustrated with sufficient detail. At the same time, it failed to firmly establish the company's sustainability performance within a sustainability context.

With regard to the Bank, the report analysis shows that reporting was very comprehensive and succeeded in covering the extensive demand for information of sustainability rating agencies. However, with regard to GRI and IIRC requirements there were still a few gaps. There was only limited dialog with external stakeholders, e.g.; there was no well-structured procedure for stakeholder involvement, and thus the interests of external stakeholders were not sufficiently taken into account. This was also evident in their efforts to determine materiality: Although essential issues were identified, it was not shown for whom or for which stakeholders these issues were relevant and according to what criteria the materiality analysis was conducted.

Third Finding: Results of Interviews

In a second step, selected results from the report analysis were discussed with company representatives from the two companies and the reporting process was reviewed by means of the second section of the analysis matrix on the reporting process. It could be shown that in the case of the Tourism Group, there was a lot of data available internally but that it was not publicized, or only implicitly so. With regard to the modules, it was shown that stakeholder management was a fundamental element of the entire CR process and did not only take place in the context of reporting and determining materiality. Special challenges were the dimensions of identifying the essential issues ("impact for" vs. "impact of" the company). With regard to the sustainability context, it was shown that in addressing macro-trends, one would have to consider which national or international regulatory frameworks are actually relevant for a company. For reasons of complexity, it would be a good idea for an internationally operating company to refer to international guidelines rather than national legal frameworks, e.g., the Sustainable Development Goals. With regard to target group orientation, it was shown that it is not the target group orientation of the sustainability report that is significant, but that of sustainability communication as a whole. The interview revealed that the Bank is currently in a strategy phase in which specific goals and measures are being developed for essential issues. In addition, another materiality analysis was conducted involving external stakeholders by means of panel interviews. A key issue for the Bank has to be target group orientation, since sustainability is also used as a differentiating factor in competing with other companies.

Practical Implications and Originality

These initial results provide the foundations to develop tools to support companies in their reporting process. After finishing the research project, a toolset will be provided which other Swiss and international companies will be able to use to improve the implementation of new reporting guidelines.

The implementation of requirements of both the GRI G4 and the IIRC's Framework is currently one of the biggest challenges in reporting, especially for medium-sized and large companies. Therefore, the toolset as well as instructive guidance for the use of the toolset is developed in close collaboration with the two case study companies.

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Voluntary and/or Mandatory Standardization of CSR Reports? Critical Comments from a Quantitative Content Analysis of CSR Reports

Abstract

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Purpose

This research addresses voluntary and mandatory standardization of CSR reports. Political CSR, as one of the most discussed and cited concepts in the field, is based on voluntariness and self-regulation through multistakeholder initiatives. In practice, however, governments increasingly render CSR a mandatory, regulated hard-law task. One major challenge CSR faces is its voluntary nature, because it disregards current trends of regulation of CSR. In a nutshell: The voluntariness of CSR and its communication tools weakens stakeholders' capacity to compare and assess CSR reports amongst companies.

Design

We present evidence from a quantitative content analysis of CSR reports of Europe's biggest corporations from 11 countries (N = 237). As credibility is one of the fundamentals of re- and maintaining moral legitimacy in the communicative act, we apply a Habermasian communication perspective to analyze the credibility of these reports.

Findings

We find that current CSR reports show low levels of credibility overall. We argue that moral reasoning is central when taking on a communication perspective to (political) CSR. Moreover, we find that when a soft-law standard of reporting is applied, levels of credibility rise. We discuss why voluntariness is an issue and propose that nation states are or will be central actors when it comes to regulating CSR in Europe.

Originality/value

This study for the first time examines the credibility of CSR reports based on a theoretically sound Habermas-based operationalization. Our results highlight the ambiguous role of voluntariness for the theory and practice of CSR.

Keywords

CSR reporting, standardization, political CSR, credibility, Habermas

3. THE ROLE OF PRINT AND DIGITAL MEDIA IN RELATION TO PERCEPTION OF CSR

Afraid of Interaction? Stakeholder Engagement Regarding CSR on Social Media

Abstract

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Purpose

The classic PR model and the CSR communication model state that stakeholder engagement and involvement are superior in linking CSR with stakeholders. The rise of social media and web 2.0 applications might give companies the opportunity to create stakeholder dialogue and engagement. Social media seem to have the possibility in establishing meaningful relationships with stakeholders and can have a positive, indirect effect on corporate reputation due to the potential of dialogue and interactivity of social media. The research question in this study is what strategy organizations use in their CSR communication on social media?

Design

A previous study revealed that the 10 highest ranked European organizations do not use social media for stakeholder engagement and not for CSR communication. In this particular study we interviewed these organizations about their strategy of using social media, and their strategies for stakeholder engagement regarding CSR.

Findings

Results show that organizations take less than 0,1% of the opportunities to engage on social media about CSR. The companies assured on the one hand that engagement and stakeholder dialogue are extremely important, as is CSR. The complex nature of social media and the lack of control seem to be important reasons for this. Furthermore, organizations indicated that policies regarding social media are changing rapidly and that the importance of stakeholder dialogue and engagement are developing as such. It seems that active engagement with stakeholders using social media still is underdeveloped, and the opportunities of social media are not used to its full potential. Although the organizations indicated organizational problems in achieving stakeholder engagement on social media, the main reason seems to be the unknown, lack of control and being scary, whereas stakeholders want organizations to be more responsive and active on social media regarding CSR.

Carnavalesque CSR Communication: Examining 'Dispersed Authority' in Social Networking Sites

Abstract

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Purpose

This empirical research paper explores social networking sites (SNSs) within the context of Bakhtin's conceptualisation of 'carnival'. While CSR communications literature has focussed upon how organisations might attempt to control SNSs as part of reputation management, this paper examines discursive stakeholder resistance and disintegrative features of CSR communication.

Approach

This extended abstract explores concepts of control and resistance within the CSR communication and reputation management literatures, prior to introducing Bakhtin's notion of 'carnival'. It then discusses data collection and the methodology of critical discourse analysis and offers working observations. The paper examines three markers of carnival: profanity; sarcasm; and humour, in dialogue operating within the SNSs of four retailers: The Co-operative, Marks and Spencer, Lidl and Sainsbury's.

Findings

Our findings illustrate how, in response to organisational control, stakeholders discursively disrupt organisational authority through 'carnavalesque' CSR talk, creating cacophony and chaos in the SNSs. As its core contribution, the paper examines how control is exercised and resisted in CSR communication in SNSs as part of mutually constitutive practices, and introduces the concept of 'dispersed authority', active in the polyphonic (multivoiced) SNS contexts.

Originality

In exploring the rich social media milieu as a polyphonic site for the championing of 'freedom from' pre-established hierarchies and 'liberation for' individual voices, the paper contributes to the evolving body of scholarship concerned with CSR communication and reputation management in network societies.

Keywords

Communication, dialogue, reputation, resistance, social media

CSR Communication During Critical Events: A Semiotic Perspective

Conference paper

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Abstract

Purpose

The paper is exploratory and aims to investigate CSR communication before, during and after critical events related to companies CSR actions. The paper focuses both on the organization of communication process and specific signs and codes applied in relation to the communication process before, during and after critical events.

Design/methodology/approach

In order to exemplify the critical event context we provide an example of Finnish multinational company, Stora Enso and the recent event related to child labour in Pakistan. We also conduct interviews with multinational industrial companies in order to obtain their perspective on the communication process before, during and after critical events. We apply semiotic approach to the analysis of texts related to the critical event example case and interviews.

Findings

Based on the literature review and empirical findings we have outlined several phases in connection to critical event CSR communication and relevant signs and codes for each phase.

Practical implications

The paper provides managerial implications on how companies should communicate in connection to critical events related to CSR and what factors they should pay attention to.

Originality/value

More complex analyses were called upon in previous literature on CSR communication. In order to fill in this gap, the current research applies a semiotic perspective on CSR communication. By taking this perspective the paper emphasizes the need to consider specific signs and codes, while studying and developing CSR communication strategies, particularly in connection to critical events.

Keywords

CSR communication, critical event, industrial markets, semiotics

Introduction

Corporate Social Responsibility (CSR) has become part of company's way of engaging in the wider society and interacting with the actors of the company's own business network. At the same time, the increased importance of being socially responsible and sustainable raised the amount of critical events that can occur to a company, e.g. environmental disasters, labor issues and corruption. A critical event can be regarded as temporary specific happening, which a certain actor views as influential regardless of whether it has a positive or negative outcome (Tidström and Hagberg-Andersson, 2012). As a consequence, critical events related to CSR matters and the aftermath of these events have become increasingly important for companies operating in today's competitive global business environment. In order to survive critical events companies should carefully think through their CSR communication strategy in the first place and be able to communicate appropriately in connection to critical events (see Schwaiger and Sarstedt, 2011).

Ability (CSR) has become part of company's way of engaging in the wider society and interacting with the actors of the company's own business network. At the same time, the increased importance of being socially responsible and sustainable raised the amount of critical events that can occur to a company, e.g. environmental disasters, labor issues and corruption. A critical event can be regarded as temporary specific happening, which a certain actor views as influential regardless

of whether it has a positive or negative outcome (Tidström and Hagberg-Andersson, 2012). As a consequence, critical events related to CSR matters and the aftermath of these events have become increasingly important for companies operating in today's competitive global business environment. In order to survive critical events companies should carefully think through their CSR communication strategy in the first place and be able to communicate appropriately in connection to critical events (see Schwaiger and Sarstedt, 2011).

CSR communication is a phenomenon with two sides, on one hand it has been highlighted as beneficial for company's business (Morsing and Schultz, 2006), on the other hand companies are "reticent about communicating their [CSR] actions, fearing criticism and wary of creating expectations" (Outtes Wanderley et al., 2008, p. 371). Despite a considerable amount of literature on CSR communication during the last decades, scholars highlight that the communication aspect is still an underexplored area of CSR (Outtes Wanderley et al., 2008). Previous literature predominantly looked at company's communication via annual sustainability reports, which are predefined by certain standards (see Bakker et al., 2005), e.g. EU's Non-financial reporting guidelines (European Commission, 2015). This paper does not focus on CSR reporting, but regards companies' communication through other communication platforms, e.g. company's website, media and social media. We regard CSR communication as proactive and dialogical with CSR being "a dynamic continuum of competing, communicatively negotiated meanings" (Golob et al., 2013, p. 186). Thus, communication should be done in an "interactive" way by engaging in a "dialogue" with the actors' of the company's business network. In this study we apply the concept of business network actors (Håkansson and Snehota, 1995), rather than stakeholders, as it better highlights an interactive and proactive approach to communication and includes the role of indirect relationships.

Furthermore, the language and specific signs and codes applied in CSR communication play a crucial role in its effectiveness. Few environmental scholars focus on language use during environmental and social problems (Joutsenvirta, 2009). We aim to fill this gap by applying a semiotic perspective on CSR communication. Semiotics regards communication as a vehicle for transmission of signs and codes - creating a specific meaning to different receivers in the communication process (see e.g. Guiraud, 1975). One of the benefits of focusing on specific signs and codes is that it allows understanding how the investigated parties assess a particular event and what arguments they put forward (Joutsenvirta, 2009). Thus, rather than focusing on the performance and motives of the companies, which has been extensively studied in previous research (see Golob et al., 2013), we focus on the way companies describe and explain its CSR actions and what particular codes they apply when it comes to a critical event related to CSR matters.

The aim of this paper is thus to understand how should a company communicate within its business network in connection to critical events related to CSR matters. The specific research questions are the following:

- How is the CSR communication process organized before, during and after critical events related to CSR matters?
- What specific signs and codes do the companies apply in relation to the CSR communication process before, during and after critical events?

In order to reach the research aims, we first present the case of the Nordic based company Stora Enso, which is one of the largest producers of paper and wooden products in the world, with operations in more than 35 countries (Stora Enso, 2015a). Our analysis focuses on a critical event that struck the company in March 2014 and the discourse that came into the public eye before, during and in the aftermath of the critical event. This is done in order to exemplify the communication process during this event and regard the company's response strategies and specific codes used. Second, we conduct semi-structured conversational interviews with senior managers from 5 multinational Finnish industrial companies. The aim of the interviews is to complement our understanding of issue in question with "insider" perspectives. We further analyse the data from a semiotic perspective.

The paper is structured in the following manner. First, we present a theoretical overview on CSR communication in business networks and in connection to critical events, as well as provide a theoretical framework for the study. Second, we describe the methods used in the study, namely semiotic analysis. Finally we provide the findings of the study and implications on how companies should communicate in connection to critical events related to CSR and what factors they should pay attention to.

CSR communication in business networks

CSR activities has been part of large companies engagement in the wider society since the beginning of the 19th century in order to create better circumstances for production and development. It is, however in the later part of the 21st century when CSR activities became a standard practice for companies and organizations (Gulyás, 2011). Clement-Jones (2005, p. 10) notice that, there are many drivers behind CSR and different programs formed by organizations, but "by far the most relevant to business is the bottom-line effect of incorporating a socially responsible element into corporate practice". A crucial part of implementing CSR practices within the company and building the reputation as a sustainable company, is communicating appropriately its CSR beliefs and activities both internally and externally.

CSR communication gained its prominence in the last few decades and is mostly regarded as a way of communicating CSR values and informing about companies CSR activities (Golob et al., 2013). CSR communication is also perceived as a "means to influence stakeholders' perception of organisations in terms of the resources of information (specific contents, media,

channels or rhetoric arsenals) they use to inform stakeholders about their CSR policies and activities" (ibid., p. 178). The standard means of communicating the CSR message and activities is through annual sustainability reports. However, with the advent of new technologies and increased accessibility of information, companies strive to employ other communication tools, e.g. corporate website, social media. Furthermore, face-to-face interaction with company's business network actors and communication through media outlets also serves as means for CSR communication purposes.

CSR communication has been mostly regarded through the application of stakeholder theory (see e.g. Golob et al., 2013). In this paper we however follow the business network approach (Håkansson and Snehota, 1995), which regards a business network as a structure where a number of actors (i.e. organizations) are related to each other by specific relationships. Although stakeholder theory and business network approach are to some extent similar, Lindfelt and Törnroos (2006) identify several differences between these two approaches: First, the initial focus of stakeholder theory does not take into account the indirect role of business relationships, meaning that the focus is mostly on dyadic business relationships between the focal company and various stakeholders (Lindfelt and Törnroos, 2006). The network approach considers both the dyadic, direct relationships, as well as indirect relationships, i.e. the role of relationships between other actors in the network for the focal company's strategy. In relation to CSR matters, the companies nowadays are not only deemed responsible for their own actions and those of their closer partners, but also for the actions of the actors who have an indirect connection to the focal company, e.g. supplier's suppliers. The business network related to CSR communication may include, but is not limited to the following actors: internal actors (e.g. subsidiaries), NGOs, competitors, investors, suppliers, customers, end users, supplier's suppliers and media.

Second, in classical stakeholder theory the company is seen as resisting and reacting to different stakeholder pressures, whereas in business network approach the emphasis is put on cooperation, connectedness and interaction between actors in order to gain mutual benefits (Lindfelt and Törnroos, 2006, p. 10-11). Although recent research in CSR communication emphasizes the need to engage in a dialogue with various stakeholders (see Golob et al., 2013), most of CSR communication research still focuses on one-way view of communication (see Morsing and Schultz, 2006). Therefore one could say that the traditional assumptions of stakeholder theory promote a one-way, reactive approach to CSR communication, by putting emphasis on reaction to pressures, while the application of network approach is more appropriate if adhering to a two-way, proactive approach towards CSR communication.

When constructing its CSR communication strategy and message the company needs to take into account the perspectives and beliefs of various actors in the business network. Welch and Wilkinson (2002) argue for the inclusion of the idea and schema concept into the business network approach. Ideas and schemas represent itself the actors' "beliefs or "theories" about how the world functions, norms about appropriate behaviour, attitudes toward particular issues as well as values concerning what is desirable" (Welch and Wilkinson, 2002, p. 29). For example, customers may predominantly focus on the environmental aspects of CSR, as it is usually incorporated in the company's product. Thus, communication with different actors in the network should be conducted depending on their schemas related to CSR. Consideration of ideas and schemas implies applying an interpretative approach when analyzing CSR communication, which has been rarely applied in CSR communication research (see Golob et al., 2013). A semiotic approach to communication is viable in this case.

In order to understand the communication system and what is communicated in connection to e.g. a critical event, semiotics provides the tools, structure and framework for analysing and understanding different factors in connection to the communication process. Semiotics is the study of signs and codes. According to Chandler (2007) signs are found everywhere and form the meaning through our creation and interpretation of signs. Sausurre (1970) finds that signs are formed based on a dual sign system, where the signifier is the actual phrase that the sign is expressing and the signified is the mental concept that the signs is carrying.

A sign has both a denotative and connotative meaning, where the denotative meaning provides the literal, obvious and "common sense" meaning of a sign (Chandler, 2007). The denotative meaning can also be recognised, defined and identified by people from different cultures and is referred to as being the first level of signification (Emmison and Smith, 2000). Connotation on the other hand is referred to the personal (ideological and emotional, etc.) and socio-cultural associations of the sign (Chandler, 2015) and is seen as the second level of signification. According to Guiraud (1975) denotation and connotation provide two fundamental yet opposed modes of signification. Even if most coded messages are formed based on a combination of the two, the message can be defined being predominantly denotative or connotative (Guiraud, 1975). The multifaceted signification that specific signs provide creates a complex system of codes. The way the codes are produced and communicated by e.g. the company has also an effect on the outcome of the interpretation of the codes by the various actors in the business network. This is of particular importance in connection to critical events occurring with companies.

Critical CSR events and communication in business network

Even though a solid CSR communication strategy, which involves a deep understanding of the network actors' beliefs and values regarding CSR matters, may reduce the possibility of a critical event happening, the company still needs to engage in a critical event communication mode if a critical event related to CSR issue appears. Ways of communication during negative critical events or crises are related to crisis communication. In the field of crisis communication a crisis is described by Coombs (2007, p. 164) as "a sudden and unexpected event that threatens to disrupt an organization's operations and

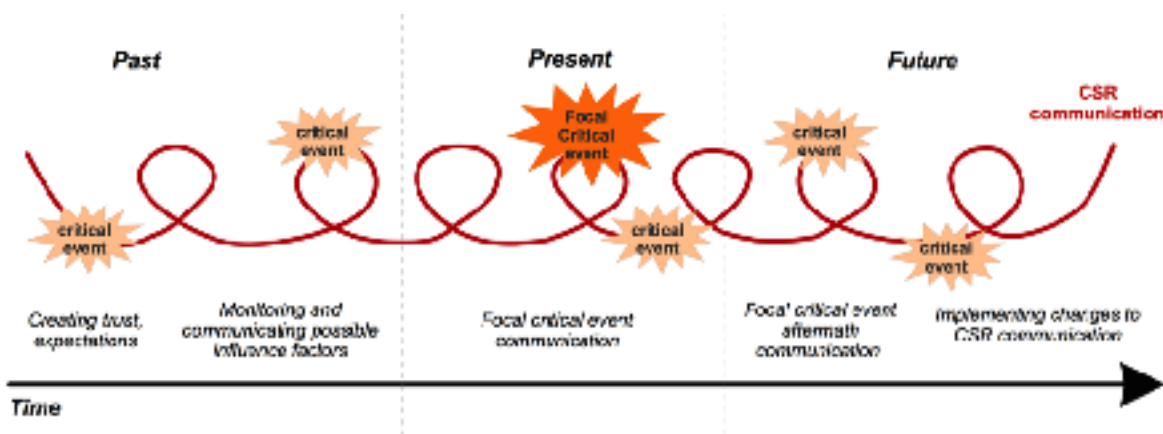
poses both a financial and a reputational threat". A critical event, in turn "can be described as 'temporally specific outcomes of performed acts' (Hedaa and Törnroos, 2008, p. 324) that the actor perceives to be influential" (Tidström and Hagberg-Andersson, 2012, p. 334). In comparison to a crisis, a critical event can be both positive and negative, depending on the perception of the actors of the event (see *ibid.*). Therefore, in case of a critical event the company's communication might not only focus on mitigating problems and protecting company's reputation, as in case of a crisis (Heath, 2010), but it may also focus on the positive changes that the company accomplished in connection to the critical event. This aligns with a call in crisis communication literature to regard crisis not only as a "threat, but also consider the potential opportunities embedded in these events" (Ulmer et al., 2010, p.691). The core idea of the critical event concept is that it acts as an "engine for change" (Hedaa and Törnroos, 2008, p. 322), therefore being it a negative or a positive event, it serves as an opportunity to engage in a dialogue with relevant actors and change the company's business and operational processes.

While a crisis is defined as "sudden and unexpected" (Coombs, 2007, p. 164), a critical event may involve anticipation of the event to come by analysing the possible influence factors for the event to come (see Halinen et al., 2013). A critical event perspective considers the past, present and future, where the "present event is based on earlier and possible future events" (Hedaa and Törnroos, 2008, p. 323), forming a flow of events (Halinen et al., 2013). Thus, while the perception of the present event is based on the actors expectations and experiences before the actual event happens, as well as on various influence factors, the present event also acts as "engine for change", e.g. in the company's communication strategy (Hedaa and Törnroos, 2008, Halinen et al. 2013). This perspective corresponds with a recent call in crisis communication literature to consider the discourse not only during the crisis period itself, but also taking into account the discourse before and after the crisis (Frandsen and Johansen, 2010). Furthermore, as the focal critical event is interconnected with the past events and the future events, the communication is present not only during the focal critical event, but also in connection to other events leading to the focal event or being the outcome of it (see figure 1).

Figure 1 represents the theoretical framework for critical event CSR communication, based on the foregoing discussion. We regard the CSR communication both as a long-term strategic approach and short-term process. In long-term it is related to 1) forming a CSR communication strategy in a dialogue with relevant actors in the business network, which will set the base for the expectations and trust the other actors have towards the company, and 2) being able to implement needed changes to the CSR communication strategy after certain critical events. Short term communication relates to communication in connection to critical events related to CSR matters and consists of processes for recognizing the possible forthcoming event, using relevant messages during the critical event itself and building a proper aftermath communication.

Critical events also provide specific circumstances in which different types of signs and codes are used in developing a specific message. These specific messages differ in comparison to normal/everyday marketing and other types of communication, due to higher intensity of the communication. In the field of crisis communication, for example, there has been a considerable amount of literature on response strategies during crises (e.g. Coombs, 2007; Coombs, 2014). The strategies for response depend on the level of responsibility that the company has in relation to the crisis situation (Coombs, 2007). Coombs (2007) emphasises the need to be consistent in messages to various actors during the critical event, as well as be quick in responding and honest, avoid being silent and be available for communication with the actors that require a response. However, if we take a holistic perspective on critical event communication (see figure 1) we have to consider the codes, which need to be applied by the company before and in the aftermath of the event. This relates to a proactive mode of communication, whereas focusing only on response strategies is mostly a reactive way of communicating. Furthermore, a company should use the right codes in CSR messages in long-term, i.e. including when building trust and expectations regarding companies CSR activities and when changing the CSR communication strategy after the critical event (e.g. for internal purposes).

FIGURE 1: THEORETICAL FRAMEWORK



Methodology

The research is based on two types of data. First, we covered textual discourses in relation to a critical event, which occurred to Finnish multinational company Stora Enso. This case serves in this paper as an example of communication before, during and after the critical event. Stora Enso, with operations in the forest related industries, is one of the largest companies based in Finland and Sweden, with sales of 10.2 billion EUR (in 2014), and 29000 employees in 35 countries (Stora Enso, 2015a). In September 2012, Stora Enso announced investments into Pakistan and in May 2013, Stora Enso formed a joint venture, Bulleh Shah Packaging, together with the Pakistani based company Packages Ltd (Stora Enso, 2014). Before investing in Pakistan, Stora Enso already began its operations in other emerging countries, as China and Brazil, where they had some major problems in terms of CSR, related to monoculture plantations of eucalyptus (see Kanninen, 2013). In the beginning of March 2014, Stora Enso's operations in Pakistan were highlighted and criticized in the Swedish TV Channel four together with the business magazine *Veckans Affärer*. The focus of the media reports was on Stora Enso's work with CSR and the fact that child labour was used in the feeding system for waste paper at the joint venture company Bulleh Shah Packaging (*Veckans Affärer*, 2014). The timeline before the critical event, being focused on, dates back to May 2013 and the aftermath period of the event is taken until January 2015. Focusing on this event allowed us to understand the communication process, as well as specific signs and codes applied by the company in its crisis communication before, during and after the critical event.

The textual data regarding the critical event includes discussions in Swedish and Finnish media outlets on the Internet, due to lack of coverage of the critical event by international media. We have particularly investigated the news that were posted on the websites of the following news providers: 1) *Kauppalehti*, one of the leading daily business newspapers in Finland; 2) *Yle*, the main Finnish national broadcasting company; 3) *TV4* and *Veckans Affärer*, the Swedish television network and the leading weekly business journal respectively, which were actively involved in bringing up the critical event; 4) *Svenska Dagbladet*, one of the Sweden's largest subscription daily newspapers. Finally the main source for analysing company's communication was Stora Enso's website and the information, which the company has posted there.

In order to understand better how should the communication process be organized and what are the relevant codes for communication we also conducted interviews with senior managers from 5 multinational Nordic-based industrial companies, which are among the best in CSR communication and sustainability in the Nordic countries and worldwide. The interviews lasted for 1 to 2 hours and were conducted in English in a semi-structured manner with the help of an interview guide, however, without following any structured protocol. The interviews helped us to enhance our understanding of the CSR communication processes in general and in regards to a critical event and added credibility to our findings.

The analysis of the interviews regarding the communication process and text published in connection to the critical event, is organised by using Barthes (1988) general operational arrangements and principles for semiotic analysis through a) segmenting the text into specific themes or grids, which in our case relate to the 5 phases outlined in the theoretical framework (see figure 2); b) defining the signs used in the different phases in accordance with the model presented c) define the denotative and connotative meaning attached to signs concerning the communication process d) define the meaning of the codes. We have structured the findings in the following manner. First we present the Stora Enso case as an example of CSR communication in connection to a critical event, including the codes applied by the company before, during and after the event. Second, we present the findings from the interviews structured according to the 5 phases presented in the theoretically based framework (see figure 1). We give an overview of the codes used by the respondents in order to describe CSR communication during each phase. Thus Stora Enso serves mostly as a critical event, short-term communication example, whereas the interviews embrace the long-term perspective.

Findings

Stora Enso: an example of CSR communication before, during and after a critical event

About 2 years before the focal critical event, in the buildup to the investment in Pakistan, Stora Enso conducted a due diligence process (Stora Enso, 2013). Among the critical factors identified, was the risk of child labour in the end part of the supply chain (collection of waste paper). This critical factor was presented in an external consultancy report, where not just the risk of child labour was identified but also the fact that child labour was used by suppliers and could therefore be part of the joint venture company, Bulleh Shahs supply chain (SEBCON, 2012). In order to actively work with the risk of child labour in the supply chain, Stora Enso introduced several measures, both long and short-term. These measures included e.g. education, evaluation and certification of supplier in Pakistan, and working together with local and international organizations. Stora Enso viewed itself as open about the critical factor of child labour and invited different organizations and media to work with them, long-term, in order to improve the conditions for families and children concerned. However, in general, little discourse in the company communication and the media was present before the actual critical event. The main codes in traditional media were related to risk, rumours, detecting problems and plans for improvement. The discussion concentrated on the possible risks of child labour that the company might have when operating in Pakistan (Kanninen, 2013). A positive image of the company is highlighted by emphasizing Stora Enso's attempts to detect the social problems in Pakistan and construct a strategy for improvement of children's situation in the country. The investment in Pakistan itself can be considered as a separate event, which although not negative, required appropriate communication. However, it

might be that partly due to lack of communication in connection to this event the following focal critical event happened.

The focal critical event occurred on 6th of March 2014, when the Swedish TV Channel 4 broadcasted in the program "Kalla Fakta" an investigation into Stora Enso's operations in Pakistan. Together with the Business Magazine: *Veckans Affärer*, TV4 highlighted the fact that Stora Enso knew about the risk of child labour being part of the supply chain in Pakistan, and despite the fact, went through with their investments in the country. At this phase the company's response to media comments largely consisted of a "no comments" silence response strategy with a reference to the bulletin for stakeholders commenting on the situation posted on their website (Stora Enso, 2014). The usage of silence in this situation may have caused the critical event to escalate further, as it "reflects uncertainty and passivity" and indicates that the company is not in control of the situation, while at the same time allowing other, as in this case – media, to take control over the situation (Coombs, 2014, p. 129).

After a silence response strategy Stora Enso turned to applying a denial response strategy by not fully admitting the use of child labour in its joint venture company and trying to defend itself. The codes risks and possibility were again highlighted at this phase, saying that Stora Enso admits the risk and the possibility of its joint venture company using child labour, but so far they have detected only one case (Salokorpi, 2014). Furthermore the PR manager of the company applies a justification response strategy and justifies their investment by hypothesizing the situation that if the company had not been present in the country, the situation of the children might have been worse. However, the way the justification was communicated by the PR manager caused the crisis to spread even more, due to inappropriate usage of codes (ibid.). Thus, inappropriate communication during the first days following the focal critical event turned out to be a critical event as such, which further worsened the focal critical event scope. The media, in turn, criticized the company for shortcomings in communication concerning the event.

Later on, different investors noticed the media attention and indicated the problem of investing in the company considering the lack of CSR actions in connection to the critical event in Pakistan. The criticism from the stakeholders in the traditional media emphasized that Stora Enso was neglecting responsibilities and paid little attention to CSR, which lowers their level of trust in the company and redlists it for the investors. The stakeholders also requested the company to take some action by providing more information and explaining the ways of correcting the situation. (Jakobsson and Alestig, 2014; Uusivaara, 2014)

In turn apology and corrective action strategies were applied by the company, highlighting their admittance of failures in communication and a promise of working on the situation. The company particularly apologized for not communicating what they knew about the situation in Pakistan ahead of their investment in the country. The company also admitted that they could react more quickly on the issue of child labour and that the communication of their actions could be more transparent. The corrective action strategy was present by emphasizing that the company has already made some improvements during the last 12 months and now have started to conduct a wide assessment of human rights issues. The company also has presented its perspective on the future of its operations in Pakistan, by highlighting that they have high goals and that improvement can only be achieved by long-term effort, as child labour is a general social problem that cannot be dealt with in one night. The company also stressed that they cannot guarantee full elimination of child labour and that to act on the problem they need to be there in order to educate their partners and work with the society to create better alternatives and thus, cannot cease their operations in the country. (*Veckans Affärer*, 2014)

In the aftermath of the focal critical event the company conducted a structural reorganization. The reorganization mostly concerned the renewable packaging division, which was involved in the focal critical event. First, the head of the division, Mats Nordlander, left his post. This represented an event in itself, which occurred as a consequence of the focal critical event and should have been properly communicated. However, traditional media's reaction to the reorganization was that of critique, stating that the company has found a scapegoat in form of Nordlander and that dismissing him was a quick fix for the company (Siivonen, 2014). The media also emphasized that this kind of reorganization will lead to wrong consequences and that there is a need to start reorganization at the top of the company. Discharging the division manager of renewable packaging was also questioned by other actors.

In a month after discharging the division manager the CEO of the company left. Media speculated whether this event was related to the Pakistan issue (Tapiola, 2014). The company communication in turn emphasized that the leave of the CEO and division manager had nothing to do with the focal critical event and emphasized the time factor affecting the situation with the leave of both the CEO and the packaging division manager (Tuvhag and Alestig, 2014). In this paper we by no means take any of the sides, but try to analyse the events itself. At the same time the media covered the company's annual meeting where the CEO announced about his leave. The CEO applied an apology strategy when speaking of the Pakistan situation by blaming himself, thus taking a personal stance on the problem and making the company closer to the society (Liimatainen, 2014).

Changes in CSR communication followed by this focal critical event and previous major critical events (in China and Brazil) resulted in Stora Enso communicating more extensively about their actions in the respective countries. They have implemented some new communication programs. First, a "progress centre", which showcases their progress in social and environmental matters. Second, a feedback program "speak up" promoting "a culture of open dialogue" and encouraging all

the stakeholders to notify the company whenever they witness or suspect violations of Stora Enso's code of conduct (Stora Enso, 2015b). In this way Stora Enso is applying a more proactive and interactive approach to CSR communication than before.

Respondents' perspectives on CSR communication before, during and after a critical event

Creating trust and expectations through CSR communication

All of the respondents have taken a proactive approach to sustainability by engaging in a dialogue with various actors in their business network. In most of the cases this "dialogue" is conducted through various types of surveys and interviews. Also social media, as e.g. Twitter, Facebook, LinkedIn, is being to some extent used by the companies in order to communicate with their business network actors. One of the companies established a CSR advisory board consisting of various network actors, as customers, suppliers, NGOs and universities in order to discuss their CSR activities and communications together with various actors in their business network. This interactive approach may help to reach a common understanding concerning the meaning of CSR within the network, both internally and externally, and enable trust towards the company. The respondents also emphasize a holistic approach to sustainability, meaning that sustainability has become part of the overall business operations, and through that, a strong business driver and competitive advantage. The respondents all acknowledge that it is a strong driver for the business operations and communication of sustainability plays an important part in the overall communication process. Being genuine and transparent in communication, as well as providing examples and stories concerning company's CSR activities was also highlighted as crucial by the respondents for establishing trust from the business network actors. The stories are communicated both internally as well as externally.

"When we talk about sustainability we take a very holistic approach on everything ranging from how we work with people in the company, people we work with outside the company and how we develop our technology – what is the reason for existence" (Vice president, Company X)

"We always include examples to explain what we mean with sustainability, so we spend quite a lot of time internally and externally to explain what it is all about" (Vice president, Company X)

"When we are writing the case stories we always include the sustainability benefits of the offering and it has to be described in the stories. And so these kinds of storytelling we have. But when we look at the other side of the sustainability we could use story telling more. But then you have to be careful that it is not going to be naïve, some kind of Green washing or brainwashing. It's a fine line" (Director of Corporate Responsibility, Company A)

"It is much more interactive, much quicker and of course companies are , because of social media and because of many other things, companies are much more transparent these days than what they were so we try to listen more and talk less..." (Vice president, Company X)

Pre- critical event: Monitoring and communicating possible influence factors.

Although, as highlighted by the respondents, some of the critical events are completely unexpected, they still attempt to prepare for these type of events by following up the traditional and social media discourse, monitoring and tracing any signals of the event to come. The respondents also highlighted that in order to minimize the possibility of the forthcoming event the CSR message sent out by the company should be coherent throughout the whole business network.

"If we see traces of, for instance in the social media, that ok "now I think this might flame up" and if it is of certain seriousness, then I need to alert my colleagues that, you know, you might get calls and you need to be prepared and we prepare a Q&A." (Vice president, Company X)

Focal critical event communication

If a critical event happens the respondents first of all emphasized the need to react according to established evidence rather than speculating. In case the event is fully unexpected the companies need to gain time for investigation by notifying the involved network actors that the situation is under control and the company will provide the needed answers in due time. However, at the same time, the respondents emphasized the need to react in a timely manner and be open when communicating regarding the critical event. This corresponds with previous literature on crisis communication stating that companies should be quick when reacting to a critical event, but at the same time deliver a thought-through, consistent message (Coombs, 2014). Furthermore, all of the companies had certain protocols, guidelines and reporting practices when it comes to a critical event.

"...it is always important to follow the fact that if we don't have all the facts, then we don't start speculating, but we always tell that "we don't know everything, we'll find out, we will announce something in two hours". So the people know that "ok, in two hours they will tell us that they know", that kind of buys us a little bit more time and there kind of strategies we've been using in these situations. But, even there in the meantime you might have to react that if already starts to

go into the wrong direction and people start telling really really false and crazy things, so you might need to still intervene....” (Vice president, Company X)

“We have some reporting practices that we need to do every time when something, some accidents happen and so on and then we have crisis communications guidelines and those are mainly for external communication and then we have a global crisis communications coordinators, team or group of coordinators, who immediately act if something happens and they know exactly what to do and prepare statements, questions and answers, documents, prepare a press release and so on, so this basic crisis communications skills.” (Communications manager, Company B)

Post- Critical event: Aftermath communication and implementing changes to CSR communication

In general the respondents were sparse in their comments regarding the aftermath of the event, therefore we combined the last two phases of the theoretical framework. According to the respondents the communication process in the aftermath of a critical event consists of finding the root cause of the problem in order to prevent it from happening again. It also involves changing organizational processes, including the communication, as well as educating the personnel and external actors.

“it is about finding the root cause, it is about communicating about it and making sure that nothing like that happens, hopefully, does not happen never again and if there is something, if we find that there is something related to our own processes, then of course we will fix them. So there is a thorough process that we go through and try to find how to prevent that from happening again and it involves, yeah, it involves communication and it involves education and maybe change of processes if that’s needed” (Communications manager, Company B)

Table 1 represents itself a summary of the codes applied by the respondents for each phase of the outlined theoretical framework. Further steps of this research include involving the interviewed companies in a more thorough discussion regarding the identified codes (see also section 6).

TABLE 1. SUMMARY OF THE CODES ON EACH PHASE (INTERVIEW FINDINGS)

1. Creating trust & expectations	2. Pre- critical event	3. Critical event	4. Aftermath	5. Changes
<ul style="list-style-type: none"> • interactive and proactive approach • dialogue & debate with network actors • holistic understanding • risk management • genuine approach; transparency • examples, explanations, stories • common understanding throughout the network 	<ul style="list-style-type: none"> • tracing “flame up” situations • being prepared • media follow up • monitoring and noticing • coherent message 	<ul style="list-style-type: none"> • don’t start speculating • “will announce something soon” strategy, buying more time • react quickly; act in a timely manner; being open and active • intervene into the dialogue • follow the protocol, reporting practices & crisis communication guidelines • managers as “safekeepers” of company’s reputation 	<ul style="list-style-type: none"> • finding the root cause • preventing from happening again • education • change of processes 	

Discussions and conclusions

The aim of this paper was to understand how the CSR communication process before, during and after critical events is organized and what specific signs and codes are used in connection to the communication process. Based on literature review we have identified several phases in connection to critical event CSR communication. Whereas the empirics helped us to identify relevant signs and codes for each phase, as well as develop the initial theoretical framework further.

Previous literature on CSR communication and specifically crisis communication mostly focused on a reactive mode of communication (see Morsing and Schultz, 2006). The study highlights the need to engage in a proactive CSR communication and focus not only on communication during critical events, but also being able to provide relevant codes before and after critical events, thus contributing to the growing amount of literature on proactive CSR communication (Golob et al., 2013; Morsing and Schultz, 2006). Being proactive involves engaging all the business network actors in a dialogue, interaction when building the company’s CSR communication strategy, tracing the negative critical events to come, communicating extensively about positive critical events, engaging in critical event aftermath communication and reviewing the CSR communication strategy after the critical event. The respondents also indicated the importance of social media both in CSR communication in general and in relation to critical events. Social media facilitates engagement into a dialogue with the business network actors and can serve as a tool when monitoring and tracing forthcoming events. Further research is

needed in order to provide more extensive knowledge on the role of social media in connection to critical events.

Furthermore, previous literature mainly focuses on communication during negative critical events (Ulmer et al., 2010). Our study views critical events as points of change and emphasises that critical events form itself a series of interconnected positive and negative events. Thus, for example, in Stora Enso case, lack of communication during a positive critical event (investment in Pakistan) and previous negative events (China and Brazil cases) has possibly been one of the factors for the appearance of the subsequent negative event. Therefore, a holistic perspective on a critical event should be taken by understanding the links between the past, present and future events and being able to build an appropriate communication based on this understanding. Both in general management literature and in CSR communication literature there has been a call for a more in-depth approach towards communication through applying more “detailed textual and semiotic analyses” (Frandsen and Johansen, 2010, p. 428). By applying a semiotic perspective we aim to reach an understanding of the meanings behind critical event CSR communication. We have identified the general codes for CSR communication before, during and after the critical event. The next steps for our research include identifying and analysing the specific denotative and connotative meaning behind the outlined codes by engaging in further discussion with the selected companies. This will enable us to understand the specific CSR language in connection to critical events.

The study also introduces several managerial implications for business practitioners. First, each MNC when investing into emerging countries with unstable social, economic and ecological conditions, need to show that they recognise the risk and be more transparent when it comes to communication regarding CSR operations to various business network actors. For these purposes it is not sufficient to conduct a research of the conditions in the country, the company needs to find efficient ways of communicating to the actors, which can consist of a combination of traditional media and dissemination via social media.

Second, the theoretical framework and identified codes can be also useful for practical purposes, by providing a straightforward communication process framework and diminishing confusion by using the right codes in the message in the different stages of the critical events. However, each industry and business network actor might require a specific language. Thus, further research is needed in order to identify specific codes, which are used in the development of a decodable message for the different target groups in the business network.

Finally, it should be noted that all the respondents in our study perceived a critical event, as something negative, therefore, there is a need to further investigate communication during positive critical events. Furthermore, due to lack of data on “post- critical event” stages, further research is needed concerning the aftermath communication and changes in CSR communication after a critical event. The specific context of the study and focus on MNCs can also impose some limitations. Thus, for example, the consequences of the critical event related to CSR for MNCs and SMEs business operations can be different, due to the firm size and power distribution in their business network. Further research is needed in order to compare the differences in consequences of the critical event for MNCs and SMEs business and specific differences in CSR communication in the aftermath of the event.

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Conceptualizing the Digital Conversational Capital: The Strategic Value of Online Conversations in CSR Field

Conference paper

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Abstract

Purpose

Modern companies leverage social media for engaging with stakeholders in online dialogues addressed to implement corporate social responsibility (CSR). Dialogue is becoming crucial for relating with the exacting digital publics. Marketing authors have developed the concept of Conversational Capital emphasizing the connection between the organizational growth and the ability to generate advocacy through offline conversations. This paper clarifies Conversational Capital and assesses its online use. The Digital Conversational Capital (DCC) is conceptualized, by developing a theoretical framework that identifies its sources, dimensions and impact in specific areas, such as CSR.

Design/methodology/approach

A two-phase exploratory research design is implemented. Firstly, DCC theoretical foundations are explored by adopting a multidisciplinary approach. Secondly, theoretical implications are discussed against a multiple-case study based on direct observation of online behaviours of 2 organizations with the highest CSR RepTrak® score.

Findings

The paper provides the conceptualization of DCC, the definition of its dimensions and the designation of a set of items for each dimension. The empirical analysis refines the conceptualization process and illustrates commonalities and differences amongst organizations.

Research implications/limitations

A factorial analysis of qualitative results could be conducted to study the dimensionality of DCC construct. Additionally, the number of cases could be enlarged to obtain more generalizable results.

Practical implications

Practitioners are provided with insights concerning the strategic value of online conversations that they managed.

Originality

The paper develops a new conceptual framework useful to maximize professional efforts in implementing online dialogues.

Keywords

CSR, conversational capital, online

Introduction

The social media revolution (Smith, 2009) has widely influenced the way modern organizations handle their management and communication processes with a strong impact on different areas of interventions by the professional. Some few examples concern the core areas of Media Relations, Crisis Communication and Corporate Social Responsibility (CSR). For instance, concerning the Media Relations area, the traditional agenda-setting dynamics have been changed in favour of a topic co-creation and co-selection processes by the means of online users' conversations (Sayre et al., 2010). With regards to Crisis Communication, nowadays practitioners are required to develop new abilities in assessing online premonitory signs mainly based on conversational exchanges on a brand, a product or a service (Siab et al., 2010). Finally, within CSR field,

organizations need to engage stakeholders on issues concerning the sustainable organizational behaviour that so far it is object of dialogic judgment by online stakeholders (Golob and Podnar, 2011).

Especially in CSR field, two main phenomena linked to social media trends seem to emerge. The first one concerns the increasing disintermediation process of organization-publics relationships. Nowadays stakeholders have a more direct access to products, services and information, which implies a progressive removal of traditional intermediaries such as for instance media or sales force. Online users are proactive in searching for information and they pay increasingly attention to the value control generated by their own online participation (Gurau, 2008; Guillory and Sundar, 2014). In such case, modern companies which would exploit social media for CSR initiatives, they need to change the communication paradigm: from a one-way communication model where sender and receiver are two different and separated entities, to a two-way dialogic communication with the aim of mutual understanding and participation to the meaning construction. In other terms, they need to move from a CSR dissemination practice to a CSR dialogic engagement (Burchell and Cook, 2006).

The second phenomenon concerns the progressive stakeholders' empowerment. Online stakeholders reinforce their position and their role towards organizations, at different levels. They have at their disposal tools for redefining their identity and for acquiring competences and specific abilities (Amichai-Hamburger et al., 2008). Additionally, social media have provided them an opportunity of more interaction with government by stimulating a major civic engagement amongst those individuals showing interest and requiring access to local communities' strategic decisions (Leung, 2009). Moreover it emerges a redistribution of informative power to the advantage of stakeholders and in spite of complex organizations (Diga and Kelleher, 2009; Smith, 2010). Companies seem not to have any more the control over information flows, but they have become object of a continuous analysis implemented by stakeholders who claim for more transparency about organizational intentions and behaviours. To sum up, within the CSR field, organizations are facing a relevant challenge as they try to control information about their CSR behaviours but, as result, they obtain the decrease of information reliability (Illia et al., 2015). According to Du and others (2010), more organized and controlled is the information, less credibility it acquires. As a consequence, stakeholders start to develop a critical competence towards CSR organizational initiatives, especially if they are promoted and communicated by the means of company's online paid and owned tools such as advertising Search Engine Marketing initiatives or social media official accounts (Illia et al., 2015).

In such new digital organizational environment, the concept of online dialogue has acquired the power of an abracadabra magic word, as organizations have assigned to it the role of improving the social media communication effectiveness. After all, within social media, new dynamics emerge that are based on the concepts of dialogic collaboration, cooperation, mutuality (Mathwick, 2002). Social media have encouraged new mechanisms of contents and processes co-creation. Digital users are required by companies to share their opinion in order to produce new content that can be converted in business opportunities and exploited as creative stimuli by companies (Wellman et al., 2001; Ellison, 2007). Social media are identified as a collective space, based not only on products and services exchange. The key for organizational success is becoming the exchange of conversations and interactions between individuals, groups and companies. Relationships and dialogue represent the ideal locus for creating an intangible value for organizations and their stakeholders (Pralhad and Ramaswamy, 2004).

From a theoretical perspective, so far, current studies in marketing and communication field have focused their attention on analysing how conversation can be managed effectively; how online conversations can be defined and which technical characteristics social media own in order to stimulate dialogues between organizations and digital publics (Kent and Taylor, 1998; 2002; Romenti et al., 2014). Few works have been conducted in order to explore the intangible value of online conversation and the link between the activated online conversations and their value for organizations. The following working paper has two aims: to explore at what degree the activated online conversations can create value for organizations and affect the development of a Conversational Capital; to investigate how organizations could intervene for supporting, maintaining and managing such new form of capital within the digital environment. More specifically the study intends to clarify if a conceptualization of Digital Conversational Capital can make sense, from a theoretical and practical perspective. To this end, firstly, the concept of Conversational Capital proposed by marketing scholars has been investigated. Then, an exploration of the potential sources of Digital Conversational Capital (DCC) has been proposed, by investigating the main contributions focused on the concept of dialogue. If we want to understand how to create and manage valuable conversations, we are required to examine what dialogue is, which its features are, in terms of structure, content and relational dynamics. Finally the assessment of DCC effects and value has been implemented, by the means of an empirical focus based on a multi-case study design including two CSR top-ranked companies. The intent is to refine the proposed DCC conceptualization and, eventually, to integrate it with a more practical perspective.

Literary Review

The starting point of this study is represented by a core intuition proposed by marketing professionals who have introduced the concept of Conversational Capital. The first part of the following section introduces the notion by illustrating how to define Conversational Capital, which dimensions it has, if it can be considered a valuable asset or resource for organizations and if it is suitable for online environment. The second part is focused on investigating the concept of dialogue in order to exploring the eventual sources of DCC. In conclusion a definition of DCC and the development of its theoretical framework has been illustrated.

From Conversational Capital to Digital Conversational Capital (DCC)

Cesvet and others have introduced the concept of Conversational Capital into marketing field in 2008. According to the authors, meaning and influential conversations can be activated about a specific product, a service or the whole organizations that provide stakeholders with a worthy of telling experience. In their study, authors underline that the relationship between brand or corporate experiences and consumers has changed over the last twenty years. The new relational system has affected the nature of transaction model between organizations and stakeholders. From one side organizations are required to provide stakeholders with a valuable conversational currency that can support them in identifying themselves with the corporate content, product or service and, at the same time, in shaping their own identity. From the other side, when consumers receiving such new currency, they start to talk to each other about experiences provided by organizations and, if positive, such conversations can increase the value of organization. Within this scenario, the concept of Conversational Capital has been defined as the fully endorsement of the company provided by stakeholders based on meaningful and influential conversations (Cesvet et al., 2008). According to Cesvet and others (2008), Conversational Capital reveals why peers talk about an experience to their friends. Conversational Capital is embedded in the organizational-public relationship and experience and it relies on conversations. Furthermore it could be considered as an identity shaper based on integrity, interaction and a long-lasting meaning creation process.

Cesvet and others (2008) identify eight dimensions of Conversational Capital that can be synthesized as it follows: Rituals, Exclusive Product Offering (EPO), Myths, Relevant Sensory Oddity (RSO), Icons, Tribalism, Endorsement and Continuity. Each dimension could impact on the saliency of organization-public relationship and experience, its consistency as well as on the satisfaction of stakeholders, with potential consequences on the development of value for organizations.

Rituals. With the term rituals, authors refer to the organizational behaviours or actions that are performed in a certain way in order to create and formalize a specific meaning. The aim of organization should be to use rituals in order to convert an everyday experience to a meaningful event for customers and stakeholders. The strategy is based on an integration of rituals and rites into product design and marketing communication. "Rituals mark an experience as deeper in meaning" and more resonant and it could be used as a powerful stakeholders retention tool (Cesvet et al., 2008: 8).

Exclusive Product Offering (EPO). The second dimension of Conversational Capital is based on the concept of customization and personalization of organizational offering. The possibility to provide stakeholders with a unique experience makes organizations able to distinguish themselves and stimulate positive conversations about the provided products or services. The Exclusive Product Offering should not be confused with the Unique Selling Proposition, according to which organizations should be able to make a unique proposition to stakeholders and customers that competitors cannot offer. The EPO approach puts on evidence the necessity to focus attention on stakeholders' needs and expectations rather than on competitors' choices and actions.

Myth. The third dimension of Conversational Capital is represented by the myth that is the set of narratives that characterizes a brand, an organization and it synthesizes the crucial meaning of an experience. According to the authors, if the organization-public relationship and experience is permeated by myth, it exploits the power of a coherent and meaningful story in which stakeholders could identify themselves.

Relevant Sensory Oddity. The fourth dimension focuses on the relevance of senses for developing effective relationships with stakeholders and customers. Moving beyond the sensory neutrality that has been typical of mass industrialization era could represent a successful strategy for those organizations that intend to improve their Conversational Capital.

Icons. Icons can be considered signs and symbols through which an organization represents it. They are characterized by an evocative power and the use of multiple associations. Organizational icons are for instance the places or buildings, people, logos or labels. Each of them should evoke coherently the compelling brand story.

Tribalism. If Conversational Capital acts as identity shaper, the perspective of tribalism or group affiliation becomes of huge relevance for organizations. Conversational Capital increases when organizations stimulate the development of tribes or tribal behaviours. In doing so, organization could amplify the communicability of a product or service, by addressing it to a specific community.

Endorsement. The dimension of endorsement is profoundly linked with the concept of brand advocacy. It is based on the quantity and quality of reviews and recommendations that turn around a product or a service. Stimulating endorsement is the key for increasing Conversational Capital.

Continuity. Finally the last dimension refers to the feature of coherence that should characterize organizations: coherence and consistency between what an organization is, what it says to be and what other people say organization appears. These different elements need to be connected and integrated in a process of communication based on specific meanings.

Can be Conversational Capital suitable for the online environment?

This paper assumes that the concept of Conversational Capital can be suitable for being implemented within digital environment. The concept of Conversational Capital is aligned to two main streams of research concerning social media fed by academics and scholars: the first one is related to the emerging concept of relational networks, the second one to the phenomena of networked narratives and online buzz.

Especially within online environment a certain number of consumers increasingly aggregate themselves in groups united by similar consumer behaviours, values or purchasing modalities that can be defined as relational networks. Such relational networks represent real interactive communities, where participants share a common interest towards a company, a product or a service (Brown et al., 2007). Within these groups, conversations and dialogue are used as main tools for resources and information exchanges. The social exchange allows the development of a social bonding between the involved subjects that is reinforced and maintained by online conversations. The relational system and the nature of transaction between organizations and stakeholders have changed, because people use conversations as currency of exchange in order to establish strong market relations (Szmigin et al., 2005). In this case, conversations can affect the bond strength, by stimulating the creation of supporting and proactive groups. Source and message credibility acquire more and more relevance. Dialogue allows building strong market relationships and it represents the valuable element of exchange for stakeholders (Brown et al., 2005).

Within the relational networks, networked narratives emerge and they can be defined as the set of values and meanings attributed to a brand, product or company that are more and more co-constructed and shared by stakeholders within networks, groups, communities. The developed story represents the shared heritage of the company and it could play an important role for the organizational success (Kozinets et al., 2010). Besides the networked narratives, also the role of online buzz is becoming more and more relevant, especially for what concerns consumers' attitudes, behaviours and their participation to online communities. The buzz or word-of-mouth phenomenon has acquired particular relevance with regards to the decision making process which regulates consumers purchasing behaviours. Peer-to-peer communications are characterized by a strong credibility and capability to affect stakeholders' decisions concerning their way to live experiences with organizations and brand (Kotler, 2011).

Can be Conversational Capital considered a valuable asset or resource?

To what extent can Conversational Capital be considered an intangible asset or resource for a company? In order to assess the validity of characterizing online conversations as a form of intangible which constitutes a new kind of capital for organizations, we discuss which elements the dialogue concept shares mostly with the concept of intangible asset, resource and other forms of capital and which ones are less shared.

Within management and organizational studies, the topic of intangibles has acquired increasing relevance: those mechanisms regulating and affecting business behaviours are under an on-going change and companies are more and more required to implement technological innovations and creating specific knowledge to survive. Consequently, investments in human resources, IT, research and innovation, communication and marketing represent key elements in order to gain a competitive advantage and the durability of business over the time (Canibano et al., 2000). The economic value of a complex organization is not only rooted in the organizational ability to produce materials, but also in its capability to manage efficient and effective intangible assets and resources (Goldfinger, 1997). Intangibles could vary and be referred to different facets such as intellectual property, patents, copyright, registered design, contracts, trade secrets, reputations and organizational networks (Hall, 1992). The analysis concerning intangible assets and resources has interested so many scholars coming from different disciplinary areas, with a consequent development of a complex system of definitions and categorizations (Kristandl and Bontis, 2007).

A first form of intangibles constitutes the human capital that can be defined as the set of competences, abilities, talents, knowledge owned by an organization (Kaplan and Norton, 2004). A second form of intangibles is clustered in the relational capital, intended as the set of connections, links and relations between organizations and stakeholders, such as customers, institutions, providers, competitors (Kale et al., 2000; Chen et al., 2006). A third form of intangibles is sorted in what some authors defined with the term of structural or organizational capital, which refers to physical components such as database, informative systems, technological infrastructures, but also more abstract components such as organizational culture, style of leadership, coherence and consistency within an organization (Bontis, 1999; Kaplan and Norton, 2004; Black and Lynch, 2005). Within management and organizational studies, human, relational and structural capital has been considered as three categories constituting a different form of capital, the intellectual one (Stewart and Ruckdeschel, 1998). At a more general level, intellectual capital can be defined as a set of all informational resources at disposal of organizations (Roos et al., 1998; Nahapiet and Ghoshal, 1998).

A last form of capital linked to intangible resources is constituted by the social capital defined as the system of resources that are within system of relationships (Coleman, 1990; Putnam, 1993). The "goodwill" that an organizations is able to obtain from its stakeholders represents a crucial element for forming social capital, that is based on social structure of organizations (Adler and Kwon, 2002).

In their work for defining new prospects for social capital. Adler and Kwon (2002) have illustrated a set of characteristics of different forms of capitals and they tried to identify the features of social capital comparing different forms. It could be

useful to act similarly by trying to understand at what degree online conversations and dialogues can constitute a new form of capital for the company. According to the authors, the different forms of capital mentioned before are characterized, even if in a different way, by the following elements: durability and openness to receive investments; appropriability and convertibility; substitutability and complementarity; need of maintenance; collectivism; not exclusive ownership; measurability. By following the method of analysis implemented by Adler and Kwon (20002) it is possible to assume that conversational capital could be considered a long-lived asset into which resources can be invested. Similarly to social capital, conversational capital can be considerable appropriable if we consider the appropriability as the feature of being used for other purposes, and in this sense it is convertible as it can be converted to other forms of capital. Additionally, conversational capital could replace or complement other valuable assets. It can be considered as a collective asset, characterized by a non-exclusive ownership. Similarly to social capital and relational, capital conversational capital is more difficult to measure. To sum up, it is possible to identify areas of proximity between the concept of conversations and dialogues with other forms of capital.

Based on the analysis of the concept of Conversational Capital, the following initial definition of Digital Conversational Capital is proposed: Digital Conversational Capital can be defined as the set of positive conversations that revolve around an organization and involve it within the digital environment. The definition will be explored in details and enriched in the following next sections.

DCC source? The need of an exploration of the dialogue concept

Given the definition of Digital Conversational Capital, the next step is to investigate which sources could be addressed by organizations in order to create and maintain valuable conversations. To this aim, it appears necessary to investigate the features of dialogue concept and process, by implementing a thematic literary review including diverse multidisciplinary areas, such as Public Relations and Corporate Communication, Marketing and Management. It emerges a complex scenario according to which it is difficult to give a univocal definition of dialogue. Mifsud and Johnson (2000) invite scholars to drop out of any try to take a rigid and unique stance about it. It is necessary to accept the multitude of meanings linked to the notion of dialogue, which can be identified as a complex, polysemous and multi-dimensional phenomenon.

According to Public Relations for instance dialogue can be considered as: a co-orientation process through which professionals guide cognitions and attitudes of individuals (Grunig and Stamm, 1973; Grunig and Hunt, 1984); an evolution of symmetrical communication and an ideal condition for developing interactions with publics (Holtzhausen, 2000; Grunig et al., 2002; Theunissen and Wan Noordin, 2012); an ethical orientation to be implemented (Kent and Taylor, 1998; 2002); a rhetorical tool that can be used to prevent possible reactions by publics (Alvesson and Karreman, 2000; Sillince and Suddaby, 2008; Heath et al., 2009; Taylor, 2011)

Within marketing studies dialogue is instead defined as a communicative two-way approach addressed to improve the quality of complex and interactive relationships between organizations and clients (Grönroos, 2011; Ballantyne and Varey, 2008; Vargo and Lusch, 2008). Finally, Management and Organizational studies underlined that dialogue can be intended as a tool, process or practice addressed to the achievement of four main aims: overcoming learning barriers and stimulating the critical thinking by encouraging a trustful climate and mutual respect (Beech et al., 2010; Cunliffe, 2002; Mengis and Epler, 2008); to stimulate organizational change and support its understanding and implementation (Ford and Ford, 1995); supporting and facilitating strategic decision-making process (Liedtka and Rosenblum, 1996); and stimulating consensus building (Nielsen, 1991; Innes, 2004).

Each perspective has put on evidence different dialogue dimensions and facets that can be categorized. By conceptually clustering the results emerged from the thematic literature it is possible to identify three main sources for developing and managing the DCC: the structural source that refers to the structure of dialogic process; the content-based source that is related to the features of content shared through conversations and finally the relational source that concerns relational dynamics developed through conversations. Each source is characterized by a list of elements that organizations could take into account as illustrated by the following table.

TABLE I: THE THREE SOURCE OF DCC AND THEIR INDICATORS

Structure Source	Content-based source	Relational source
Conversational structure	Dialogue Approach	Reaction time
Dialogue orientation	Feedback, signs or symbols	Locus of control
Number of involved actors	Ethical nature of orientation	Actors' position & roles
Frequency of exchange	Type of speech acts	Guarantee of access
Organizational infrastructure	Personalized content	Dialogic Mechanism to co-orientate
Features of conversational acts	Power of language	Rules & relational mechanisms

Structural Source of DCC

The structural source of DCC refers to the structure of dialogic process and more specifically to the following elements: the conversational structure, the dialogue orientation, the number of involved actors, the frequency of exchange, the organizational infrastructure, the features of speech acts.

The first element is the conversational structure that could be macro or micro. If it is macro, organizations consider participants dialoguing as a unique whole, while if it is micro, organizations take into account comments expressed by each single participant who could intervene and promote his personal opinion and receiving single answer addressed to him (Beech et al., 2008). The second element, the dialogue orientation, refers to the way in which organizations guide conversations. It could be centripetal if organizations try to develop order and commonalities. It could be centrifugal if organizations are addressed to listen different opinion and develop alternative and innovative ideas (Mengis and Eppler, 2008).

The number of involved actors represents the third element. Before starting a conversation, organization needs to identify the network features: the number of knots, their ties, their level of connectivity and their authority. This is important if one of the aims of organization is to create online buzz (Haeckel, 1998). After having considered the number of involved subjects, organizations should define in advance the frequency of exchanges with stakeholders. The online presence and the activation of social media account is not enough to engage with publics through dialogic relationships. It is necessary to define at what frequency organizations could stimulate conversations and answer to questions (Haeckel, 1998). The space addressed by organizations to questions, doubts and critiques contributes to define the features of conversational acts. In this case organizations define how much space to address to examples, questions, and if it is possible to awards dedicated to stakeholders' participation (Ford and Ford, 1995; Ford, 1999; Skordoulis and Dawson, 2007).

Content-based Source of DCC

Content-based source is referred to the features of content shared by the means of online conversations. It is based on the following elements: the dialogue approach; the presence of feedback, signs or symbols; the ethical nature of orientation; the type of conversational acts; the possibility to personalize content; the power of language. Concerning the element of organizational approach to dialogue, it could be twofold: reflective, that means that an organization dialogues on external and general topics (outside-in dialogue); or reflexive, that means that organization talks about itself (inside-out dialogue) (Beech et al., 2010; Cunliffe, 2002; Mengis and Eppler, 2008). Additionally organizations should take into consideration the role of feedbacks, signs and symbols that allow monitoring and evaluating stakeholders. Feedback plays the role of alert concerning the balanced status between the involved subjects. By stimulating and welcoming feedbacks and suggestions, organizations could exploit a huge amount of relevant information concerning stakeholders' expectations with a consequent impact on the effective achievement of desired effects (Taylor and Kent, 2007).

A further element at the basis of content-based source is represented by the ethical nature of dialogue that could be kept by the implementation of operational principles linked to the tool used for dialoguing. Dialogue can be conceived as a product of communication activity and it could be investigated as it represents a conceptual evolution of symmetrical communication. The ethical nature of the conversations is based on the following assumptions: mutuality, proximity, empathy, risk and commitment (Kent and Taylor, 2002; Theunissen and Wan Noordin, 2012). The mutuality principle requires a strong attitude to cooperate for achieving the mutual aim. Proximity refers to the relational distance between the involved subjects. The empathy is based on the ability to develop harmony with other people. The risk concerns the possibility to get unexpected results and it should be accepted and finally, the commitment showed by participants is a guarantee of authenticity of relationship. Concerning the features of speech acts, they can be: assertive, that describe events or situations; directives, that are based on giving orders to someone; commissive, including promising to do something; expressive, referred to sharing an attitude and declaratives, linked to changing processes (Ford and Ford, 1995; Ford, 1999, Searle, 1969). Finally the last two elements refer to the relevance of dialogic form for making the process more effective (Alvesson and Karreman, 2000; Sillince and Suddaby, 2008; Heath et al., 2009; Taylor, 2011). The personalized conversations are those conversation addressed to specific stakeholders and targeted to their characteristics. In this case organizations identified and selected content and reasoning suitable to meet stakeholders' needs or allow them finding and creating their information by providing them useful contents (Kent, 2011; Ihlen, 2011). The influential power of language represents an alert for professional, who should posit attention to the linguistic form and to a correct use of words and their tones (Bakhtin, 1981).

Relational Source of DCC

Relational source is related to the relational dynamics occurring during a conversation. It is based on two facets: the dual relationships and the increasing relevance of including the others within the dialogic process. It is based on the following elements: the reaction time; the locus of control; the actors' positions and roles; the guarantee of access; the dialogic mechanism to co-orientate; the observance of rules and relational mechanisms. Concerning the reaction time, it refers to the time by which an organization is able to answer to its stakeholders. Especially in social media, governed by the rule of real time, organizations need to be reactive and to answer stakeholders' questions and comments quickly. This allows organizations contributing to make dialogue more interactive (Haeckel, 1998). In the same time when organizations approach social media they need to take in account where the locus of control of discussion is located. Organizations, which would

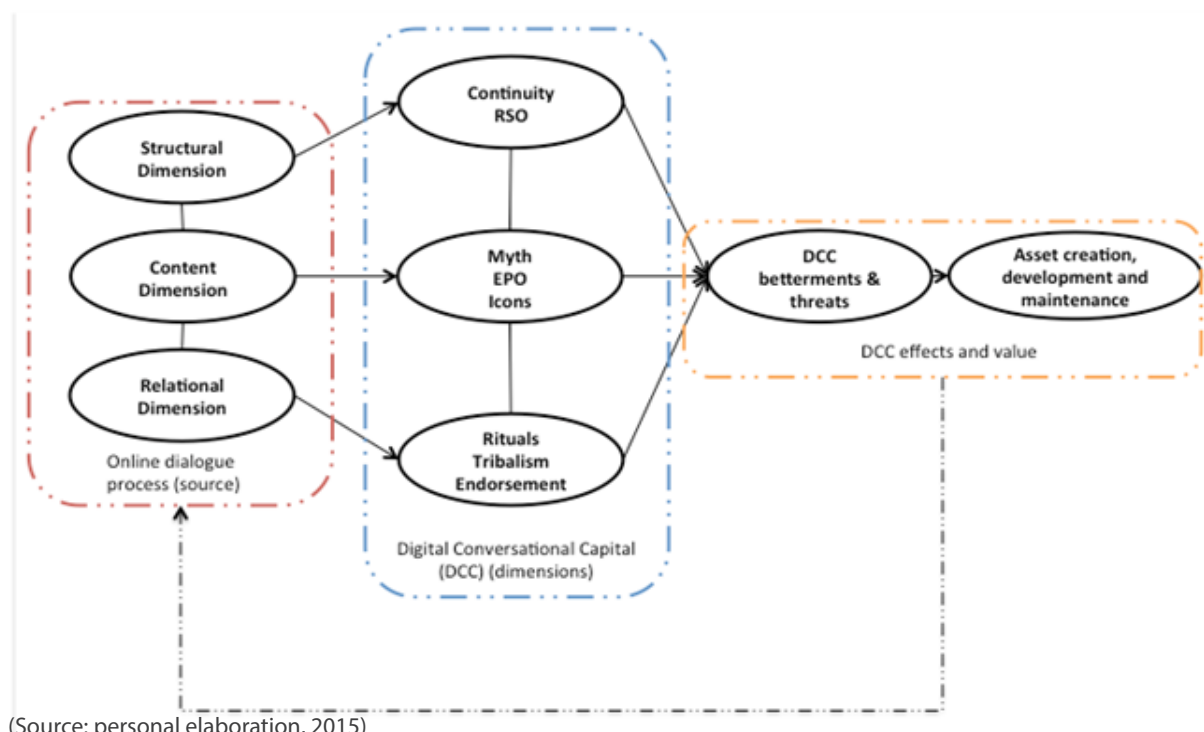
like to promote an interactive dialogue, are aware of the difficulties to keep the locus of control within the discussion, because it is continually negotiated by organizations and stakeholders (Haeckel, 1998).

A further element that is considered relevant for managing conversations effectively is represented by the actors' positions and roles. An ideal dialogic situation should guarantee the acknowledgment of equal positions of individuals and the absence of supremacy or control over communicative actions (Habermas, 1970). The equalitarian position is the most required by stakeholders as it is often counterpoised to the hierarchical position between interlocutors. Furthermore organizations need to guarantee access to each stakeholder by making them available to express and share their opinions and comments. This is linked to a technical feature of social media and web-based technologies, characterized by a dialogic orientation: the presence of specific spaces of discussions, areas where stakeholders can type their opinions (Kent and Taylor, 1998; 2002). Organizations can also use specific dialogic mechanisms useful to co-orientate and affect stakeholders cognition, attitude and behaviors by acting on the different mental model characterizing individuals (Taylor, 2005) and on the levels of congruency, accuracy and understanding of the shared content and its consistency and coherency with organizational actions (Newcomb, 1953). Finally, referring to the relational rules, two approaches can be followed by organizations: advocacy, with an authoritative tone, a precise definition of roles and structure of dialogue; comparison, based on an engagement strategy, co-presence of different and dynamic role and a dialogue structure that enhance different and multiple viewpoints (Von Krogh and Roos, 1995). Concerning the relational mechanisms, Hammond and Sanders (2002) underlines that they are based on a continuous condition of tensions. Authors identify five kinds of tensions characterizing dialogue between individuals and organizations: 1) between self and others; 2) between content and process; 3) between coherence and incoherence; 4) between mono-vocality and pluri-vocality; 5) between convergence and emergence.

Digital Conversational Capital: beyond the definition and towards a theoretical framework

Based on the analysis of the concept of Conversational Capital, we assume the following definition for Digital Conversational Capital: "Digital Conversational Capital can be defined as the set of positive conversations that revolve around an organization and involve it within the digital environment". The dimensions of Conversational Capital are suitable for the digital environment. Even in the digital environment the set of positive conversations is related to the dimensions of Conversational Capital proposed by Cesvet and others (2008) in the offline environment: a) continuity and coherence of conversations; b) capability to offer a multisensory experience (RSO); c) the creation of a myth; d) the ability to create an exclusive personalized offering (EPO); e) the use of icons; f) the set of rituals; g) the phenomena of tribalism and h) endorsement. Its source is located in three categories characterizing online dialogue and conversational processes: the structure of online dialogic process, the content shared through online dialogues and the relational network of conversations and involved subjects. Concerning the effect of Digital Conversational Capital, it could impact the saliency of digital experience and relations between stakeholders and organization as well as the degree of satisfaction of online stakeholders. The following empirical part aims to explain better the theoretical framework by focusing the attention on the sources, the characteristics of Digital Conversational Capital and the effects on two organizations in terms of betterments and threats as showed in the figure 1.

FIGURE 1: THEORETICAL FRAMEWORK OF DIGITAL CONVERSATIONAL CAPITAL



Organizations could intervene in the creation of Digital Conversational Capital by acting on the sources. As shown in the figure, each source could affect a specific group of dimensions of Digital Conversational Capital. As a result organizations could have the opportunity to exploit betterments and knowing risks that allow them to create, manage and maintain the new asset and eventual understand on which source to intervene again in order to apply useful changes.

Research Design and Methodology

As explained in the introduction section, a two-phase exploratory research design has been implemented. Firstly, DCC theoretical foundations have been explored by adopting a multidisciplinary approach, including the analysis of marketing, communication, management and organizational studies about dialogue and conversations. As a result of this first phase, a working definition of DCC and a theoretical framework identifying its dimensions are proposed. Secondly, theoretical assumptions are discussed against a multiple case study based on the implementation of online direct observation method. Such method is based on qualitative and interpretative research and it adapts traditional ethnographic techniques to the analysis of social media. The aim of the empirical section is to refining and integrating the DCC theoretical framework by investigating which of the mentioned conceptual elements emerge in practice within the digital environment of two companies.

The sample is constituted by the first two organizations, with the highest CSR RepTrak® score. This score identify the top 100 companies from the Global RepTrak® based on their CSR reputation. More specifically score reflects corporate performance in being “a good citizen”, implement sustainable governance and develop a suitable workplace. Each organization has been examined within the digital environment and more specifically in the official channel they use to relate with online stakeholders. The following table synthesizes the digital identity of selected organizations, by indicating which online channels they use more.

TABLE II. CASE STUDY: COMPANIES, CSR SCORE AND ONLINE PRESENCE

Companies	CSR RepTrak® score	Online presence	
Google	72,7	Website, Twitter, LinkedIn	Facebook, Google+,
Microsoft	72,1	Website, Twitter, LinkedIn	Facebook, Google+,

The two companies will be used to explain parts of theoretical methods by reporting examples directly from their behaviour online. Furthermore, for analysing the feasibility of theoretical method, observation analysis has been integrated by a conversation analysis conducted on the Facebook channels owned by each company. This method aims to discover which procedures underlie the creation and interpretation of speech acts that are organized sequentially (Have, 2007; Huismann, 2001). Furthermore, it specifies the tracking of sequences and the patterns of conversations within the context where dialogic processes occur, with the purpose to examine the strategic implementation of conversational sequences (Hutchby and Woofitt, 2002).

Conversational analysis has been applied to the official Facebook page of the two companies on a specific data set comprising company’s status updates/posts, links related to the posts, videos, company’s replies to stakeholders’ comments published online. The selected timeline refers to a four-month period (from 1st March 2015 to 1st July 2015), The following table synthesizes the data set specifically by indicating number of analysed posts, comments and videos.

TABLE 3: DATA SET FOR CONVERSATION ANALYSIS

Companies	Social media tool analysed	Unit of analysis (March, 1st – July, 1st)
Google	Facebook	55 organizational posts, 14986 comments
Microsoft	Facebook	76 organizational posts, 21980 comments

Findings and Discussion

Structural source of DCC in Google and Microsoft

The structure of dialogic processes of the two examined companies refers to three specific elements organizations should take into account in developing online conversations: the orientation to online conversation, the management of speech acts, the procedures followed for activating, maintaining and finalizing online conversations.

Concerning the first element of orientation to online conversations, the term orientation refers to the trajectory of dialogic processes that could be twofold: centripetal and centrifugal (Bakhtin, 1981). A dialogue process with a centripetal direction focuses on the search of agreement between people (Beech et al., 2010). The centripetal orientation consists in managing dialogue forces, which tend to uniform differences: mechanisms of homogenization that try to centralize different perspectives emerged during interactive relations. The aim is to moderate divergences, posit limits and mitigate changes and anomalies (Anderson et al., 2003). In this case dialogue focus on the development of mutuality through the creation of convergent visions amongst participants (Putnam and Fairhurst, 2001).

Dialogue has a centrifugal orientation, when it focuses on the enhancement of different perspectives and multiple viewpoints (Beech et al., 2010). The centrifugal trajectory is under decentralizing and chaotic forces, which aim to destabilize meanings and beliefs, by positing comparisons and stimulating a positive attitude towards others' opinions and arguments (Anderson et al., 2003). In this case dialogue can destroy forms of centralized understanding (Kornberger et al., 2006 in Beech et al., 2010). The centrifugal dialogue allows the creations of multiple and different visions, it encourages the attention and interest towards other and stimulate an active participation within the dialogic process (Gadamer, 2007).

Microsoft for instance in dialoguing with their stakeholders tries to adopt a centrifugal orientation in its attempt to enhance divergent opinions from stakeholder and multiple perspectives. The company published a post but it doesn't intervene in the discussion, by making people free to talk with each other.

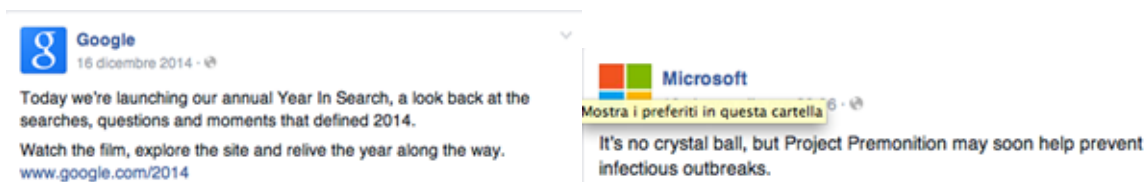
FIGURE 2: CENTRIFUGAL APPROACH IN MICROSOFT



(Source: facebook/Microsoft, 2015)

With regards to the second element, organizations should take into account the management of discursive acts. As mentioned in the theoretical part, with the term we refer to the intentional assembling of specific utterances that can be addressed to different aims (assertive, directive, commissive, expressive, declaratives). The following examples concern the use of expressive assertions used by companies for sharing their post on Facebook.

FIGURE 3: USE OF EXPRESSIVES BY GOOGLE AND MICROSOFT



(Source: facebook/google, 2015)

Finally concerning the operative models and procedures followed during dialogue processes, from one side, organizations should strategically manage turn-taking processes in order to stimulate the turnover of different voices by using tools that support the creation of a conversational flow and the free sharing process between participants (Skordoulis and Dawson, 2007). To this regard organizations should focus the attention on encouraging brainstorming and use it as a tool for the dialogic processes (Arnold, 2008).

This first group of sources can affect the first group of dimensions of continuity and RSO: from one side, through the centripetal orientation organizations could keep the continuity and coherence of dialogue; from the other side the centrifugal orientation could allow them to move beyond the sensory neutrality characterizing the mass and traditional communica-

tion, by enhancing different perspective and affecting different senses of online stakeholders (viewing, hearing, touching).

Content-based source of DCC in Google and Microsoft

Concerning the content, it is possible to identify three specific features to manage strategically: the organizational approach to the dialogue; the ethical nature of conversations; the influential power of language.

Concerning the element of organizational approach to dialogue, it could be twofold: outside-in and inside-out. By implementing an outside-in approach, organizations stimulate dialogues on themes and situations, which refers to the organizational context, by acting as an external observer (Baker and Kolb, 1993). In this case organizations recognize external situations and events (Cunliffe, 2002). Organizations select those images and topics on which they would like to attract the publics' attention (Hallahan, 1999).

In the following extract, Microsoft and Google for instance adopt a similar approach in relating with its online stakeholders.

FIGURE 4: OUTSIDE-IN APPROACH BY MICROSOFT



(Source: facebook/Microsoft, 2015)

Vice versa, if an organization decides to implement an inside-out approach, it intends to discuss about topics that are organizations-based. Organizations structure the conversations as it is directly involved within the topic of discussions. Organizations attribute meanings to the organizational behaviours by using descriptions and explanations by internal stakeholders and by using an internal perspective (Cunliffe, 2002). By paraphrasing a definition proposed by Baker and Kolb (1993), the inside-out approach is based on personal experiences. Organizations use events that have characterized its acting in order to attribute sense and meaning to its behaviours (Gray, 2007).

Google uses a similar approach on his Facebook page as the following figure testifies.

FIGURE 5. OUTSIDE-IN APPROACH BY GOOGLE



(Source: facebook/Microsoft, 2015)

With regards to second element, in conducting dialogic processes organizations should put on evidence a communicative attitude in which the ethical component assume more and more relevance. Dialogue is characterized by mutuality and it is based on the individuals' availability in participating to a negotiation process with the aim to get a shared benefit. In doing so, organizations should focus their attention on five elements: collaborative attitude and equal participation in discussing topics; the relational proximity expressed by the selections of content that guarantee participation and engagement in a specific time; the empathy that organizations develop towards their publics; the acknowledgment of dialogic process vulnerability and the possibility to deal with emerging and unexpected content; the commitment to implement an authentic dialogue in which a correct interpretation of shared messages is encouraged (Kent and Taylor, 2002).

The following extracts reveal the communicative attitude of Microsoft that is able to show empathy with online stakeholders, by answering to emerging content.

FIGURE 6. COMMUNICATIVE ATTITUDE IN MICROSOFT



(Source: facebook/Microsoft, 2015)

Finally, concerning the third feature, organizations should be aware of the influential power of language. Dialogue can be played as a rhetorical tool and it could be useful, for instance, to create and develop an organizational climate that could be suitable to get business aims; to support decision-making process and stimulate the organizational sensibility towards stakeholders. In such conditions, the aim of organizations should not be that of defending institutional position without considering the positions of publics. Contra, dialogue should be used to understand and foresee public relations. Language allows actors to form opinions and perceptions about social and organizational issues. Through language, specific issues could be refused, negotiated or accepted by other participants (Taylor, 2011).

Microsoft for instance uses the figure of employees in its post to stimulate identification and to personalizing communication, as illustrating in the following example.

FIGURE 7. RHETORICAL MECHANISMS IN MICROSOFT

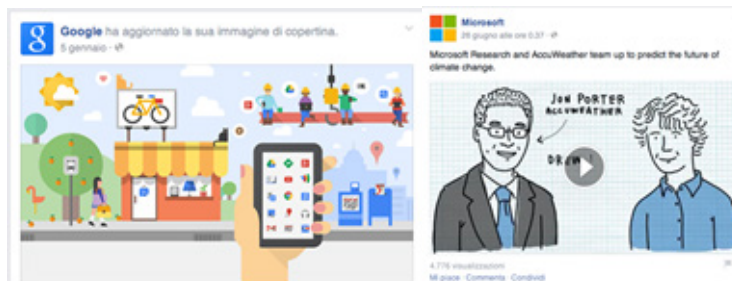


(Source: facebook/Microsoft, 2015)

The second cluster of sources can affect a specific groups of dimensions of Digital Conversational Capital: the creation of myth, by selecting specific topics and using the influential power of language; the development of specific icons in which stakeholders can identify themselves; the guarantee of an exclusive personalized offer that could ethically meets needs and expectations of stakeholders.

Both Google and Microsoft largely use the icons within their online spaces, as show in the following figure in order to gain visibility and to be recognized by their stakeholders.

FIGURE 8. ICONIC LANGUAGE BY GOOGLE AND MICROSOFT



(Source: facebook/google; facebook/Microsoft, 2015)

Relational source of DCC in Google and Microsoft

Finally concerning the relational dynamics, organizations should plan strategically the following elements: the position of involved actors; dialogic mechanisms to co-orientate cognitions, attitude and behaviours; the influence of interactivity and viralization.

With regards to the positions of participants, organizations should take into account two facets: the symmetrical or asymmetrical position of their stakeholders. In the first case, the asymmetry is linked to the achievement of unbalanced effect within communication process: organizations try to persuade their publics and to exploit their advantageous positions based on the quantity and quality of information at their disposal (Grunig and Hunt, 1984). Contra, symmetry is linked to the opportunity to get more balanced effects and it is referred to the position in which inequalities are reduced to a minimum level (Grunig et al., 2002). A relationship based on symmetry should be based on the difficulty to recognize the senders and the receivers, as both play the same role in the communication process (Pearson, 1989). To this regards, differently from Google, Microsoft for instance allows people on Facebook to send posts and to activate discussions or acting as moderators.

The second element refers to the activation of mechanisms that regulate the development of cognition, attitudes and behaviours that can affect the results of the dialogic process. Such mechanisms act on three features of relationship: congruency, linked to the degree of similarity that could exist between cognitions of an individual and his perceptions on others'

cognition; the accuracy, that is the precise of correspondence between individuals evaluation of others' orientations and cognitions and what others really think; the agreement, that refers to the similarity of different individuals cognitions about the same object of discussions (McLeod and Chaffee, 1973; Grunig and Hunt, 1984).

Finally the last element concerns the influence of interactivity and opportunity to viralization. Interactivity refers to the ability to dialogue with publics, to collect information about their needs in order to mention them in other moments of interactions (Blattberg and Deighton, 1991). Interactivity can be defined as a dynamic dialogue in which the following dimensions assume relevance: the number of involved subjects; the frequency of exchange, the reaction time (Haeckel, 1998).

The third cluster of sources can affect the last specific group of dimensions of Digital Conversational Capital: the development of rituals, the tribalism phenomenon and the stakeholders' endorsement and engagement. The symmetrical position and the equalitarian participation to social media stimulate the creation of tribes characterizing by a commonalities of interests and opinions towards a specific product or brand. The management of mechanisms to co-orientate cognition, attitude and behaviours allows organizations to act on rituals linked to their image or product and to improve the loyalty degree of online stakeholders. Taking into account for instance the interactivity of relationship allows organizations to improve stakeholder's loyalty and their participations to organizational activities stimulating endorsement and engagement.

Digital Conversational Capital betterments, threats and value

By approaching strategic online conversation process and managing digital conversation capital it is possible to mention three main betterments or benefits organizations could exploit.

First of all, by taking into account the dimensions mentioned above, organizations could improve the saliency of online relational experience between organizations and brands. In communication saliency is referred to the prominence given to an information element or to the relative importance of an attribute (Sopory and Dillard, 2002; Albers, 2009). In this case the benefit for organizations is to have the opportunity to affect the relational experience online by implementing an effective dialogue process that is based on the exchange process of information and opinions. Secondly, as a follow on from the increasing attention to the structural dimensions, organization could improve consistency of experience. Three dimensions characterize consistency: the presence, physics and interaction (Jang et al., 2005). Organizations should keep a sort of equilibrium between the different dimensions by implementing a correct dialogue process online. Finally, the relational dynamics and the increasing role of rituals, tribalism and endorsement contribute to improve the level of satisfactions towards organizations and a progressive feeling of identification (Cesvet et al., 2008)

Concerning the threats, three main risks could be highlighted. Firstly, the disintermediation of relationships implies an increasing redistribution of power and influence to the advantage of online stakeholders. It has been anticipated in the introduction, but the extant online stakeholders are more active, exacting and critical towards organizations. Their ability to access information introduces a second risk linked to the digital conversations capital, the locus of control. The theoretical framework could be useful to manage and implement the conversational processes organizations could manage. However organizations should be aware that the control of information is not possible anymore. For this reason it is necessary to implement a continuous adjustment of content and relationships developed through online tools.

Finally the third risk is represented by the investment required to exploit adequately social media. Acting in a dialogic way requires huge amount of resources in terms of time addressed to online activities and resources to dedicate to it.

Conclusion and implications

This article could be considered an attempt to summarize the extant theoretical research about the topic of conversational capital. Additionally the study represents a first step towards the development of a theoretical framework, which could explain and underline source, betterments and risks of conversational capital. The analysis of the concepts of conversation and dialogue in various disciplines has provided useful insights to better understand the meaning of conversational capital and mechanisms of creation and maintenance. The proposed theoretical framework allows a mapping of current research on conversations as intangible and valuable asset by highlighting relevant issues and implications for both research and practice.

From the theoretical perspective, it is possible to mention at least three main implications. Firstly, a new concept has been proposed, by integrating different disciplinary areas. The multi-disciplinary view can be considered valuable for those opportunities of cross-fertilization it provides and that allow researchers to deepen the topic and evaluate integrative or alternative facets of theoretical framework. Secondly the attention of researchers could be attracted to analyse the possible integration between offline and online in order to analyse if opportunities to develop offline relationships such as the purchasing process in shop or the participation to specific corporate events could affect the development and the composition of Digital Conversational Capital. The theoretical framework should be tested by means of qualitative and quantitative research designs, in order to better refine the dimensions and the process.

From a practical perspective, the theoretical framework could be useful for professionals who would like to plan, develop, manage and maintain a valuable asset based on the dialogic use of social media. Starting from the proposed conceptual

framework, a first implication is to focus strategically to the dialogue process, which organizations could implement on social media. The list of sources for digital capital represents a list of possible areas of interventions. In this way professionals could operate at different levels of dialogue process by acting in terms of definition of structure of processes, selection of content to share and ability to develop effective relationships linked to them with substantial positive consequences for the digital reputation of the company. The link between each source with groups of dimensions of digital conversational capital allows professionals to strategically define on which aspects he would like to impact with the implementation of a strategic dialogue process. The output of theoretical framework could be a map of conversational capital that organizations are able to develop online. Finally the theoretical framework supports professionals in evaluating benefit and risks in order to have a net value of the implemented activity. The proposed study would represent a starting point for further discussion about the possibility to evaluate strategically the effect of conversation developed and management on organizations, specific product or service or specific programmes and campaigns in well-defined areas, such as for instance CSR.

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Use and Abuse of Sustainability in the Media: A Comparison between Sustainability Rhetoric in Italian, Austrian and German Newspapers

Conference paper

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Abstract

Purpose

The purpose of the here presented analysis is to investigate to what extent sustainability is represented in public media as well what discourses, arguments and frames are related to this term, further examining if there are national differences.

Design

The research questions were answered with a quantitative as well as qualitative media content analysis using Nvivo as an analytical tool for text and audio-visual data. Additionally, a discourse analysis using rhetorical theory was applied to the sample of newspaper articles taken from Italian, Austrian and German newspapers in 2012/2013 (n = 383).

Findings

The data of the media analysis shows three trends in dealing with the term sustainability and the ethical principle behind it: (1) sustainability is mostly framed as an exclusively environmental issue; (2) the media coverage shows a lack of pathos, here perceived as an essential tool to stimulate readers through emotion and lead them to participate and engage with a topic; (3) still, sustainability is used as a "buzz word" or "word pod" and mostly is not related to particular actors, institutions or organizations.

Implications

In particular, the lack of pathos in sustainability communication puts the (not yet used) potential for corporations and NGOs in communicating sustainability issues in and with the media up for discussion.

Originality

The paper shows the potential of rhetorical theories for media content analysis as well as for further development of sustainability communication as a research area in media and communication studies.

Keywords

Sustainability communication, rhetorical theory, rhetorical analysis, discourse analysis, media analysis, environmental communication

Introduction

Over the last years, an increase in use (and abuse) of the term "sustainability" has been observed – not only by politicians but by corporations, managers and journalists as well. However its meaning is often misunderstood and/or misused (Jäger & Deuschle, 2007). Sustainability can be both an ethical principle guiding political as well as economic strategies and a term whereby different actors embellish their own activities and connect them with "something good" and something that seems to be common sense in today's society. This paper seeks to identify the public discourse on sustainability and intends to investigate what discourses, arguments and frames are related to this term, also working out if national differences exist.

Sustainability in the media has been studied for quite a long time in various scientific areas as well as in business and political practice. Most of the studies focused on either environmental discourses in general or specific issues like climate change or business responsibility (Schmidt et al., 2013; Weder, 2012; Hou & Reber, 2011; Fieseler, Hoffmann, and Meckel, 2010; Moutchnik, 2009; Brodschöll, 2003; Voisey & Church, 1999; Suhonen, 1993; Häfeli, 1990). The results show that environmen-

tal issues are much more covered by media reporting than sustainability as a topic per se (Suhonen, 1993; Voisey & Church, 1999). Nevertheless, researchers state that media reporting on (at least) sustainability-related issues can increase social awareness about sustainability in general and stimulate collective action in terms of sustainable development (Schmidt et al., 2013). There are even some studies that deal with sustainability as meta issue or related term there is still a gap in existing research concerning a general sustainability-discourse in the public media, in particular no research dealing with the two sides of sustainability mentioned above: "sustainable development" as ethical principle and or common sense of today's society and "sustainable" or "sustainability" as useful as well as "trendy" terms to characterize political or business activities. In fact, even though the question about what is communicated in the media can be partially answered by the above mentioned researches, the question about how the sustainability-related topics and issues are communicated in the media has been barely investigated up to now.

The paper at hand aims to fill this research gap by using rhetorical text analysis (Plett, 2011) to investigate the news coverage of several daily newspapers from Austria, Germany and Italy with a focus on sustainability. The relevance and originality of the presented paper is therefore not only represented by the selection of the investigated area itself, which has been rarely examined by now, but also by the innovative application of the rhetorical text analysis in sustainability communication research (Krainer & Weder, 2011; Godemann & Michelsen, 2011; Michelsen & Godemann, 2005).

The present study tries to answer the following research question: "How far and in what terms does the principle of sustainability structure public communication?". Thus, the study aims at clarifying whether sustainability occurs as an issue per se in the media or whether it can only be found in association with other topics in the sense of a meta-frame or "buzz word".

Theoretical background

The Oxford Dictionary defines the adjective "sustainable" as follows: "to keep in being / to keep or maintain at the proper level or standard / to preserve the state of / that can continue or be continued for a long time / involving the use of natural products and energy in a way that does not harm the environment" (Oxford dictionary, 2015). According to this, sustainability can be interpreted as being "characteristic" of something, in concrete the ability of something to last. At the same time, the term ties in with several basic values of human rights to sustain or respect; therefore, it can be understood as an ethical principle: "Sustainability is defined as a requirement of our generation to manage the resource base such that the average quality of life that we ensure ourselves can potentially be shared by all future generations. [...] Development is sustainable if it involves a non-decreasing average quality of life" (Asheim, 1994, p.1). It seems to be obvious that the term sustainability can be applied to different areas (politics, environment, social life, economics, culture etc.). At the same time, various issues can be related to that principle: it may be used in relation to energy, environmental management, climate change, advertising, mobility, nutrition and population development etc.; here, it is mostly associated with permanent and long-term processes (Pufè, 2012). Consequently, in politics, science, business, the media or civil society, sustainability and sustainable development seem to have become the central ideas and guiding concepts of modern societies (Ekardt, 2011). But still, sustainability is perceived as something rather abstract and blurred (Pufè, 2012). From there it seems to be hard to formulate a unified and universal definition of sustainability. Since the aim of the present study is to understand whether the principle of sustainability structures public communication, a more detailed definition of the term is required.

Starting with the origin of the term, the strong ties between sustainability and environmental issues is recognized (e. g. Grober, 2004; Carlovitz, 2009); furthermore, the profound interest in sustainability and sustainable development by scientific researches and politics is manifested by the multitude of documents, reports and conferences, which have been published and organized dealing with sustainability and related issues (see e. g., Meadows et al., 1987; World Commission on Environment and Development, 1987; United Nations Environment Programme, 1992a; United Nations Environment Programme (UNEP) 1992b; Helsinki European Council, 1999; United Nations, 2000; Göteborg European Council, 2001; United Nations Millennium Development Goals, 2014). Today, the word "sustainability" has established itself as a guiding principle in national and international policies and related government programmes (see e. g. in Austria: Republik Österreich, 2013; in Germany: CDU/CSU, 2013). But is there a public discourse on sustainability? To which extent is sustainability debated on a public agenda?

Working with a media-related concept of the public sphere, the fundamental role of the media in creating awareness for specific issues can be assumed (Plake et al., 2001); in other words: the public contains various "spheres" that are related to a specific issue (Benhabib, 1992; Ferree et al., 2002; Butler Breese, 2011); on the one hand, there are society-wide "issue-monoliths" which structure more than one "sphere". On the other hand, new media technologies enable smaller fields of discourse on a structural level (Eder, 2006, p. 608; Weder, 2012, 2015). Furthermore, media and particularly traditional media like newspapers set the agenda of the public and can lead to behavioural change in terms of sustainable development through their information transmission activity (McCombs & Shaw, 1972; Moon, 2013).

As mentioned at the beginning, sustainability is not present in the media as an issue itself (e.g. Schmidt et al., 2013; Hou & Reber, 2011; Fieseler, Hoffmann, and Meckel, 2010; Moutchnik, 2009; Brodschöll, 2003; Voisey & Church, 1999; Suhonen, 1993; Häfeli, 1990).

Another development is put forward by the named authors: there is still a lack of research on how sustainability is "used" as well as "abused" in public communication and in particular in the (news) media. This is a major aspect of the study presented in here, which seeks to answer the question of how far and in what terms the principle of sustainability structures

public communication.

Research design

In order to answer the research question(s), a rhetorical text analysis as a specific type of discourse analysis was selected. With regard to the specific characteristics of the national media systems in Germany, Austria and Italy and with the intention to provide a broad spectrum referring the data set, media range and political vicinity, the selection of the sample was determined by the following aspects:

The Italian media landscape is characterized by a low level of press freedom as well as a decreasing print media readership. Reasons for these trends are a low literacy rate and the fact that the press system has always been the place where ideas of the ruling class were formed and spread (Biorcio, 2013; Hibberd, 2008; Solito & Sorrentino, 2001). In addition, nearly all the major newspapers in Italy show a certain (right wing, conservative) political orientation (ADS, 2013). Therefore the daily newspapers "La Nazione" (right-oriented; Berlusconi Group), "Il Corriere del Mezzogiorno" (independent), "Il Messaggero Veneto" (rather balanced) as well as "La Repubblica" (left-oriented) were chosen for the analysis.

In Austria, the press and in particular daily newspapers are the most widely used medium (5 Million Austrian read a newspaper daily); nevertheless, some specific characteristics of the media landscape have to be considered (Fabris, 1991; Steinmaurer, 2002): The relatively small size of Austria affects the associated market size and requires intersections with publishing companies in Germany in particular; accordingly, media concentration and the strong influence of German publishers on the newspaper and magazine market have to be kept in mind. Thus, the Austrian newspapers that have been analysed comprise two regional newspapers "Kleine Zeitung" (Carinthian Edition) and "Salzburger Nachrichten" as well as two national daily newspapers, "Kronen Zeitung" (with the largest circulation of a newspaper worldwide, 4 mio. readers) and "Der Standard" (a so-called "quality newspaper", politically more left oriented).

The German media system is much more fragmented, characterized by plurality on a local and regional level as well as market concentration regarding the publishers behind the newspapers; these are two dynamics that challenge the press market in particular (Wilke, 1997; Wagner, 2005). Due to differences in the political orientation of the newspapers, the national daily newspapers "Frankfurter Allgemeine Zeitung" (conservative) as well as the "Süddeutsche Zeitung" (more left oriented) as well as the regional daily newspapers "Berliner Zeitung", "Münchener Merkur" and "Passauer Neue Presse" were selected considering various publishing houses.

Research design – methodology

In order to answer the research question "how far do the principles of sustainability structure public communication?" a rhetorical text analysis was selected as a specific form of discourse analysis to complement the collection of some basic quantitative and qualitative data with a basic media content analysis. Rhetorical analysis is understood as a method for the analysis of certain text elements, created according to certain rules and with a specific strategy and goal in mind. Its relevance for linguistics and media studies is valued by using the rules not only for the creation of text (like a speech) but for the analysis and interpretation of the text as well (Plett, 2001; Lausberg, 1990). Therefore, to use of rhetoric as analytical tool implies the definition of the characteristics, rules and goals of a text in order to identify and analyse them in a text. The rhetoric's efficiency goals are understood as directions of action; the study presented here does not include an effectiveness research, so we stay with these directions and the investigation of how they are signaled in each analyzed text element.

The three categories of the rhetoric analysis "Logos", "Ethos" and "Pathos" have been used to analyse the newspaper articles. Here, it has to be specified that the rational direction of action called logos unfolds in form of three different techniques and styles, provided that speakers and listeners agree on a "common sense". Based on Plett (2001) and Sanders (2000) these are the following styles:

- docere: the emotion-free information about facts and issues which signalize stylistic objectivity;
- probare: here factual evidence (references to other writings and texts; technical facts, scientific data, etc.) are mentioned; used to support the credibility of the speech item. This direction of action helps the argumentation which is referential and logical.
- monere: this direction of action should be seen as an ethical one because its intention is the education of the recipients. A basic characteristic of this direction is the appeal to the listeners' or readers' rationality.

Here, ethos is also divided into two components, a so-called earmarked (conciliare, "to win") and a purposeless (delectare, "to delight") component (Plett, 2001; Sanders, 2000). The passionate emotional direction of action, called pathos, represents the passionate mover (to move). In particular, this refers to text expressing emotions like hatred or anger which are supposed to change the readers' or listeners' mindsets. Accordingly, the main characteristic is the pathetic style (Plett,

2001).The three rational or emotional directions to action constitute the basis framework for the media content analysis.

Research design – data collection

The data for analysis was sampled by a multi stage selection process. With the keywords “sustainability”, translated into German (Nachhaltigkeit) and Italian (sostenibilità), the articles were selected from the online archives of the newspapers. Here, it has to be noted that the Italian translation for sustainability, “sostenibilità”, has more than one meanings; it does not only mean something that is long-lasting but also something feasible, viable and manageable. Accordingly, the first sample of data resulted from the first research was filtered and only the articles covering the topic “sostenibilità” in the sense of an economic, ecological or socio-cultural principle (see e.g. Pufè, 2012; Ekardt, 2011; Asheim, 1994; Meadows et al., 1987; World Commission on Environment and Development, 1987) were taken from the Italian newspaper sample.

In total, only the articles whose content was at least more than 70% related to the issue of sustainability per se or to a sustainability-related issue were included in the final data sample. To clarify this, if for example an article contains the word sustainability in relation to a social issue and a minimum 70% of this article is dedicated to the issue and, therefore, related to a sustainability-context, the article was added to the sample.

Based on the above-explained selection method, a total of 383 newspaper articles could be included in the data sample; 78 were published in Italian, 180 in Austrian and 125 in German newspapers, as shown in Table 1:

TABLE 1: SAMPLE FOR THE RHETORICAL ANALYSIS, N = 383

Italy		Austria		Germany	
Medium	No. Articles	Medium	No. Articles	Medium	No. Articles
La Nazione	11	Der Standard	41	Frankfurter Allgemeine Zeitung	14
Il Corriere del Mezzogiorno	14	Kleine Zeitung	46	Berliner Zeitung	34
Il Messaggero Veneto	28	Kronen Zeitung	50	Münchener Merkur	33
La Repubblica	25	Salzburger Nachrichten	43	Süddeutsche Zeitung	15
				Passauer Neue Presse	29
Total	78		180		125

The timeframe for the analysis was the 1 December, 2012 until the 30 June, 2013. With the text organizing software NVivo®, which as well allows a qualitative analysis of text and audio-visual data, the news articles were classified by medium, date of publication (year and month) as well as by country. This was done in order to investigate key events, trends and issue cycles by newspaper and month. After classifying the sources, every single article was encoded by topic, point of reference and actors. For the category “topic” some areas were defined before encoding while others were added during the analysis. Basically, this category has been differentiated into the subcategories “sustainability per se”, “ecology”, “economy”, “social” and “other”. The subcategory “sustainability per se” was only assigned, when the news article discussed sustainability itself as a basic principle or understood it as the interaction of the three dimensions (environmental, economic and social).

The category “point of reference” illustrates the issues’ geographical reference and was therefore divided in the subcategories “international”, “EU”, “national”, “regional” and “local”. This should allow, for example, for the identification of local or regional key events and the focus of an issue. In addition, the content, the individual parts of the article and the statements of the “voices” (actors) were coded for the rhetorical argumentation analysis in “logos”, “ethos” and “pathos”; whereby the category “logos” was subdivided in its own three different directions of action docere, probare, monere, the category “ethos” in conciliare and delectare (Plett, 2001), as mentioned above.

Furthermore, it should be noted that the actors that occurred in the newspaper articles, were classified according to the type of organization (e.g., political parties, NGOs, corporations for profits, etc.), their function (e.g., president, CEO, minister, spokesman, etc.) and the level of operation, meaning whether they play a role on an international, EU-, national, regional or local level.

Results

The basic aim of the presented study is to identify how far and in which way the principle of sustainability structures public communication; therefore, the newspaper articles are grouped by topic (See Figure 1; from left to right: “others”; “sustainability (per se)”; “Ecology”; “Economy”; “Social”).

FIGURE 1: ARTICLES BY TOPIC, N = 383

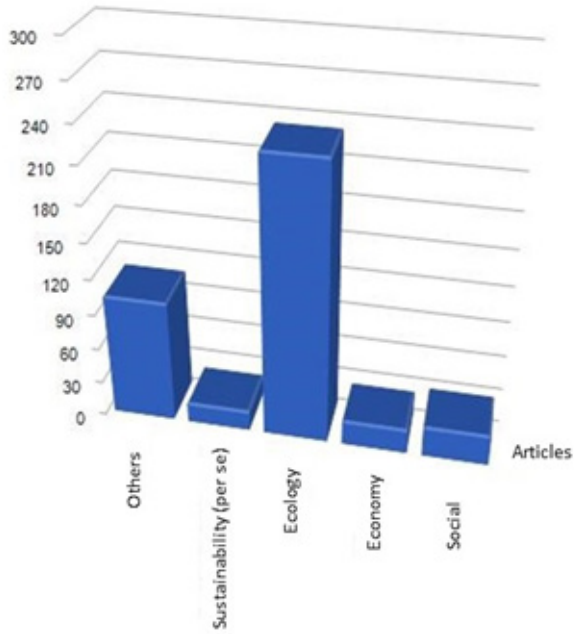
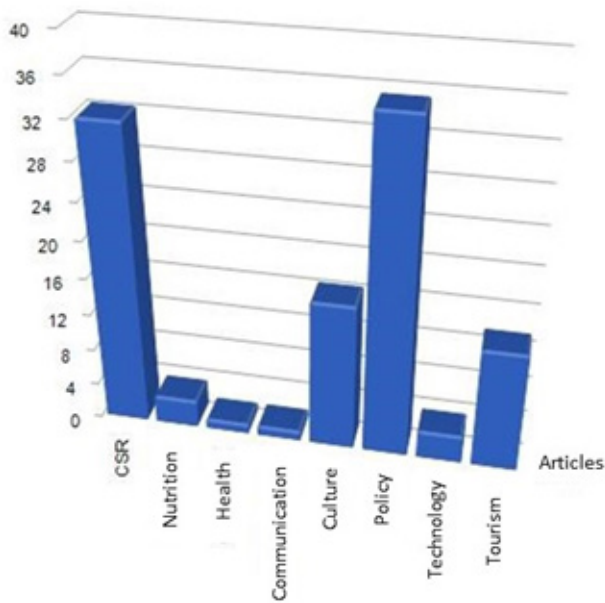


Figure 1 shows how the newspaper reporting on the principle of sustainability is focused on ecological/environmental related issues (“ecology”). These articles include issues such as climate change, general environmental topics such as environmentally friendly mobility and housebuilding, as well as articles about forestry and energy related issues. With a data sample of 383 articles, 231 were assigned to this category; 60 of the 231 articles were published in Italy, 70 in Germany and 101 in Austria. Accordingly, the tendency to consider sustainability as an ecological or rather environmental issue is reflected by the data in each country analysed. Further, the fact that the principle of sustainability related to environmental issues was not directly addressed in the Italian newspapers is worth mentioning. Also, sustainability as an issue per se is rarely discussed in public communication (only 17 of the 383 articles in total were coded as “sustainability per se”). This is not surprising due to the difficulty of a definition of sustainability mentioned in the literature and the complexity of the principle itself, which we highlighted above.

FIGURE 2: TOPICS, N = 383.

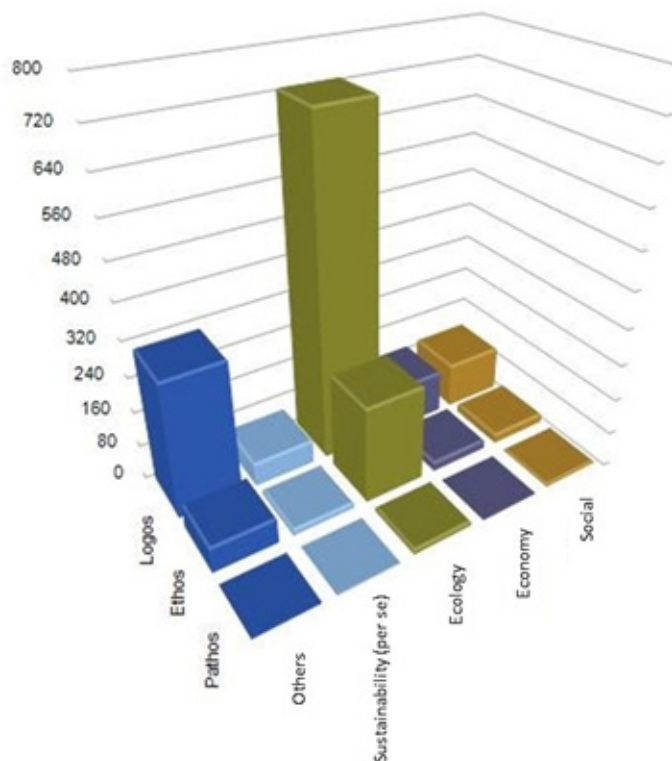


There are more differences when comparing the three countries: in the Italian newspapers only 8 articles are coded as discussing “sustainability per se”; this is only because the articles contain information about a sustainability-related event. While in German newspapers, where we identify only 5 articles dealing with sustainability as an issue per se, those articles, however, examine and/or critically discuss the principle’s problems and/or report on the implementation of Local Agenda 21. The same can be said for the reporting situation in Austria, where, even if only in small extent (4 articles), the principle of sustainability is directly addressed and even the difficulty of finding a standardized definition and the problem of equating this concept with ecological and environmental issues are discussed. Figure 2 visualizes the sustainability-related topics that can be identified in the articles.

It is obvious, that Corporate Social Responsibility is something that is quite often related to “sustainability” in news reporting. This corresponds with other recent studies investigating the issue of CSR in the media (e.g., Weder 2012). Further, it has to be noted that in Austria the focus of news reporting on CSR and sustainability lays on the lack of global guidelines; sustainability itself is mostly an ecology-related issue. Generally, a very close reference to the local level can be observed in all three countries.

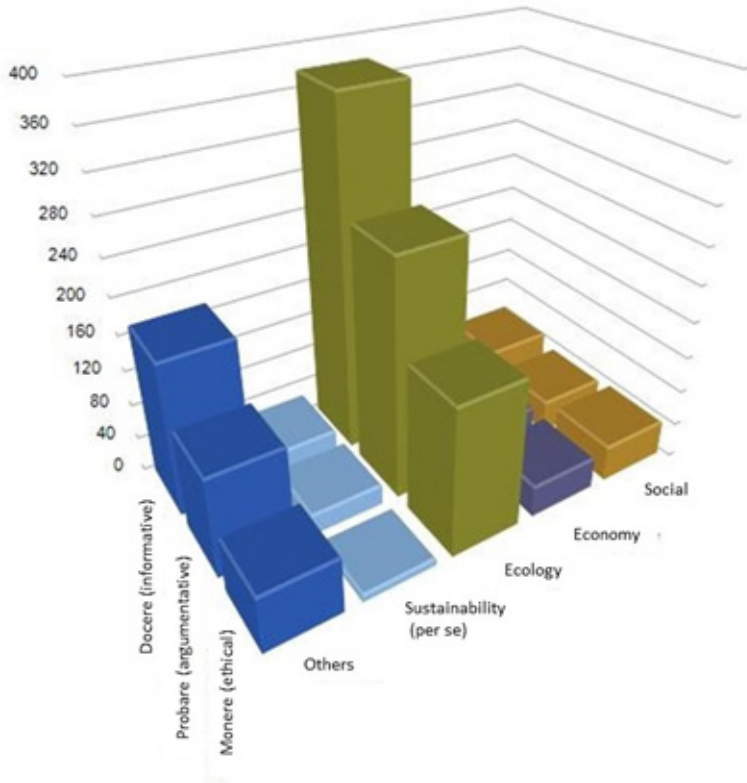
The empirical analysis of the here presented study was conducted not only to understand “what” is communicated about sustainability in Italian, German and Austrian newspapers but also to investigate “how” this information is debated in the public sphere. Accordingly, the newspaper articles were also taken for the rhetorical text analysis described above to identify possible directions of action. Behind this, there was the assumption that media can influence and change people’s behaviour (Schicha, 2008; Roesler, 2005; Schenk, 1987; Edelstein, 1983; McCombs & Shaw, 1972). Therefore, the intention to generate a certain effect with an article using some rhetorical tools should be investigated with the analysis. Figure 3 shows that news reporting happens almost exclusively with a rational direction of action, the so called logos. The mild, emotional direction of action, called ethos, is only used in few articles while the passionate, emotional direction of action, called pathos, does rarely occur.

FIGURE 3: TOPICS AND DIRECTIONS OF ACTION, N = 383



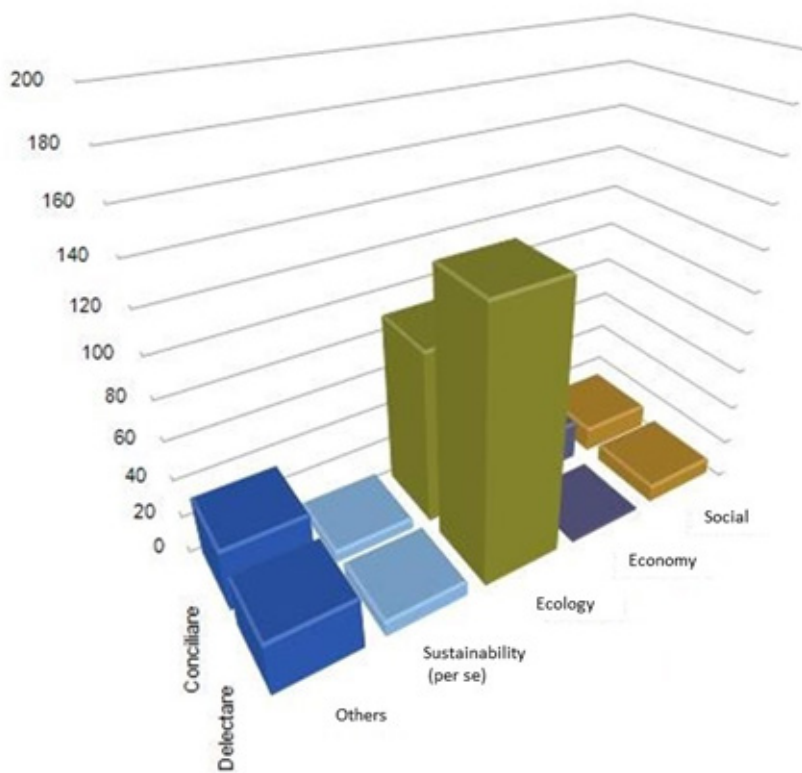
The tendency to communicate on a rational, factual level can be confirmed within the articles for each of the three analysed countries. It is also important to mention again that the direction of action, logos, consists of three different components, an informative (docere), an argumentative (probare) and an ethical (monere) one. Figure 4 illustrates how the newspaper coverage operates essentially on an informative level, although argumentation and ethical components also can be found.

FIGURE 4: TOPICS AND LOGOS, N = 383



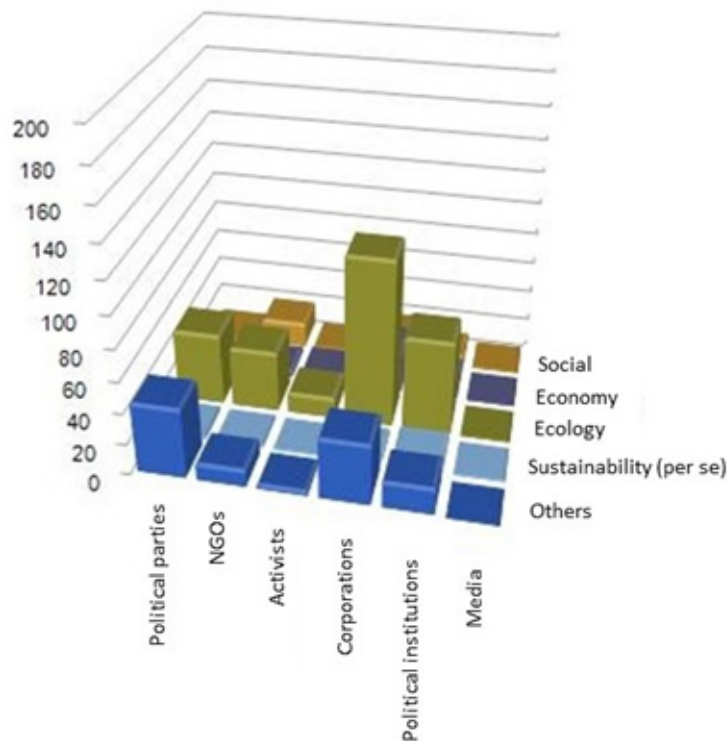
The type of communication arguing for behavioral change is coded with the category rhetorical mild emotional direction of action “monere”. Ethos has to be split into a so-called purposeless (delectare) and a so-called earmarked component (conciliare). Figure 5 shows the proportion of these two ethos-components in the coded articles.

FIGURE 5: TOPICS AND ETHOS, N = 383



The trend to rather use ethical, emotional components to “delectare”, i.e., to delight and entertain the readers, can be also confirmed for each country, in particular when it comes to discussing ecology-related sustainability issues. In this context, however, requirements and proposals for public engagement are formulated in a very general manner; direct appeals to readers or other actors cannot be observed. Due to the fact that the category pathos has been coded only 14 times (from a total data set of 383 newspaper articles) it can be stated that this function remains unused. Furthermore, the different actors in the sense of voices that are heard in the media are analysed. Figure 6 shows which actors take a more significant role in the public discourse about sustainability-related issues:

FIGURE 6: TOPICS AND ACTORS



Consequently, it can be said that the actors who most frequently discuss sustainability-related issues are corporations (for profit organizations); political institutions are in second place, followed by political parties. The results shown in Figure 6 do not reflect the situation of each analysed country: in Germany, a policy's supremacy can be observed as well as the relevance of NGOs' role is pointed out, who discuss socially-related sustainability issues. In Austria, as well as in Italy, corporations (for profits) play the most relevant role in a public debate on sustainability; whereby in Italy the almost absence of opinion and specific arguments has to be emphasised.

From this analysis it can be said that the sustainability discourse is more institutionalized and politicized in Germany; whereas in Austria and Italy it is more “commercialized” and market related because of the dominant role of corporations in the public communication about environmental issues with a relation to the principle of sustainability. Results show that public communication about sustainability and related issues happens on a rational and factual level and is mainly about information. But a persuading intention can be recognized by corporations and politicians using the “conciliare” component of ethos whereby politicians argue rather with recriminations and/or guilt rejections; few examples of those persuasion techniques and passionate messages can be found in the sample.

In relation to the research questions, it has to be stated that public communication is not structured by the principle of sustainability in the sense of an integration of its three dimensions (social, environmental and ecological); sustainability is more or less used as a synonym for environmental responsibility or environmental issues. Furthermore, the results show a strong local reference of the sustainability-discourse in general and the related issues in particular. But even on a local or regional level, the articles have a rational, informative character. We would like to bring up for discussion that, firstly, there is a general lack of news coverage on sustainability per se; and secondly, pathos and therefore, the activating and individual or organizational engagement stimulating potential is missing in the sustainability related news coverage.

Limitations and Outlook

The results of the here presented analysis show that the principle of sustainability is not, or at least barely, reported in the public communication, whereas its ecological orientation receives most attention. This result is not surprising, because al-

ready the existing literature and studies on sustainability point out how environmental issues and problems are attributed greater attention from the public and the media compared to issues that concern the sustainability principle per se. There is still the difficulty to define the concept of sustainability; additionally, the characteristics of the principle of sustainability (forward-looking, long-term, prevention-oriented, complex, interdisciplinary) are somehow contradictory to the characteristics of the media itself (related to the past; short-term; alarmist; simple; department-oriented) (Friedler, 2007). So the media does not stimulate readers to participate and does not act in a sense of transmitting values and objectives to the public – which is what Krause (2007) considers as the challenge of communication and in particular of sustainability communication in the future. Thus, neither the possibilities of the media to change people's behaviors by agenda setting is recognized and acknowledged, nor the importance of an effective, passionate reporting on sustainability and its related issues and its related change of social behaviors toward a sustainable development is realized by now.

The limitation of the study is that only a small sample of articles could be included in the analysis as well as the short timeframe. In particular, a longer timeframe would enable us to deal with behavior change and the influence of media coverage of certain issues more precisely. But it is possible to say that there is a lack of emotional appeals in the news reporting on sustainability related issues, and the study also recognizes that people perceive situations via emotions; hence, people can be only mobilized by appealing to their emotions, because without emotions no human behavior is possible (Mast, 2008). Consequently, the lack of appeal to the readers' emotions must be evaluated as a lack of appeal to social engagement, not only by the media itself, but also by the actor of the public sphere. Further research as well as communication strategies in business as well as in the political field are necessary. In other words: the lack of pathos in sustainability communication puts the (not yet used) potential also for corporations and for NGOs in communicating sustainability issues in the media up for discussion. Accordingly, a survey with journalists and PR people would be appropriate as a follow-up study, primarily to investigate the reason behind the almost exclusively rational CSR news coverage. Furthermore, a comparison between social media reporting and the representation of sustainability per se and sustainability related issues in those channels would be interesting, when trying to answer the question if there is more pathos used in social media communication (Drenger, 2013). Pathos would imply emotions and passion that are needed to build a relationship between society and ethical issues like sustainability.

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How Financial Crisis Changed Public Perception of CR

Extended abstract

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Abstract

Purpose

Although the concept of corporate responsibility (CR) is a widely discussed in PR-literature, research lacks macro perspective and reflection of social change. This study contributes to remove this blind spot by examining how financial crisis 2008 changed public perception of CR and its implications for corporate reputation.

Approach

CR – conceptualized as environmental, social and economic responsibility – is a driving force of corporate reputation. Companies therefore often rely on managing CR although effects are unclear: activities in the fields of environmental and social responsibility are far from main purposes of companies and perceived as not authentic. In contrast contributions to economic responsibility are part of core business and thus more credible.

Methodology

A content analysis is applied to determine how Swiss media report on companies between 2005 and 2014. Swiss economy is well suited for analyzing the effects of the financial crisis, as the financial industry was heavily exposed whereas the producing industry maneuvered through the slump well allowing to control if effects are industry-specific.

Findings

Due to a shift in media coverage on economy to macro level in scope of the financial crisis relevance of economic responsibility increased. Pointing out contribution to economic responsibility is a legitimizing force in crisis and leads to less volatile corporate reputation.

Keywords

CSR, corporate reputation, social change, crisis communication

Purpose and Originality

Although the concept of corporate responsibility (CR) is a widely discussed topic in PR-literature, research is dominated by a meso and micro focus neglecting macro perspective and therefore lacking reflection of fundamental social change (Schranz 2007, Hiss 2009). This study contributes to remove this blind spot and examines how the financial crisis 2008 has changed public perception of CR and its implications for the constitution of corporate reputation. Additionally research also reflects fundamental structural change in the media system to gain a thorough insight in logics and development of CR in scope of media coverage.

Approach

CR – conceptualized on the three pillars of environmental, social and economic responsibility (Mast and Stehle 2009) – is understood to be a driving force of reputation. Especially in times of crisis reputation – defined as the overall evaluation of an actor shaped by the media – is a crucial in the process to restore confidence in actors and legitimize their actions (Deephouse 2000, Eisenegger 2005). In trying to recover their capacity to act (license to operate) and foster their reputation companies therefore often rely on CR activities via the media even though possible effects are discussed controversially (Hillenbrand and Money 2007, Röttger and Schmitt 2009, Vanhamme and Grobbsen 2009, Eisenegger and Schranz 2011).

The authors hypothesize that financial crisis has fundamentally changed the way companies – and not only from the financial sector - are able to shape their image in the public sphere and that this is also true for CR. Concerning CR pointing out the true benefit that companies create for national economies like creating jobs, paying taxes or general commitment to a research location (economic responsibility) instead of social or environmental responsibility can serve as a new form of distinction in crisis.

Media are of outstanding importance in the process of reputation constitution as they “provide a forum where firms and stakeholders debate what constitutes a good firm and which firms have good reputations” (Deephouse 2000). Because of structural changes in the media system careful consideration about CR activities are therefore of importance. Declining audiences and add revenues - especially in the press sector - and a growing pressure for actuality in the online sector have had a negative effect on quality in journalism in general (Fög 2014). In order to maximize audiences media increasingly rely on strategies of personalization and scandalization in company coverage. This leads to a growing moral charge of public communication and increased significance of CR-driven communication within corporations. This development has to be considered when defining communication strategies. By actively promoting moral standards via CR management companies build up high expectations towards their actions in the public. In case of violation or failed fulfilment, credibility and legitimization of a company are in danger because media are likely pick up coverage (news values) resulting in negative effects on corporate reputation. Thus stressing economic responsibility – instead of social or environmental – seems to be a strategy in CR management to minimize reputation risks as it is the field a company can control best.

Methodology

Swiss economy is particularly well suited for a analysing the effects of crisis on corporate reputation, as the financial industry was heavily exposed to the crisis whereas most of the producing industry managed to manoeuvre through the slump relatively well. This allows to compare whether effects are industry-specific or if a general change in perception of Swiss economy can be observed. A content analysis is applied to determine how the Swiss media report on economic topics in general (macro vs. micro/meso) between 1998 and 2014 and on companies of the most important industry sectors in Switzerland (relevance and assessment of CR) between 2005 and 2014. Influential daily newspapers and business publications with high circulations are examined for this purpose.

Analysed coverage stems from an ongoing project at the research institute for the public sphere and society of the University of Zurich. The project systematically monitors media coverage of the most important Swiss companies from 1998 to the present. For this paper company sample was reduced to 16 companies from the most important industries in Switzerland (Banking, Assurance, Energy, Infrastructure and Transport, Pharmaceuticals, Engineering, Food, Retail). A random sample of articles was selected leading to representation of companies respectively industries proportional to public exposure in Swiss media.

(Expected) Findings

Due to a shift in media coverage on economy from a micro and meso-level (focus on organizations and persons) to macro level (focus on national economies and global relations) in scope of the financial crisis 2008 the amount of coverage concerning economic responsibility of companies is expected to increase. In combination with growing insecurity about future development of economy in general a legitimizing force for companies in fundamental crisis lies in pointing out their contribution to economic sustainability. As activities in the fields of environmental and social responsibility (e.g. corporate giving, greenwashing) are far from the main purpose of economic actors and thus often described as not authentic. In contrast contributions to economic sustainability (e.g. creating jobs, investments in research and production facilities) are part of the core business of companies and therefore perceived as more credible. Therefore managing corporate responsibility by creating true benefits for national and regional economies leads to a benevolent public perception of company actions and in consequence to a less volatile and better controllable corporate reputation.

Research Implications

Expanding media and company sample on global level would further clarify interaction between CR and reputation. It would deliver further insights if the measured effects are specific for Swiss media system and industries or of general relevance. Additional studies on different types of crisis would be eligible as well. More detailed information about how the examined companies use CR activities could be helpful to determine possible gaps between the media perspective and company perspective.

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4. STRATEGIC ROLE OF CSR COMMUNICATION AND LEGITIMACY ISSUES

The Advantages Outweigh the Disadvantages: Corporate Legitimacy through CSR Communication

Abstract

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Purpose

Can companies enhance their legitimacy through CSR disclosures? There is reason to assume that CSR communication both directly increases and indirectly affects a company's legitimacy. On the one hand CSR is regarded as a mean to strengthen legitimacy; on the other hand, stakeholders might become skeptical and distrust disclosures about generous deeds. The purpose of this study is to analyze 'boomerang effects' in CSR communication.

Design/Methodology

The experimental study used a single-factor between-groups design. Three different CSR disclosures of a fictive company from the raw material sector served as the stimuli; ranging from low to high communicated CSR engagement. We assumed that the positive impact of extensive CSR communication on perceived 'corporate legitimacy' is suppressed by decreased 'content credibility' and increased 'skepticism' (measured by 'persuasion knowledge' and 'reactance'). 233 students were randomly assigned to the stimuli and filled in a questionnaire.

Findings

We run a SEM in order to test the causal relationships. Global fit indices are acceptable (RMSEA = .0048; CFI = .977; SRMR = .0057; all Cronbach's $\alpha > .7$). The extent of communicated CSR has a significant positive effect on corporate legitimacy even if stakeholders have a high level of skepticism. Surprisingly, content credibility shows a significant positive mediation effect.

Implications

The tested model advances the understanding of boomerang effects in CSR communication. According to our results, company can strengthen their legitimacy through extensive CSR communication despite stakeholder skepticism.

Originality

An innovative causal model about the effects of CSR communication on corporate legitimacy is developed and tested.

Keywords

CSR communication, experimental design, corporate legitimacy, corporate credibility, persuasion knowledge, reactance, structural equation model (SEM)

Energy literacy as a key component of energy stakeholder's CSR-communication agenda

Abstract

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Consensus

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ELES

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Tomaž Žagar
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Purpose

Energy literacy is an important part of responsible citizenship. It is an understanding of the nature and role of energy in our every day lives. It is also the ability to apply this understanding to answer questions and solve problems. Better understanding of energy can lead to more informed decisions that can:

- improve the security of a nation,
- promote sustainable economic development,
- lead to sustainable energy use and
- reduce environmental risks and negative impacts, e.g. in the field of climate change.

The paper discusses how and why different stakeholders from the energy field (e.g. energy industry, decision-makers, research and academic institutions, NGO's etc.) position energy literacy as a key part of their CSR and/or sustainability agenda. It shows how different principles of energy literacy are taken into account and incorporated in stakeholder's communication activities.

Design

Theoretical part of the paper is complemented with a case-study presentation of the EN-LITE (ENergy LITEracy) project that was developed in Slovenia in 2013 and is since then implemented by the paper's co-authors. EN-LITE's mission, results and further plans are presented and discussed from the project's stakeholders CSR agenda viewpoint, supported in detail by a presentation of ELES's (Slovene transmission system operator) strategic position towards energy literacy.

Credibility of Companies

Extended abstract

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Abstract

Purpose

According to recent CEO surveys, being credible is the third-most challenge for managers in the upcoming years. At the same time, they admit not to have sufficient knowledge or strategies how to tackle this challenge. This lack of knowledge starts with a confusing variety of definitions and interpretations what credibility is and how it is constituted. In short: there are no clear perspectives, criteria and parameter. The consequence: trial and error on many levels. Lots of dabbling (e.g. in reputation management) which leads to even more losses in credibility and in turn losses in reputation and trust. And – due to these losses, the relevance of these factors is getting more and more important.

Findings

The book is at a very early stage (Part 1 and 2), however, research, interviews and discussions so far have shown that relevance is increasing, especially considering the recent development of CSR which tends more and more towards integrated Business Ethics instead of Reputation Focus (visible e.g. with the development of the official EU CSR definition, with the development in Reporting from GRI 3 to GRI 4 etc.). Despite of that, it is a legitimate and worthwhile approach to use existing parameters that define credibility of persons and to adapt them for companies. Result: A list of (observable) indicators for institutions/companies on four different levels of action: Content, Behaviour, Character, Language/Communication.

As a next step these criteria are to be refined and mirrored with reality, i.e. actions and experiences of companies, by means of investigating their CSR Reports/Communication, interviews with CEOs etc. As an outcome there should be a series of solutions, approaches and strategies to be used by companies and other institutions in order to improve their credibility.

Research limitations and implications

Obviously this is a very ambitious project, especially considered that – contrary to the last book of the author – this will not be a book purely for scholars and students but for practitioners who do have the most need for more knowledge on this issue. Therefore it has to have a sound scientific basis, and at the same time be readable and digestible by managers and communication practitioners at the same time – which in itself is a limitation.

Originality/value of this concept

Its value is obvious: more knowledge about credibility, its preconditions and correlations leads to better management decisions that in turn lead to better communication. Communication alone never leads to an increase in credibility and trust (thesis, to be falsified or verified). This is not just part of the author's last book ("Responsible Communication", 2013) but the result of more than 20 years of communication experience in different leading functions of international organizations as well as companies and consultancies.

Originality/value

We conceptualize how SBSR is caught in a 'governmentality dilemma' where simultaneous expectations to govern others (e.g. through standards) and the self (e.g. through intrinsic motivations) are confronting owner-managers' ethos. We explain theoretically how small business managers respond to the challenge when they are required to formalize and display for external surveillance that which would otherwise be informal and part of the non-public or private sphere.

Keywords

Credibility, trust, CSR, CSR communication

Credibility is the basis of trust – both factors are crucial today, due to different media, increasing stakeholder awareness and economic and social developments. At the same time, both are under scrutiny, are being questioned more and

more, especially when it comes to companies and their CSR claims and activities. But what makes a company credible? How can you determine it? What are indicators for credibility that makes it manageable? What are the reasons behind this loss of credibility? And what are possible answers out of this dilemma?

These questions form the basis of Gabriele Faber--Wieners research. Its value is obvious: More knowledge about credibility, its preconditions and correlations leads to better management decisions that in turn lead to better communication.

As an outcome there should be a series of solutions, approaches and strategies to be used by companies and other institutions in order to improve their credibility.

Purpose

According to recent CEO surveys, being credible is the third--most challenge for managers in the upcoming years. At the same time, they admit not to have sufficient knowledge or strategies how to tackle this challenge. This lack of knowledge starts with a confusing variety of definitions and interpretations what credibility is and how it is constituted. In short: there are no clear perspectives, criteria and parameter.

The consequence: trial and error on many levels. Lots of dabbling (e.g. in Reputation Management) which leads to even more losses in credibility and in turn losses in reputation and trust (Edelman Trust Barometer). And – due to these losses, the relevance of these factors is getting more and more important (Bentele and Seidenglanz, 2005).

The conclusions:

- There is urgent need for more knowledge about credibility, about its determinants, correlations and its causes – especially for practitioners.
- At the same time there is the need for clearer strategies, for different ways of handling of these issues. Both things – knowledge and strategies – form the basis of this research.

Design / Methodology / Approach

Part 1: Theory (definitions, dilemmas, roles, changes, trends):

Key questions: What is credibility? How can one exemplify credibility? What does define credibility?

- Credibility – what is that?
- What is trust?
- How do they relate?
- (Why) Are both factors decreasing?
- Credibility of different sectors in society (Politics, Economy, NGOs)
- Expert Interviews (tbd)
- Establishment of theses on credibility

Part 2: Practice (credibility in companies and organizations)

- Credibility of different sectors in society (Politics, NGOs/Civil Society, Economy)
- Companies and credibility
- Credibility and the development of economy
- Profit maximization and credibility – a antagonism?
- Higher credibility through CSR?
- The role of communication (incl. its focus on reputation)
- Result: Determinants of credibility of companies and organizations

Part 3: Reality Check: Credibility of Sustainability Reports Part 4: Interview series: Practical examples of CEOs

Part 5: The Way out (The path to more credibility): depends on Part 1 and 2

- Reflection on CEO interviews, confirmation or falsification of theses
- The manager's dilemma: the 2 world concept (Ulrich 2008), incl. effect on employees, on suppliers, clients etc.
- Description which changes in attitude, decisions, processes and communication are necessary to strengthen credibility
- Possible strategies (again depending on Part 1 and 2):
- Stakeholder orientation instead of shareholder focus (normative--critical approach instead

- of power--oriented approach)
- Value management as a core strategy for more credibility and trust (value matrix)
- Responsible communication - Earned Reputation (Thielemann and Wettstein, 2008)

Findings

The book is at a very early stage (Part 1 and 2), however, research, interviews and discussions so far have shown that relevance is increasing, especially considering the recent development of CSR which tends more and more towards integrated Business Ethics instead of Reputation Focus (visible e.g. with the development of the official EU CSR definition, with the development in Reporting from GRI 3 to GRI 4 etc.).

First theses:

- Very often we talk about credibility when in fact it is other terms that we mean, especially authenticity, transparency and honesty.
- Credibility is an "easy way out" – you cannot prove it, compared to the terms mentioned above
- Credibility is a concept that is meant for people – therefore it is difficult to transfer it to institutions

Despite of that, it is a legitimate and worthwhile approach to use existing parameters that define credibility of persons and to adapt them for companies.

Result: A list of (observable) indicators for institutions/companies on four different levels of a c t i o n: Content, Behaviour, Character, Language/Communication.

As a next step these criteria are to be refined and mirrored with reality, i.e. actions and experiences of companies, by means of investigating their CSR Reports/Communication, interviews with CEOs etc.

As an outcome there should be a series of solutions, approaches and strategies to be used by companies and other institutions in order to improve their credibility.

Research limitations and implications

Obviously this is a very ambitious project, especially considered that – contrary to the last book of the author – this will not be a book purely for scholars and students but for practitioners who do have the most need for more knowledge on this issue. Therefore it has to have a sound scientific basis, and at the same time be readable and digestible by managers and communication practitioners at the same time – which in itself is a limitation.

Originality/value of this concept

Its value is obvious: More knowledge about credibility, its preconditions and correlations leads to better management decisions that in turn lead to better communication. Communication alone never leads to an increase in credibility and trust (thesis, to be falsified or verified). This is not just part of the author's last book ("Responsible Communication", 2013) but the result of more than 20 years of Communication experience in different leading functions of international organizations as well as companies and consultancies

The Government-Firm-Society Triad in Ubiquitous Computing: Ethical Issue or Harmonious Chorale? The Case of RFID Technology

Conference paper

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Abstract

Purpose

The purpose of this research is to investigate through the relationship of the triad of main stakeholders (government, firm, and public) the unexplored phenomenon of governmental fostering of ethically problematic projects employing radio-frequency identification technology despite the fact that it is known as potentially offensive for consumers' privacy.

Design

Through the analysis of 64 articles from public and private databases, 3 dimensions of the main stakeholders' relationship are explored in the RFID implementation projects which are sponsored or promoted by governments: (1) the character and extent of such projects, the arguments leading each stakeholder to participate in these projects, and (3) the findings about the extent to which the main stakeholders enter into the relationship.

Findings

The results point out that governments plead for public security and commodity of public services; firms use RFID technology to keep in touch with consumers and promote sales; individuals are concerned with the invasive character of the technology. The arguments of the main stakeholders are disconnected and their relationship rarely appears in the sources. This prompts us to anticipate the contradictions between the main stakeholders.

Originality

Given its results, this study pleads in favour of a corporate social responsibility (CSR) paradigm change from being a liability (with Weberian logic of monopolization by government's power of regulation) towards a novel social connection paradigm which conciliates the needs of all stakeholders and unlocks harmonious relationships between stakeholders, helps to solve ethical issues, and contributes to a better society which respects its citizens' rights.

Keywords

Corporate social responsibility, RFID, ethical problems, innovation, technologies, social connection paradigm

Introduction

Imagine the following scenarios: you move towards the toll booth without ticket or coins; you just wave your cellphone close to the booth and the barrier opens (Sharma, 2014). In the food store, there is no line at the checkout; you no longer need to take the products out of the shopping cart and scan them one by one, you just move the shopping cart through the doors and have your credit card on hand. Or even better, you don't use any credit card at all, just a small piece of plastic attached to your key holder (Ostman, 2013). This technology is called radio-frequency identification (RFID). A microchip (or tag) communicates previously registered information of a person's identity to a wireless reader and the system automatically deducts the respective amount of money from the person's bank account or credit card. This technology can do even better: a voice wishes you welcome; guides you through a purchase; helps in fitting rooms with offering different colors, sizes or additional items (Johnson, 2012a). Your jewelry can be authenticated and identified in case of theft ("TagIt Global", 2013).

All these scenarios seem to point to one fact: The invisible eye watches over you (Michael and Michael, 2010). But, does it also protect you? It is very easy to track someone's every move, for example due to a simple credit card payment. The information on a purchase is stored and can be tracked. It reveals where you were, what you purchased, at what time you

purchased the item and more. All this information can be obtained without the card holder's permission as it belongs to the organisation. We move through life leaving more traces than we might think and can even find ourselves in the middle of an identity theft case or fraud.

Since the industrial revolution, modern society lives at a pace of modernization that transforms our environment, patterns of production, consumption, and even our bodies. Fressoz (2012) argues that the implementation of these innovations is possible only after overcoming the opposition and reluctance brought by habits, moral factors, conflicts of interest, or fear. According to the author, the positive discourse turns confidence into disinhibition and makes the implementation of innovation possible.

Meel and Saat (2002), in accordance with Fressoz (2012), describe the process of implementation of innovation in terms of the innovation's ethical life cycle that starts with absolute ignorance of the innovation's consequences and passes through the ethical dilemmas that sometimes regard the very existence of innovation, or at least the conditions for its implementation. These ethical dilemmas are crucial because they turn the innovation to either be beneficial to society or lead to disaster later. According to Meel and Saat (2002) the malevolent disregard or malicious indifference during the stage of ethical decisions (called disinhibition by Fressoz) cause the greatest damage.

Each ethical problem affects at least three principal stakeholders: consumer, firm, and government of the countries where the consumer lives and the firm acts (de Bakker et al., 2013). With regard to innovations, each stakeholder should make his own decision. The firms' decision is often driven by Schumpeterian logic of profitability without regard for the public's benefits. The public has the power to adopt an innovation or not, if it is not forced to. In the Weberian thought, only the government has a monopoly of power and can act as regulator. Facing a disruptive innovation, the government faces a dual dilemma (Mahmood and Rufin, 2005): to intervene or not in the context of the innovation's implementation, and, if involved, to encourage the free flow of events or attempt to regulate the process.

This dilemma occurs when RFID, one of the most proliferating and expansive, but controversial innovations (Spiekermann, 2009), is used more and more frequently by firms despite the fact that it raises many ethical problems (Willey, 2007). This intriguing phenomena arouses questions about the stakeholders' relationship since this technology is actively promoted by governments, despite claims of ethically problems by academics (Glasser, Goodman, and Einspruch, 2007; K. Michael, 2010). The technology is also not always trusted by consumers (Privacy Rights Clearinghouse, 2014).

We intended this study to shed light on the phenomena of governmental fostering of ethically problematic RFID projects. Thus, we investigate the relationship between three main stakeholders (consumer, firm and government) in the projects using RFID technology with people, more specifically in the projects fostered by governments. Using the literature extent, we expose the ethical problems with RFID. Then, we describe this kind of projects analysing 64 articles from public and private databases. From this data, we identify 13 particular cases to uncover the main arguments of each stakeholder and to find more about their relationships. The findings of this research are generalizable to the innovation management studies and add to the knowledge base in the corporate social responsibility (CSR) field. The practical contribution of this study helps to solve the important ethical issues with particular innovation which is RFID technology.

Problematic RFID usage: literature review

RFID was invented during the Second World War and used mostly for inventory and supply chain needs (Wamba and Boeck, 2008). Nowadays, the rise of projects using RFID with consumers creates many ethical questions. Consumers are concerned mainly with privacy issues and loss of control (Gunther and Spiekermann, 2005; Angeles, 2007; Razzouk et al., 2008; Beitelspacher et al., 2012; Trocchia and Ainscough, 2012). Activist groups such as American Civil Liberties Union, Electronic Privacy Information Center, and Privacy Rights Clearinghouse argue that RFID brings many significant ethical problems including non-consensual usage of information (Wasieleski and Gal-Or, 2008), traceability and recognition of items, massive data aggregation with individual profiling, human tracking, and others (Peslak, 2005; Bailey and Kerr, 2007; Glasser et al., 2007). Academics argue that the surveillance enabled by means of extended data gathering with RFID systems is a big concern (M. G. Michael and Michael, 2010). Taken alone, each RFID application might not be offensive; but data aggregation is, as it creates sensitive sets of non-confidential information (Winter, 2014). Reiman (1995) argues that the anonymous surveillance enabled by ubiquitous systems lead to the extrinsic and intrinsic loss of freedom, since the surveyed people are vulnerable and not autonomous. According to the same author, this also leads to a symbolic loss of freedom, which consequently results in the loss of self-respect and individuality. Daly (2010) supports that ubiquitous computing threatens individual privacy, autonomy and human dignity.

Despite the unresolved ethical concerns, RFID is increasingly used in public services (Taghaboni-Dutta and Velthouse, 2014). The same authors mentioned that, in 2006, the Congress of the United States of America approved the use of \$ 34 million for RFID implementations by the Departments of Defense and Energy. The same authors report that the USA planned to support the commercial deployment of this technology with a total of \$ 162 trillion allocated until the year 2010, despite the real individual privacy threat.

In researchers' opinion, the RFID solutions implemented by governments aren't always commensurable to the problem and could be dangerous (Doyle and Veranas, 2014). The authors argue that these implementations root out public anonymity that preserves the individuals' liberty to act upon their convictions and values. This is especially true for situations when the existing norms and regulations are not sufficient due to the introduction of new actors, new kinds of data (e.g. biometrics, facial recognition), and new relationships between stakeholders (Winter, 2014).

According to the United Nations Commission of Human Rights' tripartite framework known as Protect-Respect-Remedy (Office of the High Commissioner for Human Rights, 2011), the government is in obligation to protect human rights by creating laws and regulations. The firm has to respect human rights and manage social expectations caring about all risks (Arnold, 2010). In some cases, the citizens adopt governmental RFID projects since an alternative does not exist. Non-government organizations defending human rights (Privacy Rights Clearinghouse, 2014) uncover the discordance of stakeholders' interests and blame these projects for their intrusiveness as the RFID technology belongs to the branch of ubiquitous and pervasive computing.

Acknowledgements about the stakeholders' interrelations and motivations for RFID projects involving governments are scarce in CSR literature, as well as in Business and Society literature. However, it shows that the main stakeholders' triad involved in RFID projects are government, firms, and public (de Bakker et al., 2013). The relationship in this triad may be different as governments might subsidize the firm's initiative or subcontract the development of the technical part to private firms.

The government-firm part of this relationship relies on two kinds of regulating power: regulation as proposed by the UN framework (the implicit or European approach where firms are asked to respect actual rigid legislation about human rights) and North-American self-regulation or explicit approach. Bowie and Jamal (2006) argue for this explicit approach of self-regulation mentioning that the regulation must take place only to maintain public order. Any other purpose including the question of individual privacy can be regulated by the free market power (Ashworth and Free, 2006; Matten and Moon, 2008) since the consumer can opt-in or opt-out to protect his privacy (Kracher and Corritore, 2004; Bowie and Jamal, 2006; Larsen and Lawson, 2012).

In government-firm relationships, even if the firms rely on governmental authority (Polanyi, 1957) the governments depend on the market to stay informed of technological advances and possibilities in order to take the correct regulative decisions (Wilts and Skippiari, 2007). The governments care about the well-being of firms by distributing grants, insurances, research funds and other help. Sometimes this help does not require a return on investment; the benefits for tax payers are not planned; coherent criteria for aid attribution do not exist; or the follow up for grants is not executed (Dawkins, 2002). No relationship is established between the size of grants and the prominence of corporate social responsibility of granted firms (Dawkins, 2002).

Firms can exercise their power over the government through direct lobbying, grassroots activities, or financial support of political candidates. Aside from financial interests, the firms collaborate with governments mainly to demonstrate conformity and to avoid business problems (Reed, 2009). In some cases the firms act as political standardizer becoming deeply involved in technological development and influencing the standardization processes. This way, anticipating and developing standards is highly beneficial to firms as it avoids the supplementary development costs (Frankel and Hojbjerg, 2009).

As for the full triadic government-firm-public relationships, Murphy and Vives (2013) find that governments can delegate to firms the duty to assure the respect of human rights. This increases the political authority of firms and grants firms with power to make beneficial decisions with little or no regard to human rights. Laczniak and Murphy (2006) list several marketing practices which are close to violating human rights: cookies in e-commerce, spam, spyware, and as described above, several RFID usage cases including the data mining. As justification, the firms evoke the actual regulation that supposedly enforces consumer rights. They argue that these practices were already wanted and accepted by consumers; and the privacy issues are exaggerated since consumers provide personal information voluntarily.

In sum, besides some scarce attempts of explanation, the literature does not shed light on the intriguing phenomenon when the governments grant and promote the ethically problematic RFID technology.

Methodology

In order to explore the stakeholders' relationships, this research analyses RFID projects, which involve three kinds of stakeholders: the governments, the firms, and the people. The research is intended to describe such projects, explore the stakeholders' argumentation, and the extent to which the stakeholders cooperate.

The unit of analysis is the RFID project. The study is undertaken at the organisational level. The sampling methodology is a mixed purposeful sampling. This kind of sampling combines the intensity sampling which chooses the projects where the RFID is in the heart of the development for "information-rich cases that manifest the phenomenon of interest intensely" (Patton, 2002: 234) with criterion sampling which focuses directly on the phenomenon of interest, RFID technology projects implying people and governments (Patton, 2002).

The data is gathered mainly from three independent sources in order to improve the construct validity (Yin, 2003). The first source is a private database (<http://www.idtechex.com/knowledgebase/en/nologon.asp>). The second source used with full paid access lists many RFID projects descriptions and the opinion papers by experts (<http://www.rfidjournal.com/>). The third is an open blog administered by John R. Johnson, a RFID veteran, technology journalist and major authority. This blog describes the projects and main RFID trends (<http://www.rfid24-7.com>). All three sources cover RFID technology development undertaken throughout the world. All materials are complemented with findings from an Internet search for additional testimonies.

The search parameters were established for the period from 2005 with the keywords “government”, “public service”, “grant”, “public policy”, “partnership” and all its derivatives such as “government program”, “government partner”, etc. The initial search brought one thousand fourteen articles, which were sorted out, eliminating all documents describing the projects where RFID technology was not used with people. The final set of documents is composed of two kinds of materials. The first kind counts 38 documents describing 13 projects. The second kind counts 26 documents containing general information, trend descriptions or expert opinions about RFID.

First, using all 64 articles, we described the RFID technology projects that concern people and in which the governments are involved. This description forms the first section of research findings.

Then, we analysed the 38 documents describing 13 cases using Nissenbaum’s contextual integrity framework as a starting point. Nissenbaum’s framework is a template to examine the problem of privacy in public. This framework is particularly suitable for the RFID projects analysis since these projects generate ethical problems related to the exchange of information. Nissenbaum’s contextual integrity theory rejects the clear traditional dichotomy of public versus private spaces (Zimmer, 2005). This theory is based on the principle that each person engages in many activities which take place in a “plurality of realms” or in different contexts of life. Each of those contexts is governed by a distinct set of regulations and norms covering every aspect of life (Nissenbaum, 2004). As the context is taken into account during the analysis, the assessment becomes flexible and deeply connects to reality. Nissenbaum’s contextual integrity framework is composed of a theoretical part, which describes the project and an analytical part, which structures the analysis and opinion about the project.

Based on Nissenbaum’s framework, in ATLAS.ti, we built 8 super-codes (presented in Table 1) that constitute the foundation to describe each case.

TABLE 1: NISSENBAUM’S CONTEXTUAL INTEGRITY 8-CODES FOUNDATION FOR ANALYSIS

PRACTICE	Case description and description of the information exchange intended by the project
STAKEHOLDERS	Actors in relation to the information transmitted via RFID system and other stakeholders (for example, information sender, recipient, and subject)
ATTRIBUTES	Attributes to describe the nature of information circulating over RFID system
PRINCIPLES	Transmission principles as constraint on the flow of information and specifications of transmission process through RFID system
IMPACTS	Real or potential impacts of the practice on stakeholders or society
PRIMA FACIE ASSESSMENT	Prima facie assessment for potential or real breaches during the transaction
CONSIDERATION FACTORS	Moral, ethical or political factors to consider
OPINIONS	Diverse opinions on practice coming from stakeholders or observers

To discover the stakeholders’ argumentation, we used 2 concurrent coding procedures with the ATLAS.ti 7 software. First, we created the 8 super-codes in the software project. All 64 documents were coded with these 8 super-codes to structure the information. Then, to increase the descriptive power of the contextual integrity framework, we completed the documents’ coding by free (open or non-restrained) coding of details.

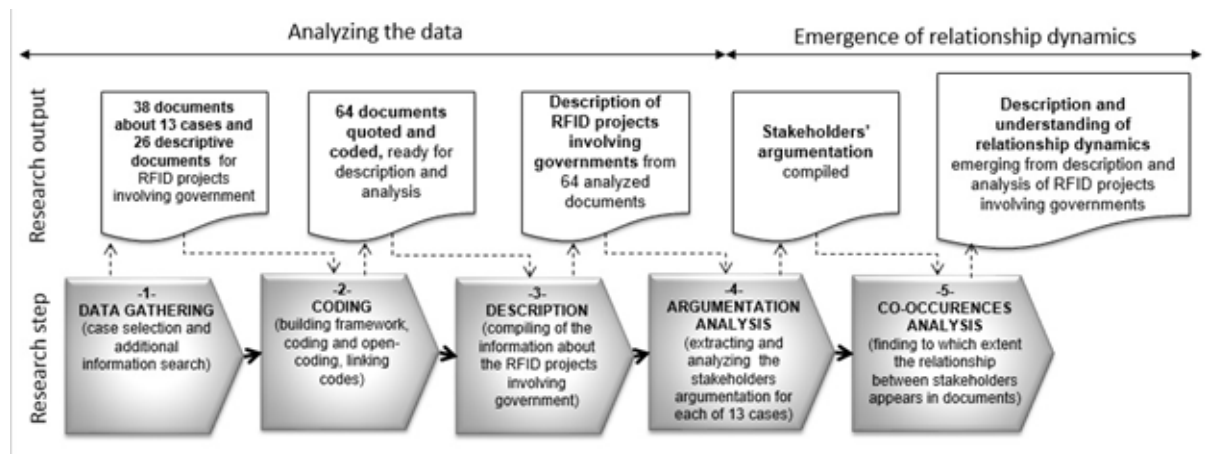
Miles and Huberman (2003) endorse this two-types coding approach as efficient and more insightful. Both coding procedures supported the general description of RFID projects, which constitutes the first chapter of findings. Also, it helped us to understand, analyse and then describe the main arguments of each project stakeholder in the second chapter.

Finally, we used another method of analysis to explore the relationships of stakeholders. We generated with ATLAS.ti 7 the co-occurrences of codes in relation to the stakeholders by querying the associations between coded elements. The findings of this analysis' stage form the third section of findings.

In spite of the fact that only one researcher coded the documents, the frequent returns to the previously encoded documents assured the quality of coding. Furthermore, in order to ensure the credibility (Lincoln and Guba, 1985) once all document coding was finalized, we set aside the work for a month before returning to the documents to verify all codes assigned to each quotation. Since multiple data sources are used, the pattern matching was done to validate the findings across the data (Yin, 2003). To establish the minimal domain to which the findings of this study can be generalized (Yin, 2003) and to ensure the external validity of this multiple-case study, we used the approach of replication logic. The peer review provided by colleagues helped to maintain the construct validity of the results (Yin, 2003).

The schematic representation of the complete data analysis process is presented in the Figure 1 (inspired by Margulis et al. (2015)).

FIGURE 1: DATA ANALYSIS PROCESS



Findings

RFID projects where governments are involved

This first section of our findings, the result of the analysis of 64 articles, describes the RFID projects that concern people and in which governments are involved. The results underline that firms and governments turn to RFID to modernize operations and become more efficient. The relationship between RFID technology and governments is not new and lasts for more than a decade. Historically, the governments were pioneers to adopt the RFID applications in diverse areas such as military asset management and personal identification (Edwards, 2009). According to the same author, this adoption is expected to grow twice as fast during the next years. The examples of these modernisations are: asset tracking, supply chain management, baggage and cargo tracking, real-time locating systems (RTLS), contactless payment and ticketing. All those categories are expected to grow in the total market to \$14 billion by 2017 (Johnson, 2012b). The sources indicate that "although approximately 50% of all global transponder revenues are derived from two verticals – transportation and government (primary applications are supply chain, asset tracking, security/access control and ID) – the rapid evolution and scaling within the retail sector is expected to dramatically alter the vertical landscape" (Johnson, 2011a). The same source indicated that 47 billion of RFID tags will be in use by 2015.

The governmental approaches to RFID technology usage differ between countries (Edwards, 2007; Roberti, 2011). Some of the sources argue that in the USA, the government-funded RFID development is almost exclusively limited to projects with direct military or national security potential. Asian governments, including those in China, Japan and South Korea, are enthusiastic about RFID technology usage, listing several projects under way such as in the case of Taiwan's Ministry of Economic Affairs. This country is testing the technology through multiple projects in many industrial sectors such as the possibility of tracking the legal or crime-scene evidence, chemotherapy drugs, mushroom harvesting and shipments, tourists on the forest trails and duty-free shopping (Swedberg, 2008a). Europe provides evidence of many partnerships between European universities and firms for different RFID projects, especially for Internet of Things with UK investments in the Chipping of Goods Initiative against property crime, but also for different industries. The examples for such partnerships are the Indisputable Key project which intends to optimize forestry production and the Project Dynamite whose goal

it is to produce a global e-maintenance infrastructure, allowing field monitoring of machinery and processes. Both projects are financed by the European Commission, the European Union's executive branch committed to RFID adoption (Edwards, 2007).

Experts invite governments to enter in a partnership with private industries for major roads, bridges and tunnels safety, security of travel, transportation management, and to develop the systems for tracking food, drugs, and healthcare assets (Roberti, 2011). Indeed, governments help funding the construction of the RFID infrastructures for ports and borders, as well as RTLS in airports. Governments award different airport solutions: for example, the biggest RFID project supported by South Korean government in 2007 was the system tracking baggage (RFID Knowledgebase from IDTechEx, 2007c).

Often, governments grant the development of solutions for personal security such as Small Business Innovation Research grants Queralt through the USA Department of Homeland Security. This company develops RFID software to monitor the employees' behaviour during the work shifts and to ensure that no security rules are breached. Over time, this system will allow to establish a pattern that reflects the employee's typical workday for the purpose of analysis and improved management (Bacheldor, 2009). The grants from US and Norwegian governments for RFID solutions support RFID biometrics (finger prints) (O'Connor, 2007b; Swedberg, 2013). The RFID systems help to secure ID documents in many countries (e.g. China, Austria, France, Germany, USA, and Canada) (Edwards, 2009).

Many national governments employ RFID for food and related services such as for tracking farm animals. This technology helps to quickly identify the origin of meat in the event of a food recall or disease declaration (Edwards, 2009). In 2008, the Beijing Food Safety Administration Office was helped by BearingPoint Inc. based in McLean, Virginia, USA to build and launch the end-to-end tracking system for all the food that was served during the Beijing Olympic Games (RFID Knowledgebase from IDTechEx, 2008b).

RFID is widely adopted by municipalities throughout the world. The smart cities promote different RFID services for residents which will benefit from service efficiency, low gas emissions and street traffic reduction (Edwards, 2013). Many cities have deployed the RFID solutions for public transit fare collection (e.g. Montreal and Toronto in Canada; Helsinki, Finland (Edwards, 2013)), community services (e.g. library books in Paris and in Iowa where the Cedar Rapids Public Library received a \$500,000 grant from federal government to automate the handling of materials (RFID Journal, 2011)), city vehicles tracking (e.g. in Melbourne, Australia) or fire station equipment (e.g. in many cities of California, USA). Often the mail management uses the RFID systems (e.g. Spain, Saudi Arabia, and Australia) (Edwards, 2009).

In Wisconsin, USA, researchers are testing the possibility to use the RFID solution for blood banks and hospitals providing transfusions across the country (Swedberg, 2009b). Another known initiative maintained by the US government is the Small Business Innovation Research agency. In 2008, this agency called for a NSF navigation system development for blind people. A \$500,000 grant was intended to be awarded to the company, which will "design, build and test a new type of orientation and navigation system for people with visual impairments" (Roberti, 2008).

Governments grant money for trials of green initiatives, for example to avoid the printing of identification cards by reusable RFID-enabled smart cards (Johnson, 2012c).

Governments have other ways to reward and promote RFID projects. For example, India's government fosters the compliance with existing regulations waiving the custom fees for the companies, which are in line with existing regulations. This was done with Cisco, a member of the Software Technology Park of India, since this firm is complying with Indian government regulations about wireless frequencies (Cisco, 2012). In USA, the SAFETY Act is a legislation, enacted in 2002, stating the standards that rely on a product-by-product basis and ensure the development of safe anti-terrorism applications. Due to this legislation the government could grant firms with the certification or designation. This kind of grant is defined by the firm's insurance policy for limited terror-related liability (O'Connor, 2007a).

After this closer look into the nature of RFID projects that concern people and in which governments are involved, the next section describes the findings concerning the main stakeholders' argumentation using the articles found for 13 RFID project cases.

Main stakeholders' argumentation

For the majority of the 13 cases, the projects' description follows the business case standards. The project holders' argumentation is easy to find and well detailed as it coincides with the projects' motivation and goals. The partners' argumentation is scarce and less explicit. As for the consumers' argumentation, it is rarely present in the main case description, but sometimes available through the media or on the Internet, especially if the consumers react negatively to the implementation of the technology. Even if almost each case was complemented by extended research of information and presented through 2 to 4 articles on the basis of different sources, the stakeholders' argumentation wasn't fully available for every case. The following chapter presents the brief description of practice, and the stakeholders' argumentation according to three main groups of interest (the government, firms, and public or consumers), if found. The description of each case is synthesized from contextual integrity framework codes Practice, Attributes, and Principles and the arguments of each stakeholder from

codes Impacts, Consideration factors, and Opinions.

We found that the stakeholders' arguments are similar for each kind of case or purposes of RFID use. There are 4 kinds present in this study: the ID smartcards and passports for personal identification, the health industry usage, the ID cards for students and RFID in public transportation.

Used on ID smartcards and passports in Germany, South Africa and Singapore, RFID serves to store the personal information of citizens, such as the citizen's full name, his birth date, as well as his biometric information. All this information will be used essentially for personal identification in South Africa (V3.co.uk, 2009; mpoverello.com, 2012; News24, 2012; RFID Knowledgebase from IDTechEx, 2014). Sometimes, biometric information such as fingerprints in Germany is optional (NOR.F.I.D., 2008; RFID Knowledgebase from IDTechEx, 2010; Wessel, 2010). In the case of RFID-enabled passports in Singapore, the information stored on the tag could be transmitted to airport authorities for identification purposes (Yeo, 2006; RFID Knowledgebase from IDTechEx, 2007b; Lim Lark, 2008). In Germany, this information is accessed by the government and certified by government e-trader firms if the citizen enters the PIN number. In the same country, based upon the information on the RFID tag, the citizen's digital signature may be produced and stored in a governmental database.

The governmental arguments for all 3 cases are similar: efficient and secure personal identification will improve travellers' security, reduce the fraud and forgery of travel documents, and improve people's confidence in official identity credentials (South Africa). In South Africa, the RFID-enabled ID smartcards project prepares for the deployment of eGovernment services. In Germany, this project fosters e-commerce by improving the citizens' security in online transactions.

The arguments of neither consumers, nor firms participating in the projects of South Africa and Singapore are described in the cases; despite that, the governments were working with private firms at least for technological development and often in full partnership. The RFID-enabled ID smartcards project has an interesting goal for firms since the government in Germany attempts to control and stimulate the e-commerce through certifying e-traders and granting them with the implementation of an infrastructure to read smartcards and to produce the digital signatures for customers. The consumers in Germany are reluctant to engage in digital transactions and the German government hopes to arouse a better feel amongst consumers toward e-commerce through the creation of a safe technological environment for online transactions. But according to data protection experts, the RFID tag is problematic for possible information theft.

The RFID usage in health industry differs a lot from case to case and include: the health tracking for Pakistani infants through an RFID-enabled bracelet worn in permanence to eradicate the babies' pneumonia (Powder, 2009; Swedberg, 2009), the healthcare smartcards matching the patient with healthcare providers to track the medical acts and dent out the fraud in USA (Johnson, 2011; Horowitz, 2012; Robinson, 2013), the RFID-enabled call button on cards to secure staff and track disoriented and aggressive patients in Belgium (RFID Knowledgebase from IDTechEx, 2008a; Swedberg, 2008a; Marion, 2009; proxSafe, 2009), the RFID-enabled medication packaging and bracelets to be worn by patients to track the medication from the pharmacy till its administered to patients in Germany (RFID Knowledgebase from IDTechEx, 2006b; SAP, 2006; Wessel, 2007).

Helped by RFID-enabled bracelets, the Pakistani government gathers the epidemiological data for pneumonia vaccination needs, fosters the medical attention and efficient care for babies, and facilitates the collaboration for medical staff. The US government foresees to eradicate the fraud in Medicare (the government-administrated medical insurance). The governmental arguments in Belgian and German cases are not known.

The hospitals and the medical staff hope to improve the efficiency of services, the quality of treatment, and the safety of patients and staff in all cases. Pakistani doctors see the immediate benefits for medical care and attest high personal involvement as they use personal cellphones. The very enthusiastic Jan Yperman hospital staff in Belgium learned quickly how to use the RFID-enabled devices. The Hospital of Jena in Germany hopes to gather the research data to discover correlations between disease patterns and potential drug incompatibilities.

The Pakistani parents appreciate the RFID health tracking program for infants to ensure added medical attention for babies. In the USA, the introduction of electronic health records raises fears of identity theft among patients and their concerns about the ease to consult their medical history since it may prevent them from service choice and quality (e.g. inaccessible second opinion). The consumers' arguments are not described for Belgian and German hospital cases.

When RFID is used in education, it is in a student and staff identification context. For Reykjavik University in Iceland, the RFID-enabled smartcard serves to provide access to university's public services, including cashless vending machines, canteen transactions, on-demand printing, photo ID production, library access, locker use, and more (RFID Knowledgebase from IDTechEx, 2008c; asmag.com Global Security Web, 2010). For the Northside Independent School District in Texas, USA, the RFID-enabled smartcards worn by students allow the personal identification and geo-location of students on the schools' grounds, but also the access to the school's library and cafeteria (Desmarais, 2012; Johnson, 2012; Oremus, 2013; Sreastman, 2013; Vara-Orta, 2013).

The governmental arguments are unknown in the Reykjavik University case, the USA government hopes to enhance school attendance by subsidizing the district, which undertakes the RFID identification program.

Both institutions (Reykjavik University and Northside Independent School District) argue for efficient and economical access control, security and safety for students. Reykjavik University implements the solution for the convenience of students, faculty and staff and Northside Independent School District hopes to enhance attendance policies with this program.

If the RFID-enabled smartcards were welcomed by students and staff, the Northside Independent School District project evokes a widely negative reaction on the consumers' side by pointing to privacy and religious issues, which were expressed online, in-person and by the lawsuit against the school officials who declared the smartcards mandatory.

When RFID is used in public transportations, 2 different scenarios are present. In the first, the RFID-enabled smartcard serves to identify a passenger through the personal information data and the photograph. For NoWcard in Cumbria, UK this card allows the automatic calculation of the concessionary fare (e.g. golden age rebates) (Graham, 2007; RFID Knowledgebase from IDTechEx, 2007a). In the Great Toronto Area between Hamilton and Oshawa in Ontario, Canada smartcards replace tickets, tokens, passes or exact cash because the card is registered and the fares are loaded on it (RFID Knowledgebase from IDTechEx, 2006a). The second scenario for the Copenhagen airport in Denmark allows an opting-in of passengers to match the personal RFID tags with their cellphone numbers. The passengers are geo-located in the airport and texted for boarding (Bjarke, 2008; Neely, 2008; Af Lyngsow Systems, 2012).

The government argumentation common for all projects is passengers' convenience, personal identification and security improvement. The security of airports and borders was particularly important for the Denmark project. The local government in Cumbria, UK benefits from accurate information data transfer.

The firms' arguments are the improvement of service efficiency (e.g. speeding the boarding time for all three projects, avoiding the delays due to late passengers and promote "silent" airport without personal calls in Copenhagen) and the accuracy of data administration. No consumers' argumentation was found for neither of the three projects.

The Initiative Office for Government RFID Applications in Taiwan is conducting a series of trials. These projects involve the use of RFID to track legal evidence, chemotherapy drugs, mushroom harvesting and shipment, hikers on a forest trail, duty-free shopping, and paper mill employees' movements (RFID Knowledgebase from IDTechEx, 2008b; Swedberg, 2008b). The Taiwanese government's argument is a claim to open the way to the RFID usage in the country's economy by exploring the innovation's power and projects' feasibility. No arguments from either firms or consumers were found for this case.

The evidence shows that the arguments, if available, are project-oriented, scarce and disconnected. Since these findings may reflect the gaps in the stakeholders' relationships and may lead to the potential conflicts, we explored the main stakeholders' relationships as it appears in the articles found for 13 RFID project cases. The next section presents our findings about the stakeholders' relationships.

Exploring stakeholders' relationships

Since the relationship between the three main groups of stakeholders (governments, firms, and public) did not appear through the analysis of the stakeholder arguments, we completed the analysis of the co-occurrence of the stakeholders' statements in the cases. The co-occurrence of the referral to stakeholders means that these stakeholders are both mentioned in the quoted text of the article. Thus, the chances are high that this quote provides a statement about their relationship.

First, we identified all codes, which refer to the stakeholders. From 330 codes, we found 68 codes directly referring to the public or the consumers, 79 codes mentioning firms, and 28 codes referring to governments. The criteria of choice for pertinent codes were the direct naming of stakeholders and/or the mention of the action directly performed by this stakeholder. All other codes were excluded from this analysis since they describe projects, benefits, or technology.

Then, with ATLAS.ti 7 we generated three co-occurrence tables to reflect the possible relationships. The 1st table represents the co-occurrences of codes for government-consumer references. The 2nd table represents the co-occurrences of codes that mention the firms and public or consumers, and the 3rd table maintains the co-occurrences of the codes referring to government-firm stakeholders.

Last, we returned to the cases to explore the nature of each quote of articles' text appearing in tables and to uncover the possible relationship between three parties: public, firms, and government. Table 3 shows the presence of relationship in each of the 3 co-occurrence tables and for each of the 13 cases. The following presents the findings of this part of the analysis.

TABLE 2: MENTIONS OF RELATIONSHIPS IN RFID PROJECTS

	Government - Public	Firm – Public	Government - Firm
Internal ID smartcards, Germany	Yes	Yes	Yes
Internal ID smartcards, South Africa	Yes	Yes	Yes
RFID-enabled passports, Singapore	Yes		Yes
Health tracking for Pakistani infants	Yes	Yes	Yes
Healthcare smartcards, USA		Yes	
Healthcare assets and patients tracking in Jan Yperman hospital, Belgium		Yes	
Medication and patients tracking in University hospital of Jena, Germany		Yes	Yes
Reykjavik University smartcards, Island		Yes	
San Antonio schools student cards, USA			
Smartcards for bus fares in Cumbria, UK			Yes
Smartcards for public transportation in Toronto, Canada			Yes
RFID tags for passengers in Copenhagen airport, Denmark		Yes	
Cumulative case of RFID trial governmental projects in Taiwan			Yes

Government-public relationship

Only a few cases (4 out of 13) show the relationship between governments and the public. 3 of those cases describe personal identification projects: the internal ID smartcards in Germany and South Africa, and RFID-enabled passports in Singapore. The 4th case is about the health tracking of Pakistani infants.

With the new RFID-enabled ID, the German government established the standard for the personal identification for e-commerce and, by this means, the control to secure the online transactions of personal information. This initiative fosters the e-commerce since it reassures the citizens, which are reluctant to engage in electronic exchanges fearing identity theft. However, the new cards generated a negative reaction, which was palliated: “Some citizens have rallied against the cards, claiming that anyone with an RFID reader could collect the data stored on them at any given time—but the government has been able to quell such fears, by pointing out that only certified organizations can request such information, and by citing proprietary security controls”.

With South Africa RFID-enabled internal ID issued in collaboration between government and private companies, the government hopes to assure the personal data security. “The South African government embarked on this service program to improve confidence in official identity credentials and to prepare for the deployment of a comprehensive suite of efficient and convenient eGovernment services”. At the same time “Banks, businesses or other credit providers who needed people’s identity details would have to purchase small verification machines” to scan the fingerprint and compare with those kept on the RFID tag.

The citizens are anxious about the Singapore RFID-enabled biometric passports. The government seeks to reassure the citizens, but government’s arguments contradict the German and Japan-based researchers, which demonstrate the possibility of identity theft: “The country’s immigration authority, which has started to issue biometric passports, says fears that e-passports can be hacked are unfounded”.

The RFID bracelets tracking the general health and cases of infant pneumonia for research provided additional healthcare services for infants. This Pakistani initiative was strongly supported and voluntarily adopted by medical teams and heartily accepted by the parents of infants.

Thus, through examples of German and South African ID smartcards and the Pakistani infants’ healthcare, the co-occurrence table clearly shows the trilateral cooperation between the stakeholders. The government’s attempts to reassure citizens for the use of the Singapore biometric passports are demonstrated in the 4th case.

Firms – public relationship

9 out of 13 cases display the relationship between firms and the public or consumers. Apart the cited ID smartcard projects in Germany and South Africa and the infant health tracking in Pakistan, 3 cases in the healthcare industry, as well as 2 cases of RFID use in education are present together with the Copenhagen airport project in Denmark.

For ID smartcard projects in Germany and South Africa, the relationship between all three groups of stakeholders (government, firms, and public) is well covered in the chapter describing government-public relationships.

In the Pakistani infants' health tracking project, the co-occurrence table highlights an interesting detail about unusually deep and personal involvement of doctors in the project. Encouraged by parents' voluntary adoption of the program, the doctors use their personal cellphones to scan the infants' RFID bracelets and to enter the details to the health files of the infants: "While researchers were initially concerned about depending on health-care providers to use the system properly, they have thus far found that with the proper training, doctors use it correctly".

Surprisingly, the only mention of the firms' public relationship in the case of the smartcards use in healthcare in the USA concerns the fact that the retailers adopt RFID en masse and do not care about privacy issues related to the possible theft of information registered on those smartcards. Academics study the negative feedback from the customers related to this early adoption.

The tracking of the disoriented patients in Jan Yperman hospital in Belgium will be beneficial not only to patients, but also to the hospital staff. The hospital staff evaluates positively and adopt voluntarily the call button installed on the RFID-enabled card, which could provide a quick backup to the staff engaged with aggressive patients.

The university hospital of Jena in Germany hopes that its patients will benefit from safety improvements concerning staff mistakes on treatments, care or medications when all medication will be tracked and matched with patients using RFID tags.

The relation between firm and public for the Reykjavik University is very different from the San Antonio schools in the USA. Since the Reykjavik University students and staff give a good feedback about the innovation brought by RFID-enabled smartcards, the opposite happens for San Antonio schools. The students supported by their parents react negatively to the introduction of RFID-enabled identity cards. They protest against student tracking online, in person, and by engaging into lawsuits against school officials.

The Copenhagen airport provides new RFID-based opt-in services for passengers with no cost for them. The RFID-enabled cards are used jointly with passenger cellphones. The cards allow a tracking of passengers in the airport buildings and areas, as well as remind them about the boarding time through their cellphones for a mutual benefit: it reduces the boarding and waiting time on the airport, as well as prevents passengers from missing their flights.

In sum, the relationships between firms and the public are mixed. The relationship is better in the case of mutual interest in or benefits from the project. The negative reaction of the public in relation to the technology worsens this relationship. Often, the efforts of the firm to improve it are not reflected in the cases. The worst scenario appears when the third party, but not the main stakeholders, is engaged to understand the problem, such as in the case of the smartcards for healthcare in USA, when the academics are studying the negative public reaction to the project.

Government – firms relationship

8 out of 13 cases testify to the relationship between governments and firms including already mentioned ID smartcards in Germany and South Africa, RFID-enabled passports in Singapore, the health tracking for Pakistani infants, and the case of the University hospital of Jena in Germany. Two projects of smartcards for fares in bus travelling in Cumbria, UK and public transportation in Toronto, Canada are added to this group. The 8th case is cumulative for RFID trial projects the government of Taiwan is engaged in.

With the RFID-enabled ID in Germany, the government delegates the power to the firm, when the private firm partner is responsible for the issuing of the electronic signature certificate for citizens. Helping firms, the government subsidizes the RFID readers and therefore "The idea of the stimulus package was to boost the economy by creating new infrastructure". By the analogous project in South Africa, the government helps firms providing the safe infrastructure for e-commerce. As for the case of RFID-enabled passports in Singapore, the only mention about the relationship between the government and the firms informs about the compliance of the development with the international standards, which is important to the government as it fosters the interoperability between countries. Launched by joint efforts of Pakistani and USA governmental entities and private non-profit firms, the project of health tracking for Pakistani infants is the international partnership with USA non-profit private firm.

The reason for a private partner choice: the expertise of the SAP in the RFID industry is mentioned for medication tracking in the University hospital of Jena, Germany. The smart fare cards project for public transportation in Toronto is led by a private partner, bringing his expertise in innovation to the public. In contrast, in Cumbria, UK, the government provides the technological standard to use by the firms. "Integrated Transport Smartcard Organisation (ITSO) specification was launched in 2004 by the Department for Transport. It has been designed to allow a variety of smart cards to be used and recognised by different types of electronic ticket machines. It is the Government specification for all public-funded transport smart card schemes across the UK". This project is a part of the partnership between different governmental entities on the federal and local level.

Similarly, in Taiwan, in the cluster of projects that are very different by nature and engage in different sectors of the industry, the Taiwanese government hopes to open the way for the firms and foster the economy of the country: The Ministry of Economic Affairs "entered talks with numerous industries, he says, "and the conclusion we came to was that the government could help by testing applications first". In sum, the relationship between government and firms are of very different nature where both parts can play the roles of developer, supplier, or integrator bringing its expertise in innovation and modernization to different fields of industry. In some cases, the government delegates the power to the firms such as for the ID smartcard in Germany, but in many cases the government opens the way to testing RFID technology and standardizing the processes related to the privacy and personal data security.

Since, the government-firm relationship is often regulated by contract (for example, suppliers' or integrators' mutual agreement) and governed by the current legislation, it is described better and clearer than any relationship involving the public. The relationships with the public or the consumer are less defined and do not imply the intense communications between the parties in order to find an agreement which takes into account the interests of each stakeholder.

Conclusion

We explore the RFID development promoted by governments, because of the importance of this phenomenon. RFID spreads widely throughout the world, but is still highly controversial, because of the great support given to RFID technology by governments despite the many ethical issues raised by this technology. The findings of this research show that the motivations for RFID projects promoted by government are rarely consider the needs of all projects' main stakeholders. Moreover, the co-occurrence analysis shows the rarity of mutual consideration of stakeholders' interests. Given these observations, we suggest a change in the CSR paradigm to improve the efficiency of the latter. The actually popular liability CSR paradigm is limited as it reposes on the normative regulations issued by governments and firms' duty to respect the consumers' interests. However, the regulations are powerless to the innovation. The governments delay the regulations for innovations or even delegate the regulation power to firms, which are not necessarily equipped to respond to this challenge.

So far, the right and effective solution might be based on different pillars (Lessig, 1999). Lessig's proposal posits four principal conditions: (1) robust and secure technology, which excludes the fraud possibility, (2) consumers' power on the free market, which forces the firms to respect the consumers' rights, (3) providing of general norms and regulations orienting the firms' behaviour, and (4) presence of social communities keeping in touch with consumers and making their voice loud enough to be heard and considered by government and firms. Wasieleski and Gal-Or, (2008) add the fifth condition, which is public education about the innovation and its implication. Taking in account all five conditions, Schrempf (2014)'s proposal of CSR paradigm change supported by this research becomes more consistent as the social connection CSR is the right way to maintain the constant dialog between all stakeholders and assuring the consideration of everyone's needs.

Limits and future research

This research explores a field in which information is not easily accessible. We used the secondary sources, because the description and details for RFID projects involving governments are not often available publicly. Thus, empirical validations using primary sources might be useful. This research describes the phenomenon from a bird's-eye perspective. The more precise view exploring the phenomenon in detail, focusing on specific industries, countries or practices might bring new interesting findings. Additional exploration of existing norms and regulations for each case may strengthen the findings making them grounded and connected to reality.

Used in this study analytical tool based on contextual integrity may be improved by in-field replications, which can correct the flaws of the application and improve its' robustness. Furthermore, the tool itself may be more precise to lead to more insights providing a deeper understanding of governments and firms' motivations and consumers' behaviours. This understanding will lead to better management of RFID projects, effective solving of ethical issues, engaging into CSR, and creating harmonious relationships between stakeholders reaching for a better society.

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Small Business Social Responsibility Communication: Towards a Foucauldian Conceptualisation

Conference paper

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Abstract

Purpose

Corporate social responsibility communication by small and medium sized enterprises is theorized to form the concept of Small Business Social Responsibility (SBSR) Communication.

Design/methodology/approach

This is a conceptual paper that draws on Foucault's theory of governmentality to develop a theoretical explanation for SBSR communication.

Findings

Our analysis conceptualizes the 'governmentality dilemma' as SBSR managers face two simultaneous and potentially counterproductive expectations: responding to externally prescribed expectations, norms and standards such as branding, codes of conduct and CSR reporting (i.e. CSR as a "regime of truth", Foucault) and an internally prescribed ethos of a personal philosophy of ethics and norms such as family identity and employee values, concern for local community and legacy of the company (i.e. CSR as personally held values). We contribute to conceptualization of SBSR communication as we develop a framework which suggests a spectrum of disciplining effects of social responsibility in relation to implicit and explicit CSR. We analyse these from the perspectives of surveillance, examination and normalization.

Research limitations/implications

The conceptualization of SBSR communication would be enhanced by in-depth, nuanced empirical research.

Practical implications

This paper has policy implications for those seeking to understand CSR among SMEs using formal communication mechanisms as a metric and control. Our paper suggests this to be an inadequate approach and we propose for SME managers to investigate Foucault's notion of "care of the self".

Originality/value

We conceptualize how SBSR is caught in a 'governmentality dilemma' where simultaneous expectations to govern others (e.g. through standards) and the self (e.g. through intrinsic motivations) are confronting owner-managers' ethos. We explain theoretically how small business managers respond to the challenge when they are required to formalize and display for external surveillance that which would otherwise be informal and part of the non-public or private sphere.

Keywords

Corporate social responsibility, communications, small and medium sized enterprises, governmentality, small business social responsibility

While research has extensively analysed how communication of CSR has become a "generalized expectation" among large corporations (Morsing and Beckman, 2006; Ihlen et., al, 2011), it has gone relatively under the radar how small firms (SMEs) are engaging with the new communicative challenges of CSR. Although the importance of understanding SMEs not just as engines of the economy but in terms of their role in society has emerged among small business scholars (Blackburn and Kovalainen, 2009), and SMEs are increasingly expected to respond and document their CSR efforts like large corporations, the communicative challenges associated with such role have not been explored. In the steady and growing stream

of research on CSR in small firms that provided empirical insights (e.g. Blackburn and Smallbone, 2008) and theorizing on CSR in SMEs (e.g. Russo and Perrini, 2010; Spence, 2014), only very few studies have explored the challenges of CSR communication seen from the small firm perspective (Nielsen and Thomsen, 2009a, b). In research it seems almost as if CSR communication is defined and enacted by large corporations.

One reaction to this preoccupation with CSR as a phenomenon of MNCs has been recent suggestions to develop the notion of "SBSR", i.e. Small Business Social Responsibility (Lepoutre and Heene, 2006; Spence 2014). SBSR demarcates large corporations and small firms as being different in nature not just size and embedded in sufficiently differing contexts that call for diverse conceptualizations (Spence, 2014). Further, it has been suggested that SBSR represents an entirely different challenge with not just distinctive empirical insights but also a need to employ alternative ways of theorizing in order to understand particular challenges and potentials of CSR for SMEs. We draw on this idea and contribute to the conceptualization of SBSR by exploring how the new communicative challenges imposed on SMEs influence owner-managers as an inescapable disciplinary force, challenge their ethos. This is what we refer to as the "governmentality dilemma".

In this paper we briefly review the pertinent literature relating to CSR communication and SMEs, before we introduce the "governmentality dilemma" by employing Foucault's notion of governmentality. Then we introduce Foucault's "technologies of disciplinary power": surveillance, normalization and examination before we offer a view of SBSR communication as a conceptual framework. Finally we conclude with a discussion of how Foucault's "care of the self" may help identify a research agenda and note practical implications of the new SBSR conceptualisation in the context of challenges to SME communication on their social responsibility.

Explicit and implicit approaches to CSR Communication in SMEsX

CSR communication from an SME perspective: The story so far

While there are burgeoning literatures on CSR Communication and CSR and SMEs, the confluence of the two areas has been relatively underpopulated. While CSR communication studies in general do not mention the MNC-SME distinction, most studies seem to assume that CSR communication relates to large corporations (Ihlen et al., 2011). A few contributions to date have though helped to lay the groundwork for indicating that CSR communication is of a particular type in smaller businesses (Nielsen and Thomsen, 2009a; b) Such research demonstrates that this area of study warrants special attention and cannot be incorporated simplistically in the wider CSR communication literature. In this section we provide a reading of the CSR communication literature where we identify themes of common interest with the CSR in SME literature. We identify these as falling into two broad categories well established in the wider CSR literature, that is Matten and Moon's (2008) implicit, internally facing CSR, and explicit, externally facing approaches.

We start with the perspective of explicit, externally facing expressions of corporate social responsibility. Falling into this group would be public adherence to codes of conduct, or standards and externally visible branding and reporting on CSR activities. These communicative practices have been explored as governance (in research on labels and standards, e.g. Rasche, 2010; Gilbert et al., 2011), accounting (in research on reporting, e.g. Kolk, 2003; Fransen and Kolk, 2007) and marketing (in research on product branding to consumers, e.g. Sen and Bhattacharaya, 2001). Such practices act as a form of private regulation and are standard fare for large corporate and public sector customers to require of their suppliers. While CSR governance via standards, accounting and marketing are well trodden territory in the mainstream CSR field, very little research has directly attended to the relationship between these disciplinary foci on CSR and SMEs. SMEs rather tend to not be considered a special category within accounting and marketing and to be considered only as the docile recipient of standards in the governance literature, and indeed as the problematic sites of poor practices which can be corrected by guidance, for example, from their large firm customers. That research which has been done points to the monetary and non-monetary costs of compliance with CSR standards for SMEs (Tencati et al., 2008), the disincentive to tender if social and environmental standards are pre-requisites (Baden et al., 2009), and – crucially – doubt about the assumed positive relationship between standards compliance within SMEs and improvements in CSR (Baden et al., 2011; Knudsen, 2013). It is also important to remember however that taken for granted features of large firms may not be available for SMEs. In their study of Turkish SMEs, for example, Dincer and Dincer (2010), found that less than 2% of the SMEs in the initial database even had a website. When they looked further for evidence of CSR communication on those websites, only 0.5% of the original database of 23,000 complied. We draw from this that we should be mindful that SME CSR communication via the web or formal CSR reports has so far not proven a meaningful metric within the existing social media programs. Existence of a website is already a potentially progressive step for the business, and the low proportion that extend their website beyond core-business to incorporate CSR is perhaps unsurprising. Dincer and Dincer assume in their work that use of the web is necessary, and communication of CSR gives competitive advantage. While there is some indication of this in the large firm CSR communication literature, it is not something that necessarily transfers to smaller firms, where the most credible form of communication and marketing has been found to be face-to-face and word of mouth. As O'Donnell et al (2002) found, word-of-mouth recommendations are one of the primary drivers of competitive advantage for SMEs. Their study does not mention websites or digital communications at all. Countering Dincer and Dincer's attempts to find CSR communication in SME websites, Murillo and Lozano (2006, p.236) aver that "SMEs do not communicate their social practices to any great extent."

This brings us to more implicit and internally facing communicative perspectives on CSR in SMEs. Implicit communication of CSR embraces those practices that are of a more informal nature and primarily but not only oriented towards employ-

ees, family and local communities of the SME. At the epicentre of implicit communication is dialogue, and in the literature on CSR dialogue has been analysed in a number of perspectives most profoundly drawing on the Habermasian notion of discourse ethics (e.g. Scherer and Palazzo, 2007; 2011). Here dialogue is presented as the means to achieve understanding and consensus among divergent interests and stakeholders. From the corporate perspective, it implies engaging with stakeholders in understanding better the shared business-stakeholders concerns and preferences for the improvement of business in society conduct (Morsing and Schultz, 2006). However, this research makes no special mention of the challenges of engaging in such dialogue for SMEs.

Understanding the context and lived experience of SMEs is key here. This is illustrated by two papers by Nielsen and Thomsen (2009a;b), which present work on different aspects of CSR communication among a sample of Danish SMEs, that eloquently show the dangers of assuming that CSR in SMEs is an externally facing instrumental add-on, rather than an intrinsic expression of their values. As they note "SMEs have no interest in turning their local and authentic practice into a forced marketing and branding exercise" (Nielsen and Thomsen, 2009a). In line with wider CSR and SME work, then seeking to understand the importance of the locally embedded nature of smaller firms and how this relates to CSR is an important and complex perspective (see Lähdesmäki, and Suutari, 2012). Extending the point about the importance of context, Sweeney and Coughlin (2009) demonstrate that industrial sector influences CSR and CSR communication, as businesses target their CSR communication to their particular key stakeholders which vary between sectors. This is particularly apparent from a supply chain perspective, where Ayuso et al. (2013) have found that SMEs can be transmitters of supply chain specific CSR. There is also a range of work in this space which makes country and regional comparisons (Maignon and Ralston, 2002; Chapple and Moon, 2005), emphasising the importance of cultural, political and socio-economic differences and how they can impact small business.

The personalised nature of CSR communication is especially important to our paper. Nielsen and Thomsen (2009a) make the valid point that SME CSR communication is personal, especially in terms of management's relationship to employees, which has wider resonance in the CSR and SME literature (Spence, 2014). In the SME field of study a great deal of research focuses on the owner-manager (Blackburn and Smallbone, 2008), not least because they exercise both ownership and control in the organisation, in stark contrast to publically traded firms. This has been found to have important implications for small businesses and the legitimacy of the choices that can be made in using their resources for non-pecuniary issues, not least where there is the added situation of the family firm (Mitchell et al, 2011). Also Murillo and Lozano (2006) identify the values of the founder as a key driver for the social practices of the firm. Thus as noted above, communication in the small firm is personal, and at the epicentre of that communication is the character and integrity of the owner-manager, i.e. her ethos.

The language of CSR for SMEs, is possibly the most consistent feature which occurs in the SME literature. In their widely cited article on the language of CSR for SMEs, Murillo and Lozano (2006) find that 'CSR' is felt to be an internal imposition, which does not easily relate to the existing internal, cultural practices of SMEs. Jenkins (2006) also identifies the CSR terminology as one which does not chime well even with those SMEs who have been identified as CSR champions. The large corporation perspective and the association with government initiatives and drivers mean that SMEs do not readily self-identify with CSR. It is for this reason that we will use the emerging concept of Small Business Social Responsibility (Spence, 2014) – SBSR – in our study.

From these studies we take the following forward in building our conceptualization of CSR communication in SMEs: In explicit terms, formalization of CSR in SMEs is not a given, with for example limited evidence of CSR webpages, CSR branding, CSR reports or adherence to external standards. Where this does occur, it is often tied to supplier requirements. Context is also a factor with some industries having particular compliance requirements (e.g. chemicals) that influence the likelihood of formalised communication by small businesses. In implicit terms, CSR communication relates to the establishment of routines of dialogue and the central role of the owner and his or her character, norms, values and relationships. Language is important here, and thus we continue with the more appropriate moniker of Small Business Social Responsibility when referring to small firm perspectives, and CSR when referring to the wider (large firm) literature.

Given the somewhat competing strands of explicit and implicit CSR, and small firms as being socially responsible or otherwise, we look to governmentality theory to help unfold the particular challenges of SME managers – the "governmentality dilemma" – to unravel the debate.

The disciplinary power of CSR Communication

The lens of Foucault

Our approach takes root from Foucault's earlier work on Discipline and Punish (1977) in which he outlines in gory detail forms of control and punishment. We look more specifically to his later related work on governmentality, which extends his perspective on 'the conduct of conduct' beyond the penal system to understand governing of others at multiple levels of society, certainly beyond nation-state government (Foucault, 1978; 2010).

While Foucault acknowledged the need for reform in society in his early work, he also noted how such reform again and again leads to the formation of techniques and institutions that were often developed for innocuous purposes, yet converge into a modern system of disciplinary power. In our context CSR has been presented as such a reform. CSR is often

introduced as a technique or an institution with an ethical and noble purpose aimed at reforming (and improving) companies into enhanced social and environmental action (Logsdon and Wood, 2008; Waddock, 2008). Much research on CSR draws on the assumption that CSR is a positive reform with value for commercial business, e.g. "the business case" (e.g. Porter and Kramer, 2006, 2011) and for society (e.g. Prahalad, 2006). Recently, a stream of research has begun to critique the idea of CSR as a technique established by corporations to ward off criticism while allowing them to "do business as usual" (Banerjee, 2008; Fleming and Jones, 2013). This criticism of how the institutionalization of CSR - demonstrated for example by the emergence of a plethora of CSR standards and codes - has led to much obfuscation and green-washing (Delmas and Burbano, 2011). Such evaluations draw on the assumption that shareholders and managers do not want to or are not able to serve the ambitions of CSR and therefore they only superficially adopt CSR.

In this paper, our critical exploration offers a new approach and contribution to knowledge. We base our exploration on an assumption found in the extant literature that the majority of SME managers want to contribute positively to the improvement of society, but that they are embedded in a network of expectations to communicate their CSR engagement, which potentially challenges and obviates their contribution. Put another way, their implicit drivers for CSR can in some stances be forestalled by the explicit drivers for CSR (Baden et al., 2009). We employ Foucault's lens on disciplinary power as we investigate how CSR - as a presumably positive but at least innocuous phenomenon - can have disciplinary effects for SME managers.

CSR as Governmentality

We draw on governmentality theory to help us address and problematize the indirect modes of power and governing in relation to SBSR. Governmentality refers broadly speaking to "the conduct of conduct" that embraces the "governing of self" as well as the "governing of others", or what Foucault refers to as "governing how others conduct themselves" (Foucault, 1978; Dean, 2009). As an analytic vocabulary, governmentality provides a useful link between the regime-level institutional arrangements and the processes of subjectification at the individual level (Siltaoja et al., 2014), that has been particularly employed in studies of power and power relations in liberal democratic regimes (e.g. Foucault, 1980; Lemke, 2012). As such, for our study of SBSR, governmentality provides a helpful way of drawing together the macro level expectations on small firms in relation to social responsibility and the micro level intrinsic drivers for the SME manager to be socially responsible. A Foucauldian lens helps us explore how SBSR is distinctive from CSR in emphasizing how small firms exist in a context in which they on the one hand are called upon to adopt norms and standards relating to the phenomenon of CSR defined by MNCs and other global actors and institutions, and on the other hand they are driven by often personal motives to contribute to social and environmental improvement.

The particular Foucauldian perspective on disciplinary control helps us to understand how that which may appear to be voluntary (i.e. SBSR) may also be seen as a representation of a transformation of politics and restructuring of power in which "subtle and intricate mechanisms of liberal and indirect means of steering" influence business conduct without shattering its formally distinct and autonomous character (Vallentin and Murillo, 2012: 827). In a sense, the claim by SME owners that CSR feels like "an external government imposition" (Baden et al., 2009) has some validity, but importantly, government is not necessarily that of the nation-state. Rather it takes the form of macro-level mechanisms influencing practice that "acts on the governed as a locus of action and freedom" (Dean, 2010: 15) while converging into disciplinary control. According to this view governmentality refers to a broad variety of governing practices, where government as well as non-state actors and intermediaries such as NGO, industry and trade, businesses, experts, media and citizens employ a variety of techniques, calculations and commodities that serve to "conduct the conduct" (Vallentin and Murillo, 2012). As Foucault (1982: 225) explains: "This encounter between the technologies of domination of others and those of the self I call 'governmentality.'"

In our context we explore CSR as a technology of domination of others, or as a means of "governance of others", that relates to the formal standards and informal norms of contemporary Western societies in which there is a growing expectation for firms to commit to CSR and publically acknowledge such commitment through being signatories, achieving accreditation or in other ways visibly engage and communicate their support to CSR. From the perspective of the small firm owner-manager, in this scenario CSR emerges as a technology of domination, where external governance structures seek to control the internal workings of the small business. While prior management research using Foucault has demonstrated how for example accounting practices serve as a disciplinary control by being seen as a "neutral mirror" representing results that offer a "true and fair" view of the results of business activity" (Roberts, 1991), we draw attention to how SBSR research has shown how CSR is often regarded as an ethical and emotional issue with which small firm owner-managers personally identify (Lähdesmäki and Suutari, 2012; Spence, 2014;). While accounting represents a Foucauldian idea of a truth regime with detailed facts and figures to be accounted for beyond dispute (Roberts, 1991), CSR is a "truth regime" where many emotional, political and often divergent expectations are to be met (Lockett et al., 2007). As such, small firm owner-managers do not necessarily regard CSR as a "neutral mirror" that can guide the conduct of ethical practices of their business. They personally know already how to "do the right thing". And while they in a Foucauldian sense may already be subjects of disciplinary control, as the technologies of domination are often subtle and individuals will not notice how they are subjected to control (Rose and Miller, 1992), the recent turn from implicit to explicit approaches to CSR in a Western European context (Midttun et al., 2006; Morsing et al., 2007; Matten and Moon, 2008) adds new expectations to small firm owner-managers to visibly adhere to and comply with institutional expectations to CSR. What for SME managers used to be implicit and ethical practices of business are now expected to be explicitly communicated for external purposes. We shall discuss this turn from

implicit to explicit in more detail later.

Thus, our analysis conceptualizes the “governmentality dilemma” as SME owner-managers facing two simultaneous and possibly competing expectations: being subjected to the disciplinary control of externally prescribed standards, norms and expectations to CSR and having to maintain their ethos, i.e. their personal philosophy of morals and value, in the local context of family, employees and local community and not least in their own self-perception. In other words: while CSR is presented as a morally desirable phenomenon, managed and controlled by those in power and learned and performed by SME managers (Siltaoja et al., 2014:2), SME managers see how their personal values and social engagement in this process are being transformed into an institutional “script” with which they may not fully identify and that possibly challenges their identity. In our discussion we propose for the SME manager to address this governmentality dilemma by reflecting on Foucault’s idea of freedom and “care of the self”, where an individual achieves freedom as she is capable of “acting upon himself” (Foucault, 1980).

In the following we will present some of the main technologies of governmentality that are key to our analysis of the challenges for SBSR.

The technologies of disciplinary power

Central for Foucault’s notion of power is that it differs from physical force, violence and domination. Power can “only be exercised over free individual or collective subjects that have some means of escape or possible flight at their disposal” (Vallentin and Murillo, 2011:6). Accordingly Foucault’s notion of power does not only entail passive individuals that are subjugated by dominant masters and as such SME managers are not only passively being disciplined by CSR. Rather Foucault points our attention to how the individual – the SME manager – himself participates in the formation and continuation of the power relationships. Power is a relational concept and Foucault argues that “Power is exercised rather than possessed; it is not a privilege, acquired or preserved, of the dominant class, but the overall effects of its strategic positions” (Foucault, 1977:26). Importantly, the individual’s freedom emerges not by escaping from such power relations but by actively and purposefully participating in them (Crane et al., 2008:304).

So, in our analysis of the “governmentality dilemma” of CSR for SME managers we will engage in an exploration of how they (inescapably) are governed by others while they simultaneously participate in their own domination by following (rule-based models of) CSR. However, underpinning our exploration is the attempt to analyze how the SME manager is able to define and manoeuvre her freedom to engage with CSR.

Foucault notes three technologies of discipline – or techniques of control – that are particularly pertinent to our analysis of SBSR: surveillance, normalization, and examination.

Surveillance implies the subtle yet forceful disciplinary power of “the gaze”, i.e. that by observing individuals their conduct may be changed and controlled. Bentham’s panopticon is in Foucault’s work the ideal symbol for this kind of control, where inmates are isolated from each other in separate cells but are always visible to a monitor in the central tower. The monitor will not always focus on each inmate but the sophistication of this disciplinary force is that the mere possibility of being observed makes inmates inclined to act as if they were continuously being observed. The primary purpose of surveillance is reform (not revenge as in the medieval prisons) and to make individuals themselves correct deviant behaviour. Foucault also notes how modern society is particularly concerned with how to change the behaviour of individuals who fail to live up to the required standards or norms (nonobservance), and how observation serves to mobilize the individual to perform according to others’ expectations.

Examination is a disciplinary method of control that combines surveillance with normalization. Developed in his book *Discipline and Punish*, he refers to examination as “the deployment of force and the establishment of truth” (Foucault, 1977:184). While examination is a less subtle form of disciplinary power, it has come to be accepted as an appropriate technology for eliciting the facts about those who are subjected to or subject themselves to the examination (whether it is intellectual insights, CSR performance or state of health) and it controls their behaviour (by mobilizing them to study, directing them to a specific health treatment, organizing their business around certain CSR parameters or otherwise preparing for the exam). Examination also implies documentation, where results are recorded, reported and compared (e.g. grades across years or schools, absenteeism records, CSR performance reports, recoveries or patient charts at hospitals), and such results can provide input to leaders or policy makers on how to define categories for future fund allocation, what is seen to be “averages” and other norms to inform and further control organizations. The individual is turned into “a case” in such examinations, which is studied, also becoming an object of care and therefore control. This situates individuals as at the locus of a network of writing, making visible the aspects which are examined (Foucault, 1977: 189).

Normalization implies a discipline through imposing norms that are seen to be appropriate and represent what is seen to be “right” in society. According to Crane and colleagues the disciplinary power of the ordering, categorization and ritualization of daily activities becomes a “regime of truth”, that rewards individuals who conform and penalizes those who resist in order to impose and enforce certain norms of behaviour, “What is “right” in such contexts is what is normal” (Crane et al., 2008:302). Much of Foucault’s work has analysed the normal via exploring what is deemed abnormal, and the idea of nor-

malization pervades modern society in for example national standards for educational programmes, for medical practice, industrial products and managerial processes. In our analysis we come to see how the normalization of CSR becomes a technology that serves to seek to control the definition and conduct of SBSR, but is not universally successful in so doing. This brings us more closely to our governmentality dilemma.

Conceptualization of SBSR Communication
The governmentality dilemma

Our reflections on governmentality and the technologies of disciplinary power as applied to small business social responsibility lead us to the model illustrated in figure 1 below. To be clear, we represent here small businesses that are driven to act socially responsibly, irresponsible business behaviour is beyond the scope of this paper but our work certainly has implications for small business irresponsibility. This figure illustrates how the pressures on owner-managers to act in ways considered to be socially responsible can result in a conflicted space in which he or she is torn between different technologies of control. On the right hand side of the continuum are positioned expectations of explicit CSR. Here the source of control is technologies of dominance, as we have outlined above, that include CSR communication such as in branding, vision and mission statements, compliance with CSR standards, formal CSR reporting. On the left hand side of the continuum are the implicit values of social responsibility which we have shown to be particularly prevalent in empirical work on CSR and SMEs. The governmentality dilemma occurs in the space between these two ends of the continuum. At the heart of the issues is the nature of the SME as an independently run and motivated organisation which is subject to discipline and control by external pressures to conform to particular views of what form social responsibility takes. Foucault would argue that individuals have agency and the room to exercise their freedom in relation to dominant technologies. Yet we detect contested territory, where socially responsible small business owner-managers are distracted from their own values-based approach by the well-meaning but sometimes misguided desire to recreate the image of large-firm CSR in the small firm through explicit CSR communication. This redirects resources away from existing good practice at the most mundane level but more importantly undermines the owner-manager’s value base potentially alienating them.

FIGURE 1: THE SMALL BUSINESS SOCIAL RESPONSIBILITY GOVERNMENTALITY DILEMMA

	Implicit SBSR	Governmentality Dilemma Continuum	Explicit CSR
Source of social responsibility drivers	Technologies of the self		Technologies of dominance
1. Surveillance	Personalized, word-of-mouth; socializing effects	↔	Formal statements and commitments; individualizing effects
2. Examination	Local media representations, industry reputation, family standing	↔	Compliance with standards and customer requirements; established norms
3. Normalization	Values-based leadership	↔	Integration of external standards into practice

In presenting figure 1 we are not suggesting that small firms and their owner-managers can be allotted to one position on the spectrum nor that they will consistently exhibit those characteristics in relation to SBSR, CSR and social responsibility communication. Rather we propose that at different times and for different issues, perhaps even in response to different stakeholders, the owner-manager and her firm may align with the characteristics represented by a given location on the continuum. We see value in this first conceptualization of SBSR in seeking to identify distinctive and meaningful categories for small business perspectives on social responsibility. Our categorisations take inspiration from the empirical evidence of the extant literature on small business social responsibility, along with understandings of how organisations engage with the disciplinary effects of external formal rules and standards. Here we take a lead from work by Sauder and Espeland (2009) on the response of Law Schools to formalized published rankings and John Roberts’ (2001; 2003) work on the processes of accountability.

Source of social responsibility drivers

The first row in figure 1 basically suggests the broad sources of social responsibility. On the right of the continuum are the highly visible, externally produced technologies of dominance or technologies of government (Miller and Rose, 2008:63). It is most appropriate to stick here to the CSR terminology largely developed for large firms, since this is the nature of the source. Examples would include the Global Responsible Leadership Initiative, Global Reporting initiative, Global Compact, ISO 26000, Business for Social Compliance Initiative and so on. These codes and standards are primarily – though not exclusively - written with large international firms in mind. They are presented as a form of moral authority, seeking to standardise expected levels of behaviour. Miller and Rose (2008) note how technologies of dominance are rendered operable through procedures, computation, professionalization and standardization. Through processes of power, such technologies take on authority, imbued with means of judgement. Hence the underlying assumption, for example, that companies signed up to the GRI are worthy and notable in terms of CSR, and by default companies which do not, are deficient in their social responsibility. We should also mention here the role of the CSR manager within the firm, who takes on the position as expert of responsibility, increasingly aligning also with a professional CSR body, and effectively charged with channelling the technologies of government into organizational practice.

In contrast, at the other end of the spectrum, are technologies of the self. As we have alluded to, the independent and self-sufficient nature of the small business as a personal enterprise, especially for the owner-manager, leave key sources of social responsibility as being internal, personalised ones. We see this very clearly in cases of family firms where the family perspective is so often a core blueprint for the way the business is run for generations (Mitchell et al, 2011). In some cases the internal and external drivers, the implicit and the explicit, may be aligned, and technologies of governance welcomed by the small business as in any case consistent with their own beliefs and practices. This will not always be the case though as we have shown in the literature review, setting up the likelihood of a governmentality dilemma.

1. Surveillance

The 'gaze' directed at small business and their social responsibility represents the first disciplinary force of CSR for SMEs. This technology relates closely to CSR communication. To understand the relationship to small business social responsibility we can draw again from John Roberts' (2001) work on processes of accountability and systems of governance. He draws on the notion of the visibility of the self to others – i.e. surveillance in our analysis. He says "The most potent disciplinary effects ... are to be discerned in those who are 'subject' to the visibility that it creates and the constant surveillance that it makes possible" (Roberts 2001: 1553). In this instance explicit CSR expectations and technologies of dominance have individualizing effects – as we have said turning the examined into a case for inspection, and the clear subject of surveillance. Roberts relates this to Bentham's panopticon as a means of discipline and control.

At the left hand side of the spectrum in figure 1 we see the socialized and implicit forms of surveillance. This refers to the case that has more commonly been observed in empirical research on small firms, where "firstly, where there is relatively frequent face-to-face contact between people and, secondly, where there is a relative absence of formal power differentials" (Roberts, 2001: 1554). The tendency to engage new business and market the firm through personal factors, reputation and word-of-mouth marketing (O'Donnell et al, 2002) are indicators of the form of surveillance where implicit SBSR is the case.

2. Examination

Examination is the second technology and concerns how CSR becomes a mode of not just acknowledging but also of assessing, judging and comparing business engagement in social responsibility activities. At the right end of the column in figure 1, explicit CSR implies for example achievement of CSR accreditations or CSR labels and participation in CSR rankings, where small business is expected to adhere to standards and norms taking the same form as large firms. Less apparent might be the implicit SBSR owner-manager who may have a profile within the local media, a reputation at industry level and among their immediate competitors, who are often friends and seen as comrades within the same industry (Spence, Coles and Harris, 2001). Family is also extremely important here. With most small businesses family firms, and succession being an extremely prescient issue for small businesses (Mitchell et al, 2011), the familial reputation of the owner-manager and his or her practices is key. Spence (2014) has shown how small business life includes the private and the public sphere, meaning that the way that family perceives, judges and measures the performance of the firm can be considered to be considerably more important and relevant than a distant abstract formal standard.

3. Normalization

Normalization refers to instances where small businesses respond to external expectations or requirements of adoption of standards, compliance with codes and visibility accountability for actions, perhaps in the form of reporting, by accepting the requirements and integrating the standards into their practices. As Bauman-Pauly et al (2013) have pointed out, in smaller organizations the distance between communication and implementation of standards is relatively low due to the nature of small firm internal organization with low levels of bureaucracy and formality. So while there may be important resource constraints, integration and normalization remain an option. Small firms and their owner-managers in this case accept the authority of the external requirements and concede to the disciplining process of codification of and for their actions. As Foucault says "he who is subjected to a field of visibility, and who knows it, assumes responsibility for the constraints of power, he makes them play spontaneously upon himself. He inscribes in himself the power relation in which he simultaneously plays both roles". (Foucault, 1977: 202–3).

An extremely important perspective of normalization occurs at the left hand side of the spectrum in figure 1. Here we have the case of the independent small business owner-manager, who responds to personalized forms of surveillance, submits to local, family and industry levels of examination, and who is driven by their own internal norms and values, subject to this network of relationships. This position on our continuum could represent a highly values driven person, who is nevertheless non-compliant –perhaps actively rejecting, the disciplinary effects of formal external norms and standards. The governmentality dilemma is potentially acute here. The pull between personal values and external norms representing a contested space for the owner-manager and a challenging locus for policy makers and external bodies striving for particular dominant standards of government.

Discussion and Conclusion

We have proposed a conceptual framework that lays out the governmentality dilemma of SMEs as we have analysed SBSR communication as a mechanism of surveillance, examination and normalization. We have shown how each of these mechanisms imposes dilemmas for the SME manager in her ambitions to live up to others' expectations to her CSR activities while staying true to her own way of "doing the right thing". Yet, there are a number of aspects we can point to for further consideration which problematize the governmentality dilemma for small business social responsibility. We will bring out the two most prominent challenges: these are related to legitimacy resistance and identity control.

First, we turn to the well trodden complexity of resistance in management research (e.g. Kärreman and Alvesson, 2009) and cynical distance (Spicer and Fleming, 2003; Fleming and Spicer, 2008), as we bring attention to how SME managers may face the challenge of having to involve not only themselves but also their employees in resisting to respond to a socially legitimate quest. We refer to this as legitimacy resistance. While CSR is often automatically seen as a desirable corporate feature (Sen and Bhattacharaya, 2001), research has shown how the implementation of CSR standards is not automatic nor without its own governmentality issues. These may take the form of resistance to change and the attempted integration of a new regime. CSR standards are not currently so complex that it is impossible to fake compliance. The London 2012 Olympics, for example, had stringent procedures for ensuring that all suppliers had high labour standards, and were signed up to the relevant labour standard codes, yet some suppliers were found to be operating practices entirely unacceptable according to those standards (Mower, 2012). From the outside, businesses can seem to be disciplined and governed by external requirements, and they can even be performing the required action while cynically distancing themselves from the values or ideas behind the action (Spicer and Fleming, 2003). However, we know from empirical evidence that pretending to comply with certain values is not the same as actual good practice within the organization (eg ENRON, Rana Plaza, BP Gulf of Mexico). Soundararajan and Brown (2014) have shown how small firms in the global supply chain which are subjected to external attempts to govern their social responsibility can respond with gaming strategies which enable them to appear to comply with standards while actually continue with their own local norms and practices (Sauder and Espeland, 2009). Where there may be assumptions of limited power among small firm suppliers, in fact they retain some agency, and can divert the gaze of disciplining authorities by a range of means from corruption through to simply careful managing appearances when under surveillance (e.g. if an ethical audit is carried out) and carrying on with business as usual at other times.

However, while gaming strategies and cynical distancing, and other techniques employed to pretend compliance may be equally well suited for MNCs and SMEs facing expectations about explicit CSR, we contend that the particular challenge for SMEs concerns the compromise of the SME manager's ethos. Pretension implies double standards, and in a small firm with close social ties and trustful relationships, employees and family are the first to find out that double standards are accepted and perhaps even encouraged. Cynical distance to work has been studied in the context of worker-manager relations, where the worker is seen legitimately to silently rebel against his superior. However, in the context of an SME manager cynically distancing herself from an issue that is considered of global relevance, such reaction may not be appreciated by the workers. The SME manager is likely to find herself in the dilemma of having to compromise her integrity by telling employees (and family)- directly or indirectly- that she does not want to live up to the expected international legitimated CSR standards, yet that she will "fake" the CSR compliance in order to, for example, remain the preferred supplier to an MNC. In this way the governmentality dilemma is the arena for the owner-manager's ethos, as she cannot resist the imposed legitimized "regime of truth" without her integrity being challenged.

Second, in this paper we have referred to SME managers' tendency to navigate their business' social responsibility as a form of implicit CSR and other scholars have in the same vein mentioned CSR in SMEs in terms of "sunken CSR" (Perrini, 2006), or "silent CSR" (Jenkins, 2004). Here we bring attention to the way in which the tendency to bring implicit CSR to be more explicitly and publicly communicated poses a challenge of identity control to SME managers. Indeed, Matten and Moon (2008:417) note that explicit CSR is mainly a matter for large companies, at least in a European context, and we have shown how small firms have informal approaches to social responsibility and that they tend to be intrinsically rather than externally driven leading us to an understanding of small firms operating according to their own rules and norms. This implies that CSR becomes inseparable from the SME manager's identity. Research has pointed at how there is a distinct desire among SME managers not to sully internal beliefs and practices by bringing them into the spotlight (Nielsen, 2009a). This is grounded in a strong belief that you should not profit from other people's misery (Margolish and Walsh, 2003). The key point is that the over-riding factor is one of concern by the owner-manager to remain true to her values and not to "brag" about them. Existing knowledge has highlighted how values-based management is often the strongest driver of SBSR. However, while extant research has noted and celebrated the SME manager's strong adherence to her personal values, no research has looked into the dilemma that arises when the SME manager's identity becomes a target of externally imposed control. We argue that this could be the case with CSR. While the SME owner-manager is concerned with retaining inde-

pendence and control at the centre of their 'fortress enterprise' (Chell and Baines, 2000; Curran and Blackburn, 1994), such patriarchal control may have negative rather than positive outcomes in terms of social contribution. The SME manager's values are so central to her character traits that they become difficult to change and oftentimes non-negotiable. This highlights a further concern of the governmentality dilemma. It is generally recognized that CSR is "in flux" (Carroll, 2002) and in a "state of continuous emergence" (Lockett et al., 2006) and hence a phenomenon that calls for ongoing attention and adjustment of local action. While the owner-manager needs to have a strong ethos, regarding herself as an independent owner-manager and hence less willing to negotiate or learn new values (Westhead et al., 2005), CSR may be experienced by her as an identity control that on the one hand seeks to guide and direct her values and on the other hand also requests that core values of responsibility may be subject of change and negotiation. While the SME manager (as all other individuals) through a Foucauldian lens is already subjected to control, we argue that the type of identity control experienced by the SME manager by the introduction of CSR as an externally requested act, challenges the often patriarchal leadership style as it calls for an ongoing reinterpretation of values. As with the legitimacy resistance, the owner-manager ethos is challenged when CSR is seen as an identity control.

As we conclude this paper, we propose that future studies on SBSR communication should explore the potential of Foucault's theorizing on "care of the self". In this paper we have drawn on Foucault's theorizing on governmentality as we have explored the role of CSR as a disciplinary power in the context of small firms. We have conceptualized how CSR engages important issues for small firm owner-managers, yet it also provides challenges to the way they operate and engage with ethical practices in their daily work and network. We have based our critical inquiry on the assumption that SME managers want to contribute positively to the improvement of society, but that they are embedded in a network of expectations to their CSR engagement, that potentially challenge and stall their contribution. We have employed Foucault's lens on disciplinary power as we investigated how the presumably positive reform of companies encapsulated as CSR has disciplinary and possibly counterproductive effects on SME managers' ethical practices. Thus, our analysis conceptualizes the "governmentality dilemma" for SME managers: being subjected to the disciplinary control of externally prescribed standards, norms and expectations to CSR and having to maintain their ethos, i.e. their personal philosophy of morals and value, in the local context of family, employees and local community and not least in their own self-perception. We have developed a conceptual framework that unfolds different ways in which the governmentality dilemma works and we have discussed how this relates to legitimacy resistance and identity control for SME managers.

In the following we propose for the SME manager to address this governmentality dilemma by reflecting on Foucault's idea of freedom and "care of the self", where an individual achieves freedom as she is capable of acting upon herself. We find Foucault's concern with freedom in relation to technologies of the self, to be compelling for the owner-manager who has been found to seek independence and to be free to act within the domain of the business with as little interference as possible, although this is not a universal position (Kitching, 2006). Crane et al. (2008), in their work which seeks to understand the relevance of Foucault for business ethics, draw out the point that "Ethical practice... becomes a project of and for the self". Social responsibility by extension becomes about the character of the self.

We propose that for SME managers to avoid being subjected to CSR but rather to constitute themselves as "active moral agents" (Crane et al., 2008: 304) they need to acknowledge CSR as a disciplinary practice. According to Foucault, freedom is related to the individual's capacity to actively and purposefully engage in power relations, not to escape from them. To engage this freedom, it is required that the individual employs "the technologies of self" that are such voluntary actions through which individuals set themselves rules to follow and seek to integrate this into their personal selves. According to Crane and colleagues, individuals train to become ethical persons through conscious self-definition self-constraint, acknowledging that ethical practice is about understanding and developing themselves "into an image they desire" that most importantly includes the ability to create a critical ontology of themselves (Crane et al., *ibid*: 304). We think it is important to note here that those values guiding SME managers' conduct include those values defined by the SME manager herself and that they also self-discipline her and her employees as she leads her small business. We think importantly, that the freedoms central for "the care of the self" bring attention to the importance of the SME manager being able to continually reflect on her values in a way that allows for adjustments and change. As we conclude this paper, we therefore point to how the SME manager relying on paternalistically defined values as her definition of freedom, may find such definition a straightjacket as she leads her firm into future complexity where norms and issues of CSR are likely to challenge and change her firm's values.

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Heartcore Business? A Study of the Challenges Social Enterprises Experience When Communicating Their Corporate Identity

Extended abstract

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Abstract

Purpose

The concept of social enterprises is relatively new in Denmark, and the potential of such businesses is still largely untapped. A recent report (2014) issued by The Committee for Social Businesses appointed by The Ministry of Children, Gender Equality, Integration and Social Affairs and the Ministry of Employment points to a lack of communication of identity (focusing on being a social enterprise) as one of the main barriers for social businesses aiming to expand and strengthen their business. The aim of this paper is thus to investigate social businesses' communication of identity through a value-theoretical framework. This set-up will identify the extent to which these companies manage to create alignment between their corporate identity values and their social responsibility values, or if they are working with two, or even more, different value systems.

Design/methodology/approach

The paper applies a qualitative approach to interpretive content analysis based on semantic units, which serves to illustrate how corporate values and corporate social responsibility values, respectively, are communicated and possibly aligned by the Danish social enterprises on their corporate websites.

Findings

The findings reflect the difficulties social enterprises experience in clearly communicating their identity as a social business, focusing on moral values, as well as their identity as a competent business, focusing on competence values.

Practical and social implications

The findings provide new insights that can inform social businesses in their planning and execution of their corporate identity communication.

Originality/value

This paper expands the existing field of knowledge on CSR communication by focusing on the growing sector of social enterprises.

Keywords

Social enterprises, CSR communication, corporate identity, value-based communication

Introduction

The concept of social enterprises is relatively new in Denmark, and the potential of such businesses is still largely untapped. A recent report (2014) issued by The Committee for Social Businesses appointed by The Ministry of Children, Gender Equality, Integration and Social Affairs and the Ministry of Employment points to a lack of awareness and communication of identity (focusing on being a social enterprise) as one of the main barriers for social businesses aiming to expand and strengthen their business and to be considered legitimate by their surroundings.

The aim of this paper is thus to investigate social businesses' communication of identity in their corporate communication. Institutional theory (e.g. DiMaggio and Powel, 1983), and especially the notion of legitimacy (Meyer and Rowan, 1977;

Suchman, 1995; Deephouse and Carter, 2005), provides the frame for understanding and exploring the enterprises' communication in an organizational context. Hence, through a value-theoretical framework, the study seeks to identify the extent to which these enterprises manage to create alignment between their corporate identity values and their social responsibility values, or if they are working with two, or even more, different value systems. Accordingly, the assumption put forward by this paper is that a high degree of alignment between identity and social responsibility in the enterprise's corporate communication will enable the enterprises to communicate a clear identity and consequently increase their legitimacy.

Theoretical framework

In this section, the theoretical background against which the study is developed will be introduced. First, the concept of social enterprises as a research field is introduced. This is followed by a short introduction to organizational institutionalism, which forms the overall realm of understanding behind the study. Here, the concept of legitimacy is especially relevant and will lead to the next part about the link between CSR and corporate identity. A small section on values as identifiable markers of both CSR and identity in corporate communication finishes off the theoretical part of the paper.

Social enterprises

The debate about and interest in the concept of social enterprises has literally exploded within the last ten years (Defourny and Nyssens, 2010). Research within the field can overall be divided into two schools of thought: the European approach and the American approach. In Europe, research has been focused on the social enterprise as originating and developing further from the third sector, i.e. the civil society, or the social sector. Here, the enterprise is seen as some sort of hybrid organization mixing elements from the public, the private and the social sector, e.g. using voluntary employees to produce and sell products on ordinary market terms (Defourny and Nyssens, 2010; Hulgård and Andersen, 2012; SFI, 2013). This approach is said to mainly originate from the European research network EMES (Defourny and Nyssens, 2010).

The American approach to studying social enterprises has, on the other hand, tended to focus much more on the connection to the market and how goods and services from social enterprises are produced and sold on the market. This approach is also characterized as having a very critical view on the welfare state, which is considered as bureaucratic and a hindrance for social enterprises to flourish (Hulgård and Andersen, 2012; SFI, 2013). In Denmark, the current political view is aligned with the European approach in that the increasing governmental focus on and interest in social enterprises sees this type of organization as part of the social sector, but, interestingly, many Danish social enterprises are reported to see themselves part of the private sector (Wüsching, 2012). This opposing or even contradicting view of identity, arguably, poses serious challenges when it comes to communicating corporate identity.

The category of social enterprises is often divided into two groups (The Committee on Social Enterprises, 2013) depending on whether they work with an exposed target group, e.g. employing physically disabled people, or for an exposed target group, e.g. producing cheap facilities for physically disabled people. As a relatively new and unknown type of organization in a Danish business context, the social enterprises are faced with a number of challenges in their struggle to establish and legitimize themselves in the organizational field. They do not immediately fit into existing, well-known structures. For example, the enterprises employing people with a reduced ability to work in flexijob positions are challenged by the upper bounds on firms' subsidized employment, which "impose[s] a limit to the number of individuals employed in company training schemes or through wage subsidy schemes per regularly employed" (The Committee on Social Enterprises, 2013, p. 34). This is particularly a problem for social enterprises working with a vulnerable target group. Other problems are related to creating a balance between financial sustainability and viability without compromising the social aim (The Ministry of Children, Gender Equality, Integration and Social Affairs, 2014, p. 11); to finding new investors when profit is to be reinvested in either the enterprise or the related cause; and by the fact that this type of enterprise can be seen as anti-competitive by colleagues and competitors. Finally, social enterprises are often founded by passionate, but not necessarily experienced, people who really have to struggle to get acquainted with all the managerial tasks that running a company entail. Thus, as government would like to see an increase in the number of social enterprises, an agenda to strengthen general awareness about social enterprises and increase their ability to operate under ordinary market terms in order to fulfill their potential is supported (The Ministry of Children, Gender Equality, Integration and Social Affairs, 2014, p. 8). Creating awareness and knowledge about social enterprises is seen as a precursor for establishing a clear identity for social enterprises, enabling them to "legitimize themselves and market their company to the broad range of stakeholders" (The Ministry of Children, Gender Equality, Integration and Social Affairs, 2014, p. 11).

Institutional theory

The social enterprise has been argued to have "emerged as a businesslike contrast to the traditional nonprofit organization" (Dart, 2004, p. 411). In trying to recognize the challenges social enterprises encounter when trying to communicate who they are, their identity, institutional theory here provides the frame for understanding the social enterprise as an organization in an organizational field. According to DiMaggio and Powell (1983), institutional theory can help explain why organizations behave in a certain manner, why they change, and not least why they often seem to change in the same way as other organizations within the same field. In this study, especially the key concept of legitimacy is important and is defined as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate

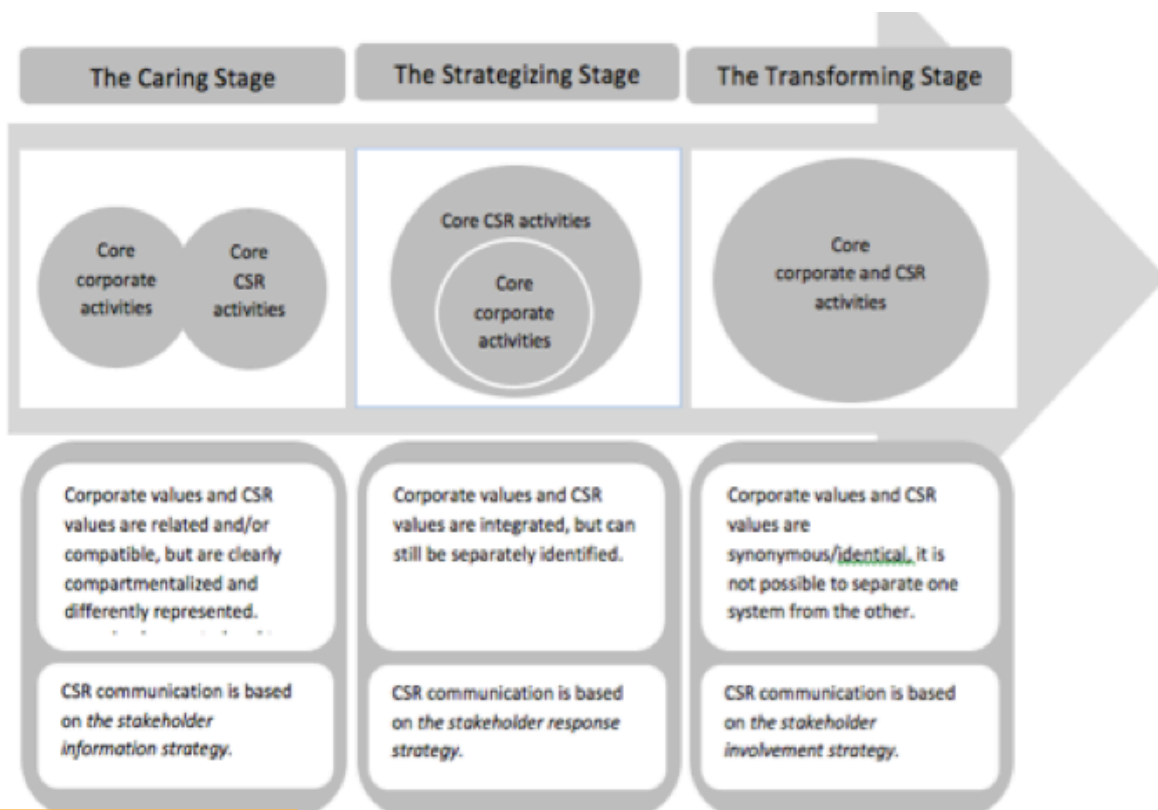
within some socially constructed system of norms, values, beliefs and definitions” (Suchman, 1995, p. 574). Furthermore, it is important to note that legitimacy is “a symbolic value to be displayed in a manner such that it is visible to outsiders” (Scott, 2008, p. 59), e.g. demonstrating legitimacy through corporate communication. Seen from an institutional mind-set, this is thus where social enterprises are particularly challenged as they belong to at least two different organizational fields simultaneously: the private sector and the social sector (sometimes also the public sector), or perhaps even a new sector which has yet to be defined and fully accepted, at least in a Danish context. Consequently, the social enterprises’ aim to be considered legitimate by other actors in the field is further complicated as the field is not yet established and the “sources of legitimacy” (Deephouse and Suchman, 2008) are therefore not easily identified. The social enterprises can thus be faced with opposing demands for pragmatic, moral or cognitive legitimacy (Suchman, 1995; Dart, 2004) that they must meet in order to be considered legitimate. These demands are in turn dependent on whether the enterprises see themselves, and are perceived as belonging, within the profit-oriented private sector field or the socially-oriented social sector field. This is close to the paradox of strategic balance described by Deephouse (1999) as “the tension between differentiating to attain profitability and conforming to attain legitimacy” (Deephouse and Suchman, 2008, p. 52). Exactly this tension, as well as the sometimes contradictory demands for legitimacy, may be contributory factors in the reported difficulty for the social enterprises in communicating their identity clearly and convincingly.

Linking corporate identity and social values

Corporate identity can be defined as “the self-presentation of an organization: it consists in the cues which an organization offers about itself via the behavior, communication and symbolism which are its forms of expression” (van Riel, 1995, p. 36). One of these cues that the organization can decide to communicate about is that of CSR, defined as “the broad concept that businesses are more than just profit-seeking entities, and, therefore, also have an obligation to benefit society” (Werther and Chandler, 2006, p. 7). The concept of values is here studied as the link that can communicate and consequently bridge corporate identity and social responsibility, as values can be considered as common denominators for, and constitutive of, both identity (Williams, 2008; Cornelissen, 2011) and CSR (Morsing and Thyssen, 2003; Aust, 2004). It has been debated whether companies or organizations can be said to possess values (Melewar, 2008) as that would also entail that the company has a conscience and a personality just like a human being. This view has, however, been defended (see e.g. Pruzan, 2001) and the benefits of working strategically with communicating corporate values and demonstrate their compatibility with those of important stakeholders have also been established (Dowling, 2004; Siltaoja, 2006). In order to operationalize the very intangible concept of values, the value-theoretical framework by Rokeach (1973) is applied and will be explained in further detail in the methods section.

This study further builds on the CSR implementation and communication model (Schmeltz, 2014), which was developed for a study exploring Danish CSR frontrunner companies’ ability to adapt and align their identity and CSR values so as to reflect their new CSR commitment.

FIGURE 1: SCHMELTZ (2014): THE CSR IMPLEMENTATION AND COMMUNICATION MODEL



The model is based on Maon et al. (2010) and Morsing and Schultz (2006) and serves to illustrate the development many companies go through from seeing CSR as a complimentary component of the company to an integrated part of the corporate DNA where it is impossible to distinguish corporate values from CSR values. The study demonstrated that “even though the companies studied work with the CSR concept in a strategic and systematic manner, they are operating with two quite separate systems of values with no apparent correspondence between corporate identity values and CSR values” (Schmeltz, 2014, p. 22). It seems plausible that this would not be the case for social enterprises, as they, as opposed to ‘traditional’ businesses, would see it as less complicated to communicate their identity and social responsibility. Consequently, it could be argued that social enterprises may be presumed to be positioned in this last stage, the transforming stage, seeing as social responsibility constitutes their core, i.e. what defines them as organizational type. However, this is, as mentioned, clearly not the case. Hence, the aim of this paper is to explore what types of values, of either moral or competence character, are brought into play in social enterprises’ corporate communication, and how they are combined and possibly aligned.

Method

In this section, the particular context of the cases will be introduced, followed by an overview of the value-based analytical framework applied. Then, the sampling criteria for the Danish social enterprises studied in this paper are presented before the method of analysis, interpretive content analysis, is described.

Context of the study

In Denmark, social enterprises are defined as: “private enterprises carrying on business for the purpose of – through their activities and earnings – promoting special social purposes and purposes beneficial to society” (National Centre for Social Enterprises, 2014A). To be more specific, the enterprise has to, in order to be recognized as a social enterprise, meet the following five criteria of 1) having a social purpose, 2) carrying out significant commercial activity, 3) being independent of public authorities, 4) maintaining high standards of corporate governance, and 5) having a social approach to management of profits (National Centre for Social Enterprises, 2014B). Thus, the enterprises are characterized by having a social goal which they aim to promote or support through the production and sale of products or services on ordinary market terms. Furthermore, a defining feature of the social enterprise is that the majority of the profits generated are reinvested in the enterprise or the social cause (SFI, 2013). The social causes promoted by the enterprises are diverse, ranging from support of environmental causes, to support in third world countries, or support of people with physical or mental disabilities. Even though the social enterprise’s *raison d’être* is to support and promote a specific social cause, this does not imply that a conflict between generating profits and promoting the cause can automatically be detected; a social enterprise can generate substantial profits as long as it is reinvested, at least for the main part, in the enterprise (SFI, 2013).

In 2014, the Danish Parliament passed the act called “Act on Registered Social Enterprises” which allows social enterprises to be registered and consequently to use an official seal of approval as “registered social enterprise”. The Danish act is the first of its kind in the European Union (National Centre for Social Enterprises, 2014C). In 2013, before official registration of social enterprises was possible, an estimated 300 enterprises could be considered social enterprises according to the definition offered by the National Centre for Social Enterprises, but only 35 enterprises have so far (as of June, 2015) decided to apply for, and consequently be registered officially as, social enterprises. As such, the possibility to register officially as a social enterprise has yet to prove itself as a legitimizing tool for the enterprises. Registration of social enterprises is managed by the Danish Business Authority (National Centre for Social Enterprises, 2014C).

Analytical framework

The value system developed by Rokeach (1973) is applied as the framework of the analysis as the value system distinguishes itself by offering a rather simple, yet applicable, taxonomy of values. Rokeach defines a value as “an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence” (Rokeach, 1973, p. 5). The value system comprises 36 values in total, which can be divided into instrumental values (desirable modes of conduct) and terminal values (desirable end-states of existence). The instrumental values are further divided into competence values and moral values, and, similarly, the terminal values are divided into socially-oriented values and personally-oriented values.

FIGURE 2: ROKEACH’S VALUE SYSTEM (1973)

Instrumental values (desirable modes of conduct)	
Competence values	Moral values
Ambitious (hard-working, aspiring)	Broadminded (open-minded)
Capable (competent, effective)	Cheerful (lighthearted, joyful)
Clean (neat, tidy)	Courageous (standing up for your beliefs)
Imaginative (daring, creative)	Forgiving (willing to pardon others)
Intellectual (intelligent, reflective)	Helpful (working for the welfare of others)

Logical (consistent, rational)	Honest (sincere, truthful)
	Independent (self-reliant, self-sufficient)
	Loving (affectionate, tender)
	Obedient (dutiful, respectful)
	Polite (courteous, well-mannered)
	Responsible (dependable, reliable)
	Self-controlled (restrained, self-disciplined)
Terminal values (desirable end-states of existence)	
Social in orientation	Personal in orientation
A world at peace (free of war and conflict)	A comfortable life (a prosperous life)
A world of beauty (of nature and the arts)	An exciting life (a stimulating, active life)
Equality (brotherhood, equal opportunity for all)	A sense of accomplishment (lasting contribution)
Freedom (independence, free choice)	Family security (taking care of loved ones)
National security (protection from attack)	Freedom (independence, free choice)
	Happiness (contentedness)
	Inner harmony (freedom from inner conflict)
	Mature love (sexual and spiritual intimacy)
	Pleasure (an enjoyable, leisurely life)
	Salvation (saved, eternal life)
	Self-respect (self-esteem)
	Social recognition (respect, admiration)
	True friendship (close companionship)
	Wisdom (a mature understanding of life)

Sampling and method of analysis

The sample contains Danish social enterprises selected through purposive sampling (Neergaard, 2007). The enterprises are characterized by fitting the definition by the Danish National Centre for Social Enterprises, by having more than 5 fulltime employees, by operating on traditional market terms, i.e. selling products or services, and finally by working with an exposed target group.

Drawing on Rokeach's value system, the paper applies a qualitative approach to interpretive content analysis (Baxter, 1991; Krippendorff, 2004) based on semantic units, which serves to illustrate how corporate values and corporate social responsibility values, respectively, are communicated and possibly aligned by the Danish social enterprises on their corporate websites. Thus, the website texts on mission, vision and "about us" are analyzed and categorized, or coded, according to the taxonomy in Rokeach's value system just described. By using closed coding categories, the analysis will allow for comparing value systems across the social enterprises in the sample.

Preliminary findings

As this is a work in progress, the analyses are not finalized yet. Preliminary findings do, however, reflect the reported difficulties of establishing and communicating a clear identity towards stakeholders. Hence, it seems as if social enterprises are struggling to communicate their identity as social businesses (based on moral values), because they are very eager to demonstrate that they are competent businesses (focusing on competence values). In an institutional perspective, this could be seen as a call or search for legitimacy aimed at the private sector, the traditional field of businesses. Simultaneously, the enterprises thus also seem quite preoccupied with expressing their social responsibilities and their support of causes, focusing on moral values. Again, in an institutional perspective, this could also be interpreted as a call for legitimacy, only this time it is for legitimacy in the social sector. As such, the enterprises are communicating and sending mixed, at times even contradictory, signals about who they are, perhaps because they have to cater for two very different fields, and hence different sources of legitimacy. Referring to the CSR implementation and communication model (Figure 1), this is supported by the fact that the majority of the social enterprises included in this study can be argued to belong in the strategizing stage where complete integration is not yet present.

Practical and social implications

Once completed, the findings of this study may provide new insights that can inform social businesses in their planning

and execution of their corporate identity communication. The dual approach of attempting to claim legitimacy in two very different fields by way of two different, sometimes opposing, value systems may not be beneficial. Instead, social enterprises could opt for claiming legitimacy, and thus enter into, in a possible fourth sector, by some referred to as the for-benefit sector (Sabeti, 2009). This would also enable them to communicate their identity in a much clearer manner and hence create more awareness of this emerging field where they could be considered legitimate.

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Greenwashing Revisited: In search for a Definition

Abstract

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Purpose:

Greenwashing as a phenomenon is prevalent term when describing misleading behavior in a CSR communication context. However, little theory development on the phenomenon can be found. Nevertheless, the concept is widely used and operationalized also in quantitative CSR research, building on either a dictionary definition or on the Greenpeace (an NGO) or the Terrachoice (a consultancy) definition. We aim at advancing CSR communication theory by discussing greenwashing through a theoretical lens.

Design/methodology/approach

A systematic literature review of 57 greenwashing definitions from scholarly literature is the starting point to understand current conceptualization of the term. We address a gap in the conceptualization of the phenomenon and aim at developing a more complex understanding of greenwashing. To do so, we combine corporate legitimacy and signaling theories to arrive at a new typology of greenwashing related phenomena.

Findings

Based on the systematic review of greenwashing definitions we identify a possible shortcoming in the conceptualization of the most used definitions (Oxford Dictionary, Greenpeace, Terrachoice). We claim that greenwashing from a communication theory point of view also needs to be understood as phenomenon 'in the eye of the beholder'. Based on this observation we find – applying two theoretical lenses – different sub-phenomena of greenwashing. We conceptualize the sub-phenomena in a typology. Illustrations of each type are provided by documented cases. In conclusion we provide a new definition of greenwashing.

Originality/value

Our main contribution is a more complex, communication driven typology and definition of greenwashing.

Keywords

CSR communication, greenwashing, legitimacy theory, typology

Lipstick on a Pig: Is CSR Communication Authentic or Cosmetic? -Evidence from a Ghanaian Study.

Abstract

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Purpose

With increased public scrutiny of business and its activities, many companies have put corporate social responsibility (CSR) on the top of their agenda. However, the push for CSR has also given rise to the assumption that companies make false claims about their practices and policies. This paper explores how the six multinational telecommunications giants in the Ghanaian market present their CSR initiatives on their web sites. Do these companies inflate their communications about CSR?

Design/methodology/approach

Using discourse analysis methods, drawing on Halliday and Hassan's functional approach, the study analyses and compares the CSR communication strategies the six industry players adopt online.

Findings

Implications of the findings are discussed.

Originality/value

The study provides new empirical data that adds to the growing body of literature on CSR communication particularly in the Ghanaian context where studies have been found to be sparse. Again, the study deepens our understanding of CSR communication issues and its dynamics which will help managers identify potential gaps that may need improvement particularly in developing country contexts. With few exceptions, a linguistic approach to examining CSR communication content has not received much scholarly attention.

Keywords

Communicating CSR, discourse analysis, corporate web site, Ghana, social responsibility claims

Conspicuous Corporate Social Responsibility

Abstract

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Purpose

The call for papers for the 3rd International CSR Communication Conference (Ljubljana 2015) claims: "With universally high CSR expectations of various stakeholders communicating CSR efforts has never been more important as it is today." However, longitudinal results of an empirical study among communication managers across Europe disagree. This paper explores the decline of CSR communication as a strategic topic for practitioners and seeks for explanations.

Design

Since 2007, the European Communication Monitors annually surveys over 2,000 professionals from more than 40 countries on the importance of strategic issues in European organizations.

Findings

Dealing with CSR is losing in importance among the top issues for communication management in Europe. From the second position in 2008 it fell to the ninth in 2014 (of eleven offered).

Research limitations/implications

The study raises two questions: Are organizations merely talking about their CSR activities without a real strategic impact? Is this an indicator for "conspicuous corporate social responsibility" – organizations spending money on communicating CSR as a part of reputation management, making the general public feel that CSR is becoming ever more important in corporate boardrooms? The major limitation is in the methodological design: the data are based on subjective practitioners' reports.

Practical implications

The longitudinal analysis shows that CSR communication is losing importance from a strategic (but probably not from an operational) point of view. Moreover, in predictions about the future practitioners overestimated the growth of CSR when compared to reality.

Originality/value

The analysis questions the prevalent perception of the increasing importance of CSR in communication management.

Keywords

Corporate social responsibility, public relations, corporate communication, strategic communication, European Communication Monitor

(Lack of) Problematization of Water Supply: Use and Abuse of Environmental Discourses and Claims in the German, Austrian, Slovenian and Italian Media

Conference paper

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Abstract

Purpose

The paper aims to identify existing communication structures and processes influencing the manifestation of the issue of water supply on a European, national, regional and local public agenda and intends to work out regularities of environmental discourses in the media.

Design

The presented data of a quantitative as well as qualitative media content analysis (Nvivo) focuses on the arguments and frames used in relation to the issue of water supply. Based on a theoretical model of public debates and discourses on CSR and sustainability, the underlying assumption is that only a high degree of problematisation (arguments and counterarguments, heterogeneous frames) in the media represents a public discourse. Newspaper articles (n= 1745) published in Italy, Slovenia, Austria and Germany were analysed to trace back the environmental discourse on water supply and the risk of scarcity.

Findings

The results show that the main issues debated in the media are water privatization and management. Both discourses are dominated by arguments of corporations (particularly in Italy) and political actors (particularly in Austria). The issue of water allocation and the risk of scarcity is not problematized by any actor.

Implications

Working with the assumption of a high degree of problematization as a condition for public discourses, the qualitative evaluation shows a non-existence of a discourse on resources and sustainable ways of water allocation and usage. This puts the phenomenon of politicization, when environmental discourses are drawn to and used by another (i.e. the political) field, up for discussion with an "abuse" of environmental claims as a worst case scenario.

Keywords

sustainability communication, environmental claims, water supply, media content analysis, frame analysis, Nvivo

Use and abuse of sustainability in the media

A comparison between sustainability rhetoric in Italian, Austrian and German newspapers

Introduction

The aim of the increasing scientific debate dealing with the phenomena of sustainable communication is to explore the relationship between sustainability, sub-issues like environmental resources or social responsibility and communication. The terms 'sustainability' and 'sustainable' are communicated in heterogeneous contexts and are increasingly used as 'word pods' or master frames for individual and corporate activities. Politicians communicate their sustainability strategies, small and medium-sized businesses proclaim their sustainability, and global players frame themselves as 'green', social, and future oriented 'in a sustainable way'. Today, key values like 'innovation' or 'security' are replaced by 'sustainability'; therefore, increased business awareness, knowledge and communication as well as a growing public interest in social and environmental sustainability can be identified.

From a scientific point of view, sustainability is especially debated and studied in environmental sciences and economic-both internationally as well as from an interdisciplinary angle. When compared to environmental sciences, economics and

the so-called sustainability sciences (Brand, 2000), media and communication studies additionally offer terms, theoretical and methodological perspectives for a profound analysis of the relationship between sustainability and communication, more precisely, the differences between sustainability communication, sustainable communication and communicative sustainability (Weder & Krainer, 2011). Thereby, questions of communicators and their role in (mediated) communication processes, questions regarding the issues and frames of sustainability-related discourses in the media and other communication products as well as questions regarding the effects of communication on public opinion, consumer behaviour, cultivation etc. can be answered (Weder, 2012a; Weder & Krainer, 2011; Karmasin & Weder, 2008).

The here presented study deals with sustainability communication and seeks to identify a public discourse on a sustainability-related issue, the issue of water supply and the risk of scarcity. This particular discourse was singled out as a subject area or as a sub-discourse that is embedded in the sustainability context as well as related to existing environmental claims. The purpose is to use the example of water to identify regularities of sustainability related discourses and learn about sustainability communication in the media.

Hence, the project 'Problematization of Water Supply' examines firstly, what and secondly, how the media represent the water issue. By means of both a qualitative and quantitative media content analysis a lack of public debate can be stated. The issue is turned into a political discourse; the so called politicization implies a use as well as abuse of environmental claims for political purposes. Our paper opens up the discussion of sustainability-related environmental issues and their 'character' as common sense that are less problematized and therefore open for being 'used' and 'abused'.

Theoretical Framework

Today's societies are dependent on access to clean water. By 2025, an estimated two-thirds of the world population will be confronted with the unavailability of sufficient (drinking) water to meet their own needs. Water supply and water scarcity are complex, sometimes abstract, global as well as concrete, local and regional problems, which often have invisible symptoms and require long-term solutions. The quality as well as the quantity of water resources in Europe are key issues on a transnational, national and regional level. In 2000, the European water framework directive set up a strategic policy framework, which describes the objective to achieve for all European water a "good status" by 2015.

The framework directive challenged politics as well as corporations to meet the objectives; with a so-called "flash survey" in 2012 (<http://ec.europa.eu/environment/water/eurobarometer.htm>), the collected data about the state of knowledge about water management, water supply and related problems in Europe, they identified a deficient public awareness and knowledge about water supply and water scarcity problems. But why? In the southern parts of the US, in particular in California, but as well in Europe, in particular in Spain, Italy or Bulgaria, water scarcity is already highly visible and an experienced reality in these areas. In other areas, in particular in Germany, Switzerland, Austria or Slovenia, an apparent abundance of water masks underlying allocations and sustainable supply problems. This 'invisibility' of the water issue could have several reasons: a non-existent general sustainability discourse (see Voci, 2014), economic interests behind it or rather an abnegation of arguments for sustainable solutions in water allocation by the political system (Hrasky, 2012); or another reason could be that sustainability-related issues like water supply and the risk of scarcity are based on a 'common sense belief' (Weder, 2015) of human rights for access to resources like water, or 'water blindness' in water rich countries.

If we do understand the public sphere rather as a network of social discourse processes and media as the structural elements that initiate, manifest and reproduce these public discourses, so this understanding makes an analysis of public discourse progressions even more interesting. The here presented media content analysis examines frames on a textual level, on which the outlined discourse process on water supply and scarcity risks should be traced and analysed.

The information the European Commission gathered with their survey was used to develop a "Blueprint to Safeguard Europe's Water Resources" (http://ec.europa.eu/environment/water/blueprint/index_en.htm). It covers political recommendations in different areas and is embedded in long-term European political strategies for coping with the grand challenges of our time, like climate change. But does the public know about it? Publicity is described as a kind of oscillation between (key) events and a specific context. This process of oscillation implies that an event is embedded in a larger context through communication, i.e. in terms of evaluation or interpretation (Weder, 2012a, 2012b; Wessler, 1999). This process of oscillation as embedding an event in a particular context (of interpretation) can be described as discourse. Therefore, we assume that communication condenses in relation to a specific problem and with arguments and the framing of an event is embedded in a broader context. In concrete, we assume that water supply, the risk of scarcity and related issues like privatization are contextualized and connected to climate change and sustainability and are detectable as (mediated) discourses with heterogeneous arguments and frames.

The here presented media content analysis was therefore conducted using a public sphere model in which the dynamic between the linkage of event, topics and interpretation (arguments and frames) is detectable. On the one hand, frames can be classified as "invaluable tools for presenting relatively complex issues" (Scheufele & Tewksbury, 2007, p. 12). On the other hand, frames characterize an event or situation as "problematic" in terms of "controversial" (c.f. news values research, exemplarily Price & Tewksbury, 1997; Galtung & Ruge, 1965) and explain that "public decisions are needed" (Melkote, 2009, p. 549). Here, frames as so-called interpretative patterns (frames) help to organize public communication flows. Frames are therefore perceived as "organizing ideas" (Gamson & Modigliani, 1989; van Gorp, 2007, p. 64).

Starting from the standard works on framing research (Entman, 1993, 2004; Semetko&Valkenburg, 2000; Gamson et al., 1992; Iyengar, 1991; Tankard et al., 1991; Gamson& Modigliani, 1987, 1989; Gitlin, 1980; Goffman, 1977/1980) two frame levels can be distinguished (Matthes, 2009, p. 350): Firstly, the approaches based on an understanding of frames as selection principles (Entman, 1993); secondly, there are approaches considering thematic frames (issue-specific frames; c.f. de Vreese, 2005). Every topic is communicated through different patterns of interpretation (Shah et al., 2002) which presents the link to the analysis of different arguments in a discourse.

According to Weder (2012, 2013), we assume a coexistence of both frame levels. For example, looking at the water issue, there are issue-specific arguments like "privatization of water rises water costs" which are directly related to the master frame "water is a public good" (Hertog& McLeod 2001, Jasperson et al., 1998, Davis, 1995). Such arguments can be understood as discourse-drivers; in other words: the more controversial the arguments and issue-specific frames are, the more they influence the emergence and establishment of a public discourse (here: about water supply) (vanGorp, 2007, p. 63; Weder, 2012a, 2013).

These theoretical considerations structure the media content analysis which is presented in the following section and investigates certain quantitative elements (number of media reports over a certain period etc.), but above all asks for qualitative characteristics and seeks to "track" the discourse on water supply by identifying water-related sub-issues, events, arguments, and frames.

Research design

As indicated above, a public discourse can be traced back with a media content analysis by identifying issues, sub-issues, frames and arguments as well as the voices behind the arguments. Media content analyses therefore deal with media-transmitted statements and their patterns of interpretation. For this reason, this research can potentially be linked to the field of interference analysis. The focus of the here presented analysis is to identify a problem-related discourse in the public media, meaning that the analysis of the examined media text is seen as indicative of the context and of the (re-)constructed reality in the text.

The object of examination is the manifest content of media coverage. According to this, a content-centric approach is pursued (Scheufele, 2003, p. 47), linked to a specific theoretical approach to understand public discourses (see above). The identification of frames is a key element of the here presented research. Thus, for the empirical research a combination of a deductive (identification of issues aspects) and an inductive approach (frame analysis) was chosen. The quantitative research interest focused on the issues cycle of "water supply and scarcity risks" in 2012/2013. Issues evolved in the media from a latent issue to a (partially-) public one (Downs, 1972: Issue-Attention Circle; Buchholz et al., 1985: Public Issues Life Circle). Once the underlying problem of a topic has been solved, the authors talk about a withdrawal of the subject: this means, it declines below the mass media attention line (Weder, 2012). Thus, additionally, the more critical research interest lays on individual statements and on the degree of problemization in statements and arguments. We assume that different perspectives, interests and legitimating ideologies (van Dijk, 1999) are represented in public discourses related to water supply and scarcity risks.

Therefore, the study presented in the following sections addresses the following research questions:

- [How] do the media construct water supply as a problem?
- What are the relationships between common sense and heterogeneous arguments and frames about the allocation of water and the risk of scarcity?
- Whose voices are heard, and whose agenda dominates regarding water allocation?
- Another research interest lies in the media coverage's activation potential; thus, the question is:
- Are there any activating frames detectable in the media coverage of the water issue?

To identify a stimulus for individual or organizational engagement in terms of sustainable use of resources, 'activating communicative moments' are captured as frames with divergent 'activation potential'. As mentioned above, frames were differentiated with an inductive frame analysis; Entman's frames (1993) were taken as a framework but expanded to a scheme of communicatively activating frames in sustainability communication. This is discussed as a theoretical outcome of our study and an optional framework for future research of frames in sustainability related discourses in the last section.

Data sample

For the media content analysis on water supply and scarcity risks we selected articles of 17 newspapers in four countries

(Germany, Austria, Italy, Slovenia); the selection was determined by certain criteria concerning the range of the newspaper (national and regional), circulation, neutrality and reputation; thus, as well at a national and regional level, the selected newspapers can be characterized as opinion leaders.

For the selection of the research countries, the focus was placed on the Alps-Adriatic region (Austria, Slovenia and Italy), and expanded by including the German-speaking media landscape. Since the topic of water supply has a "European component" with the above mentioned European Commission's new privatization policy, the data sample was extended by 2 European newspapers.

The quantitative and qualitative media content analyses compare the print media news coverage about water supply and scarcity risks covering the period between December 2012 and June 2013. The reason behind was a critical report on the European Union's plan to weaken the regularities for privatization of water in German TV (ARD Monitor "Geheimoperation Wasser", (<https://www.youtube.com/watch?v=Xq4ncp-iNNA>). At the same time, one of the most successful EU citizens' initiatives was started and proceeded the "European Water Initiative" against the privatization of water, which was concluded on September 9th, 2013, with 1,884,790 signatures (<http://www.right2water.eu/>). Both, the planned EU directive itself and also the citizens' initiative are perceived as key events for an issue life cycle about water allocation, the risk of scarcity, water management as well as privatization. Additionally, this issue was taken up in the preliminary phase of the national election campaign with questionable media partnerships in Austria (Weder, 2015).

Accordingly, newspaper articles that were published between December 1st, 2012 and June 31st, 2013, in one of the chosen national and regional media in Italy, Slovenia, Austria, Germany and EU were selected for to the final data sample (Tab. 1).

TABLE 1: SAMPLE OF NEWSPAPER ARTICLES

Italy		Slovenia		Austria		Germany		Europe	
Media	Σ newsarticles	Media	Σ newsarticles	Media	Σ newsarticles	Media	Σ newsarticles	Media	Σ newsarticles
Il Corriere del Mezzogiorno	17	Delo	55	Der Standard	57	Berliner Zeitung	74	European Voice	9
Il Messaggero Veneto	77	Dnevnik	70	Kleine Zeitung	97	Frankfurter Allgemeine Zeitung	161	New Europe	43
La Nazione	21	Primorske novice	39	Kronen Zeitung	185	Münchener Merkur	126		
La Repubblica	113	Žurnal 24	29	Salzburger Nachrichten	119	Passauer Neue Presse	158		
						Süddeutsche Zeitung	66		
	Σ228		Σ193		Σ458		Σ585		Σ52
								Σ Total	1516

For the combination of quantitative and qualitative media content analyses the software Nvivo® was selected; this software enables the management and organization of unstructured text and audio-visual data and can be used for qualitative, interpretative analyses. Thus, the individual source (newspaper article) was classified first by number, medium, title, type, month, year, word-count, language, keyword (water; privatization and sustainability), as well as by editorial section and author. This was followed by the qualitative analysis of each article seeking to follow issues and identify arguments and frames. Therefore, each article was classified by "events", "points of reference" (local, regional, national, EU, international), "topics", "frames" and "actors".

As mentioned above, our interest was the inductive generation of frames and argumentation threads, which determine the water discourse. Thus, we extended Entman's (1993) frames by adding new frames of sustainability related discourses within an organizing and analysing process. The result were the following 7 items according to which the newspaper articles could be classified: (1) Attribution of responsibility/Taking responsibility; (2) Engagement/Activation; (3) Evaluation / Judgement; (4) Information; (5) Justification/Reasoning; (6) Problematization and (7) Remedy promotion/stimulation proposal. On the base of our theoretical framework, these frames can be described as scheme of communicatively activating frames in sustainability communication.

Results

In the following section the results of the media content analysis are presented with particular attention to events, topics and frames.

Water is (not) an issue per se

In all analysed articles, there are primarily economic (e. g. a new hydroelectric power plant) or environmental (e.g. flood) events that lead to media reporting. The topics are highly diverse, but water is not an issue itself but heterogeneous topics are related to water supply in general. The topics range from “riverbed management” to “bottled water” (see Fig. 1).

FIGURE 1: LIST OF TOPICS



Water management and privatization as well as water costs were the most frequent topics. But there were national differences:

a) Austria plays a leading role regarding Europe’s water policy, both in the implementation of the water framework directive and as a structural “embedded region” in the so-called “Danube Region”. But despite the related topic of River Basin Management, the following topics played a significant role in the Austrian news reporting:

- (1) Hydropower: especially in terms of trans-regional networks, both on a political and an economic level, to expand already existing hydropower stations or to build new ones. Here, also the danger of the “green” energy supply method is discussed;
- (2) Participatory involvement, civic engagement and mobilization: actions and demonstrations against the new EU water framework directives are reported.

b) In Germany, the water discourse had the following foci:

- (1) Privatization: the issue is strongly discussed relating to the EU in general and is related to the new water framework directive in particular; the reporting showed a high local reference (e. g. “Our water has to remain in Bavarian hands”);
- (2) Drinking water: here, water supply and water quality are widely discussed, especially water quality is critically exposed in relation to legionella bacteria problems; a wide range of published newspaper articles is about water boil ordinance to protect people’s health.
- (3) Fracking: the new technology trend and method is discussed with regard to possible environmental problems and is problematized in favour of waterbodies’ protection; this topic shows a high degree of politicization.
- (4) Water costs and management: public discussions about the water industry and water management, particularly in terms of the extension of water supply systems, increasing water prices and water disposal costs could be found in the articles.

c) In Italy, the media coverage presents these 3 focal points:

- (1) Water management: especially the possible or partially already implemented return of water management in public ownerships is discussed or reported;
- (2) Water quality: is discussed in particular with regard to the tap water's poor quality in several Italian cities. At this point it should be noted that Italian citizens generally do not have "trust" in tap water, so Italians do consume almost entirely bottled water. For this reason, especially in the north regions of Italy, many municipalities built so-called "water houses", where citizens can obtain purified tap water at low costs.
- (3) Privatisation: In 2011, there was a referendum in which Italian people clearly voted "no" to the possibility to privatize water. Yet, there is still a public debate about whether it would be an advantage to privatize water. Furthermore, there is no reference to the EU water management policy, unlike in Slovenia, Germany and Austria, where the privatization debate is always embedded in the European context.

d) Slovenia:

- (1) Privatisation: is discussed in relation to the EU water management directives and policy.
- (2) Protection of waterbodies: This issue was discussed on two different levels, on the one hand, natural water resources have to be protected, on the other hand, water resources should be protected from the EU's privatization plans; the issue of privatization in general is highly politicized in Slovenia.
- (3) Water public-good: water is framed as public good and human right; therefore, information on demonstrations and protests specifically related to the issue of water privatization is reported frequently.

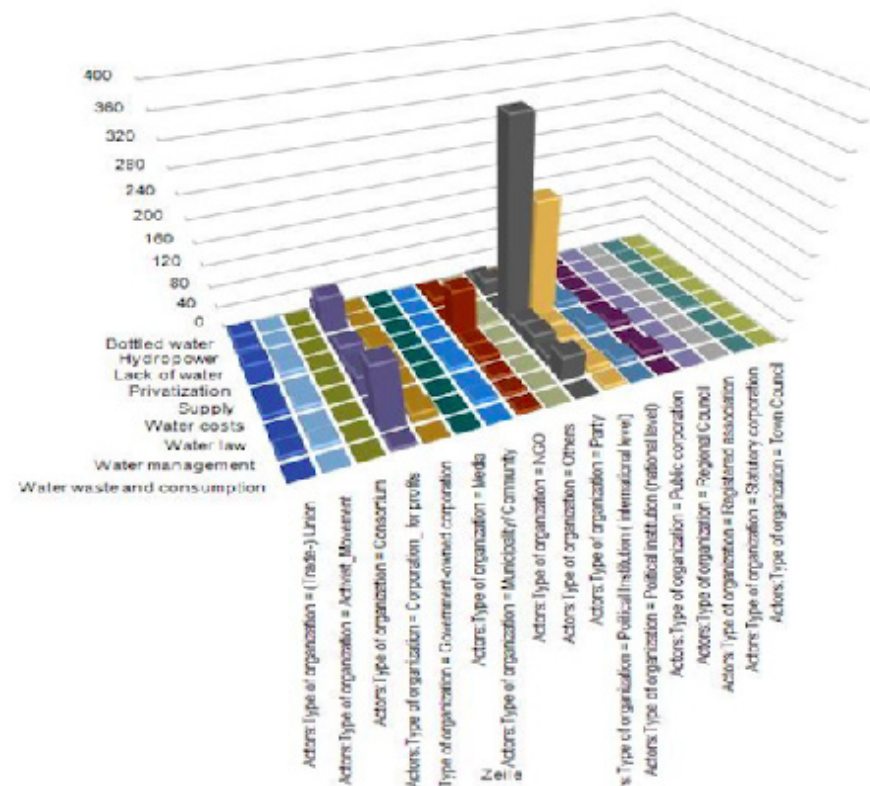
e) Europe: the main discussed topics at a European level are:

- (1) Access to clean water: this discourse is embedded in a global context, the access to clean water is framed as a human right that has to be guaranteed to all people around the world; the news coverage on water is mostly "moralized".
- (2) Water management is discussed in terms of privatization and possible concession models and processes; but most articles have an informative character.

Who says what about water supply?

This question addresses one of the main points of the here presented analysis. As shown in figure 2, privatization is a political or, in other words, a highly politicized issue.

FIGURE 2: MATRIX BETWEEN ACTORS AND SELECTED TOPICS



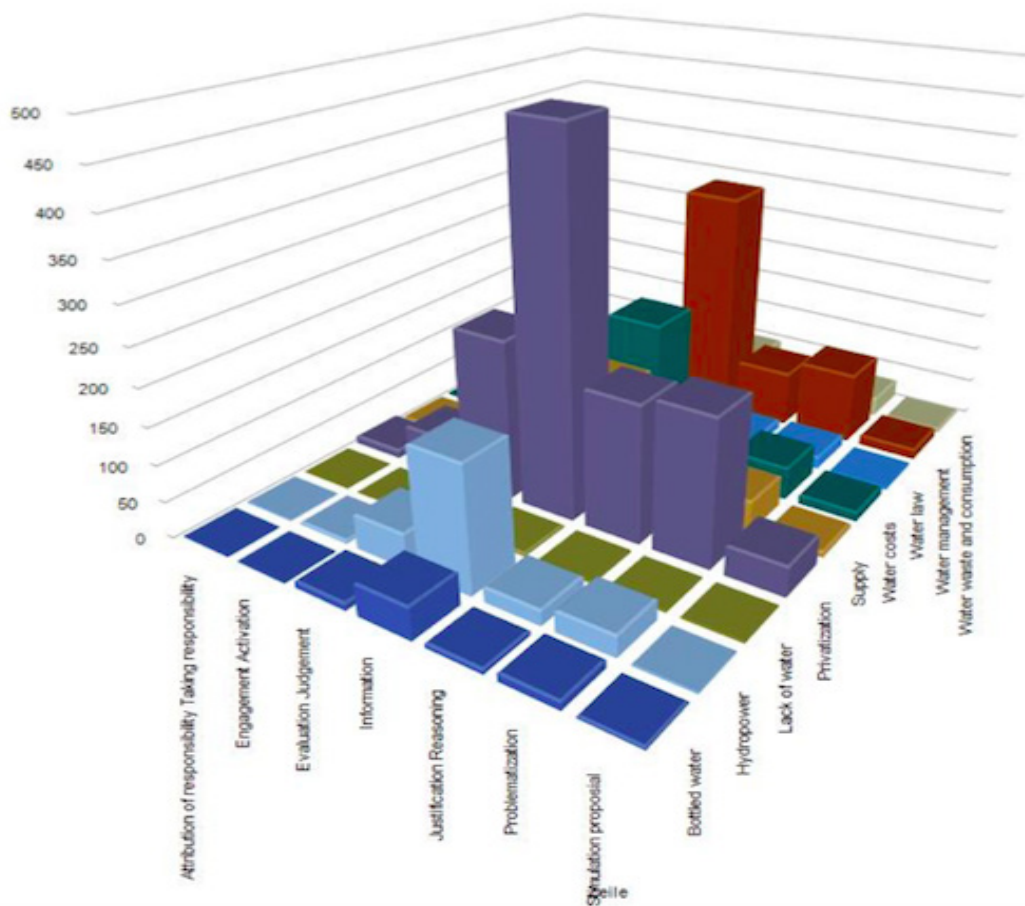
Privatization in the context of the European water framework directive is mainly discussed by political parties and political institutions, both on an international and national level. Also non-governmental organisations (NGOs) play an increasingly important role in the privatization debate. By contrast, profit-oriented companies (named as “corporation for profits”, see fig. 2) show less interest in the privatization issue; however, corporations are frequently linked to the topics related to water management and related costs (“water costs”, fig. 2).

Even if the political decision making in the area of privatization happens on a European level, the debate takes place almost exclusively on a national level in the studied countries; the debates are linked to the European discussion in Germany, Austria and Slovenia, but rather detached from it in Italy. Only few articles deal with the discussion at an exclusively EU level. Statements by EU delegates are discussed and interpreted by national actors in relation to the particular characteristics of each country.

Framing: problematization of privatization, not of the “sustainability issue”

Privatization is the most frequently discussed issue related to water supply and the risk of scarcity (and higher water costs); media coverage is full of arguments and comprises a considerable amount of moral statements; but a connection to the general debate on other environmental issues, sustainability or climate change is not detectable.

FIGURE 3: MATRIX BETWEEN SELECTED TOPICS AND FRAMES



The privatization debate takes place predominantly on an informative level (see Fig. 3). As well, there is a large amount of articles that contain information on water management rather than evaluation, arguments that justify or reason related activities or other statements. Also the topics of hydropower, water supply and water costs are informative rather than problematized. Furthermore, we could not identify any “activating potential” in the media; the frames “remedy promotion / stimulation proposal” as well as “engagement / activation” could hardly be detected in the investigated material. Nonetheless, privatization was the issue around which we could detect arguments that justify related activities and problematize the given information, in particular the planned activities of the European Union to soften the legal framework for privatization.

Water – a local issue!

Water supply and the risk of scarcity are issues which are discussed mainly on a local or regional level. The results of the here presented study show a total of 49.7% of the analysed newspaper articles address the topic in relation to the local and regional context or event (see tab. 2). However, there are differences between the analysed countries: the issue is discussed in Italy and in Germany with a very strong local focus, whereas in Austria and Slovenia the water issue is mainly debated on a national level.

TABLE 2: POINT OF REFERENCE AND COUNTRIES

	Local	Regional	National	EU	International
Austria	6,7%	5,2%	10,0%	5,7%	2,2%
Germany	17,5%	3,5%	9,1%	4,5%	4,2%
European	0,0%	0,0%	0,0%	1,5%	2,0%
Italy	8,9%	2,8%	1,9%	0,3%	1,3%
Slovenia	1,2%	3,7%	4,5%	2,5%	0,5%
Total	34,4%	15,3%	25,6%	14,5%	10,3%

Additionally it seems to be noteworthy, that a dominance of political actors could be observed in the analysed material. Here, political parties as well as political institutions at a national and international level could be identified as central communicators, together with corporations. The high degree of politicization of the issue water supply in Germany and Austria was mentioned above; again, arguments were led by political parties mainly in those countries whereas in Italy corporations dominated the public debate. Non-governmental organizations (NGOs) only played a minor role in all countries even if they organized campaigns like "right2water" mentioned above.

Further it seems to be important to point out that the European Commission as well as their decisions (directives) are consistently negatively judged and represented in the analysed media reporting.

Limitations and discussion

With our research questions we sought to answer the overall question of whether the media construct water supply and the risk of scarcity as a problem; the first question of [how] do the media construct water supply as a problem? can be answered with "no"; the analysed newspapers cover the European Commissions' plans to open up water for privatization but mostly quote politicians with their either pro- or contra-arguments. The issues of privatization and water management are visible but not embedded in a broader context of resource sustainability, global policies, ethical considerations or the debate about climate change in general. As well the second questions of Whose voices are heard, and whose agenda dominates regarding water allocation? can be answered with these results; they show that some politicians or political parties dominate the national discourse, voices of non-profit organizations are not heard.

The third question was the following: What are the relationships between common sense and heterogeneous arguments and frames about allocation of water and the risk of scarcity?

Common sense beliefs are described as social norms or principles that are not debated itself but function as macro structural context and reference for public discourses (Weder, in press). As mentioned above, a public debate implies controversial arguments and the problematization of an issue to activate further communication and interaction; nevertheless, common sense itself can be identified as a hegemonic structure of meaning, created and reproduced by actors (communicators) who dominates societal communication processes. Related to the presented example of water supply and equitable water allocation as human right, this leads to the following conclusion: the here presented study indicates two possible scenarios:

(1) Positive scenario: sustainability is a "structure of meaning", a common sense belief of today's information and communication society. Events as well as sub-issues like privatization or water management can be linked to the meta-structure of meaning with heterogeneous arguments and opposing positions, for example the argumentation that privatization is a sustainable way to prevent water scarcity risks.

(2) Negative scenario: sustainability-related issues like water supply serve as a "vehicle" for strategic communications. The corresponding research result, which supports this fact, is the homogeneity of the arguments as well as the dominant voices in public communication (esp. political voices) and the dominance of an "economic rhetoric" which underlines the trend of preserving the economic system.

Looking at both scenarios, we would like to point out that media reporting on sustainability-related issues like water supply does not represent a public discourse; much more dominant voices are presented in the media, different, controversial arguments and appeals for individual or corporate engagement do not exist. Hence, companies should perceive sustainability and related sub-discourses such as on water, air, biodiversity, diversity and gender, etc. as a thematic network structure of today's information and communication society and, therefore, consider the following two recommendations for action: First, beware of media-constructed risks! Instead of reactive communicative behaviour, the context of sustainability offers

opportunities for an active communication design. Secondly, information does not stimulate stakeholders' involvement and engagement. Companies should break up the argument's homogeneity – which means dominant (i.e. political) voices and arguments in the public communication. A real debate arises only due to "new" and counter-arguments.

Within the field of media and communication numerous media analyses were carried out on climate change (for an overview, see Schmidt et al., 2013). Evidently there are a lot of studies on climate change as an overarching phenomenon; however, fewer analyses about sustainability as a single public discourse can be found (Voci, 2014). Media analyses also mostly focus on leading national media; regional and local aspects of the sustainability debate receive less attention and, related to this, so does local and regional media. The current study attempted to overcome this gap by analysing local and regional media just as opinion-leading national media. Vice versa, this is the limitation of the study; the sample does only in part cover people's most common sources of information; further research is needed to enhance the understanding of the processes influencing the manifestation of sustainability issues on the public agenda with respect to the present high choice media landscape.

Additionally, the project presented above aimed to extrapolate the findings to international comparisons and to a broader range of key environmental and sustainability-related issues. Thus, the study aimed to extend existing understandings of the complex links between information dissemination, stakeholder [in]action, and influences in environmental planning and to substantively progress stakeholder theory beyond normative prescriptions to more holistic, useful, contextually based realities.

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5. EXPLORING CSR DISSEMINATION AND INSTITUTIONALIZATION

Managers As Institutional Entrepreneurs: A Discursive Perspective on CSR Institutionalization

Abstract

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Purpose

This study examines the institutionalization of corporate social responsibility (CSR) in the Indian context. Institutional perspectives recognize that firms are embedded in larger social structures that guide, enable, and constrain CSR, and permit a systemic understanding of CSR dynamics in specific or comparative contexts.

Design/methodology/approach

Specifically, this research employs a discursive perspective on institutionalization, one that situates discourse as central to the processes by which institutions are produced and maintained. Such an effort is well-positioned within the linguistic turn in organizational studies that treats language as central to knowledge creation and communication as constitutive of organizing. Data for the research come from in-depth interviews conducted with CSR managers in India in 2009-10.

Findings

The study unpacks the micro-level processes and discursive constructions by which managers engage in CSR institutionalization, by strategically assigning subject positions to 'self' and 'others.' A discursive process, positioning serves a performative function with important identity implications. The analysis highlights how CSR managers, as 'institutional entrepreneurs,' actively participate in the discursive construction of an institutional environment that is contested, yet in which corporations are positioned as the lead actor in business-society relations.

Originality/value

The research contributes to the growing body of scholarship advancing discursive perspectives on institutionalization, and attending to issues of agency in institutional theorizing.

Keywords

Corporate social responsibility (CSR), discourse, India, institutionalization, institutional entrepreneurs

Origin Stories in CSR: Genesis of CSR at British American Tobacco

Conference paper

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Abstract

Purpose

Graphic novels have a concept known as the origin story. The origin story is background information on how a hero or villain came into being. This paper explores the origin story of corporate social responsibility at British American Tobacco (BAT). The CSR origin story is unpacked by examining corporate documents from BAT that discuss the initial development of the company's CSR program. The BAT documents are part of the Legacy Tobacco Documents Library (LTDL), a searchable, digital archive developed and managed by the University of California, San Francisco. It contains 85,569,326 pages in 14,360,422 documents. The library was created as part of the tobacco company settlement of a major law suit in the U.S.

Design/Methodology/Approach

For this case study, we searched the archive for documents from BAT that had the key words "corporate social responsibility." The documents were then analyzed using qualitative content analysis to identify key themes related to BAT's created of its CSR programs.

Findings

The two dominant themes were business case BAT made for CSR and the environmental factors that shaped CSR. The business case had sub-themes of the new operating environment and reinforcing employees. The environmental sub-themes were the importance of NGOs and the top issues to be addressed in CSR efforts. The themes helped to explain why BAT was engaging in CSR, the factors shaping the start of its CSR programs, and the issues it intended to address through CSR.

Research Limitations

The analysis is limited to one organization and does not include interviews to go with the archived documents.

Practical Implications

The paper considers the implications of the analysis for theory and practice for internal CSR communication.

Originality/Value

The documents provide a rare glimpse inside a corporate decision to begin a CSR program and how the managers "talked" about CSR. Instead of examining external CSR communication, it examines the early days of internal CSR communication at a specific firm. The yields of the document analysis provide insights into how BAT conceptualized CSR and communicated the rationale for creating a CSR program internally.

Introduction

If you have ever viewed a major motion picture about Batman, Superman, Black Widow, Catwoman, or any other graphic novel character, you have been exposed to a concept known as the origin story. According to Hatfield, Heer and Worcester (2013), it is an essential element of the superhero genre. The origin story is background information on how a hero or villain came into being. The origin story is an essential narrative tool for character development beyond graphic novels. Writers often revise and revise origin stories to enhance character development. While corporations are not super heroes, they do invest time and resources in developing the narratives that help to construct their character or reputation (Aula & Matere, 2013). Modern corporations rely heavily upon CSR to help construct their reputational narratives (citations). But what is

the CSR origin story for corporations—how do corporations decide to incorporate it into their characters?

For corporations founded on CSR, such as Patagonia, the Body Shop, and Ben and Jerry's, we know legions about their CSR origin stories from their founders. However, most corporations were not born of CSR but rather convert to the idea later in their lives—the corporations revisit and revise their origin stories. For every Superman that is born with heroic powers, there are many like Batman or Black Widow who transform into heroes. What are corporations thinking about when they decide to pursue the CSR route to character development? Accessing internal corporate deliberations is a difficult task. However, the Master Settlement Agreement in the United States provided a unique avenue into corporate documentation. As part of the settlement, seven major tobacco companies had to make a wide array of corporate documents open to public viewing. We used this data base to seek an understanding of the CSR origin story for British American Tobacco (BAT). BAT is clearly a case where a corporation converted to CSR. Moreover, being part of the sin industries means BAT faces additional challenges related to their motives and their contributions to society degradation—the antithesis of CSR.

Background Literature

Any discussion of CSR must begin with a definition because the lack of a definitive definition can create confusion. The EC's has defined CSR as "the responsibility of enterprises for their impacts on society" (European Commission, 2010, p. 6). Firms are encouraged to "have in place a process to integrate social, environmental, ethical human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders" (European Commission, 2010, p. 6). This paper adopts a broad treatment of CSR to cover the various social and environmental impacts firms have on society. Because the paper is about a tobacco company, we must consider the relevance of being a sin industry and its relationship to CSR. This section begins with an explanation of sin industries then moves to a discussion prior research examining CSR in sin industries.

Sin Industries

Sin industries are those firms that operate legally but are involved with products or services that are considered unethical or immoral. The most common sin industries are tobacco, alcohol, and gambling—the triumvirate of the sin industry. Weapons manufacturers are sometimes included on the list as well (Cai, Jo, & Pan, 2012; Hong & Kacperczyk, 2009). Tobacco companies face a more complicated CSR situation given categorization as a sin industry. For instance, tobacco has been found to be the most common filter used by socially responsible investing groups (Beneish, Jansen, Lewis, & Stuart, 2008). Sin Industries and CSR

Similar to other firms, businesses in the sin industry were drawn to CSR as a means of protecting and cultivating reputational assets (Chandler & Werther, 2014). As the Reputation Institute notes, a large percentage of corporate reputation is now predicated upon CSR (Fombrun, 2005; Smith, 2012). Many corporations view CSR strategically (Porter & Kramer, 2011). Firms can take a very strategic/instrumental view and CSR is treated as a means to further business objectives (Schultz, 2013). Tobacco firms are challenged because they face a "different legitimacy battlefield" when engage in CSR. As a sin industry, tobacco firms are fighting for the right to exist. This different battlefield creates increased skepticism of their CSR efforts and scrutiny of those efforts (Palazzo & Richter, 2005 p. 396). Skepticism of CSR efforts is damaging because it can preclude the firms from attaining the desired, positive business outcomes (e.g., Fooks et al., 2011; Skarmeas & Leonidou, 2013).

Tobacco firms are challenged by the fact that their interests "run counter to the social good" (Palazzo & Richter, 2005 p. 397). This fact means that tobacco firms cannot use CSR to link their interests to the common good. Tobacco products damage public health rather than enhance the public good. One recommendation is for tobacco CSR to focus on integrity-based CSR. Integrity-based CSR would involve compliance with regulations and emphasize transparency (disclosure of information). Though limited in the options, a sin industry like tobacco can effectively pursue instrumental CSR efforts (Palazzo & Richter, 2005). Researchers examining sin industries (including tobacco) have found financial data to support the effective instrumental use of CSR by sin industries. The financial data found that CSR was value-enhancing for sin industries. The firms in the sin industries did realize a long term financial benefit that was enhanced by transparency (Cai et al., 2012). CSR also was found to provide the financial benefits of risk reduction for sin industries. CSR did reduce risk and enhance reputations (Jo & Na, 2012).

Research Questions

An origin story tells about what factors shape the emergence of the hero. Was there a traumatic event or radioactive spider bite? For BAT's CSR, the origin story needs to uncover the forces that helped the company embrace CSR.

RQ1: What factors were influencing BAT to engage in CSR?

An origin story also can document the powers the hero develops. Do they have super speed, claws, or x-ray vision? For BAT's CSR, the origin story needs to capture the general nature of the CSR efforts the firm decided to pursue. The general nature of the CSR effort is reflected in the issues that are deemed part of CSR and the stakeholders targeted in CSR.

RQ2: What issues were shaping the initial CSR efforts at BAT?

RQ3: What key stakeholders emerged for CSR efforts?

Methods

Qualitative Content Analysis

The purpose of this research project was to explore the origins of BAT's development of CSR. The idea was to capture how people inside the organization were conceptualizing and operationalizing CSR. We hope to document the origin story of BAT's CSR efforts. Given the descriptive focus of the study and the desire for the origin story to emerge from the BAT texts, qualitative content analysis was a logical choice. More specifically, the study utilized the conventional approach of qualitative content analysis. Conventional qualitative content analysis is well-suited for text data and when there is no preconceived categories. (Hsieh & Shannon, 2005). A sub-set of the BAT CSR documents were reviewed to identify preliminary themes of how BAT seemed to be conceptualizing CSR. These preliminary themes were applied to the remainder of the BAT CSR documents and the themes refined to reflect the additional data.

Data Set Analyzed

The Legacy Tobacco Documents Library (LTDL) is a searchable, digital archive developed and managed by the University of California, San Francisco. It contains 85,569,326 pages in 14,360,422 documents. The library was created as part of the tobacco company settlement of a major law suit in the U.S. Internal documents from the major US tobacco industry companies and organizations comprise the bulk of the Legacy Tobacco Documents Library. These documents were made available through litigation brought by the National Association of Attorneys General (NAAG) that resulted in the Master Settlement Agreement (1998). The litigation by the States Attorney Generals sought to recoup smoking-related medical costs. The litigation forced a massive disclosure of internal documents from the seven tobacco companies named in the lawsuit. The MSA provides a provision that allows for the updating of documents from American Tobacco, Brown & Williamson, Philip Morris, RJ Reynolds, and Lorillard for a ten year period (About, n.d.). Through a separate process, the British American Tobacco (BAT) were archived in the Guildford Depository but were eventually merged with the Legacy Tobacco Documents Library in July 2008. The BAT collection contains close to 7 million pages of internal corporate documents related to British American Tobacco Company (BATCo) and its parent, BAT Industries PLC (British, n.d.). The Legacy Tobacco Documents Library provides a unique glimpse into the inner working of tobacco companies. Previous published studies have used to documents to gain insight into lobby and issues management efforts of tobacco companies (Chapman, 2004).

Using the "Expert Search" function and limiting the date to all documents prior to 2001, the search of the BAT documents was conducting using the key words "corporate social responsibility." The timeframe was limited to capture the earliest discussions of CSR in order to isolate the origin story. The initial search resulted in the identification of 208 documents. Only 101 of those documents had a length greater than four pages. Each document was reviewed for relevance to the study. Documents were excluded if they only references the term or title social responsibility but provided no discussion of the topic, was just a table or budget document with no text explanations, were outside reference documents being used by the company, were short messages noting a meeting or an agenda but no discussion of ideas, or referenced some external entity that had the words in its title. The documents were reduced to 24 PDF files that offered a discussion involving corporate social responsibility at BAT. The 24 documents were created between 1997 and 2000 and served as the data for the qualitative content analysis.

Theme Development

The primary theme developed revolved around the three research questions and focused on reasons why BAT should be involved in CSR, the CSR issues identified by BAT, and the key stakeholders specified by BAT. The initial reading of a set of ten documents resulted in four themes: the rationale BAT provided internally for CSR, the role of employees in the CSR program, how CSR was being defined (including the reference material used by BAT), and how the role of health issues about smoking factored into the CSR discussion.

The initial themes were revised after the other 14 documents were examined. The rationale for CSR was labeled the reputation case for CSR and had two sub-themes: the new operating environment and employee reinforcement. The reputation case theme argued that CSR was a means of enhancing reputations and improve financial success—the business case argument for utilizing CSR. The operating environment sub-theme posited that stakeholder expectations were changing and firms must meet those expectations to have continued success and maintain favorable reputations. A critical expectation would be for businesses to demonstrate their concern for society. The employee reinforcement sub-theme emphasized the importance of CSR to employee recruitment and retention—employees are drawn to and remain with firms with favorable reputations. CSR was a means of enhancing reputations that, in turn, would increase business success.

The second theme was labeled environmental factors and identified the elements in the operating environment that would shape CSR efforts. The environment factors theme had two sub-themes: (1) NGO pressure and (2) issues. The NGO pressure sub-theme specified that NGOs were drivers in the need to CSR and frequently controlled what actions should be viewed as CSR. The issues sub-theme identified the issues BAT believed they should be using in their CSR efforts. By exploring these four sub-themes, we are able to craft detailed answers to the three RQs.

Document Analysis

In reading through the early documents, we find an organization trying to come to terms with this new idea of corporate social responsibility (CSR). CSR was broadly defined as “broader social and economic impact on society” (Workshop, 1996, p. 1). BAT management, and the consultants they hired, were searching for the meaning can and should have for the organization and its stakeholders. The themes of the rationale for CSR and environmental factors capture the essence of this search for meaning.

Rationale for CSR

When any new program is being introduced in an organization the first questions should be “Why?” There must be some rationale for expending the time and resources on the new program. A dominant theme in the CSR documents is the rationale for why CAT should be committing to CSR. In general, the rationale was that CSR would enhance the corporate reputation thereby enhancing BAT’s business position. CSR was viewed as a threat to reputations. CSR can help “to protect and enhance its reputation and that of its brands” (Understanding, 2000, p. 2).

Two sub-themes were the foundation of the rationale for CSR: the new business environment and employee reinforcement. Multiple documents noted the changing expectations of stakeholders. Stakeholders now expect corporations to address “human rights and other sensitive political issues in different parts of the world” (Global, 1999, p. 1). BAT noted the “spotlight is increasingly turning to focus on the role of business in society” (Understanding, 2000, p. 1). Organizations that did not heed this change faced problems. Not meeting stakeholder expectations will damage the “long-term success of the business” (Understanding, 2000, p. 2). There were external pressures that were making CSR relevant to corporations. The view was that BAT should be proactive and embrace this new environment.

There was also a recognition that BAT was in a particularly vulnerable position being in tobacco. “Business is understandably anxious to minimize the commercial dangers posed by negative consumer reactions and media exposure of perceived corporate misdeeds. Some companies and sectors are more vulnerable to these pressures than others” (Global, 1999, p. 3). BAT did acknowledge being in the tobacco industry created unique challenges related to CSR. As a tobacco company, BAT was more susceptible to the pressures from the external forces seeking to push CSR. Moreover, the CSR efforts of BAT would be scrutinized carefully and the organization needed to internalize CSR and make it “a natural part” of the organization (Understanding, p. 2). The CSR program would highlight “the company’s long history of being a good corporate citizen and the extent to which it is embedded in the company’s culture” (Honour, 1998, p. 1). CSR would be integral to BAT’s reputation. Failing to address CSR would damage the reputation while embracing CSR could enhance its reputation.

Attracting and retaining quality employees is one of the benefits of a positive corporate reputation (e.g., Davies, Chun, da Silva, & Roper, 2003). BAT viewed CSR as a means of raising employee morale. Employee morale was a concern because of the lawsuits against the tobacco industry in the U.S. and other criticisms of this sin industry. BAT was keenly aware that people might have misgivings about working for a company many viewed as harmful to society. One of the BAT documents included CSR in the discussion of why to work for BAT. The document also contained responses to critics who would argue against working for BAT. Here is an example:

“In our view, an informed decision to enjoy the pleasures of smoking while balancing those pleasures against the risks is no more for criticism than many other lifestyle choices we all make. Most of us are content to leave these choices to the individual. Smoking is just such a lifestyle choice for individuals. We will continue to support the right of informed adults to choose to smoke” (Talking, 2000, p. 19).

One of the designated aims of the CSR program was “to help improve morale within the company” (p. 1). The CSR documents frequently noted the need to communicate CSR efforts to employees and to engagement in the CSR work. One document noted, “Communication with employees is a crucial element of any programme—they are our best ambassadors. These positive messages will also engender pride and improve morale” (Honour, 1998, p. 2). The BAT documents even recognize the link between reputation and employees, “BAT needs to regain a reputation of being trustworthy and responsive if we are to retain and develop the commitment of employees and gain the access and influence we need externally” (Strategic, 1998, p. 1). The BAT documents indicate that employees are a primary stakeholder and target for the new CSR program. This is evidence that BAT viewed CSR as a way to reinforce employee commitment to the organization by enhancing the corporate reputation among employees.

Environmental Factors

Another question asked when a new program is introduced into an organization is “What will it be about?” An essential question with a CSR program is what issues will be covered—what will constitute CSR. It was clear from the documents that environmental factors would be shaping what BAT would include in its CSR program. NGOs and issues were two sub-themes that emerged from the documents.

As noted in the discussion of the new operating environment, NGOs were part of the external pressure groups that were creating the need for CSR. As one document noted, “Analysis of main NGOs driving the corporate social responsibility agenda” (BAT, 1999, p. 7). NGOs were considered a potential resource because they had insights into what should constitute CSR. Multiple documents emphasized the importance of NGOs to environmental scanning related to CSR (e.g., Contents, 2000). One strategy was to partner with NGOs to gain both insight and legitimacy. BAT saw value in working

with some NGOs, a “closer cooperation/dialogue with the more realistic NGOs (those that recognize wealth generation and economic development as valid and are prepared to work with business)” (Honour, 1997, p. 2). BAT wanted to select a few “low risk groups” for direct engagement (BAT, 1999, p. 7). NGO partners would also provide the third party endorsements BAT desired. BAT management realized advertising would be ineffective for CSR given it is a tobacco company. Instead, the early focus was on using third party endorsers to promote BAT’s CSR efforts (Honour, 1998). It should be noted that BAT managers realized CSR would only have the desired business benefits if stakeholders knew about the CSR efforts. As one document observed, “we not only need to be a good corporate citizen we also need to be seen to be so. In other words, we need to communicate that we are putting something back into society” (Strategic, 1999, p. 1). The importance of communication and awareness for the business benefits for firms has been documented in the marketing literature (e.g., Du, Bhattacharya, & Sen, 2000).

The NGOs are one of the sources BAT was utilizing to find the issues that would populate its CSR program. A number of the documents presented short lists of issues facing BAT that could be integrated into the new CSR program. The issues that appeared most frequently were child labour, under-age smoking, responsible marketing, and sustainability. BAT considered sustainability a strength because the organization was already involved in sustainability concerns related to tobacco farming. Managers also recognized stakeholders were largely unaware of its sustainability work (Honour, 1998). BAT was working with Earthwatch to improve and to legitimate its sustainability work. Here is a statement from a document about promoting the Earthwatch partnership to employees regarding an objective for the coming year. “To build on an established awareness among employees in order to inform them more in-depth about the Company’s three-year programme with Earthwatch and its wider involvement in the field of Corporate Responsibility” (Earthwatch, 2000, p. 1). BAT deemed Earthwatch a source of legitimacy for its CSR efforts.

The two dominant issues in the documents were child labour and under-age smoking. Child labour was an identified problem in the tobacco industry and its growing importance in the apparel industry made it a logical issue for BAT. BAT was working on a model child labour program in Brazil called “The Future is Now” (Contents, 2000). The most text was devoted to under-age smoking. BAT realized the natural connection between under-age smoking and being a tobacco company. Often under-age smoking was considered part of responsible marketing but other times considered a separate issue. The CSR materials include a lengthy discussion of BAT’s plan to help fight under-age smoking (Tool-kit, 1998). Interestingly the document emphasizes that smoking is an adult choice with an emphasis on choice. The employee relations document focusing on CSR include a long section on efforts to prevent under-age smoking (British-American, 1999). The environment scanning resulted in BAT focusing on sustainability, child labour, and under-age smoking as the primary issues to be covered in the CSR program.

Discussion

This section answers the three research questions and reviews the themes in the BAT documents to determine how well the ideas expressed in the origin story fit with extant research in CSR. BAT was attempting to use CSR to advance business goals. Therefore, the discussion will reflect the strategic focus CSR and CSR communication.

Answer to Research Questions

Research question one asked “What factors were influencing BAT to engage in CSR?” BAT management seemed feel CSR was now becoming a part of its operating environment. Stakeholders had expectations that firms would think beyond financial concern to the broader societal impacts. NGOs were identified as one of the key forces helping to create the pressure for CSR. CSR was creating a reputational risk. Organizations that did not engage meaningfully in CSR would suffer reputational damage while those that did would realize an improved reputation and the business benefits associated with it.

Research question two asked “What issues were shaping the initial CSR efforts at BAT?” The BAT CSR documents indicate three issues had risen to the top of its CSR agenda: sustainability, child labour, and youth smoking prevention. Other studies of tobacco company CSR messaging have identified the same dominant issues (e.g., Dorfman et al., 2012; Gonzalez, Green & Glantz, 2012). Research question three asked, “What key stakeholders emerged for CSR efforts?” By far the most commonly mentioned stakeholders were NGOs and employees. NGOs could provide insights as part of environmental scanning and offered a source of legitimacy through partnerships. Employees would be reinforced by the CSR messages and become advocates for BAT. Hirschhorn (2004) found a similar emphasis on employee engage in BAT documents. The answers to the research questions provide a description of the CSR origin story at BAT.

Laudable Actions

Palazzo and Richter (2005) argued that tobacco company CSR should focus on integrity rather seeking to align the company with the social good. Integrity-based CSR would focus on transparency and compliance. The BAT documents generally reflect integrity-based CSR. The word transparency appears often in relations to CSR. The focus is on they need to be transparent about CSR reporting and the CSR committees themselves. One document noted, “transparency itself is a goal of many corporations’ CSR efforts” (Board, 2001). There was also an emphasis placed on auditing for compliance to regulations and reporting that compliance to stakeholders (Child Labour, 1999).

The employees and NGOs were appropriate targets for CSR messages. The BAT documents correctly noted the role of em-

employees as ambassadors and the benefit of CSR messages to improving morale through reputation enhancement. NGOs were identified as drivers for CSR and their importance as a source to be scanned was correct. Moreover, the idea of partnering with friendly NGOs is a strategy that is still recommended today for building legitimacy through third party endorsements (e.g., Doh, Howton, Howton & Siegel, 2010).

Questionable Choices

While most of the early CSR discussion was integrity-based, the youth smoking prevention reflects more a desire to align with the social good. The general message is that BAT shares society's concern with youth smoking. However, BAT views smoking as a choice (an adult choice) and youths are potential future markets. It rings hollow that BAT is seriously focused on the social good. It appears more likely that BAT is dealing with a problem endemic to the tobacco industry in an effort to prevent regulation. Dorfman et al. (2012) found CSR by tobacco companies was used in part to prevent regulation of the industry. The youth smoking prevention efforts reflect self-regulatory discourse (Coombs & Holladay, 2011) more than a concern for the social good. Furthermore, research suggests the tobacco company youth smoking prevention programs do more harm than good for society (Landman, Ling, & Glantz, 2002). However, youth smoking is a serious issue linked to the tobacco industry. It stands to reason that ignoring the problem is not a realistic option for BAT. The consequence of not addressing youth smoking could be more harmful to BAT even if speaking to the problem does not generate any benefits. Omission could be the more damaging option in this scenario.

What is noticeably absent in the CSR documents is the link between smoking and various diseases. Even the documents that address health focus on topics other than the deleterious effects of smoking. But the issue is in the background. Consider this statement: "However, it is inconceivable that British American Tobacco could avoid communicating about these core issues" (Opukah, 2000, p. 3). BAT documents indicate an awareness that the smoking-health problem link is a limiting factor for CSR but is not a point that addressed directly in the early CSR documents. Only the very long document designed for potential and current employees broaches the smoking-health problem link in any detail. This limited approach to the smoking-health problem issue is logical. BAT is never going to convince those opposed to smoking due to health concerns that the company is socially responsible. What BAT can do is to use CSR to reinforce support for BAT among its favorable stakeholders. The focus on employees speaks to the preaching to the choir strategy. CSR is being communicated to employees to improve BAT's reputation with employees. The smoking-health problem connection is an issue BAT cannot "win" in a public debate. However, CSR can be used to counterbalance the smoking-health problem link among supportive stakeholders.

Conclusion

As to be expected, BAT's CSR origin story is an instrumental narrative focused on the strategic use of CSR and CSR communication (Castelló, Morsing, M., & Schultz, 2013; Schultz, 2013). Its fledgling CSR program is about bring value to the firm. Even the strong emphasis on NGOs and employees is associated with the benefits they can yield for BAT. One of the two dominant themes in the documents is the business case for CSR. We would expect such arguments as a firm begins a CSR program because it must justify the expenses and time being dedicated to create the new program. What is interesting is the view that CSR is emerging as force in the business operating environment that cannot be ignored. The idea of external pressures pushing corporations to CSR is a recurring theme in the documents. CSR is recognized as a form of risk reduction for reputations. BAT believes it is being proactive by understanding the pressures for CSR and seeking to integrate CSR into its business model.

From a practice perspective, BAT provides a solid blueprint for creating a CSR program. Highlighting the importance of NGOs and employees are topics we find in current practitioner and strategic/instrumental academic writings about CSR. The BAT documents show how "insiders" view the strategic value of NGOs and employees for CSR programs. Moreover, BAT seemed to be following the advice of academics to use an integrity-based focus on CSR. BAT does understand being a sin industry creates problems for its CSR efforts. Their focus on transparency and regulatory compliance match perfectly with an integrity-based use of CSR (Palazzo & Richter, 2005).

As a sin industry, BAT is recognized as contributing to societal problems. Smoking is harm to people's health and that has negative ramifications for society. The question for practitioners and academics is how to create instrumentally effective CSR programs when you are in the sin industries? As noted, an integrity-based CSR program is one option. But how else should firms address their endemic risks—societal risks that are created by the existence of the sin industry.

BAT faced the endemic risks of youth smoking and smoking-health problem connection. BAT made youth smoking prevention part of the company's CSR efforts. BAT largely ignored the smoking-health problem connection except with employees. The employee messages were a form of inoculation whether BAT presented the arguments employees might hear about the health dangers linked to smoking. Did BAT's attempts to prevent youth smoking create more problems than it solved? Research is required to determine if ignoring or addressing an endemic is the most effective in terms of reputation building and if inoculating employees about smoking proved to be useful for employees. The analysis suggests some future routes for research into CSR and the sin industries based upon the actual tactics utilized by BAT.

The origin story of CSR at BAT reflects a rather sophisticated view of how CSR was emerging an integral part of the business

environment. BAT managers saw the connections between reputation, risk, and CSR that academics would expound upon in later years. BAT also recognized the limitation of being a sin industry would place on its CSR efforts. BAT adopted a strategic approach to CSR that included a careful assessment of stakeholders to determine who to involve in the CSR efforts, who to target with CSR communication, and what issues should be part of the CSR program. We can debate whether or not a sin industry can actually engage in CSR or the problematic nature of an instrumental approach. Still firms like BAT will attempt to integrate CSR into their operations and those efforts likely will be instrumental. We shift to a more practical question of "Can other managers draw lessons for the BAT's CSR origin story?" Overall, the BAT documents indicated the development of BAT's CSR program reflected insights we would find in later research about CSR and CSR communication. BAT's CSR origin story is one strategic narrative built upon a thorough analysis and understanding of the critical stakeholders in the firm's operating environment. While the basic plot was to be expected, the complexity of how BAT approaches its instrumental use of CSR provides insights that other managers might find useful in their organizations.

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The Communication Process in the Dissemination of Sustainable Practices: A Survey of Brazilian MSMEs

Conference paper

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Abstract

Purpose

The purpose of the study is to ascertain the relevance of the communication process to sustainability-building in 40 Brazilian MSMEs by weighing the answers to three questions: a) do Brazilian MSMEs consider communication a strategic process in the promotion of their business sustainability?; b) what are the media and the communication tools adopted by the entrepreneurs to promote their products and services?; and, c) how do MSMEs relate to their stakeholders?

Methodology

This exploratory study examined 40 Brazilian MSMEs through an on-line questionnaire and a semi-structured interview. The statistical analysis included: tabulations, contingency tables, intensity variables, analysis of correlations between the relevant variables for the survey. The results were arranged in a matrix to help determine whether MSMEs conduct their communication process in support of their business sustainability.

Results

The results reveal that the communication process is used strategically to ensure the sustainability of the business activity in 32 of the 40 MSMEs in our sample. Entrepreneurs play the role of communicator by planning and carrying out communication activities to improve their businesses; moreover, the leadership of the founder in the management of the communication process is found to lend credibility to the actions undertaken.

Originality

This is an unprecedented study, attempting to identify communication practices and their impact on the processes of sustainability within MSMEs in different regions of the country.

Keywords

Communication strategies, sustainability process, CSR communication processes, context of Brazilian MSMEs, entrepreneurship

Introduction

MSMEs¹ have enormous relevance to the Brazilian economy, as they account for 99.7% of all enterprises in the country. Global Entrepreneurship Monitor (GEM, 2014)² estimates that approximately 45 million people aged between 18 and 64 (34.6% of all Brazilians within that age bracket) are entrepreneurs. Taking the entire population as a parameter,³ approximately 22% of all Brazilians are involved in entrepreneurship, a figure only surpassed by China and the United States.

The above scenario corroborates the fact that MSMEs are the main driver of development in the country and validates the need for a comprehensive study that leads to the dissemination of good practices. This survey was founded on three conceptual pillars: The first is the contextualization of MSMEs in Brazil, against the broader backdrop of entrepreneurship in the country. The information permitted the identification of meaningful data on the socioeconomic importance, the trends as well as the weaknesses and challenges of the sector. Based on that pillar, the various criteria and parameters relating to the profile of the sample of MSMEs were defined. The second pillar consists of the theoretical framework on which the communication process rests, taking into account the technological developments and their impact on the reality of the organizations. The concept selected what that of communication as a process, as this is the view that best describes the

scenario of interactivity and developments in the area of information and communication technologies (ICTs). The perspectives outlined by Ferrari (2011) and Castells (2013), as well as those found in the research conducted by Grunig and Hunt (1984) on the models of public relations comprised the theoretical framework of this analysis. The third pillar corresponds to sustainability, a concept to which different meanings have been attached along the time (Bonfiglioli, 2011), and which Veiga (2010) defines as a value comparable to the idea of democracy itself. The study emphasized corporate sustainability that leads to the consolidation of companies in the long run (Almeida, 2002). The approach demands from companies a willingness to interact and make commitments to the society, nature, future generations and citizens, as repeatedly confirmed in the review of the literature that makes up the theoretical base for research on issues related to corporate sustainability, such as Mirvis and Googins (2006); Amato Neto (2009) and Willard 2005 apud IBGC, 2007)4

This article is divided into four sections. The first sets the MSME context and highlights their strategic relevance for the country's development. The second section contains a reflection on the communication processes and sustainability within MSMEs. The third section deals with the methodology, sample selection criteria and tools adopted. The final section introduces the results extracted from the respondents to the survey.

MSMEs and their strategic relevance for the country's development

Brazilian MPMEs account for 65% of all formal employment in the country5. MSEs - micro and small enterprises - alone, generate 25% of the national GDP and account for 40% of the country's wage bill. The proportions are similar around the world, where the small enterprises account for more than 95% of all private business activity (Wymenga et al., 2012 apud Spence, 2014).

Small businesses are vital to the developing countries, where entrepreneurship is considered critical to development and poverty eradication (Jamali et al., 2009, Singer, 2006, apud Spence, 2014). In Brazil, nearly 70% of small-sized enterprises are located inland, which contributes to the creation of opportunities to develop public policies geared toward the generation of income and the improvement of living standards across the country (Sebrae6, 2013). Sachs (2008) suggests that stimulating the creation and expansion of small-sized businesses should be a priority when drawing up policies aiming at increasing social inclusion through employment. Hardt (2012) sustains that small businesses are of utmost relevance in the construction of a new development pattern, and that they should not be regarded solely as a consequence of a permanent increase in consumption. According to the author, small businesses have the power to lead the world to a more sustainable development model.

Smaller businesses are also important as agents of innovation. According to Elkington (2014, p. 93), it is important to recognize that tomorrow's crucial "breakthrough innovation will emerge from small enterprises we never heard of before." Data from SBA, US Small Business Association from 2012 point to the fact that, in the United States, companies with up to 500 employees produce 13 times more patents per employee than the large-scale companies. Businesses with that profile are seen as critical to the growth dynamics as well as to job creation in developing countries7. In Brazil, the Entrepreneurship statistical surveys (2014) carried out by IBGE and Endeavor Brasil8 centered on high growth enterprises9. The analysis over a 3-year period (2010-2012) revealed that, by the end of 2012, 35,206 enterprises spread across the entire country fit the high growth definition in Brazil. More than half of them employed up to 49 individuals, which characterizes them as small enterprises.

Another element taken into consideration by those studying the subject is the motivation that leads people to start their own business in the country. In Brazil, 70.6% of the companies were established because their founders believed there were opportunities to grow and develop their projects. Curiously, up until the start of the year 2000, the motivation behind a start-up was inverted: people started their businesses because they did not see any other way to survive. In comparison with other countries in Latin America and the Caribbean, the rate of opportunity-motivated entrepreneurship in Brazil (70,6%) surpasses that in Uruguay (82,4%), Chile (81%) and Mexico (76,3%). The continental average is 74.4%, very similar to that of Asia and Oceania (74.6%), higher than that of the European Union (73.4%) and lower than that of the United States and Canada (78,9%)10. The data leads us to conclude that there is still a lot to be done in the field in Brazil.

Becoming an entrepreneur is one of the ultimate aspirations of fulfillment for Brazilians. A GEM survey (2014) revealed that this ambition is surpassed only by two other aspirations: owning a home and traveling around the country. After gathering data from 10,000 interviews, GEM contacted 108 specialists in entrepreneurship to hear their views on the conditions offered to entrepreneurs in the country. In that exercise, the entrepreneurial skills of the Brazilians were a recurrent feature stressed by the participants. Government policies, education and training, on the other hand, appeared both as favorable and as limiting factors, simultaneously.

As we recognize the role and the strategic importance of MSMEs for the social and economic development of the country, our study attempts to address a critical question: what is the contribution of the communication process to MSME sustainability? That was the underlying concern through every step of the research exercise conducted.

The communication processes and MSME sustainability

The survey dealt with two central issues, namely: communication and sustainability. Communication is to be understood as a process involving the company's commitment and participation vis-à-vis its stakeholders. According to Ferrari (2011, p. 154) this approach entails abandoning the model of sender-recipient, characterized by unilateral communication and endorsing "a more dynamic and complex orientation that hinges upon the construction of meaning, where the players are

allowed to be active and to take the initiative". In this model, the stakeholders - businesses and publics - create and share meanings through the exchange of information (Ferrari, 2011). Castells (2013, p. 11) adds that it is through communication and interaction that networks are constructed and, ultimately, the autocommunication, through the "use of the Internet and the wireless networks as digital communication platforms". Those two views - communication as a process and auto-communication - were decisive in understanding the communicative context of the MSMEs surveyed.

The availability of tools that allow the entrepreneurs increased autonomy and mobility in the communication process is an important consideration when doing business and carrying out partnerships. Ovanesso (2015, p. 4)11 argues that small- and medium-sized enterprises are able to seize the advantages of the digital economy more quickly, as they are not burdened with complex and bureaucratic processes. According to the author, "the nature of the digital economy brings about a type of competition in which being big is not necessarily an advantage".

It is important to take into account the point of view of authors who argue that the communication process is inherent to the very creation and management of the companies. In this context, Taylor and Cooren (1997, apud Casali, 2009, p. 113) argue that organizations, in general, are established and express themselves through communication, "which materialize in words, ideas, concepts or other elements of oral or body expression". Freitas (1991, p. 34) supports this stance by stating that organizations can be seen as "a phenomenon of communication, without which they would be non-existent".

For the sake of promoting organization sustainability, the communication process takes on an educational role as, in addition to informing, it must also mobilize people and often modify behavior, which entails changes and adjustments of practices and conduct, particularly among workers and suppliers. Securing a sustainability-oriented culture calls for a communication process that transcends the mere transmission of information: the process must also stimulate learning and develop the individuals involved.

According to Sodré (2012, p. 36), communication and education go hand in hand; the same is true for the sustainability processes: "sustainability requires ample knowledge sharing, which cannot be seen as a simple vulgarization of technical information, even when characterized by the enormous volume of data and the high speed of the digital technologies", he argues.

The involvement of the stakeholders is decisive for the competitiveness of a business, and just as important as the company's price policy, its product quality or innovation. However, to ensure the effective involvement, the organization needs to convey trust, which implies the formulation of a mission and values that are credible to the publics (Nakagawa, 2012). Moreover, the more a company relies on a quality network of relations, the higher its chances to enjoy a good reputation vis-à-vis its publics. According to Caridade (2012, p.68), "what creates value for a business is the interaction between the different groups of stakeholders (clients, suppliers, the financial community, the community at large, etc.) around the activities the company engages in".

Whether or not they are engaged in the value chain of large-sized companies, small enterprises can no longer disregard the practices and attitudes attached to sustainability. Just like their large- and medium-sized counterparts, MSMEs are increasingly subjected to the choices of the consumer and the regulations in the field of environment and human rights, which require adjustment to the principles of sustainability. By the same token, those companies seek to develop new business opportunities by introducing innovation to their products and services.

In 2012, Sebrae conducted one of the rare Brazilian surveys on the understanding of the concept of sustainability by SMEs. The "What micro and small businesses think of sustainability"12 survey involved 3,912 entrepreneurs across the country in the fields of retail and services (50%), manufacturing and construction (46%) and agribusiness (4%). Although the majority of the entrepreneurs defined their understanding of sustainability as the result of the balance between the social, the economic and the environmental dimensions, what one sees on their daily activity is the prevalence of the environmental dimension. The survey revealed that 54% of the entrepreneurs do not take on board sustainability in their business and growth strategy, even though they adopt certain measures of environmental efficiency (reduction of water and energy consumption, for example) with the purpose of cutting down on costs. The results of the survey show that the actions taken and perceived as sustainable by the bulk of the Brazilian SMEs are isolated and geared toward the optimization and improvement of processes (Barreto, 2012).

There seems to be, however, a trend towards a more generalized adoption of a stance that promotes sustainability as a strategy focused on the strengthening and growth of the small-sized undertakings. Along those lines, Amato Neto (2009, p. 10) stresses that "the sustainable business is one whose concerns are focused on research activities, development and innovation, on human resources policies, productive work practices, and marketing as well as financial strategies".

Methodology

The sample of MSMEs surveyed was conceived taking into account the following criteria: a) classification of the business as a MSME based on the number of employees; b) participants should be companies solely funded by domestic capital; c) participant companies should be private; d) participant companies should be located in all regions of the country; e) participant companies should develop and/or trade products and services on sustainable principles. Based on those criteria, an analysis of public databases from business promotion agencies and organizations promoting entrepreneurial activity was conducted to identify qualifying MSMEs for the sample.

The first selection was carried out by each of those agencies approached,13 which resulted in a preliminary list of 107 MSMEs meeting the established criteria. The list of 107 MSMEs was narrowed down following visits to company sites and

the review of publications in the conventional and specialized media. Lack of sources of complementary information (sites or media, email and telephone numbers) excluded a series of companies, and the final list comprised 79 MSMEs.

On-line questionnaires were sent to 79 companies with the purpose of assessing their practices on the following topics: a) establishment of the company; b) entrepreneurship; c) communication process; d) company vision with regard to business sustainability. Responses to the questionnaire were obtained from 40 of the original list of 79 MSMEs, i.e., a response rate of 51%. Following the statistical processing of the questionnaire results, a semi-structured interview was carried out with eight entrepreneurs (20% of the sample) with the objective of deepening the understanding of the communication process vis-à-vis the sustainability of the companies surveyed. The respondents were characterized as follows: 22 of them (55%) were founders and/or CEOs of the companies; eight (21%) were partners; four (8%) were directors; four (8%) were managers or supervisors; and two of the respondents did not specify their positions in the companies.

From the 40 MSMEs surveyed, 22 (55%) are in the manufacturing sector; 12 (30%) are in the service sector; four (10%) are in the retail sector; and two (5%) are in the agribusiness sector. The companies are, in average, 13 years old, which denotes the presence of young organizations, created since the year 2000. This is an important detail, because it is from that year that entrepreneurship in Brazil begins to flourish no longer as a way of securing survival, but rather as a business opportunity. This about-face resulted in some qualitative changes, such as a higher number of entrepreneurs with higher education and a graduate degree, which, according to GEM (2013), has reflected on the progressive increase of the MSME survival rate. The average number of employees in the MSMEs was 52 full time employees, which suits the criteria established for participation in the survey. Of the sample surveyed, 60% were companies that trade their goods or services directly to the consumer. Other companies were part of a value chain of larger enterprises or companies that do business with the government or other public companies. Most of the companies surveyed do business with more than one type of client. Thirty-one (78%) of the respondents are men of approx. 45 years of age.

Because of the size of the companies, the owners or partners in the business monopolize all decisions, both strategic and operational. The educational level of the respondents is high, and show that 28 (70%) have completed university and 21 of them (51%) have completed a graduate course.

A two-axis matrix was chosen to analyze the data gathered in the questionnaire and in the interviews. The vertical axis contains the four models of Public Relations practices formulated by Grunig and Hunt (1984), allowing to assess the position of each company according to the way in which it carries out its communication. The definition of Public Relations adopted is that provided by Ferrari (2011), according to which the role of the discipline is the promotion of the inter-relation between the organization and its publics and between the publics and the organization. This is a broader concept than that of the strictly mediated communication.

According to this perception, the communication process between the organization and its stakeholders assumes a more relational and interactive character, and that is considered critical in terms of conduct, and we have seen in our literature review. The vertical axis also considers the asymmetric and the symmetric relationships. The asymmetric relationships are those where the entrepreneur considers the communication process solely as a tool to secure a favorable reception of the business through the publication of information, without admitting the possibility of a dialogue. This addresses two specific concerns of the survey: the identification of the tools adopted in the communication process and the media chosen to disseminate sustainability actions. In the symmetric relationships, the entrepreneur uses the communication strategically, and seeks relationships with the stakeholders. This addresses two other specific concerns of the survey: ascertaining how the entrepreneurs surveyed relate to their stakeholders, and determining whether they adopt some form of strategy or plan in the development of their communication actions with a view to securing sustainability.

Supported on the above authors, the researcher defined the parameters for the assessment of the communication practices carried out by the MSMEs surveyed, fitting them into the models - symmetric or asymmetric - as shown in Table 1.

TABLE 1: PARAMETERS FOR THE CLASSIFICATION OF MSME COMMUNICATION

Model	Parameters
Symmetric	<ul style="list-style-type: none"> - Open to dialogue; - Intent to communicate strategically; - Planned communication geared toward sustainability processes; - Plan to create or strengthen communication policies; - Perspectives of opportunity in exploiting the digital and other media for communication and establishment of relationships; - Constant presence of the founder and/or partner; - Collaborative practices; - Proactive attitude;

Asymmetric	<ul style="list-style-type: none"> - Unilateral communication; - Low (or no) disposition to dialogue; - Lack of planning linked to non-existent strategic intent; - Exclusive focus on the dissemination and promotion of products and services; - Reactive attitude; - Sporadic communication actions;
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An analysis of the answers reveal that 32 (80%) organizations adopt symmetric communication practices and eight (20%) adopt asymmetric communication. Those results confirm that the majority of the MSMEs adopt collaborative practices, are open to dialogue with their publics and use communication strategically.

The horizontal axis of the matrix introduces the stages of sustainability produced by the researcher, based on the concepts introduced by Willard (apud IBGC, 2007), Mirvis and Googins (2006, apud Lauriano, Bueno Spitzcek, 2012; 2014) and Amato Neto (2009). Willard (2005) conceived the five stages the companies go through as they seek sustainability, namely: 1) Against-compliance of legal requirements: the company is solely geared to profit maximization; it ignores sustainability and is against any regulation in the area as it entails additional costs. 2) Compliance of legal requirements: the company manages its liabilities complying with labor, environmental and health and safety legislation; social and environmental actions are considered costs. 3) Beyond compliance of legal requirements: the company understands that it can save money through eco-efficiency; it recognizes that social and environmental investment may boost its reputation and generate a positive impact in economic terms. Sustainability initiatives are concentrated in certain areas and are not institutionalized. 4) Integrated strategy: rather than concentrating on costs and risks, the company identifies investment and opportunities; it reaps benefits from sustainability. 5) Purpose and passion: the company adopts sustainable practices because it believes that it is the only purpose of the business; this culture stems from the founder’s culture.

Mirvis and Googins (2006) see sustainability as a synonym of corporate citizenship, and identify five sustainability stages a company may find itself in: 1) elementary: sustainability is sporadic and the company programs are not elaborate. The companies under this category are reactive and moved by their legal obligations; 2) committed: leadership takes into account some aspects linked to sustainability, but companies tend to be reactive and their communication is limited to their stakeholders; 3) innovative: leaders are at the forefront of the sustainability process. Companies have contact with a variety of stakeholder groups, but their perception of transparency and ethics is still limited. Their activities lack coordination; 4) integrated: leadership is at the forefront of the sustainability projects, has an inclusive vision, and makes efforts to mobilize employees to commit to sustainability; they rely on an integrated structure; 5) transformers: sustainability is at the core of their business model. Their challenge is to create new markets by combining sustainability and business. Those ideas are in line with the concepts advanced by Amato Neto (2009), defining a sustainable company as one that inserts sustainability principles into all of its activities and relationships and is committed to the dimensions that go beyond the triple bottom line such as ethics, culture, work and human rights.

Based on the ideas of the authors, the researcher developed five concepts in an attempt to ascertain the stage of sustainability of the MSMEs surveyed, as shown in Table 2.

TABLE 2 : THE CONCEPT OF SUSTAINABILITY AND THE STAGE OF THE COMPANIES

Concepts of sustainability	Stage of the company
It is a set of standards, regulations and certifications related to the environment, work relations and payment of taxes;	Frail
It is the practice and dissemination of initiatives to reduce costs through introduction of efficiency in the use of resources such as water and energy and handling of waste;	Eco-efficient
It is the marketing positioning of the company, its products and services;	Marketing-oriented
A business strategy that takes into account the social, economic and environmental pillars;	Integrated
A culture of change and cooperation, whose purpose is to mobilize the company toward the development of sustainable products and services, contributing to the protection of the environment, continuous improvement of the living standards and the guarantee of the rights of the future generations.	Transformer

Source: Researcher-produced, supported on the concepts by Mirvis and Googins (2006) apud Lauriano, Bueno, Spitzcek (2012; 2014); Willard (2005 apud IBGC, 2007; Amato Neto (2009).

Taking into account the tools adopted to survey the 40 MSMEs, Table 3 shows companies according to the stages defined by the author.

TABLE 3: THE STAGE OF COMPANIES

Number of companies	Stage of the company
29	Transformers
08	Integrated
02	Marketing-oriented
01	Eco-efficient
0	Frail
40	Total

Out of 40 companies, 29 were considered transformers, for whom one of central challenges is the development of products and services for a market where the business and the sustainability agendas go hand in hand (Mirvis and Googins, 2006). Their leaders are committed and take the responsibility to lead the organization on the sustainability path and see this as a way to achieve growth, consolidation and increased competitiveness (Nakagawa, 2009). They are concerned about fostering an organizational culture based on sustainability and conveying it to their network of contacts through technology, innovation, differentiation of products and services or even through setting an example as an entrepreneur committed to sustainability practices and principles.

The average age of the transformer companies in the survey is 13 years. This means that the wide majority of the transformers were founded after the year 2000, when entrepreneurship started to be seen more as an opportunity to develop than as the only alternative to survive (GEM, 2013). The transformers are companies created within the digital environment, boosted by the popularization of the Internet starting in the year 2000. Of those, 23 (57.5%) adopt the symmetric communication model. They see communication as an essential element for the company performance, they are proactive, have an understanding of and maintain a dialogue with their publics and resort to digital devices to facilitate their interaction with their contact network. They know how to exploit the opportunity of visibility derived from the participation of the founders in events, exhibits, competitions and award initiatives. In sixteen of the companies in the sample, (55%), the founders or managers have graduate courses, and in 25% (7 companies), they have a university degree. The relationship with the academia and research centers is highly regarded by 23 (75%) of the transformer companies, which can be explained by their interest in seeking partnerships which support innovation and the development of their products and services.

An element that deserves attention is that six companies in the transformer stage in terms of sustainability adopt the asymmetric communication model. The results show that there is an obvious mismatch between understanding sustainability (more advanced) and the adoption of asymmetric relationships, which supposes a reactive behavior, low willingness to the dialogue, sporadic action and absence of planning. That notwithstanding, the survey revealed that companies see communication as a strategy for the achievement of their businesses. One of the possible explanations for the asymmetry in the practice of communication is the likely ignorance of the benefits in terms of sustainability that more effective stakeholder interaction may bring, as well as the low-cost devices and tools available, such as the intensive use of the digital media, participation in events, exhibits and award ceremonies.

Eight of the organizations surveyed are in the integrated stage, and their sustainability policy takes into account the social, economic and environmental pillars, known as Elkington's sustainability "triple bottom line" (1998). The MSME survey revealed that the companies in the integrated stage are the oldest in the sample, and have existed, in average, for 20 years. It also became clear that the organizations that belong to the integrated category stem, in the majority, from the manufacturing and retail sectors, and offer to the market products that do not seem to contain the latest technology with high innovation potential. In their vision of the future, factors such as climate changes and globalization are seen much more as a threat or as an irrelevant element to the business than as a challenge to be met or an opportunity to develop new products and services. On the other hand, they seem to be committed to the development of their staff and employees, and of the community in which they exist. They adopt the symmetrical model and practice one of conditions suggested by Elkinton (1998) in the field of communication, which consists of stakeholder engagement in value creation. They take into account the expectations of their publics when developing the products and services (Misser, 2014)¹⁴. According to Grunig (2011), companies that "listen to" and maintain a dialogue with their stakeholders refine their knowledge of the network of relationships and practice, therefore, the symmetric communication model.

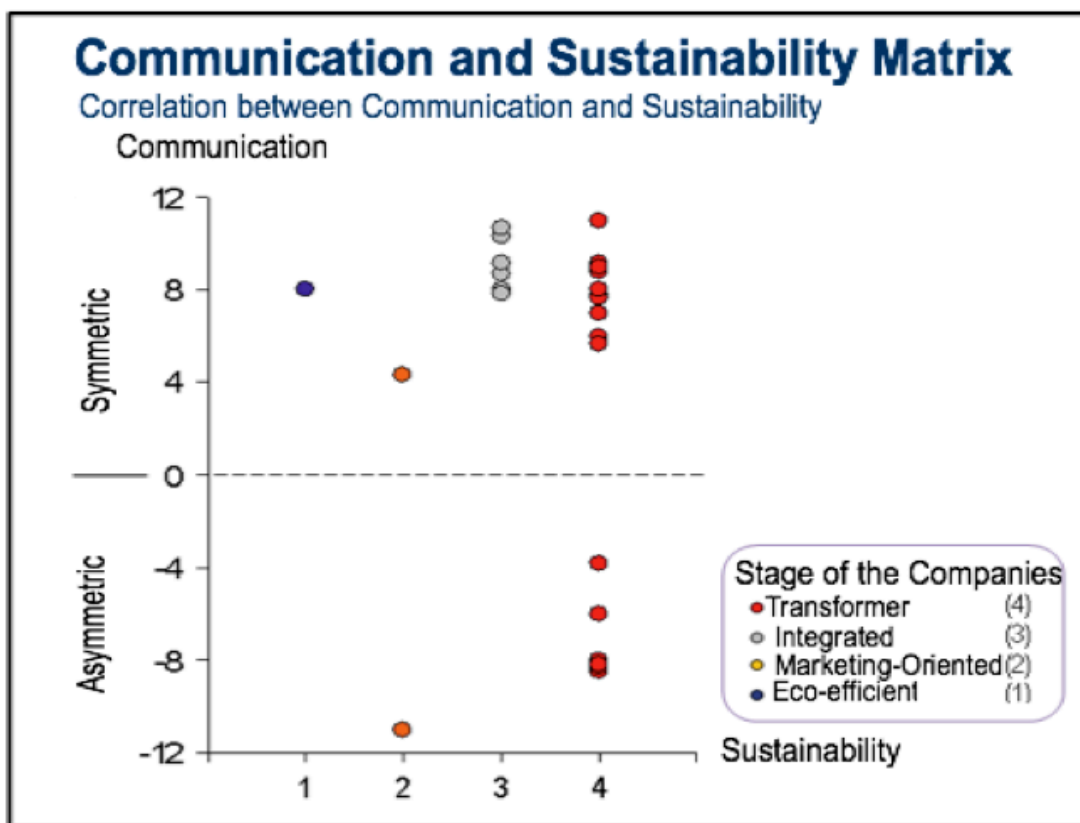
The companies that are in the marketing-oriented stage see sustainability as a way of positioning their brand, products or services on the market. Those organizations feel that adopting the attitudes and principles recognized as sustainable by the public opinion is an important differential for their business. In the center of their motivation to pursue sustainability are the improvement of their image and reputation, a competitive advantage, the access to new markets and the generation of profits for their shareholders. Enterprises that fit this type of profile can be considered to be in the stage called legal compliance (IBGC, 2007). The companies in this category comply with the labor, environmental and legal regulations, see eco-efficiency as a way to cut down on costs and generate financial benefits and consider that the association of their products and services with sustainability can bring business opportunities. However, they are still to find themselves in the stage where the principles of sustainability are integrated into all of their processes, activities and relationships. Only two companies were identified in the survey as being in the marketing-oriented stage, adopting both symmetric and asymmetric models.

Enterprises whose vision of sustainability is limited to the benefits brought about by the reduction of costs through the control of consumption of water and energy, or by the adequate handling of waste produced in their activity are classified as being in the eco-efficient stage. Only one company has been identified as being in this stage. The previously mentioned 2012 Sebrae survey shows that most of the Brazilian MSMEs that have reasonable experience with or information on sustainability practices identified with eco-efficiency and develop specific strategies detached from a global business strategy. Those companies adopt asymmetric communication practices, unrelated to the company's strategic objectives.

Companies in the frail stage develop their business without taking into account the social or environmental impact of their activity; their sole objective is profit maximization. The survey did not identify any MSME in that frail stage. An explanation may be that one of the criteria for the admission of the companies to the sample was that companies should develop products and/or services linked to sustainability. The absence of that type of company in the sample is positive, and shows that the MSMEs surveyed have taken the sustainability path and regard profit as only one of several motivational factors.

The matrix in Chart 1 shows the 40 companies positioned around the quadrants formed by the two axes: communication and sustainability.

CHART 1: ANALYSIS MATRIX - SURVEY RESULTS



In the matrix, 23 transformer companies that adopt symmetric communication are in the upper right quadrant of the chart. Of all the companies surveyed, this group of companies is in the most advanced stage as far as communication and sustainability are concerned. The transformer companies are those that have introduced the concept of sustainability into their processes and relationships and make an effort to strengthen a culture based on sustainable values throughout the network. Their leaders believe that the business in the future will be determined by sustainability, and they see phenomena such as climate change and globalization as challenges or opportunities. As far as communication is concerned, they are proactive companies that adopt more collaborative forms of communication, have a strategic vision and know how to utilize the devices and tools available to them to achieve their objectives.

The organizations in the integrated stage of sustainability adopt symmetric communication and are found in the upper right quadrant of the chart, to the left of the group of transformers, which adopt a symmetric communication strategy. The companies in the integrated stage have sustainability policies defined according to the triple bottom line (Elkington, 1998); they conduct their business taking into account the impact of their activity on society and on the environment. As far as communication is concerned, they are proactive, open to the dialogue with their stakeholders, and develop strategically focused actions.

The transformer companies, which adopt the asymmetric communication model, are found in the lower right quadrant. As previously stated, it is possible that those companies, that have integrated sustainability into their business, are yet to com-

prehend the positive impact that the intelligent use of the communication tools available may bring in terms of sustainable growth and development, which may explain why they embrace the asymmetric model of communication.

The upper left quadrant houses the eco-efficient organization, which adopts the symmetric communication model. The two companies found in the marketing-oriented stage are placed according to their communication models, symmetric and asymmetric.

How do the companies surveyed communicate?

Our survey has revealed that communication actions by the MSMEs are heavily aligned with the business activity and in 38 of the 40 companies the leadership position is occupied by the founder or by the partners, and that is an element that boosts business credibility. The results identified correspond to Sigtizer and Prexl's claim (2008, apud Bortree, 2011) that organizations that maintain a dialogue with their publics on sustainability are able to promote commitment, which in turn contributes to the welfare of the society as a whole; they also corroborate the stance taken by Caridade (2012), who underpins the value created by the relationships.

Along the survey, we have seen a clear correlation between the communication process and the companies' business prospects. The analysis of the entrepreneurs reveals that the most relevant stakeholders in terms of sustainability of their projects are the clients, the employees and the business partners, and that reinforces the idea that the intensification of the relationships leads to business growth. All of the participants recognize the clients as their most relevant public; and for 38 companies (95%) employees and business partners follow suit. Thirty-seven companies (92.5%) seek to strengthen their organizational culture, and 34 (95%) seek recognition of their sustainability efforts by the public opinion.

Some entrepreneurs reinforce the role of communication as a promoter of general public awareness on the issue of sustainability and its benefits. According to them, this increases the value of the products and services they deliver, thus rendering them more competitive in the market. (Nakagawa, 2009). Although they focus their relationship activities on the stakeholders directly associated to their businesses, 34 (85%) of the companies surveyed seem to be highly committed to the future generations and to the community as well.

The relationships with the academia are more relevant for companies with high innovation aspirations, as is the case of enterprises that conduct research on new materials and technologies to fight pollution and to improve basic sanitation systems. Some of the companies surveyed stem from university startups, or were created by members of research centers. On the other hand, 16 companies (40%) are indifferent to Government and professional organizations, which reveals that part of the entrepreneurs conduct their activity without taking into account the influence of those publics as facilitators in the process of sustainable development of businesses.

When analyzing the correlation between the publics in the companies and the tools used to interact with each of the publics, one can see that the choice is made based on the objectives of the organization, and is therefore not a random choice. Digital media are adopted to communicate with clients to emphasize the promotion of their products and services, often conducted by the entrepreneurs themselves. Through them, they seek interaction, as explained by one of the entrepreneurs interviewed: "communication is not a one-way road; I can only sell my product when my client is able to communicate with me as well". In some cases, the entrepreneur takes the responsibility for producing the content or the image communicated, as acknowledged by one of the respondents: "I visit my construction site; if I see something of interest, I make a video myself, I make a statement and publish the material on Youtube and on the social media".

From the sample surveyed, 27 entrepreneurs (67.5%) claim to use Facebook to communicate with their clients. The interviews revealed that some of the entrepreneurs master the media and adopt an integrated approach when communicating with their publics. Information shared through the participation in competitions and award initiatives or conferences, for instance, are multiplied through the network of contacts which, in turn, generate public awareness of the company, as one entrepreneur describes: "we are an emerging company which has a duty to communicate with society at large, but we have no money to invest in merchandising. Therefore, we have to do it ourselves. When I take part in an award ceremony, a conference, an event, I give an interview to the press. I do some marketing and promote (the company)".

Final remarks

Through this survey, we were able to find an answer to the key issue in our study: the degree of relevance of the communication process for the sustainability of the MSMEs in our sample. We came to the conclusion that the communication process is part of the daily life of most of the MSMEs surveyed; it is carried out strategically and with the support of the leadership of the founders; furthermore, those companies practice the symmetric communication model, are highly motivated to the dialogue, the interaction, are proactive and have a vision of opportunities. We could say that those organizations can be considered "communication phenomena", according to Freitas' definition (1991). That may bear a relation to the nature of MSMEs in a country where being an entrepreneur is among the highest aspirations of the Brazilians.

The companies recognize the stakeholders that best contribute to the sustainability of their projects, and give priority to their clients, workers and suppliers. The community and the future generations are also included in the groups of publics considered relevant to the sustainability; this is reflected in the commitment the MSMEs have to the improvement of the life standards around them as well as in the preservation of the rights of the future generations. In their interaction with their stakeholders, the companies resort to the digital tools that have transformed the business scenario by allowing free access to the networks and applications that have made interaction a real-time/no-cost activity. The companies in our

sample are also highly active in terms of participation in events and award initiatives, which are used as a strategy to show, promote and attain visibility for their products and innovation. Only eight companies adopt asymmetric communication practices, which may reveal a low level of awareness of the potential benefits that communication may generate for a business; those entrepreneurs are mostly reactive and less collaborative in their communication practices.

The findings are quite relevant if one considers that this group of companies has a high potential of business growth, innovation and dissemination of sustainable practices. The 40 companies surveyed occupy a prominent position in terms of advancement in sustainability processes, sustained on the profile of their founders. It must be stressed, however, that the results of this study cannot be generalized to the universe of MSMEs in the country, considering that both GEM (2013) and Sebrae (2014) have revealed a high incidence of informality and mortality of MSMEs in Brazil.

From the results produced by this survey, three findings deserve special attention:

1) Information and communication technologies have transformed the business scenario in which the Brazilian MSMEs in the survey perform today. The results reveal that the information and communication technologies have contributed to the empowerment of the entrepreneurs, who have become agents and producers of their own communication to their publics. By mastering the digital tools, the entrepreneurs have gained more autonomy; the cost barriers that prevented them from carrying out communication activities have disappeared. Before the advent of digital media, small companies felt marginalized from the communication market: lacking financial resources to invest, they were forced to develop their own sporadic and limited actions, which only produced scant returns in business terms.

2) According to the researchers, the lead of the communication process by the founder of the company has resulted in increased credibility to the actions developed, which was strategic in terms of MSME sustainability. The entrepreneurs have a clear idea of who their most significant publics are for their business, which allows them to define the means and the tools to conduct the interaction according to the specific profile of the stakeholders to create and maintain more effective bonds that benefit their project.

3) Most entrepreneurs believe that communication can help shift paradigms by disseminating information on sustainable practices. As a result, they expect greater awareness of their clients and consumers vis-à-vis the concealed "value" of their sustainable products and services. The MSMEs in the study claim that they contribute to increasing the awareness of sustainability by carrying out specific activities, by sharing their own business example and by their commitment to their network of contacts.

The survey brings to light some important challenges for the development of the communication projects of enterprises that are innovative and interested in seizing the business and market opportunities that sustainability may generate. It is imperative to promote MSME research in light of their importance in the scenario of the Brazilian economy. To that end, research should privilege an inter-disciplinary perspective, analyzing the various angles and interfaces of MSMEs, such as the areas of communication, innovation, sustainability processes, leadership, management, etc. to broaden the spectrum of the findings.

Limitations and future research

This study has produced an initial sketch of the understanding of a specific group of Brazilian MSMEs of the communication process geared toward sustainability. One of the limitations of the study has been the modest number of MSMEs analyzed. Future research should attempt to attain more enhanced knowledge by studying a more representative sample of Brazilian MSMEs.

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NOTES

1 MSMEs are enterprises that employ up to 499 people (in the manufacturing sector), or 99 persons (in retail and services).

2 Surveys carried out since 1999 as a joint project by the London Business School and Babson College. Today, 100 countries are covered in the project. In 2014, the exercise included 70 countries, the equivalent of 75% of the world population or

90% of the world GDP. Brazil joined the project in the year 2000 and is represented by IBQP, the Brazilian Institute for Quality and Productivity with the technical support of SEBRAE (MSME Support Services). In 2011, the Center for Entrepreneurship and New Business from the Fundação Getúlio Vargas joined the project as an academic partner, available on http://www.ibqp.org.br/upload/tiny_mce/Download/GEM_2014_Relatorio_Executivo_Brasil.pdf. Accessed on 15/05/2015.

3 IBGE, the Brazilian Geographical and Statistical Institute estimated the Brazilian population to be 204,26 million people. Data available on <http://www.ibge.gov.br/apps/populacao/projecao/>, accessed on 17/05/2015.

4 The Corporate Sustainability Guide, published by IBGC, the Brazilian Institute for Corporate Governance, includes the five stages suggested by Willard (2005).

5 Data extracted from the Procead/FIA, the Training program for developing enterprises from the Center of Sustainability studies from the Fundação Getúlio Vargas, based on information from CEMPRE, the National Enterprise Register from IBGE

6 SEBRAE, the single most important player in the field of training and promotion of development of the small businesses in Brazil through fostering entrepreneurship and competitiveness.

7 The 2012 Entrepreneurship Statistical study adopts the information provided by Cempre, IBGE's Central entrepreneurial register as well as IBGE structural surveys between 2009 and 2012. The complete documents are available on <http://www.ibge.gov.br/home/estatistica/economia/empreendedorismo/2012/>, accessed on 13/01/2015.

8 Non-profit organization supporting entrepreneurs in 20 countries (www.endeavor.org.br), accessed on 17/05/2015.

9 High growth enterprises are those that have registered a yearly increase of 20% in their average payroll for three years in a row and which, at the end of the control period, have 10 or more salaried personnel. Gazelle companies are a subset of the high growth companies that are up to three years of age at the start of the control period. The definitions adopted by IBGE follow the recommendations of the OECD, Organization for Economic Cooperation and Development.

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12 The complete survey available on <http://www.sebrae.com.br/estudos-e-pesquisas>, accessed on 20/06/2014

13 The databases used to identify the MSMEs for the survey were: Finep - National Innovation Award - Micro and Small Business category - 2006-2013, available on <http://www.premiodeinovacao.com.br>, accessed on 10/09/2014, Sebrae Sustainability Center, available on <http://sustentabilidade.sebrae.com.br/Sustentabilidade>, accessed on 11/09/2014; Exame PME- "250 empresas que mais crescem no Brasil", 2014, available on <http://exame.abril.com.br/pme/noticias/exame-pme-lista-as-250-pequenas-empresas-que-mais-crescem>, accessed on 15/09/2014; Instituto Empreender Endeavor, available on <https://endeavor.org.br/empreendedores-endeavor/>, accessed on 10/10/2014; Prêmio Isto É Empresas Mais Conscientes. Small and medium enterprise category, available on http://www.istoe.com.br/reportagens/389075_ISTOE+PREMIA+AS+EMPRESAS+MAIS+CONSCIENTES+DO+BRASIL, accessed on 23/10/2014 "Análise dos Modelos de Negócios Sustentáveis" Ethos, available on <http://www3.ethos.org.br/ce2013/modulos/analise-de-modelo-de-negocios-sustentaveis/>, accessed on 10/10/2014; Prêmio Competitividade Brasil para Micro e Pequenas Empresas, available on <http://www.mbc.org.br/mpe/>, accessed on 23/10/2014; Fimai 2014, available on <http://www.fimai.com.br/pages/galeria.aspx?ativo=true&modo=vertical&mn=12>, accessed on 30/11/2014. Prêmio Professor Samuel Bechimol e Banco da Amazônia de Empreendedorismo Consciente, available on <http://www.amazonia.desenvolvimento.gov.br/>, accessed on 30/11/2014.

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Transforming Aspirational Talk into Action – An Empirical Study

Conference paper

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Abstract

Purpose/Rationale

To explore how aspirational claim making in relation to CSR is talked about at a meta discourse level by interviewing industry thought leaders. Particular emphasis is placed on discovering how CSR talk and action is discursively constructed, how organisations describe dealing with hypocrisy, and how they materialise aspirational claims into action. This study adds empirical evidence to the concept of aspirational talk and hypocrisy.

Design/methodology/approach

In this paper data gathered during in-depth, qualitative interviews with food industry experts in CSR and CSR communication in Ireland, the UK, and USA is presented, and early-stage interpretations are offered.

Findings

The empirical data suggest that aspirational talk acts as a “commitment and alignment device”, raising the standard for others by creating competition, and thus has a performative character. Aspirational talk is shown to be self-producing (due to the performativity and binding property of aspirational claim making) but also self-limiting (insofar that claims are never truly aspirational, and more engineered to ensure targets can be met). It is also revealed that in daily practice organisations adopt a pragmatic view on dealing with contradictions, paradoxes and hypocrisy. Organisations are shown to develop frameworks and models that focus on prioritisation of CSR goals to guide their corporate and business level decision making where actions may have contradictory outcomes.

Practical implications

The research findings suggest that aspirational talk is a useful resource for organisations to help them transition towards becoming more responsible businesses. Rather than censoring aspirational talk to prevent scepticism by some, robust auditing and verification systems should adhere to deliver proof of CSR achievements to back up achievement over time.

Originality/value

The study provides data on the topic of aspirational talk and hypocrisy, where there has been much theory development, but limited empirical evidence. It also does so in the context of sustainability in an important industry, food.

Keywords

CCO, organisational communication, aspirational talk, CSR, hypocrisy

Introduction

This study is part of a wider inquiry concerned with the communication of sustainability/CSR claims, developing a macro-meso-micro perspective on the concept of aspirational talk, hypocrisy and the processes involved in transforming talk into action.

The research is based on fieldwork carried out with international industry experts, as well as with organisations participating in Ireland’s Origin Green sustainability programme for the Foods and Drinks sector. This scheme aims to position Ireland as a sustainability leader and to leverage this reputational position to grow international exports (<http://www.bordbia.ie/>)

OriginGreen/Documents/index.html). Business practice that embraces sustainability will be rewarded by new business opportunity. This finds expression in increased and new product sales, competitive advantage, in enhanced reputation, financial performance and in significant operational cost savings (Carroll, 1979, 1991; Gond and Matten, 2007; Hart, 1995; Porter and Kramer, 2006).

A strident promotion of its sustainability/CR aspirations may well help to build the reputation of a firm (Du et al., 2010). However, a failure to meet them can lead to reputational disadvantage and this type of communication is often considered as greenwashing and is heavily criticised (Laufer, 2003; Prasad and Holzinger, 2013), leading often to consumer scepticism (Skarmeas and Leonidou, 2013). Alternatively, a more low key approach to claim making may yield little in the shorter term, but can underpin a valuable marketplace standing over the longer term. This 'catch 22' of CSR communication (Morsin et al., 2008) highlights the challenges facing organisations today. Decoupling of CSR talk and action has received a lot of academic attention, and tight alignment between words and actions are favoured (Bromley and Powell, 2012; Ravasi and Phillips, 2011).

Whilst most research in relation to corporate social responsibility (CSR) views the gap between organisational CSR talk and action as problematic (Aras and Crowther, 2009; May et al., 2007), recent work by Christensen et al. (2013) has put forward the view that such discrepancies can in fact be treated as positive due to their potential to act as a stimulant to CSR improvements and to raise standards in relation to practice. I seek to build on this recent research and aim to shed light on how industry experts make sense of CSR aspirational talk, how they deal with hypocrisy and what processes aid in materialising aspirational talk into organisational practice. I do so in the context of sustainability claims in the food industry.

Henceforth, my principal objective is to add empirical insights to the debate of aspirational talk by engaging with industry thought leaders to discuss aspirational CSR claim making and how they perceive the relationship between talk/action, as well as exploring in detail in which way CSR aspirational talk has a performative power in their organisations. For this purpose in-depth qualitative interviews were carried out with industry experts in the UK, Ireland and the US. I start with reviewing of constitutive approaches to communication and discussion of the concepts of aspirational talk and hypocrisy in the context of CSR. I then present the data, considering the issues raised in the theoretical discussion. The paper is closed with some reflections on the significance this work has on the theoretical development of the concept of aspirational talk and hypocrisy.

Theoretical Background Communication

Within organizational communication the role of communication is often thought of in functionalist 'conduit metaphor' terms (Reddy, 1979), a process of sending and receiving information. This view of communication is heavily criticised (Axley, 1984) for reducing communication to a linear, asymmetrical model that does not take into account the complex process of meaning negotiation (Schoeneborn and Trittin, 2013). Building on Axley's critique, constitutive approaches to communication have flourished, emphasising the dynamic nature of meaning negotiation and co-construction of communication (Ashcraft et al., 2009; Luhmann, 1992). This shift is also mirrored in corporate communication where communication is traditionally seen as a strategic management tool, aimed at informing and influencing. However, here also communication is increasingly conceptualised as constitutive of businesses and organisations, emphasising the collaborative and participatory nature of business communication (Deetz and McClellan, 2013). It is now appreciated within corporate communication that organisational members creatively co-construct or de-construct the meanings of corporate messages in ways not intended by management (Christensen and Cheney, 2000; Humphreys and Brown, 2002).

As a result, constitutive approaches to communication have thrived and offer a new epistemological and ontological way of thinking about communication (Schoeneborn and Trittin, 2013). Adopting a constitutive view, means that 'communication is theorized as a process that produces and reproduces – and in that way constitutes – social order' (Craig, 1999, p. 128). Further developing this notion, communication can be viewed as a fundamental activity by which humans constitute their social world as a 'real' phenomenon, which facilitates shared understanding and co-ordinated interaction (Bartesaghi and Castor, 2008).

CSR Communication

Whilst drawing from a range of theories such as economics, politics and ethics, the majority CSR theory has been traditionally approached from an instrumental perspective (Garriga and Mele, 2004), presenting causal relationships and producing arguments for the CSR business case (Gond and Matten, 2007). Conceptualising CSR in such a way has resulted in functionalist ways of thinking about CSR communication, as one-way, asymmetrical stakeholder information strategies (Morsing and Schultz, 2006). However, this type of thinking about CSR fails to acknowledge the more active role of stakeholders in the CSR process (Caruana and Crane, 2008; Hildebrand et al., 2011). To address the shortcomings of functionalist views of CSR communication, academics have moved towards more constitutive conceptualisations of CSR communication (Schoeneborn and Trittin, 2013; Schultz et al., 2013), in line with the 'communication constitutes organisations' perspective (CCO). Within CCO theorising, communication is viewed as co-orientation, where stakeholders align actions in relation to shared goals through an on-going interaction of conversations and texts (Taylor and Van Every, 2000). Adopting such a

view means to consider CSR communication as an act where stakeholders articulate, negotiate and further develop CSR aspirations and expectations (Christensen and Cheney, 2011).

More importantly, adopting a CCO lens is to view communication as the very building block that constitutes organising; meaning without communication there would not be any organisation (Ashcraft et al., 2009; Cheney et al., 2004; Fairhurst and Putnam, 2004; Phillips et al., 2004; Taylor and Van Every, 2000). Ashcraft et al. (2009) summarise the constructive potential of communication and state that through conversation, stakeholders “jointly produce reality by co-creating meanings that establish ‘what is’ and co-ordinate and control activity accordingly” (Ashcraft et al., 2009, p. 5).

Talk-Action Gap in CSR Communication, the Performative Power of Talk and Hypocrisy

Embracing the CCO view, where the CSR experience is co-created and a process during which meaning is negotiated between various stakeholders, also brings with it that CSR communication should not only take place in relation to completed, successful CSR, but that organisations should also communicate about corporate ambitions, commitments and doubts (Christensen and Cheney, 2011). This type of communication is often referred to as ‘aspirational talk’, “communication which announces ideals and intentions rather than reflect actual behaviours” (Christensen et al., 2013, p 2). However, this relationship between talk (intentions and commitments) and action (completed projects) is much debated, and action is favoured over talk. Grant et al. (1998) highlight:

Commonplace notions as ‘actions speak louder than words’, ‘talk is cheap’ and that things are easier said than done’ reflect the cultural privileging of action over discourse in Western culture. And more specifically within organizations, dialogue, discussion and debate are usually portrayed as being of secondary importance to action (p.5).

Austin’s (1962) general theory of speech act counters the notion that talk is of less value than action. It highlights that use of language is not simply descriptive but that it carries a performative dimension, therefore playing an active role within the organisation (Austin, 1962; Searle, 1969). Butler (1993) presents the concept of performativity as “reiterative and citational practice by which discourse produces the effects that it names” (Butler, 1993, p. vii). This performativity of communication, whether in the form of texts (Jorgensen and Phillips, 2002; Winsor, 2000), or language which is the focus of CCO scholars that locate themselves in the Montreal School (Ashcraft et al., 2009; Brummans et al., 2014). Here the performative effects of language are examined, and it is argued that talk itself is an action. There is however little empirical evidence describing in detail the processes at play in materialising this aspirational talk into action.

The divide between corporate talk and action has been further cemented by a series of corporate CSR scandals in the form of Enron, Shell, BP and many more, highlighting the difference between words and action even further. What organisations say in relation to responsible behaviour is very different from what that they do, resulting in observed hypocrisy (Christensen et al., 2013). Due to the aspirational nature which does not necessarily need to be rooted in action, decoupling between talk and action may and does take place in some cases (Boiral, 2007; Khan et al., 2007). Most often this decoupling or hypocrisy in relation to CSR talk and action is viewed as problematic, potentially threatening its legitimacy and credibility (Wagner et al., 2009). However, decoupling between talk and action, from an organisational perspective may offer some strategic choices for organisations to promote unified diversity (Eisenberg, 1984) and to satisfy multiple stakeholder demands as is the case in the context of an essentially contested concept such as CSR (Okoye, 2009). This conceptual ambiguity may also mobilise stakeholders to challenge existing understandings and explore new ideas and practices (Christensen et al., 2015). Whilst Eisenberg’s essay emphasises the strategic advantages of ambiguity in successful organizing, he himself admits at a later stage that his work does not take into account power relations, deceit and pretence, which is highlighted by empirical studies (Boiral, 2007; Khan et al., 2007).

This gap between talk-action is picked up again by Brunsson (2003) who explores the “discrepancies between what is said, what is decided and what is done” (Brunsson, 2003, p. 202). These discrepancies in their harshest form are hypocritical, where actions contradict talk and/or decisions. In line with Eisenberg’s essay, it is argued that hypocrisy offers a way out for organisations to deal with conflicting stakeholder demands, and thus has functional value. However, it may not be necessarily ethical if no other avenues or solutions to conflict are being sought. Brunsson’s work indirectly connects hypocrisy to performativity, as he points out that hypocrisy facilitates action, and certain actions would not be possible if contrary talk and decision were not possible. So therefore, one could argue, hypocrisy is not necessarily negative, as perceived by many, but also has a positive and performative character. The concept of hypocrisy has been further developed in recent years, and frameworks have been developed to explore the link between communication strategies and perceived hypocrisy (Wagner et al., 2009) and in relation to hypocrisy classified depending on divergence between CSR communication and implementation (Fassin and Buelens, 2011). However, these studies fail to address the performative character of hypocrisy and they do not offer an exploration of how organisations resolve these contradictions, which this study seeks to address.

Explicit declaration of aspirational claims may be considered a form of auto-communication, where messages targeted at external stakeholders, are also received by organisational members (Broms and Gahmberg, 1983; Lotman, 1977). The concept of auto-communication has been applied to corporate/organisational communication, highlighting its role in improving member identification and reinforcing corporate identity (Morsing, 2006), and the connection between self-referential practices (auto-communication) and reinforcement of organisational culture (Christensen, 1997). More recently, auto-communication has been discussed in the context of aspirational CSR claims (Christensen et al., 2013), where such

claims are seen as beneficial for shaping the action of organisational members, emphasising the binding properties of these external messages (Christensen, 1997), resulting in 'moral entrapment' and 'creeping commitments' (Haack et al., 2012). These binding properties of external claim making have also been highlighted by showing that strong third party monitoring might deter greenwashing and thus promote recoupling of talk and action (Parguel et al., 2011).

Research Gap Addressed

This study seeks to address a number of gaps within existing research: Firstly, empirical material is presented which provides insights into the processes that help organisations materialise their aspirational CSR talk into action. I therefore aim to address Christensen et al.'s (2013) call for empirical data demonstrating how CSR standards are 'talked into existence' (Haack et al., 2012). Secondly, the research aims to provide an empirical study based on a communication view to investigate the organisations deal with the subtle balances between CSR aspirations and CSR hypocrisy (Schultz et al., 2013). Thirdly, this study is part of a larger inquiry, which analyses CSR communication within a process-oriented framework, where the focus is placed on how collective and individual actors interpret, translate it internally and communicate externally. Wehmeier and Schultz (2011) highlight that CSR communication research would benefit from further empirical insights from a process-oriented perspective to explain how organisations deal with the challenges of CSR communication.

Method

Building on the 'linguistic turn', where communication is considered as not merely expressive, but also as productive (Kuhn, 2008), this research provides a discursive examination of aspirational talk and hypocrisy by industry experts. In this study I focus on discourse to make sense of these organizational phenomena. As Maykut and Morehouse (1994) point out: "words are the way that most people come to understand their situations; we create our world with words; we explain ourselves with words; we defend and hide ourselves with words". Thus, in qualitative data analysis and presentation: "the task of the researcher is to find patterns within those words and to present those patterns for others to inspect (Maykut and Morehouse, 1994, p. 18).

The research is set in the context of the work and agenda of the National Food Board in Ireland, a government agency tasked with the development of the food industry. This agency has set out a plan to make Ireland a world-leading provider of sustainably produced food. The board's so called Origin Green project currently has over 400 food producing firms signed up to an ambitious programme of evidence-based sustainable production, and a further 104 companies being fully verified (meaning sustainability plans have been audited through a third party).

Communication of many different forms supports this claim and aspiration of sustainability. Such communication includes formal advertising, public relations, partnership networks, and a novel Origin Green ambassador programme tasked with building trade awareness and promoting globally the Origin Green programme by establishing relationships and deepening existing connections with the world's leading food companies.

Thus, there are many actors helping to shape 'the talk' about the sustainability credentials of the Irish food industry. This research seeks to explore the performative power of this talk. The research involves interviews to understand the process of how communication can catalyse successful action within and beyond an organisation.

This paper builds on initial data collection in the form of in-depth qualitative interviews with eleven industry thought leaders ranging from CSR directors/managers in food producing companies, to CSR consultants, NGO directors to CSR ambassadors from the UK, Ireland and the US. Interviews ranged in length from 1 hour to 1.5 hours. Participants were allowed to express their perceptions and experiences freely and spontaneously. Talk, context and interaction were recorded, and then transcribed. Although a formal schedule of questions was not adhered to, each interview was approached with an interview guide, with topics that I attempted to cover (Cassell andp Symon, 2004). The interviews would generally start off with a discussion of each individual interviewee's definition of CSR, the type and level of integration of CSR into the overall strategy of the individual's organisation, as well as the communication strategies employed to disseminate information about CSR goals and achievements. The conversation would then focus on aspirational claim making, and participants were encouraged to share their views on how aspirational talk would most likely transform into action. Interviewees were then asked to describe the relationship between CSR talk and action and to discuss contradictions, paradoxes and hypocrisy in the context of CSR.

While empirical data is presented in this paper, its full analysis is at an early stage. Thus what is presented here is an early reflection on the issues raised in the theoretical discussion. The next stage of the research will involve further developing codes and categories in order to describe, synthesize and explain the empirical data (Charmaz, 1990).

Methodologically, a social constructionist grounded theory approach is followed (Charmaz, 1990, 2008a, 2008b), where less concern is placed on the accuracy of a particular viewpoint, but instead the analytic issues raised within the different views are considered more important.

Industry Expert Narratives on Aspirational Talk and Hypocrisy

During the interviews it is suggested that the decision to communicate aspirational claims is very much influenced by what has been identified through audits and research. Therefore the CSR objectives are set as goals that are ambitious, but that can be met. This would indicate that claim making in this sense is limiting, as goals set in this manner, and subsequent claims communicated may never be fully aspirational.

So, it's a challenging target, it's not really what you would call an aspiration, it's not one which we can't even begin to imagine how we might achieve it. It's one which is going to be challenging but can be met with the right management frame working in place. (Sustainability Director, Food Producer)

So prior to setting goals, businesses identify sustainable practices, auditing their practices and, then setting reasonable or important goals for the organization or company (CSR Comms Consultant, Food)

As a reason for this, the link between legal and governance structures are highlighted, that create accountability. The commitment is a legal and a governance requirement. They are committed to their board of directors to do it. They don't have a choice. Once they declared they're doing this to their board of directors, they must do it. (CSR Comms Consultant, Food)

A highly binding character is ascribed to the process of publically exclaiming these goals, and it highlighted the level of liability this can create for organisations.

I can tell you that from a corporate standpoint it requires legal and governance, meaning board of director approval to do that. Just set the goal. These corporations require legal and board of director approval because if they fail to meet their goals or fail to demonstrate that they are working to meet the goals, either one, they could be in a liable situation from a material standpoint when it comes to publicly health companies. (CSR Comms Consultant, Food)

We're grounded in a culture which is very much focused on materiality of risk by individual business and also a culture which places an emphasis upon action and doing and making things happen and pragmatism, rather than aspiration. (Sustainability Director, Food Producer)

I think those goals and the aspirational claims have caused headaches in generally in company X that were, how the hell do we deliver that. But as a commitment device and alignment device I think it has broadly been a positive thing. (CSR Director, Collaborative)

This further emphasises how publically exclaiming statements in relation to CSR aspirations may in fact not be aspirational, but rather, ambitious targets that have been identified as realistic, to protect these organisations from liability in relation to these claims.

In addition to legal and governance structures having binding properties, communication to stakeholders is considered important in securing support of organisational members, and to shape their actions, helping the organisation put their CSR goals into practice.

The public statements however, I think further motivate different players and partners within the enterprise to recognize how committed this company is and to work harder at meeting these goals (CSR Comms Consultant, Food)

Internally people are learning about how well they're doing against the plan and how to improve what they're doing, how to improve the plan and also externally with stakeholders getting their insight into what they think you should be doing as it is. Why they are satisfied or not with what you are trying to do. (CSR Director Collaborative)

Not only are the self-referential properties of external stakeholder communication highlighted, but it appears that determining CSR goals and preparing the information for public release, triggers processes that promote increased internal alignment and provides structures on which future strategies can be built, thus having a performative character.

A lot of things we already do. But (our sustainability programme) helped us really put a structure on some of our goals that we sort of knew we had but they weren't written down on paper, we did not write out yearly benchmarks. So it did help to put a structure on it, which was good. And we are becoming more sustainable as a result. (CSR manager, Food Producer)

It is also emphasised how external communication not only acts as auto-communication to create internal organisational member support, but also how this may create awareness and support along the value chain to help the organisation to move towards those CSR goals.

Publicly making these statements, I think it further signals to their partners and to their suppliers that the company is both serious but also, committed and their partners and suppliers help them get there. (CSR Comms Consultant, Food)

Externally declaring CSR goals also seems to create some level of competition in relation the CSR adoption and communication amongst organisations, not only reinforcing what one company has done, but also raising the bar for others in terms of what may be achievable.

They look to what others were up to and took the aspirational claims of others to be a sign that it was important and also that is what feasible. (CSR Director Collaborative)

This does not mean that organisations simply copy CSR goals from others, but it appears the process is a little more sophisticated, and this type of competition acts as stimulant to seek out own modified goals.

But it may not be and if they are wanting to do, wanting the claim to be little themselves they need to do something of similar type and sort of induced from them. (CSR Director Collaborative)

One of the prerequisites for CSR claim making discussed by the interviewees is organisational alignment. This starts with clearly identifying whose goal it is (e.g. CEO, MD, Board etc.).

So, there's no discrepancy on whose goal it is. So, that's the first thing to ensure it works. (CSR Comms Consultant, Food)

There needs to be an imperative for action. That's absolutely critical. There needs to be a very clear understanding as to what the case is to take action... targets are a useful motivator and provide the north star and sense of direction. But those targets will be hopeless unless there's a clear understanding of why this is important. (CSR Director, Global Consultancy, various industries)

Due to the contested and complex nature of CSR, the interviewees put forward a pragmatic view on how contradictions, paradoxes and hypocrisy can be dealt with at an organisational level. On a daily basis organisations may be faced with making business decisions that might satisfy one CSR need but may contradict another. Rather than stalling and not acting at all, the organisations share how they deal with the complexities they experience by introducing CSR pillars (and in some cases prioritise them) which guide corporate and business level decision making. Rather than being too focused on scoring high on all pillars, the business considers itself as moving towards the overall CSR goal as long as concerns within one pillar are addressed.

So that means from having a long range commitments into having 9 pillars, three for each of the big commitments (...) As long as you are aiming at one or more of these pillars then you are aiming at their overall goal so that's a way of creating internal alignment. (Sustainability Directory, Collaborative)

This pragmatic approach is also reflected in how one of the interviewees discusses how his organisation deals with CSR contradictions by focusing on incremental improvements in business practice.

I got a new product which is an existing old label product which we manufacture, which will not meet our nutrition guide, and yet one of our customers in the UK wants to launch it as a tertiary product, so the agreement we came to is, yes we will launch it and there are principle based stipulations around it, so number one is, it will not be marketed to children, number two is if we launch it in its current guise we will wait for eighteen months to see whether it is still successful at market, if it is successful at market after eighteen months we will reformulate product to get it to the basic standard within our nutrition guides and on that basis, the business agrees it gets what it wants to launch and I get what I want in terms of I have got some sort of moral assurance around, or ethical assurance around if we meet the first aim of the business, if its commercial effect ability, then we would also then follow up and reformulate the product so that it fits into our ethical framework (CSR Director, Food Producer)

When discussing the negative impacts of hypocrisy, many of the interviewees associate this with greenwashing and emphasised how irresponsible action of others can have a negative impact on reputation. But rather than preventing organisations making aspirational claims going forward, the importance of third party auditing and verification are highlighted.

It means we need to have strong regulatory and third party system to audit the authenticity of the goals, not to sensor speech. (CSR Comms Consultant, Food)

One of the boundary conditions for moving towards recoupling of talk and action are close alignment between strategy and implementation.

I think my own experience is that the delivery and the execution at the side, getting a strategy to move into

implementation is much more difficult if those two things are seen as very separate, but if your strategy is an encapsulation of what you have been trying to do and where you want to go next then this move from that talk into the action is much easier. (CSR Director, Collaborative)

In order to get some insights into how organisations can move their aspirational talk into action, the interviewees were encouraged to share their experiences in relation to goal setting and their implementation.

The CSR goal setting process is described as iterative, constantly changing to develop with the organisation and the organisation's context.

As they learn and as they learn about their own organization's capacity to change and make changes they will have to modify their goal. So, we are counselling them that goal setting requires that you report back periodically on how you're doing. Did you miss the goal? Why? What were you doing? How will you improve your processes and your energy from your activities to make those goals meetable or attainable? Are you going to change the goal? Why are you changing the goal? What did you learn? (CSR Comms Consultant)

One prominent theme discussed by the participants was how aspirational talk, particularly broad CEO declarations, which one of the respondents referred to as 'audacious leadership statements', is broken down within the organisation, and how an action and implementation plan is formed around it.

Across the group the CEO question will be, you know, what are you actually going to do? So, what are you going to do differently tomorrow from what you're doing today? How are you going to make those things happen? (CSR Director, Food Producer)

What emerges from the interviews is the translation and assimilation of those leadership goals. Often these broad leadership statements lack clear definition of what it means to 'adopt more sustainable business practices'.

And I would say across my, I got four pillars to the (organisation's) sustainability plan, and I think I've unlocked three of the four and they've been unlocked by being, by getting a narrative and a clarity around that processes which will mean that the management team can then get on with moving towards it. (CSR Director, Food Producer)

It wasn't until we'd been through the process of really thinking through what does nutrition and health mean in the context of our business and setting a really clear framework around it and we developed a model through which you could evaluate all of our recipes both in terms of the negative nutrients they contained and the positive foods that they contained. (CSR Director, Food Producer)

What can be observed from this statement is that senior and middle management go through a process of sense-making, whereby the CSR issue is defined and reframed in the organisation's context.

Monitoring, reviewing and evaluating CSR goals and performance are considered crucial to ensure the organisations are moving in the right direction.

I report back to the board quarterly and then I run a governance meeting where we review the targets and aspirations against those targets every three, three times a year every three to four months. (CSR Director, Food Producer)

It's all about targeting and monitoring, targeting and monitoring. (Senior CSR Consultant, Global)

Interestingly, one of the respondents points out the importance of the process over the goal setting:

My view would be actually what's far more important than the target is the process that undertakes the target. So, I think the target is important and I'm not detracting from that at all but my main point I would say is that you got to make it clear to your senior management how you, what behaviours you want to see and what actions you want to see to move you towards that. (CSR Director, Food Producer)

The reason given for this favouring of process over targets is that targets are often too vague and do not help organisational members to make sense of them.

I do think targets are important and I do think that's a really important place for them but I think in the process of pushing for targets, you overlook the more important point about actually how do you make this, how do you make these very complicated concepts understandable and meaningful in the complex business organizations which try to make multitudes of decisions every day. (CSR Director, Food Producer)

Instead it is suggested that these targets should be put into the context of a framework within which complex business decisions can be made.

And we developed a framework based upon that and then we set yes, you are set targets against that model but the targets themselves were less important what was important was the model existed. And then people start to make the things happen and then it takes on, it becomes a self-fulfilling. But, until you got that cut, a lot of them (issues) are inherently, incredibly complicated and they take a lot of time to work through, a lot of time with your boards to work through because there are lots of nuances. (CSR Director, Food Producer)

Stakeholder engagement is acknowledged as an important boundary condition that helps organisations to materialise their CSR goals.

My preference is to involve stakeholders in the creation of the commitment in the first place... Those stakeholders have a better understanding of what the pressures on that business are and then when it comes to the business end, well this is our aspirational claims we're aiming for. The stakeholders have a great understanding of the context that claim is rooted in and why the company has made those choices. So I think that communication, if at all possible starts not through communication but by engagement and genuinely getting insight and involvement of stakeholders in forming your direction in the first place. (CSR Director, Collaborative)

But in addition to stakeholder engagement being useful to inform the goal setting, they are also considered a valuable resource in providing feedback, to amend the goals and strategies to make them more relevant.

So there's a massive opportunity to use the talk to inform your action. (CSR Director, Collaborative)

However, it is indicated that this feedback function is often not fully utilised, and in many cases the focus is placed on communicating externally, and the interaction with the material neglected.

Often it seems they fail to create those feedback loops and so they put a lot of effort those internal reports and micro sites or something. Then it goes out into the world and then everyone breathes a sigh of relief because the websites gone live and then they walk away like nothing else happens to them. (CSR Director, Collaborative)

Another point that is highlighted is that it is more effective to build aspirational goals on already existing foundations (previous CSR commitments and achievements). This may be attributed to the fact that organisational structures are already in place to move towards those goals and it is only a matter of reviewing the already existing targets and improving organisational processes to achieve them

It's a matter of stretching out and pushing and rather building from easy foundations. I think we are trying to do something brand new that is why we really struggle to take off. (CSR Director, Collaborative)

In the interviews the co-orientation within the CSR communication process is also raised. Some participants emphasised the importance of the intense stakeholder engagement in the form of placements with potential key customers in co-creating shared CSR vision and goals along the supply chain.

Because the industry placements worked really, really well in terms of building relationships with key customers (company), additional industry placements were sourced for the ambassadors. (CSR/brand ambassador)

The focus here is on building relationships with key customers and understanding which sustainability issues are material to them, so they can be considered in her organisations sustainability programme. Through conversations with the relevant stakeholders the organisation jointly constructs reality by co-creating meanings.

Reflections

The themes emerging from the data highlight that the decision embrace CSR targets seems to precede talk in relation to CSR aspirations and thus sheds some light on the talk-decision-action relationship (Brunsson, 2003). This means organisations appear to research CSR issues material to them, identify what improvements are achievable, make a decision to formulate a goal around this, and then communicate these goals as aspirations. The reasons quoted for adhering to this particular sequence are increasing legal accountability and complex, binding governance structures. The empirical material highlights that organisations engage in careful auditing, exploration of competitor activity and feasibility studies prior to making decisions in relation to CSR goals to ensure they can be met. Only once this process is complete, the organisations declare their intentions publically.

Public statement of these claims creates accountability outside of the organisation (in the language of one of the interviewee they act as a "commitment device"), raising the standard for others by creating competition, as well as internally through auto-communication ("alignment device"). These public statements trigger action in and outside the organisation,

and thus have a performative character. The interview data supports Christensen et al. (2010) and Haack et al. (2012) notion that internal and external CSR communication prompts a 'creeping' commitment reflected in organisational practice. It could be argued that aspirational talk, produced in the above sequence, is self-producing (due to the performativity and binding property of aspirational claim making) but also self-limiting (insofar that claims are never truly aspirational, and more engineered to ensure targets can be met).

However, the data suggests also organisations focus on stretching out those realistic goals, and make incremental, continual changes, which are performative and help them materialise their aspirational CSR talk in the long-run. My research also points out that one of the most performative properties of aspirational CSR talk is the competitive nature of the business environment: here goals and targets are set in the context the standards and practices of CSR/sustainability leaders. This creates an upward spiral, where organisations shape their CSR talk and action around what their competitors are accomplishing, thus pushing out and raising CSR standards, in line with Christensen et al's (2013) view.

The empirical data presented above also reveals that in practice organisations adopt a pragmatic view on how contradictions, paradoxes and hypocrisy can be resolved at a firm level. Organisations are shown to develop frameworks and models that focus on prioritisation of CSR goals to guide their corporate and business level decision making where actions may have contradictory outcomes. The research also points towards the importance of the translation, interpretation, sense-making and specifying process of making "audacious leadership statements" tangible for the relevant management teams.

On a managerial level, the research findings suggest that aspirational talk is a useful resource for organisations to help them transition towards becoming more responsible businesses. Rather than censoring aspirational talk to prevent scepticism by some, the interviewees suggest that robust auditing and verification systems should be adhered to deliver proof of CSR achievements over time. These views expressed by industry experts do not yet reflect the concerns of Christensen et al. (2015) who suggest that target driven performance and adherence to technical standards and matrices may prevent organisations fully discussing and exploring sustainability issues.

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How Can Corporate Social Responsibility (CSR) Gain Relevance in Internal Communication? A Network Perspective on Communication Processes

Abstract

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Purpose

Employees act as multipliers of CSR actions in society and create as well as support the image of a company. Thus, internal communication within employees is one key factor in influencing a company's image. Hence, it is increasingly being recognized that it is important to focus on the inner workings of companies and to examine how employees perceive CSR.

Design/methodology/approach

The theoretical framework of this study understands communication not as a straightforward process, but rather as a dynamic network process with special structures that highlight the mutual dependences between different actors. The study presents a social network analysis of a mid-sized firm which reveals important actors, their positions, and their power in communication processes. In addition, qualitative interviews are used to examine these actors' perception of and attitudes toward CSR issues.

Findings

The network analysis aims at representing the structures and dynamics of the internal CSR communication network. It depicts the ties of stakeholders, analyses environmental influences, and presents ongoing changes in the network. Utilizing the explanatory approach of qualitative data, a model of important triggers is developed to explain dynamics in internal communication processes of CSR.

Originality/value

The study successfully outlines how the company's internal network and its members function. It thus demonstrates how a CSR-related topic can be relevant in a corporate network. In particular, the study provides support in order to improve the CSR information flow in the communication network of a company. Such insights can help firms to improve internal communication strategies and to achieve internal relevance of their CSR engagements.

Keywords

CSR, internal communication, network analysis

Organizing for Corporate Social Responsibility Communication: An Empirical Analysis

Abstract

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Purpose

This paper extends research on corporate social responsibility (CSR) communication by conceptualizing corporate CSR communication as function of identity boundary management. Research on CSR emphasises the increasing communicative embeddedness of corporations in society, in particular through increasing collaboration with external stakeholders. However, this research offers limited insights on how the increasing communicative embeddedness in society influences the identity construction of organizations. In response, I argue that a communication-centered perspective based on the 'communication constitutes organization' (CCO) perspective highlights the emergent and fluid character of identity boundaries in the context of CSR.

Design and contribution

Studying CSR communication practices of a large-scale telecommunication corporation in the German context, I contribute to CSR research by delivering insights how organizations internally organize in the context of CSR and how CSR thus becomes part of an organizational identity over time. The project further offers practical contributions by expanding our knowledge of how organizations may organize their communication processes for the creation of adequate responsiveness for internal and external demands in the context of CSR.

Keywords

Boundaries, case study, 'communication constitutes organization' ('CCO'), corporate social responsibility, organizational communication

Establishing Thought Leadership on Sustainability Topics Online

Abstract

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LGM Interactive

Purpose

This article explores how companies can establish thought leadership on sustainability and CSR topics through effective online communication. Uninspired CSR communication is a missed opportunity for companies to mobilise stakeholders, build momentum for further progress, and become a benchmark and authority on the CSR topics they are working on.

Design/methodology/approach

The article provides examples of how companies in North America, Europe, and the United Kingdom have established thought leadership and building brand value through innovative online formats, storytelling, and interaction.

Findings

By sharing knowledge and ideas effectively through online formats, some companies have become thought leaders in the fields of sustainability and CSR.

Originality/value

Academic literature on thought leadership, particularly related to CSR, is limited. The practical examples provided will hopefully inspire more research and writing on the convergence of these two areas.

6. ENGAGING AND COMMUNICATING WITH STAKEHOLDERS

Sport-based CSR – A Tool in Building a Better Society?

Extended abstract

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“Sport can change the world.”

Nelson Mandela

Abstract

Purpose

Sport is an increasingly prominent economic and social institution globally. The purpose of this study is to contemplate its potential as a tool in building a better society, by describing and interpreting companies' sport-based CSR strategies and the decision-making processes in the background.

Methodology

Qualitative research using data from structured e-mail interviews among five Finnish companies with large CSR budgets was conducted.

Findings

Sport and physical activity were actively used and valued in all companies. According to the interviewees, sport-based CSR should support the company strategy and align with the environmental values of the company. The main targets of their sport-based CSR were grassroots sports, i.e. children and youth physical activity.

Limitations

The fact that only five companies in one country were interviewed limits the generalizability of the findings. More empirical research, quantitative and culturally more comprehensive, needs to be conducted in the area.

Practical Implications

Companies should pay more attention to negative or challenging issues (violence, corruption, discrimination, hooliganism, nationalism, doping, cheating, corruption and fraud) that might appear in the sport-based CSR work. According to the interviews, there could be more actions towards social integration of immigrants. Taking into consideration our continually more diverse society and the growing unrest in different parts of the world, sport could perform as a unifier for people moving from one country to another.

Originality

This study is one of the first in the growing area of sport-based CSR.

Keywords

CSR, sport, societal problems

Introduction

The traditional, fundamental aim of business is to pursue profits in order to ensure the company's survival and growth (Friedman, 1970; Kim et al., 2010). However, in accordance with the saying "Doing good [for the society] can do good

for your business" companies integrate also social concerns into their strategic management, taking responsibility of improving living conditions in their community. Accordingly, businesses are asked to address their broader responsibilities towards society and to serve a wider range of human values (see Freeman, 1984). This is where CSR (corporate social responsibility) steps forward. According to its principles, companies should follow – in addition to economic responsibilities – social, legal, ethical, and discretionary principles: they are expected to fulfill what stakeholders consider right, and they are expected to act as good corporate citizens in order to improve the quality of life for the society as a whole.

The trend toward social responsibility offers a significant opportunity for capitalizing on the bridge between sport and the corporate sector. Sport can be a major social influencer. (Smith and Westerbeek, 2007) It is an increasingly prominent economic and social institution globally, and due to social problems, inactivity and challenges related to people's health, the relationship between sport and business around CSR has grown in importance. The nature of sport provides a unique position to influence society. Sport can also be a persuasive communications medium; sport programmes and seeing athletes as role models can encourage young people in a physically active lifestyle. (Smith and Westerbeek, 2007) Having said that, the purpose of this study is to contemplate the potential of sport as a tool in building a better society. Methodologically this is done by studying companies' sport-based CSR strategies and the decision-making processes in the background.

In pursuit of the above-mentioned purpose, first, a short overview on CSR and its relation to sport is given. Thereafter, the research design is described, followed by the findings. In the final section, conclusions are drawn as well as the managerial implications discussed. Limitations of the study and suggestions for future research are also given.

The societal relevance of CSR

Even though many business practices have yielded growth and higher standards of living, they have also led to significant social and health problems, emphasizing the role of corporate social responsibility. Companies are increasingly evaluated on their efforts to develop solutions to societal problems, including environmental, energy, education, healthcare or humanitarian issues. People expect companies to be forces of good; beyond making quality products that earn a profit, they should actively participate or invest in practices that improve the quality of life overall. Companies have increasingly been asked to address their responsibilities as well as commitment to society at large and to integrate them in their business strategies. (Davis, 2010).

The thus far most cited definition of CSR was introduced by Carroll (1979) according to whom the social responsibility of businesses encompasses the economic, legal, ethical and discretionary expectations that society has of organizations at a given point in time. Even though the definition has evolved since Carroll's (1979) groundbreaking article, the four categories have consistently maintained in the writings. The economic responsibility is considered to be the fundamental aim of business. As to the ethical responsibilities, corporations are expected to fulfill what stakeholders consider right. According to Smith and Westerbeek (2007), the deployment of CSR through sport offers substantial potential for communities and their residents as well. Integrating social initiatives in their strategies companies can improve their public image and so enhance their competitiveness. (Ratten, 2010) However, despite the growing recognition of the importance of CSR in business in general, research on CSR and sports is in an emergent state (Ratten, 2010; Levermore, 2010).

Research design

On the empirical level, this study was based on explorative qualitative research using data from structured e-mail interviews among five Finnish companies with large CSR budgets. The choice was justifiable due to the aim of gaining deep understanding of the rationale behind the relatively new and complex phenomenon. (Creswell, 1998) The interviews were administered by so called self-completion emails, i.e. having the respondents complete the forms themselves. This was done in order to reach interviewees who would have been hard to reach in person or who would not otherwise take part in research. (McGivern, 2006) The selection of the interviewees was based on convenience sampling, inviting respondents from top 10 companies whose reputation and responsibility image had ranked high in a national CSR survey (TNS Gallup, 2014). There were three interview themes that were based on the purpose and sub-questions of the study: (1) The definition of CSR and the rationale behind using it; (2) Sport and CSR; (3) Risks and limitations of sport-based CSR.

Findings

In the following, the findings will be discussed according to the sub-questions and interview themes. First, what does CSR mean for companies, and why are they doing it? The interviewees consider CSR as a means to pursue profits but also to address their broader responsibilities towards society and to serve a wider range of human values. This finding coincides with the earlier definitions of CSR (see e.g. Carroll, 1979; Freeman, 1984). The main reason to implement CSR is to contribute to the society's mental, physical and social wellbeing. Most companies had chosen children and youth as the main target groups.

Secondly, how do companies use sport as part of their CSR strategies? All interviewed companies use sport and physical activity as part of their CSR strategy. For the companies, CSR means enforcing the positive aspects of the company and

weakening the negative ones. The main goal is to promote active life style, enable young people to participate in physical activities and encourage people to make healthier choices in their lives. In addition, companies engage in sport events and build facilities to provide equal opportunities for everybody to participate. Overall, sport was seen as a way to create well-being, support children and youth's physical activity as well as act as a unifying platform between people and the corporate brand. This is in line with Levermore's (2010) view according to which sport brings the community closer together and improves the members' physical and mental health via exercise and social integration.

A good example of this is Icehearts, a CSR-based soccer team for children who are overactive and inattentive. Icehearts operates in seven municipalities around Finland; the work is financed by these municipalities, together with the support from private companies and the Finnish government. The aim of Icehearts is to prevent alienation, promote social skills and secure children a safety net (Pelander, 2015).

Thirdly, what are the risks of using sport as part their CSR strategy? Considering the abundant amount of downsides of sport mentioned in the previous literature (see e.g. Levermore, 2010) – violence corruption, discrimination, hooliganism, nationalism, doping, cheating, corruption, fraud and negative stereotypes – it was almost surprising how few negative concerns related to sport-based CSR the interviewed managers reported in this study. Herein though, one has to remember that the represented companies are involved with grass roots level activities whereas the above-mentioned critical perspectives (Levermore, 2010) concern mainly professional sport. According to the interviewees, winning at any price-mentality as well as violent behavior may be at stake even at junior-level sports.

Conclusions

The mutual dependence of companies and society implies that decisions regarding the use of CSR should follow the principle of shared value, i.e. the choices should benefit both sides. (Porter and Kramer, 2006) Socially responsible companies enter into partnerships with sport organizations in order to strengthen the surrounding community and simultaneously, their own image and business success. But without the financial support of corporate partners, the value of sport as a tool for social responsibility is limited (Smith and Westerbeek, 2007). According to the findings of this study, sport plays an important role in Finnish companies' CSR strategy; sport and physical activity were actively used and valued in all companies. The interviewees underlined the importance of integrating sport-based CSR in the company strategy and culture; the integration can lead to increased employee pride and loyalty (Smith and Westerbeek, 2007; Senge et al., 2008).

Another prevalent theme according to the interviews was the right balance between economic, environmental and social responsibilities which coincides with the Harvard definition (cited in Hutchisson, 2015): CSR goes beyond philanthropy and compliance, addressing how companies manage their economic, social, and environmental impacts as well as their relationships in all key spheres of influence. Depending on where the company operates, different social issues are more topical than others. The challenges are different in developing countries than what they are for instance in Finland. But as the world is getting smaller (e.g. Oblinger, 2001), also social issues are increasingly shared across nations. However, companies should still adjust their CSR efforts according to their immediate economic, cultural, environmental and political context.

Practical implications

Companies should pay more attention to negative or challenging issues (violence, corruption, discrimination, hooliganism, nationalism, doping, cheating, corruption and fraud) that might appear in the sport-based CSR work. Extending sport-based CSR towards pensioners or immigrants could create new possibilities to build the bridge between the society, businesses and sport institutions. Taking into consideration our continually more diverse society and the growing unrest in different parts of the world, sport could perform as a unifier for people moving from one country to another.

Sport management is an important area of business management, and the findings of this study can help companies make decisions that have shared value, i.e. decisions that benefit businesses, society at large as well as sport organizations.

Limitations and avenues for future research

The fact that only five companies in one country were interviewed limits the generalizability of the findings. More empirical research, quantitative and culturally more comprehensive, needs to be conducted in the area. Next, we need to identify what sport organizations perceive their social responsibilities to be and how they can add shared value to the operating CSR practices.

Originality

This study is one of the first in the growing area of sport-based CSR.

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Reconceptualising CSR As Shared Value: Towards a Multi-stakeholder Perspective

Extended abstract

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Abstract

Purpose

The notion of Corporate Social Responsibility (CSR) as a way of creating shared value has been criticized for disregarding that corporate decisions related to social and environmental problems involve multiple stakeholders with competing expectations and interests which might turn the communication of CSR as shared value into a complex process. Following this, the purpose of this paper is to propose a theoretical framework that provides an understanding of the dynamic and complex communicative processes that construct CSR in a multi-stakeholder network.

Design/methodology/approach

By adopting a discourse-based approach, the paper discusses the strategic potentials and implications of integrating communication studies and multi-stakeholder studies into a theoretical framework that enables an examination of the different interpretations of CSR as shared value from a multistakeholder perspective.

Findings

The suggested framework demonstrates a significant potential for communication studies to contribute to the understanding of the discourse of CSR as shared value in a multi-stakeholder network. First, it offers a way of identifying the key discourses by which CSR as shared value is constructed in a multistakeholder network. Second, it enables an examination of how the various stakeholder voices are (or are not) given an equal opportunity to influence the construction of CSR as shared value.

Practical implications

The conceptual paper is highly relevant in a time of increasing quest for engaging multiple stakeholders in the development and implementation of companies' CSR strategies.

Originality/value

The paper represents the first attempt to integrate the two (separate) theoretical bodies of literature: communication studies and multi-stakeholder studies in a CSR setting. Its value is in exploring how communication studies can contribute with discursive insights that enable an understanding of how CSR as shared value is constructed in a multi-stakeholder network.

Keywords

Corporate social responsibility, communication, multi-stakeholder, discourse

Introduction

Corporate Social Responsibility (CSR) has become a hot item for many companies as they are faced with demands from a number of internal and external stakeholders for greater accountability, responsibility and transparency in relation to their activities (Waddock and Goggings, 2011). CSR has also gained considerable interest among management and organisational scholars (Crane et al., 2008) who argue that companies will increasingly be accessed on their social performance and the ability to provide a competitive advantage. The notion of CSR as a business case is thus articulated as a sustainable way to create value for both company and society. Porter and Kramer (2006; 2011) are proponents for this strategic approach to CSR and argue that the more closely tied a social issue is to the company's business, the greater the opportunity is to make use of the company's resources and capabilities and provide benefits for society (Porter and Kramer, 2006: 67). They suggest that value creation should be the governing principle of companies' involve-

ment in CSR and introduce the concept of 'Creating Shared Value' (CSV) which focuses on creating win-win opportunities for the company and the society through synergistic value creation. The CSV concept has gained considerable attention in the academic and practitioner communities (Crane et al., 2014) although the notion of CSR as shared value has already been introduced in the CSR-related literature (e.g. Donaldson and Preston, 1995; Freeman et al., 2004).

Although the CSV concept is persuasive in terms of increased profits, legitimacy, credibility and reputation (cf. Porter and Kramer, 2006; 2011), it has consistently adopted a corporate-centric approach that focuses merely on how CSR can contribute to improve corporate performance and gain competitive advantages (Gond and Matten, 2007; Carroll and Shabana, 2010). It can thus be argued that the approach maintains a prioritised hierarchy of value(s) in the relationship between the company and the stakeholders turning stakeholder value(s) into secondary or derived values. Consequently, it fails to consider that companies are exposed to diverse stakeholder expectations and demands on how to navigate and communicate their responsibility (Christensen and Cheney, 2011). Scholars (Waddock and Goggings, 2011; Crane et al., 2014) are increasingly pointing out that companies are multi-purpose enterprises, and corporate decisions related to social and environmental problems involve multiple stakeholders with conflicting expectations and interests that might turn the communication of CSR as shared value into a complex process. Accordingly, it can be argued that the CSV concept not only tends to simplify the fluid and challenging stakeholder environment of CSR (Crane et al., 2014) assuming that all stakeholders have a shared stake in the organisation but also fails to consider the complexity of communicating CSR as shared value to stakeholders with possibly opposite viewpoints. Schultz et al. (2013) argue that a multi-faceted understanding of the many different stakeholder expectations and interests and an ability to engage across the independent and conflicting interpretations of CSR (as shared value) are needed in order to gain legitimacy (Schultz et al., 2013: 681). There is, in other words, a growing need for recognising the fluid and challenging stakeholder environment related to the communication of CSR as shared value.

Purpose

The purpose of this paper is to establish a conceptual framework that enables a nuanced understanding of the dynamic and complex communicative processes that construct CSR as shared value in a multi-stakeholder perspective. The paper conceptually explores the strategic potentials and implications of bringing together communication studies and multi-stakeholder studies into a conceptual framework that enables a holistic and multi-faceted understanding of CSR as shared value. First, the paper identifies four different stakeholder perspectives with diverse conceptions of what CSR as shared value is or should be according to these alternative perspectives. Second, these different conceptions will be used to construct a conceptual framework that takes the fluid stakeholder environment into account and addresses the communicative dimensions of CSR as shared value. In bringing together communication studies and multi-stakeholder studies, the paper represents a first attempt of integrating these two (separate) theoretical bodies of literature in order to contribute to our understanding of how CSR as shared value is constructed in a multi-stakeholder network.

Theoretical approach

Most of the past CSR literature is strongly embedded within functionalism and focuses on how to converge and integrate business and society objectives (Gond and Matten, 2007). Thus, it is characterised by an instrumental approach seeking to prove the business case for CSR and justify a positive relationship between social activities and business revenues (Porter and Kramer, 2006; 2011; Carroll and Shabana, 2010). Accordingly, a number of studies focus on how to communicate about favourable CSR decisions and actions in order to enhance the company's reputation and gain legitimacy among internal and external stakeholders (Nielsen and Thomsen, 2012). This indicates a strategic-instrumental notion of communication that is considered as a means to create value for the company (Nielsen and Thomsen, 2012; Schoeneborn and Trittin, 2013).

However, an emergent body of constructivist CSR research seeks to move beyond the dominating functionalist perspective to re-balance the interest of business and society and challenges the managerial thinking (Gond and Matten, 2007; Gond and Moon, 2011; Glozer et al., 2013). Following this research stream, CSR is transformed into dynamic processes through which the company and stakeholders explore, construct and negotiate what it means to be a socially responsible company (Gond and Matten, 2007; Christensen and Cheney, 2011). Building on the constructivist perspective and the 'Communication Constitutes Organisation' perspective, in short the CCO-perspective (Ashcraft et al., 2009), scholars (Christensen et al., 2013; Schoeneborn and Trittin, 2013; Schultz et al., 2013) have recently suggested that communication about CSR should be conceptualised as a process of continuous meaning negotiation that provides insights into how CSR communication practices emerge out of social constructions between the company and its stakeholders. The focus is thus on the active role and contribution of stakeholders in the social construction of CSR in order to gain an understanding of the complex communicative processes between the company and the stakeholders (Gond and Matten, 2007; Gond and Moon, 2011; Glozer et al., 2013). The paper builds on the constructive perspective as it enables an understanding of the complexities related to the role of communication in constructing CSR as shared value in a multi-stakeholder network.

Design/Approach/Methodology

In bringing together communication studies and multi-stakeholder studies, the paper represents a first attempt of inte-

grating the two (separate) theoretical bodies of literature in order to contribute to our understanding of how CSR as shared value is constructed in a multi-stakeholder network. In order to address different perspectives on CSR as shared value, the paper draws on insights from communication studies and stakeholder studies within the main publication sources for CSR-communication (cf. Golob et al., 2013: 185) including the overview of the CSR communication literature made by Ihlen et al. (2011). This has formed the basis for constructing an overview of the paradigmatic differences between a functionalist and constructivist perspective on CSR as shared value from a single and multi-stakeholder perspective respectively. Based on this framing, the paper identifies four different stakeholder perspectives: 1) A functionalistic single stakeholder perspective, 2) A functionalistic multi-stakeholder perspective, 3) A constructivist single stakeholder perspective, and 4) A constructivist multi-stakeholder perspective. The four different perspectives approach (the communication of) CSR as shared value in different ways as summarised in the following Table 1. The table will be elaborated in the full paper.

TABLE 1: FOUR DIFFERENT STAKEHOLDER PERSPECTIVES ON CSR AS SHARED VALUE

Stakeholder perspective	The functionalist perspective		The constructivist perspective	
	Single	Multi	Single	Multi
Approach	Normative	Normative	Descriptive	Descriptive
Focal point	Organisation	Issue	Interaction	Issue
View on CSR as shared value	Instrumental CSR as shared value is defined by the organisation and maintains a prioritised hierarchy of value(s) in favour of the company	Instrumental CSR as shared value is defined by the issue as pursued by the organisation	Interpretative CSR as shared value is constructed in the interactions between the organisation and the individual stakeholder group	Interpretative CSR as shared value is constructed in the negotiation process among the multiple stakeholders
View on CSR communication	Instrumental Communication of CSR as shared value as a means of increasing profit, legitimacy, credibility and reputation	Instrumental Communication of CSR as shared value as a means to create a shared solution among the involved stakeholders	Constitutive Communication of CSR as shared value as a means to create mutual understanding between the organisation and the individual stakeholder groups	Constitutive Communication of CSR as shared value as a process of meaning negotiation to which multiple stakeholders can contribute in an active way

Findings

The research is currently on going. The identification of four different stakeholder perspectives on CSR as shared value offers interesting insights into what CSR as shared value is or should be according to these alternative perspectives. When comparing the four different perspectives there are considerable differences in the way CSR as shared value can be conceptualised indicating that CSR as shared value is an ambiguous concept depending on the perspective taken.

In order to accomplish the overall purpose of the paper, the paper establishes a conceptual framework that recognises the complex stakeholder environment related to the communication of CSR as shared value. Building on the CCO-perspective (e.g. Christensen et al., 2013; Schoeneborn and Trittin, 2013; Schultz et al., 2013) and the multi-stakeholder perspective (e.g. Luoma-aho and Vos, 2009, 2010; Vos et al., 2014) defined within the constructivist perspective, the framework reconceptualises CSR as shared value as a continuous process through which multiple stakeholders explore, construct, and negotiate the meaning of it. Drawing on the dynamic issue-based approach (Luoma-aho and Vos, 2009, 2010; Vos et al., 2014), CSR as shared value is considered as an issue discussed through the lenses of the involved stakeholders with (possibly) conflicting viewpoints. The framework recognises thus CSR as shared value as a fluid and discursive field open to multiple and conflicting stakeholder interpretations turning the communication into a struggle for power in which all stakeholders compete for putting forward discourses that are useful to them and hereby influence the construction of CSR as shared value. A preliminary conceptual framework is presented below in Table 2 and will be elaborated in the full paper.

TABLE 2: A MULTI-STAKEHOLDER PERSPECTIVE ON CSR AS SHARED VALUE

Study lens	A multi-stakeholder perspective
Epistemology	Constructivist
Approach	Descriptive
Focal point	Issue
Actors	The multiple stakeholders that hold a stake in the issue
Approach	<p style="text-align: center;">Interpretive</p> <p>CSR as shared value is a fluid and discursive field open to multiple and conflicting stakeholder interpretations</p>
Focus	<p>The negotiation process of which particular discourses that come to dominate the meaning attached to CSR as shared value</p>
Key concepts	Discourse, power, marginalisation

Limitations and implications

The paper represents the first attempt to integrate the two (separate) theoretical bodies of literature: multi-stakeholder studies and communication studies into a conceptual framework that highlights the communicative processes and enables an understanding of how CSR as shared value is constructed in a multi-stakeholder network. However, the framework is at an early stage of development and calls for a number of questions to be explored in order to develop an appropriate conceptual framework that provides direction for future research. Though this paper primarily focuses on a conceptual framework that approaches CSR as shared value from a multi-stakeholder perspective, this is also highly relevant in practical terms in a time of increasing quest for engaging multiple stakeholders in companies' CSR strategies with the purpose of creating shared value (cf. Morsing and Schultz, 2006).

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Reprocessing from the Inside: Employees' Perception of Participative CSR Approaches

Abstract

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Purpose

Stakeholder-involvement strategy is one important communicative approach for implementing CSR. Clearly, stakeholder-involvement strategies necessitate motivating employees to participate. Recent research focuses on employees as stakeholders, and examines their role in various CSR outcomes. By contrast, this research seeks to identify antecedents of a successful participative CSR process involving employees. Applying Theory of Planned Behavior (TPB), this explorative study suggests how it may be extended.

Design/methodology

This work uses current CSR and TPB research to develop theoretical assumptions. These are tested in an empirical study with differing stimulus material, varying levels of participation. Semi-structured interviews with employees are used to identify (de-)motivating organizational and personal structures. Additionally, a survey tests organizational identity.

Findings

TPB posits attitudes, subjective norms, perceived behavior controls, and intentions as the key influences for predicting a certain behavior. This study explores, however, to what extent organizational and personal structures additionally influence employees' participation in CSR. Preliminary analyzes suggest internal employee communication, organizational identity, and engagement in private life as important influences. Thus, standard participative CSR approaches are unconvincing by themselves.

Research limitations

The data is restricted to one company. A further study is scheduled to test the proposed extension of TPB.

Originality/value

This explorative study offers insights into the decision processes of employees participating in CSR programs. Furthermore, it identifies influential organizational and personal structures. These findings have implications for effective, participative internal CSR communication.

Keywords

Internal communication, participation, employees

Solving Challenges of Organizations/ Companies by Open Source of Sustainable Innovations

Abstract

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Purpose

To prove that open source innovation works for business model innovations.

Design/methodology/approach

UNGC Slovenia organized an event "Open source of sustainable innovations". It was a pioneering event, appealing to the general public, NGOs, companies and individuals.

Findings

All organizations involved were surprised with the range of solutions and reported that within their organizations alone they would not be capable of creating it. It was a great learning experience for the participants. One of the companies applied with the solutions to an international tender and won; this has confirmed our thesis that open source of innovations works also in business model innovations and not only in technological innovations.

Research limitations/implications

It was a pioneering event and it was difficult to communicate it publicly. The general opinion that each company should solve its own »problems« is still strong and though open source business model is used in the global economy it's not widely recognized nor represented in Slovenia.

Practical & social implications

Open source innovation works as a business model and is even more successful when searching for sustainable innovations if connected with NGOs.

Originality/value

Our attempt was to prove that through cooperation, exchange of experience and knowledge we can find better solutions to the challenges of the future and with helping others to a bigger success we also enlarge our possibilities for growth and success. Cooperation, exchange of experience and knowledge instead of competitive isolation works better for the society at large and therefore for each organization individually.

Keywords

Sustainability, open innovations, growth, success, cooperation, innovation, business model, cooperation, partnership

CSR Communication and NGOs: Perspectives from Vietnam

Abstract

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Purpose

This paper examines how NGOs based in Southeast Asia, specifically Vietnam, perceive CSR and how they participate in the design and development of CSR programs. Multinational companies that set up operations in Asia often engage in CSR as part of their social license to operate. While communities in which the operations are established are critical stakeholders, companies also need to engage with NGOs as they often have existing relationships with these communities. While current CSR communication research has largely discussed the corporate perspective, there is limited research on the NGOs' perspective of CSR.

Design/Methodology/Approach

The study employs a case study analysis and interviews with senior executives of two international NGOs based in Ho Chi Minh City, Vietnam.

Findings

The findings reveal that NGOs in Vietnam view CSR primarily as a means to access financial and human resources from the private sector. However two types of engagement emerge depending on whether the NGO is considered a 'beneficiary' or as a 'partner'.

Research implications

Although limited in scope, this study contributes to the gap in knowledge about CSR from emerging economies, and the relationships between business and NGOs.

Practical Implications

The study provides MNCs and local companies insights on NGO perspectives on CSR and how they may engage NGOs in future.

Originality/value

This paper departs from a business- and Western-centric approach and offers perspectives about CSR from NGOs operating in an emerging economy such as Vietnam.

Keywords

Corporate social responsibility, NGOs, stakeholder engagement, emerging economies Vietnam, Southeast Asia

“Just Do It” vs. “Strategic Relations with Stakeholders”: The Challenges in Communicating CSR in Thailand

Conference paper

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Abstract

Purpose

This research paper aims to investigate how Thai corporations, NGOs, and the Media view on the CSR projects, and how to communicate the CSR project in Thailand.

Design/methodology/approach

A qualitative research with the in-depth interview technique was used as a technique to collect data from 15 representatives of organizations in Thailand, ranging from the multi-national corporations, the public companies, the small and medium enterprises, the local NGOs, and local journalists of the leading newspapers in Thailand.

Findings

By applying the Buddhist philosophy, Thai values and cultures, and the western concepts of corporate communication, the research lead to the interesting results. First, Thai styles of what is called CSR are in variety. It ranges from a project of the PR Unit in a corporation, to monetary or non-monetary support of the local projects, partnering with local organizations, and investing in/managing the social enterprise. Secondly, Thai models of communicating CSR are also in diversity. For example, some organizations believe in the core concept of “Just Do it”, similar to the famous Nike brand, but implying the socio-cultural value of doing without any concerns of public recognition or stakeholder engagement. Some organizations share the opposite view by concerning of making strategic deals with stakeholders, including buying ads in the media, or highlighting on the news value of CSR activities. Also, a number of some organizations communicate in a mixing mode, depending on the managing policy and the enacting environment.

Originality

It is a research-based paper. It identified the socio-culture values from the Eastern world that have a strong influence on the practices of CSR among the local and multinational corporations.

Keywords

CSR, communication, Thailand, values, multinational corporations

Introduction

In the world of business, during the past few decades, CSR has become much more important in developing and promoting corporate identity. Multi-national corporations (MNCs) have been giving more attention to integrating CSR concepts into their worldwide communication strategies.

However, if CSR is compared to a tree, then it becomes apparent that it takes time to learn when it is planted somewhere else. Especially, how to care for this CSR seedling so it can grow and flourish in a different environment. Thus, it is the same for CSR, in that it becomes necessary to understand the related contexts that can shape CSR in a particular culture if it is to succeed.

This study aimed to investigate key stakeholders’ views on CSR, from both an inside-out and outside-in approach. In terms

of the inside-out approach, this research sought to recognize the views of leading Thai corporations that practice CSR. In terms of the outside-in approach, the study aimed to reveal the insights of major CSR observers: NGOs and the Media. Then, by integrating these views of CSR, we can have a clearer perception of Thai-style CSR together with strategies and tactics employed to communicate CSR in a Thai-Style.

Thailand in Brief

Thailand is a country situated in Southeast Asia. Approximately 90% of the population of nearly 70 million is Buddhist. A principal tenet of Buddhism is "giving and sharing" possessions with others. This message is taught in schools and promoted through a variety of channels, from folklore and paintings to local performances, dramas, films, news, and entertainment programs. What people donate to others begins with the basic necessities like food, shelter, medicine and money. The most admired actions are those performed without any expectation of reward or recognition.

This concept of "giving and sharing" has become a core value of Thai business practice, recognized as philanthropic donation (Sthapitanonda et al., 2013). Therefore, when CSR was introduced in Thailand, it was not recognized as a new concept, but more like a practical idea that fits Thai culture and lifestyle (Sthapitanonda et al., 2013).

"Giving and sharing", or "donation", has long been an important part of Thai life. For example, Thais are taught to pay respect to Buddhist monks and make donations to them. They have also been taught to help the poor and those in need. Young Thais grow up with the "giving and sharing" concept of "Just do it, which means these actions are done without thinking about what kind of reward they will get as a return. This type of merit making is described by the Thai metaphor, "Pid Thong Lang Phra", which compares a person who does a good deed as one who attaches gold leaf to the back of a Buddha image, where others won't see it. This implies that one has done good actions with no expectations that others will know or that their actions will be publicized. (Sthapitanonda and Watson, 2015; Sthapitanoda et al., 2013)

Thus, it can be said that Thais are aware of the importance of supporting and giving to others of different groups, from members of the same "extended" family to people in the same organization and same community. In Thailand, this form of assistance usually follows a "patronage system", in which older people support younger ones, or richer support poorer. Pimpa et al. (2014) recognized that this style of "uppatum" (in Thai), or "patronage culture", is also significantly practiced in Thai business culture.

Thus, it has become a challenge to see how Thais practice and communicate CSR, especially after the era of media revolution and growth of the advertising industry in Thailand.

Research Questions

1. From the inside-out and outside-in perspective, what is the uniqueness of Thai-Style CSR?
2. How do Thai Corporations promote CSR projects in Thailand?

Research Methodology and Sample

In order to study the viewpoints of the organizations employing Thai style CSR and preferred forms of promotions and communication for these CSR activities, this research employed a qualitative approach, conducting in-depth interviews with representatives of major businesses, NGOs and the Media. Their responses then provided a broad yet detailed picture through the interaction of the interviewers and interviewees affording a deeper understanding of the data source.

For the inside-out approach, in-depth interviews were conducted with representatives of five corporations listed on the Thai Stock Exchange representing five different sectors, including construction, banking, property, communications and retail business. They all also had over five years of experiences conducting CSR activities. The nongovernment organizations (NGO) selected included leading organizations focusing on the environment, health and consumers, that had experience cooperating with private companies in organizing and promoting CSR projects. Representatives of the Media comprise business journalists with experience covering CSR activities.

Results

Research Question 1: Views on the Uniqueness of Thai-style CSR

CSR in Thailand = A "Must" to do

Research results revealed that the concept of CSR is very important among the Thai population. Those involved in business segment, NGOs, and the media accept that corporations in Thailand need to conduct CSR activities under the heading -"helping" society for a number of different reasons.

For example, large corporations that have been operating for over 100 years see the necessity of CSR helping society in the form of shaping society, or advancing society through sustainable development. Corporations with subsidiaries or branches located around the country see the benefits of CSR helping by contributing to development and improvement in quality of life. Other corporations see the importance of being seen as a 'helper' in the development of their surrounding communities and environment and so establish organizations that focus on community development that relates to the corporation's operations.

The management of CSR activities these Thai corporations practice can be quite varied in size, ranging from projects under the management of 1-3 persons to a permanent CSR unit with as many as 50 employees who are connected to the company's public relations or communications department. Meanwhile, the forms of decision making for these different projects also have a variety of forms, from top-down decision making to problem-based CSR process, for example, in some instances, a corporation's CEO or corporate board may manage CSR directly.

From the viewpoint of NGOs and the media, they agree that CSR is a necessary thing to do. One person explains that it is somewhat like "when you gain something from others, you should return to the society". The others, on the other hand, says,

"If one has achieved its business goal, one should contribute to the motherland."

To be concluded, all agree that CSR is a must thing to do in Thailand.

Thai-style CSR = responsibility to 'return' to society, especially things that are related to the organization and its expertise

The research revealed that large corporations in Thailand accept that it is important to conduct CSR activities in areas related to their operations and expertise, as was seen by those who monitor corporate CSR.

For example, companies that provide sports coverage are often interested in CSR activities that involve the sports sector and providing advice on sports news that can be communicated through different channels.

"Most of our CSR activities aim to support sport associations by coaching them on how to release and publish their news. We may also become their media partner and help them organize sport events."

Some large corporations that are developing high technology see the importance of sharing this technology as a form of helping, or 'returning' to society the support they have been given.

The representative of the banking sector under 'helping' saw CSR as 'assistance for humanitarian reasons', emphasizing his bank's policies that focus on developing CSR as an obligation with a "focus on donating equipment, funding scholarships and training by professionals and sponsoring a local team."

Whatever project they choose, "CSR is always our major focus."

The NGOs and the media also accept that CSR can be focused on what the corporations play the strong roles in the industry, and what they have their expertise. However, it is arguable if a corporation gets involved in the issues that caused by its industry. For example, it is a debatable question whether the alcohol industry should run CSR project on "Drink, don't drive" or not. It is also a big debate if the tobacco companies should play roles in any anti-smoking activity. Some NGO experts also comment that the big CSR of those that cause damage to society, is all about stop running their business, or change to other human/environmental-friendly industries. One says,

"If they are expertise in the field, they should not cause any damage to society."

Thai-style CSR = Corporate – Stakeholders Relationship

The essence of CSR is about responsibility. However, the word "responsibility" is an abstract concept. It is difficult to give it a fixed meaning. Many companies see responsibility as attached to building and maintaining "relationships" with diverse social groups.

The corporation's core group must develop relations with politicians, civil servants, agencies, associations and students, in which they accept that CSR can be a good start of relationship. These will be classified by their importance according to the issues and interests. Ultimately, this means developing relations to create 'acceptance' and "trust" among the public.

Many of the corporate representatives said,

"We need to do good CSR and then communicate this concept to the younger generation."

"If we cannot make people trust us, we can't survive. We value 'relationship' in a very concrete way."

Their motive of CSR, accordingly to the business, is somewhat about building 'relations'. It is because they are one segment of the community, and they want to make the different social groups understand that they can co-exist. For example,

"We have to maintain good relationship with all of these groups since our stores are at every corner. We are part of the community, so we need to reach them, to make them understand us and enjoy being part of the same society."

"We want to help and support any activity that upgrades the quality of life among communities nearby and thus create better understanding among stakeholders."

Thai-style CSR: Start with Strong Teams

Those with experience creating CSR activities in Thailand will accept that it is no easy task. They see that Thai-style CSR gives importance to the "source", or 'people'. Thus, a CSR team responsible for a project must comprise members who are open minded, respectful and with social concerns, or they must be trained. As one interviewee said,

"We need to train our staff to be open-minded, by learning from previous mistakes and their solutions, rather than defending our position or ignoring the past"

Thai-style CSR in Action: Cooperation at the Heart

When CSR is put into action in Thai style, there appears to be a tendency to focus on cooperation between alliances as follows:

Support Stakeholders' CSR

One facet of CSR is sponsorship or co-sponsorship of stakeholders' social development projects in an area the corporation is strong, whether it be technology, products or expertise in management or facilitating the process.

"We provide support the best way we can, like providing food or knowledge. We want to be there friends." CP

Invite stakeholders to join a CSR project

Another way that Thai companies practice CSR is to invite different stakeholders to join CSR activities the company has already launched. Thai companies will select activities that match their policies, mission and values. At the same time, if a corporation gives importance to an activity and stresses investment, this can lead to a long-term win-win solution.

"We focus our CSR on education and learning projects. We invest in establishing our own schools, supporting

students with financial aid & scholarships and hiring them after graduation. We think this is a win-win solution."

Select Partners

If you look at the partners that join CSR activities, they are stakeholders that come from all related sectors. So, during implementation, each CSR team will need to recognize the importance of open-mindedness and willingness to cooperate.

"They need to be open-minded and ready to work with their business partners. For us, we also are selective. We seek to select active NGOs that have concrete activities."

It is important to note when selecting partners to focus on "relationship"; cooperating in CSR is just a starting point for developing a relationship that can evolve into a 'friendship' based on giving each other a hand.

"When we get to know one another, we become friends. We support or consult one another informally as friends – give advice on personal and financial issues. Though our policy might change, our interpersonal and group network remain... We continue to maintain our relationship."

For Ngos, and the media, they agree that "making a relationship" is practical thing to do. A journalist accept that relationship makes the project sustained. The other Ngo called the process of working with partners as "Long-Kaek", or helping hands to one another. He recalled to old customs of the agricultural society that farmers help one another during the harvest season. According to him...

"No one pay money to hire others. We all help one another. We contribute our work forward. Then, they will kindly contribute the same to us. It's about sharing responsibility."

Co-create a Third Sector through CSR

Another form of CSR is providing support by cooperating with stakeholders that have interests in establishing a new organization, like a foundation or social enterprise to promote development or solve existing problems.

In such a case, the organization can send a facilitator to help establish and manage the new entity responsible for the projects and activities.

"Our strategies are about organizing participation-based projects and demonstrating sincerity among stakeholders."

Thai-style CSR: A Facing Problem

As business competition becomes fiercer, competing companies in the same sector may "imitate" CSR activities, which can cause misunderstanding of the core values and principles of CSR.

The CSR activities of companies like this have been called, "me-too corporations", which all involved parties see as a 'problem'.

"Differences are clear, which causes confusion and complaints."

"Social problems are not understood – even if the corporations say "honest", we'll solve the problems."

Whatever the case, the large corporations accept that CSR comprises starting a project, community involvement, establishing partnerships and achieving long-term, win-win solutions.

"Those who understand what we are doing serve as a voice, spokespersons for our actions."

Research Question 2: Thai way of communicating CSR

Just do it

"Just do it", though widely recognized as the international slogan of the famous brand of Nike, is a phrase that came directly from those interviewed who are upper level management of CSR communication. One explained this CSR communication method, which the others agreed with as, "Actions bring results so JUST DO IT." But it best to do it step by step.

"As a big corporation, we need to act before we speak... Just do it – create the successful project before we saying anything."

"Just do it.' means to start the project small, before inviting other stakeholders to join."

"Like a superstar, everyone wants to join us and become famous. This means we have start the project small, before we begin to invite other stakeholders."

One example of the "Just do it," communication is the company management understands the importance of arousing the Buddhists' awareness that this is of good morals. This begins with the PR department organizing dharma oriented activities, like inviting popular, well-known monks to come give sermons once a week and disseminate invitations to the company staff, the media and the general public who are interested.

At the same time, the sermons can be recorded and then aired on a group member company's cable station. This will slowly grow in influence helping to build relations through this joint activity and the group of participants can be expanded further over time.

Members of the media will see the company as conducting activities that demonstrate their sense of social responsibility with the sponsorship of dharma teaching to a wide audience.

Even more important, following the success of CSR projects that have raised a corporation's profile, they can implement communications on another level, i.e. 'sharing' lessons with other businesses or sectors, particularly small and medium enterprises, which can be discussing and sharing experience as well as visiting and even joining in the CSR activities. This contributes to the success of the strategic 'communications' automatically as it strengthens corporate awareness among the public, which is what the corporation has as its objective.

"We cannot do business without being socially aware."

If the idea for a CSR activity doesn't begin at the corporation itself, but starts at the 'request for sponsorship' partners, one interviewee said 'Just do it.' Can be providing the helping hand because assistance is a form of communication that doesn't require words but does express this as an example of a good and sincere relationship.

"Help with what they ask and we can do."

"Help is one CSR activity of ours."

"Whenever they need help, just help them."

"What we try to do is to support them the way they can accept us."

Deal Strategically with Stakeholders

Another path for CSR communications is dealing strategically with stakeholders before beginning a project because working with an 'organization' allows for "reflection' by the stakeholders who recognize that the sincerity of a company as was expressed by one interviewee:

"We screen who should become our friends. They also screen us. It takes time for each side to build 'trust'."

"We know one benefit stakeholders expect is gaining public recognition."

A prime reason for selecting different partners is the importance developing a picture of cooperation with the 'representatives' of the different stakeholders such as government agencies, communication organizations and social groups.

Furthermore, great care should be given to the selection process as a corporation doesn't not want to consider an NGO that will not work with private sector. They need to choose organizations that have already achieved acceptable results and will help develop an even stronger 'picture' of trust among the public as well as agencies and organizations already with close ties.

After selecting the partners, the next important step is to agree on a division of responsibilities according to expertise.

"We match with what each organization is expert in."

For example, one business corporation decides to organize an activity to reduce waste, like plastic bags. They then want to cooperate with representatives of different sectors, including schools, government and NGOs and design a project that gives credit to all.

CSR can be important in stabilizing a strategic relationship with members of different sectors. This can ensure the quality of the CSR activities and provide a guarantee of the partners who are stakeholders from the different sectors.

"An 'organization' with the responsibility to emphasize quality of the work is a form of communication that does not have to be promoted."

"It's a form of CSR public relations that doesn't need public relations because the stakeholders are the mechanism that lets the public know the corporation does this CSR."

"In addition, the 'by-product' is the 'relationship' that can be communicated through the form of a 'friend' who tells different stories that directly and indirectly linked to the CSR."

"A close connection, or 'relationship', means an opportunity to talk, to communicate in a right way. If they have misunderstandings or hear any misunderstanding from others, we have a chance to clarify our point of view, to provide information from our side at the right time, before it is too late."

"As friends, we form an environment in which our staff can discuss issues and options to solve the problems."

"I think the value of being friends helps us to appear like a mediator, finding the agreeable solution."

Mixed Mode: Strategic Deal with New Direction

Communications is the result of working in a manner that can co-create a third entity, for example, foundations or social enterprises. The corporations give freedom to the new organizations that they establish while also providing support through different systems, like helping to promote activities, providing a PR team to help in news releases.

The channels for communications are 'free' to enhance the image of the corporation in itself, but it can be confirmed by the "third party"-the foundation the company gets involved.

"It also helps them learn from one another about who has done anything right or wrong. If the representative of the board speaks out to the public in the name of the 'foundation', the voice will be much louder than the voice of just anybody."

It isn't easy to produce communications using this method. Someone must take the leader role and demonstrate the sincerity of all involved, including the corporation that is "not intervening" in the new organization's operations and communications in order to build trust in their work.

"Proving the sincerity of the individuals and corporation takes time, but if it can be accomplished, the communications will be able to disseminate information and encourage talk with stakeholders, particularly because this can achieve understanding and win support."

"It takes time to develop respect for one another, especially to respect others' opinions, facts and figures. Once trust is built, it all comes much easier."

Conclusion

The classical idiom, "actions speak louder than words", is an excellent definition for Thai-style CSR and its promotion, or communication. The results of this research affirm that projects that can promote Buddhist precepts' receive wide audience acceptance automatically. In addition, the results show if a "Just do it" CSR activity is organized, in a form that does not call for recognition or reward, it can create this positive Buddhist belief in pure merit making.

This agrees with points previously mentioned about how members of a social group will trust and see the benefits from communications disseminated through various channels. One of these could be a documentary channel that can reach a wide audience that will help to emphasize, "the first ideas are good" that the organization returns to the public. It is easy to then develop cooperation with stakeholders that can evolve into closer relationships.

Still, strategic relationship building with stakeholders is something that cannot be refuted, particularly for developing long-term friendships through sponsorship – giving financial support, time and people so each CSR activity can achieve positive results. This can then serve as an endorser that can improve the image of the project and serve as a mechanism to help disseminate information through the news about how good the project is as well as through the networks of friends and partners automatically. So, it shouldn't be surprising that business companies, government agencies, NGOs and social groups would support the establishment of a 'third party' social development organization that appears independent. Others may become even more motivated to join to facilitate the project.

This can then lead to a mixed mode communication method and as results are communicated, trust will be built. At the same time, the establishment of this third party organization can provide another spokesperson who is seen as independent and so will be trusted even more.

Finally, in the context of Thai society, 'relationship' will gain greater trust between people of different levels and plays an important role in the 'process' of promoting stakeholders as all work to achieve the 'goal' of the CSR project. This can then contribute to building relations with still other different social groups as all cooperate to help one another in different aspects of the CSR project as well as informing the public of other major problems or taking action to prevent other serious problems from occurring through new agreements – 'promises' – in building trust. These are important points that could be studied in further research that also examines "revealing and concealing" friendships in CSR project communications.

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Businesses and NGOs: Their Role in Shaping CSR Theory and Practice

Abstract

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Purpose

The aim of this paper is to explore the relationship between corporations and NGOs in the UK, offering insight on how this engagement shapes CSR practice, theory and communication between these two sectors.

Design/methodology/approach

In this study we undertake phenomenological interviews with both CSR and NGO communicators, to reveal their experiences of CSR practice and how they engage with each other. In total, eleven hours of data was collected between June-July 2014. Each interview was analysed separately using a hermeneutic approach where themes were identified and checked across the whole interview for confirmation.

Findings

Our findings suggest that despite previous conceptualisations that situate strategy at the core of practice, practitioners undertake CSR activities in a pragmatic way and they are driven not by the social cause, or any organisational vision, but rather by their careerism ambitions. Our findings also show pressure response models, some forms of collaborative relationships and even the blurring of roles and responsibilities in the business-NGOs relationships.

Research limitations/implications

A smaller numbers of NGO representatives were interviewed in comparison with CSR practitioners.

Practical implications

This study offers evidence of a bridging relationship between NGOs and corporations, where the lines between responsibilities and roles are blurred.

Social implications

By seeing NGOs as 'critical friends' contrast to 'adversarial stakeholders' corporations are encouraged to invest in social responsibility through casual partnerships.

Originality/value

Our study responds to a call to better understand how practitioners make sense of business-society relationships. We also address a call for qualitative studies in CSR communication, where phenomenological approaches remain uncommon.

Keywords

CSR practice, business-NGOs relationships, careerism, pragmatism, developed countries

7. MARKETING PERSPECTIVES ON CSR AND THE IMPORTANCE OF BUILDING REPUTATIONAL AND CLIENT VALUE

Cross-Cultural Differences in Consumers' Perception of the Credibility of Cause-related Marketing (CRM) Campaigns

Extended abstract

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Abstract

Purpose

Consumers' high skepticism is a key problem in CSR communication, particularly towards promotional forms of CSR, e.g. CRM. Previous studies on consumers' skepticism towards CRM have focused on consumers' perceived motives for companies' CSR activities (altruistic vs. egoistic). These studies showed that consumers' skepticism concerning companies' motives negatively affects their attitudes towards these companies as well as their purchase intentions. Based on previous findings on differences in CSR activities in Germany and the US, this study focuses on intercultural differences by examining motive attribution towards CRM campaigns by Germans and Americans and related implications for perceived credibility of CRM campaigns in the two countries.

Design

Participants in Germany as well as in the US are asked to evaluate a CRM campaign from Pedigree, a manufacturer of dog food well known in both countries. More specifically, they are being asked to assess the motives of this company to engage in CSR and the credibility of the CRM campaign.

Findings

Based on previous studies on different traditions of civic engagement in Germany and America and the consequences for CSR today, it is assumed that Americans are more likely to think of CRM as a credible and effective way to address the country's social problems, whereas Germans frequently associate CSR with attempts to improve the company's reputation as well as sales.

Originality/value

So far, intercultural differences have not been taken into account in previous studies, although differences between consumers' perceptions of companies' CSR activities have been assumed in CSR research.

Keywords

Intercultural differences, CRM, skepticism

Purpose

Consumers' high skepticism is a major obstacle to successful CSR communication, particularly with regard to promotional forms of CSR, such as CRM. Previous studies on consumers' skepticism concerning CRM have focused on consumers' perceptions of motives underlying companies' CSR activities (altruistic vs. egoistic). Previous research shows that consumers' skepticism concerning companies' motives negatively affects their attitudes toward these companies and their purchase intentions. Based on previous findings on differences between CRM activities in Germany and the US, this study focuses on intercultural differences by examining attribution of motives to CRM campaigns by Germans and Americans. In addition, this study analyses the effect of fit on credibility. Previous studies show that fit affects credibility. Based on previous findings regarding the effect of reputation and involvement on credibility of CRM, this study includes these two variables as confounders. It also discusses implications for the perceived credibility of CRM campaigns in these two countries.

Design/Methodology

169 students (111 German and 58 American students) participated in the study. 70% of the participants were female. The average age was 25, $SD = 5.22$. Participants in Germany and in the US are asked to evaluate a CRM campaign by Pedigree, a well-known dog food manufacturer. Participants are asked to assess the motives underlying this company CRM activities

and the credibility of the CRM campaign. Motives used in this study were taken from Ellen, Webb, and Mohr (2006), who categorize motives as follows: egoistic, strategic, value-driven, and stakeholder-driven. The campaign is presented in two different ways: high fit (Pedigree supports animal welfare) vs. low fit (Pedigree saves the rainforest). Participants were randomly assigned to respond to one of these campaigns.

Findings

Manipulation Check: In terms of the stimulus material concerning the company-cause fit, manipulation was tested. A t-test ($N = 169$) confirmed a significant difference between participants in the high-fit condition ($N = 84$) and participants in the low-fit condition ($N = 71$) in terms of their perceived fit, $M_{high} = 5.51$, $SD = 1.18$ vs. $M_{low} = 3.42$, $SD = 1.55$, $t(129) = 9.34$, $p < .001$.

Hypotheses Testing: It was suggested that nationality affects the credibility of CRM campaigns and the attribution of motives underlying these campaigns. We assumed that Americans are more likely to think of CRM as good means of addressing the country's social problems, whereas the credibility perceived by Germans is more likely to be lower. An ANCOVA showed that the credibility of CRM campaigns perceived by Americans is higher than the credibility perceived by Germans, $M_{USA} = 4.49$, $SD = .95$ vs. $M_G = 4.14$, $SD = .93$, $F(1, 136) = 4.05$, $p = 0.0461$. Nationality also affected the attribution of motives.

An ANOVA showed that Americans were more likely to attribute value-driven motives in a CRM campaign whereas Germans were more likely to attribute strategic, stakeholder-driven, and egoistic motives, $M(\text{Value})_{USA} = 5.29$, $SD = 1.17$ vs. $M(\text{Value})_G = 3.73$, $SD = 1.1$, $F(1, 151) = 65.31$, $p < 0.0001$; $M(\text{Ego})_{USA} = 4.46$, $SD = 1$ vs. $M(\text{Ego})_G = 5.41$, $SD = 0.85$, $F(1, 153) = 40.04$, $p < 0.0001$; $M(\text{Stakeholder})_{USA} = 4.34$, $SD = 0.81$ vs. $M(\text{Stakeholder})_G = 5.17$, $SD = 0.72$, $F(1, 154) = 46.74$, $p < 0.0001$ and $M(\text{Strategic})_{USA} = 5.24$, $SD = 0.94$ vs. $M(\text{Strategic})_G = 5.64$, $SD = 0.90$, $F(1, 155) = 6.91$, $p = 0.0095$. Germans associated CRM with attempts to improve the company's bottom line as well as its reputation, whereas Americans primarily see a good cause. In terms of fit, it was suggested that high fit leads to a higher credibility of the CRM campaign perceived by Germans as well as Americans. An ANCOVA showed, however, no significant influence of fit on credibility, $F(1, 136) = 2.15$, $p = 0.1448$. In addition, the influence of reputation and involvement were analyzed.

With regard to reputation, an ANCOVA showed that reputation significantly affects credibility. A good reputation led to a higher credibility of CRM campaigns, $b = 0.39$, $F(1, 136) = 30.26$, $p < .001$. With regard to involvement, the study showed that cause-involvement in particular (relevance of animal welfare or environmental protection) affected credibility. Participants with high involvement believed less in the credibility of CRM campaigns than participants with low levels of cause-involvement, $b = -0.14$, $F(1, 136) = 5.81$, $p = 0.0173$.

Discussion

The study's findings show that nationality affects the perception of CRM campaigns and their credibility. The credibility of CRM campaigns perceived by Americans is higher than the credibility perceived by Germans. Thus, Germans are likely to be more skeptical concerning CRM campaigns than Americans. Moreover, the study shows that Americans associate CRM with a given company's values for doing good whereas Germans associate CRM with attempts to improve the company's economic performances, for example sales or public image. The study shows that nationality also affects the attribution of motives. Americans are more likely to attribute value-driven motives, whereas Germans are more likely to attribute egoistic, strategic, and stakeholder-driven motives. It is, however, important to note that participants often perceive mixed motives. The strategic, stakeholder-driven, and egoistic motives highly correlate.

Implications

This study compared Germans and Americans in terms of their perceptions of CRM campaigns and their credibility. The study shows that Germans are less likely to regard CRM campaigns as credible than Americans. These differences are caused by different attributions of motives by Germans and Americans. Americans are more likely to attribute value-driven motives to a CRM campaign whereas Germans are more likely to attribute strategic, stakeholder-driven, and egoistic motives. Thus, Germans associate CRM with attempts to improve the company's sales as well as its reputation, whereas Americans primarily perceive a good cause. Value-driven motives in particular positively affect the consumers' perception of CRM campaigns and their credibility. In Germany, a shift of motives toward value-driven motives is needed to enhance the credibility of CRM campaigns.

The implications discussed below suggest what companies could do to achieve this goal. First, companies in Germany would do well to include more information that confirm the accuracy of CRM campaigns, as the findings show that Germans are more skeptical toward CRM campaigns than Americans. Thus, presenting more reliable information is more likely to lead to the attribution of value-driven motives. Second, as previous research has shown, companies in Germany would do well to enhance their credibility by improving the quality of claims. Claims should be specific, rather than vague. The more specific a claim is, the higher the credibility. If companies in Germany were to adopt these two strategies to enhance the credibility of their CRM campaigns, consumers would be more likely to attribute value-driven motives. In addition to these two strategies, the findings suggest that companies need to develop culture-specific CRM communication.

CRM campaigns need to consider cultural differences and related social norms and values. The GLOBE studies may help identify these norms and values. As indicated by these studies, Germans and Americans vary in terms of their uncertainty avoidance, humane orientation, and assertiveness. Thus, a company planning a CRM campaign in Germany and the US needs to focus on the differences with regard to these dimensions. Moreover, companies would do well to identify culture-specific "good social causes." In addition to the implications that refer to the shift of motives and culture-specific CRM communication, the study's findings suggest implications in terms of fit and reputation.

With regard to fit, low fit negatively affects credibility even though the effect does not reach statistical significance. Moreover the study shows that reputation strongly influences the credibility of CRM messages. Companies would do well to look at their reputation first when developing a CRM campaign to balance the chances and risks of CRM.

Limitations/Further Research

Overall, the study's findings show that the credibility of CRM campaigns differs crossculturally, and this finding has several practical implications, but also has some limitations. The study used a convenience sampling by focusing on students, an approach that leads to some limitations in terms of external validity. However, at the same time, convenience sampling is preferred by researchers who have limited access to participants. This sampling method was required, because of the limited access to participants in the US. Moreover, the study's findings are limited in terms of variables analyzed: the attribution of motives, fit, reputation, and involvement. As previous findings have shown, credibility is also affected by communication variables, for example communication channel or message. Further research should take these variables into account. Furthermore, the study's findings are limited to Germany and America. Previous studies suggest that there is also a difference of attitude toward CRM campaigns between, for example, China and America. Thus, further research could include more countries to gain further insights with regard to the cultural differences of credibility. The differences in terms of credibility of CRM campaigns between Germans and Americans can be explained by differences in the development of social norms and values in both countries. As previous findings have shown, CSR and CRM are also influenced by political, financial, educational, and cultural institutions, which differ from country to country. Thus, this needs to be taken into account in further studies.

Originality/value

CRM research has assumed differences between consumers' perceptions of companies' CRM activities. So far, intercultural differences between Germany and America have, however, not been considered to the extent that they could. This study offers a new perspective on the perception of CRM campaigns and their credibility by Germans and Americans.

Consumers' Need for Consistency in Corporate Communications

Abstract

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Purpose

Notion of consistency has been central to many psychological theories. Consistent communication facilitates information processing and judgement formation process. On the other hand, different target groups demand distinct and mutually exclusive communications. The aim of the research was to investigate consumers' response to corporate communication incorporating inconsistent women's portrayals present in different brand ads.

Design/Methodology/Approach

In a series of two experiments an editorial was presented to participants. They included description of a company owning cosmetics whose ads show women aware of their natural beauty and men fragrances whose ads show unobjectified (vs. objectified) women. Brand awareness was manipulated. In the second experiment, in the consistent condition, images of women were both objectified.

Findings

Results of the studies revealed that individual differences in need for consistency do not explain participant's response to inconsistent communication. However, analysis of variance showed significant differences in willingness to buy and attitudes towards brands in the non-awareness condition.

Research limitations/implications

Research examines only significantly inconsistent communications and it is yet to discover how salient the differences should exist to elicit negative consumer response.

Practical implications

Research suggests inconsistent corporate communication is especially threatening to companies whose awareness is low.

Social implications

Assuming high significance of marketing communications in the social learning process, a greater attention should be given to social and gender images present in brands communication as consumers would accept them without resistance.

Originality/value

Presented series of experiments is one of the few showing that message content may be of little importance to consumers provided company's reputation is well established and awareness is high.

Keywords

Consistency, motivation, CSR, corporate public relations, brand communication

Crisis Control Through Regulatory Focus

Abstract

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Purpose

This paper highlights the applicability of Regulatory Focus Theory as a tool to enhance the predictive strength of Situational Crisis Control Theory (SCCT). It aims to show that the make-up of a reputational crisis, in terms of company responsibility and risk of injury to bystanders, has a direct impact on the regulatory and emotional state of a consumer, which feeds into the company's reputation.

Design

Participants in two studies took place in a 2x2 experiment, which introduced them to an organizational crisis event, where the firm's responsibility and the inherent risk of injury were manipulated.

Findings

Results show that risk of injury can increase perceived crisis severity, along with consumers' prevention focus, diminishing organizational reputation. Prevention focus also increases consumers' appreciation of safety-orientated crisis solutions, while promotion focus has a similar impact on compensatory actions. Organizational responsibility leads to disappointment, while risk of injury, along with prevention focus, increase anxiety. Only disappointment decreases organizational reputation, but anxiety enhances the relationship between prevention focus and consumers' evaluation of safety-based solutions.

Value

The results establish the applicability of regulatory focus to SCCT and provide a new way to look at crisis typologies beyond their severity. It shows the importance of individual level factors for reputation management. The paper lays groundwork for future research, examining the relative impact of individual crisis control strategies from the SCCT model, using the same mechanism.

Keywords

Regulatory focus, situational crisis control, emotions

Corporate Social Responsibility Oriented Marketing: A Communication Challenge

Conference paper

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Abstract

Purpose

Conventional marketing is known to have a huge impact on production and consumption, for that responsible marketing through effective Corporate Social Responsibility (CSR) communication are indicated for driving a sustainable business path. Yet, research shows that most businesses conduct CSR efforts disconnected from the business strategy, deterring a meaningful change to meet the social and environmental challenges. The purpose of this paper is to investigate the relationship between CSR and marketing based on the opinion and communication of practitioners and to analyse the role of CSR communication for more sustainable marketing practices.

Design/methodology/approach

The link between CSR and marketing is investigated through a qualitative content analysis of 24 worldwide leading non-financial reports and a cross-analysis of 11 international business surveys.

Findings

The research shows that while companies assume to place CSR at the core business, marketing is a topic with little reference, suggesting that marketing practices may mostly not be CSR oriented. These findings raise doubt on the effective integration of CSR as a business strategy because marketing seems not to be devoted to fostering sustainable solutions in the outset. To close the gap between CSR and marketing we propose a merged framework of sustainability and stakeholder marketing and discuss elements for the crucial role of CSR communication in this endeavour.

Research limitations/implications

Further wider theoretical and empirical studies about the role of CSR communication in the construct of CSR oriented marketing are needed.

Originality/value

This paper gives insight in the recent research area of CSR and CSR communication in the context of marketing.

Keywords

Corporate social responsibility, marketing, CSR communication, sustainability, CSR report, stakeholder engagement

Introduction

In the academic field, it is observed that to drive a shift from the current economic growth model to a more life-conducive economic system it is imperative to achieve sustainable lifestyles through a new mindset of responsible business management (Crane & Matten, 2010; Jackson, 2011; Varey & Pirson, 2014; Pedrosa, 2012). In this realm, CSR as the responsible commitment of business to achieve sustainability gained indisputable importance in the academic and management field, and became an increasingly adopted activity by companies. Nevertheless, the expected outcomes of CSR activities in coping with the major environmental consequences – as resource depletion and climate change – and social impacts – as inequality, poverty and working conditions – have been feeble and are considered to be failing in shaping a truly responsible business model (Ganesh, 2007; Smith et al., 2010; Visser, 2011). Marketing, in particular, is considered to be strategically

poised to promote responsible lifestyles (Smith, Palazzo & Bhattacharya, 2010), because consumption as a market economy achievement is in its domain. Yet, marketers do not seem to be living up to expectations in addressing materialism and overconsumption, aspects in the spotlight of the unsustainable development model of our time (Maignan & Ferrell, 2004; Crittenden et al., 2011). This failure leaves the reflection of sustainability issues on the business process unattended. It also leaves CSR communication with the difficult task of making sense of corporate purpose and aspirations versus performed activities to a wide group of different stakeholder group. To what extent CSR is being introduced into core functions such as marketing is therefore a matter of concern and of continuing research (Hugé & Waas, 2011; Pedrosa, 2012).

Scholars argue for the need to examine CSRs *modus operandi* – the integration of CSR into business functions, stakeholder engagement and communication – in order to better understand the underlying mechanisms of corporations' behavior towards sustainability (Podnar, 2008; Basu & Palazzo, 2008; Christensen & Cornelissen, 2010). Ihlen, Bartlett & May (2011, p. 11) claim that, in particular, "communication studies are important in order to understand how the meaning of CSR is constructed, how it is implemented in organizations and used to achieve organizational goals". Research is crucial for designing organizational and social frameworks as well as collective platforms to promote responsible production and consumption for a truly sustainable development paradigm.

In our investigation we found little empirical research about companies' marketing practices related to their CSR strategy. There is also scarce research "on the role of CSR communication in promoting the integration of CSR in organizations" (Pol-lach et al., 2012, p. 1), particularly, in the marketing discipline (Podnar, 2008).

This research investigates the relation between CSR and marketing from a practitioners' point of view and analyses the role of communication in designing responsible marketing practices, based on leading worldwide CSR reports and on relevant sustainability surveys on business professionals' opinion about CSR practices.

First, the paper provides a brief literature review related to CSR, CSR Communication and marketing. Second, it discusses the results of the empirical research on the non-financial reports and the surveys. Finally, the paper proposes a framework and communication elements for CSR oriented marketing.

Literature review

CSR – a concept still in construction

In its broadest sense, CSR and its synonyms 'corporate responsibility' and 'corporate sustainability' are about the social obligations and impacts of business in society, which came into shape due to businesses' increasing environmental and social consequences and stakeholder demand for more responsible business practices. However, what may seem a straightforward claim hides in fact a very complex (May, 2011), at least not univocal concept (Maignan & Ferrell, 2004; Schaefer & Crane, 2005; Mark-Herbert & Schantz, 2007; Christensen, Morsing & Thyssen, 2013; May, 2011) which has been highly debated in the academic field. The ambiguity and variety of definitions turns out to influence the multiplicity of forms CSR assumes in corporate practice (Matten & Moon, 2008). For this reason, literature around CSR is in a "continuing state of emergence" (Lockett, Moon, & Visser, 2006, p. 133). Therefore, for the most part, the quality as well as the outreach of CSR programs is under wide discussion.

In investigating the main limitations of CSR strategies for a truly responsible business management towards a better environment and society, some major reasons stand out: lack of strong and wide stakeholder engagement; the feeble power of CSR in the business functions, above all marketing (Belz & Peattie, 2009; Smith, Palazzo, & Bhattacharya, 2010); the pursuit of the business case for CSR, that considers virtue a tool for profitable returns (Thielemann, 2008; Berger, Cunningham & Drumwright, 2007; Ihlen, Bartlett & May, 2011), which in turn is held captive of another major cause, the imperative of the economic bottom line, based on shareholder primacy and short term profit pressure. Visser (2011) offers a thorough analysis of the current state and limitations of CSR, by classifying it in different strategy stages in organizations (peripheral CSR, incremental CSR and uneconomic CSR), concluding that CSR, as it is practised, leaves most of the pressing problems that justify its origin, unattended.

The concept of stakeholder theory (Freeman, 1984) came to be a consensual model for CSR management, based on the notion that an organization strives by responding legitimately to stakeholder concerns and expectations (Golob & Podnar, 2011). Freeman not only established stakeholders as crucial elements of the corporate strategic planning for surviving, but also advocated a social and environmental interest of the broadening of stakeholder identification. It seems also unquestioned that to be meaningful, CSR activities should reflect stakeholders' values and desires at the same time as it is driven by the corporation's mission and values (Coombs & Holladay, 2012). The widening of stakeholder scope comprises the challenge of managing different characteristics and needs between stakeholder groups that expect different types of interaction and action. Considering the limitation of time and resources, companies have to deal with the decision of prioritization, type of communication (Sweeney & Coughlan, 2008) and tailored, yet consistent, messaging (Coombs & Holladay, 2012). Related to marketing management, literature is scarce in addressing how marketing specifically can be informed by attention to stakeholders other than consumers and customers (Smith, Drumwright & Gentile, 2009).

CSR Communication

Communication plays a vital role as the construct of the CSR identity and, ultimately, as the corporate identity itself (Christensen & Cheney, 2011). In fact, "communication is inescapable" (Ihlen, Bartlett & May, 2011) from the moment a company is a social entity. Communication is the tool to engage with stakeholders and to make CSR visible. Podnar defines CSR communication as "a process of anticipating stakeholders' expectations, articulation of CSR policy and managing of different organization communication tools designed to provide true and transparent information about a company's or a brand's integration of its business operations, social and environmental concerns, and interactions with stakeholders" (2008, p. 75). From this point of view it can be called stakeholder communication. However, the nature and dynamics of CSR communication, stakeholders expectations, to what extent CSR comes true through communication is a challenging process (Coombs & Holladay, 2012) and a research area still to be explored (Mark-Herbert and Von Schantz, 2007; Christensen, 2011; Ihlen, Bartlett, & May, 2011).

Since the beginning of the CSR journey, numerous business surveys confirm that trust, brand and reputational objectives are top priorities for engaging with stakeholders. Yet due to a large number of ethical scandals (ex.: Enron), environmental damage (ex: BP), and social and human rights issues (ex.: the Rhana Plaza disaster related with fashion brands like H&M and Benetton) – all having lack of transparency and profit-maximization in common – when companies use the term 'sustainability' or 'CSR', the probability of stakeholders suspecting that it means business as usual is high (Eisenegger & Schranz, 2011; Elving & van Vuuren, 2010). Thus, there is a growing focus on credibility, legitimacy, transparency and authenticity (McMillan, 2007; Elving & Vuuren, 2010; Ihlen, 2011; Smith & Palazzo, 2010; Du, Bhattacharya & Sen, 2010), as a consequence of the wide scepticism towards CSR communication (Christensen, Morsing & Thyssen, 2013).

The complexity of communicating CSR

The very own ambiguous nature of CSR instils the great complexity in communicating CSR but also the discussion around 'being and seeming' (Ganesh, 2007; Ihlen, 2011; Elving and van Vuuren, 2010; Christensen, Morsing & Thyssen, 2013), and the conundrum of achieving effective stakeholder engagement (Morsing and Schultz, 2006; Christensen et al., 2013). The dissension of the different interactions of communication units leaves CSR communication in a silo, because it is still not a strategic field of corporate communication (Nielsen & Thomsen, 2012) and is not subject of an integrated communication approach (Coombs & Holladay, 2012).

Added to this coherence gap, there is what Coombs and Holladay (2012, p. 110) call the "CSR promotional communication dilemma", whereas stakeholders expect CSR information, corporation messages may backlash if considered overly self-promotional. McMillan (2007) considers it a rhetoric challenge, related to the tone and form of corporate messages that can go from instrumentality, monologue, and narcissism to dialogical communication strategies of connection and reciprocity. Non-financial reports have become the normative answer to the increasing stakeholder demand for accountability and honesty. However, the excessive focus on good deeds (Morsing & Schultz, 2006; Cornelissen, 2014) the general low level of comprehensive reporting (Bouten, Everaert, Van Liedekerke, De Moor & Christiaens, 2011) leads to the critique that CSR reports seem more a marketing device for favourable public perception and less an instrument of transparent accounting (Crawford & Williams, 2011; Cornelissen, 2014). Two-way symmetric communication (Morsing & Schultz, 2006), dialectical approaches based on participation and discussion of dilemmas (Ihlen, 2011) and even triggered by disagreement and conflict (May, 2011) are, increasingly, recommendations for opening up for a more transparent and productive relationship with stakeholders.

Another shortcoming for CSR communication is that most people seem unaware of corporate sustainability challenges and CSR initiatives (Bhattacharya & Sen, 2004; Pomeroy, 2011). Therefore, in research and studies evidence is feeble as to whether CSR disclosures actually shape public perception (Du, Bhattacharya and Sen, 2010). While companies are sure that they need to comprehend consumer behaviour towards sustainability, they have been struggling with equivocal signs coming from the consumers themselves, because there are perception-attitudes gaps related to the importance attributed to sustainability but not translated in the purchase decision (The UN Global Compact-Accenture: CEO study on Sustainability 2013). This resistance seems to be a consequence of the dominant marketer-imposed representations of lifestyles (Smith, Palazzo & Bhattacharya, 2010). However, in the same way marketers promoted a consumerist paradigm, they can redefine a more sustainable lifestyle imaginary (Belz & Peattie, 2009; Alexander, Crompton & Shrubsole, 2010). It does not help that communication specialists still do not master the CSR topics as to manage them effectively (Waddock & Googins, 2011) and when they do, marketers may be overly emphasizing the rational and functional aspects in sustainable consumption (Belz & Peattie, 2009), missing the symbolic dimension of it (Smith, Palazzo & Bhattacharya, 2010). Consequently, marketing communication with CSR messages often face the suspicion of being an artifice of the company to look responsible, rather than being (Nielsen & Thomsen, 2012).

These limitations resonate with Podnar's conclusion that "corporate and marketing CSR communication directed towards customers as one of the primary stakeholder groups are still in the early stages of development" (2008, p. 77) and need to be addressed strategically.

Sustainable consumption

Consumption as a market economy goal has long resided in the domain of marketing (Belk, Dholakia & Venkatesh, 1996 cited by Crittenden et al., 2011), thus marketers have a great responsibility in relating consumption to sustainability. Nevertheless, marketing theory, research and practice is still not prepared or aware to deal with the problems created by itself (Crittenden et al., 2011). While there are concerns and initiatives for producing greener or more ethical sourced products, Schaefer and Crane (2005) note that this kind of preoccupied marketing is a different dress for the same growth motive of the companies, leaving the consumption sanctuary untouched. From the concern about changing our consumption patterns derived the concept of sustainable consumption, considered in the World Economic Forum World Economic Forum Report 2011 The consumption dilemma from a behavioural and ethical perspective:

“Sustainable consumption is not only about how much we consume, but also about what we consume, how we consume and who consumes. It is only achievable with the integration of sustainability into business models, production and design.”

For Belz and Peattie (2009, p. 17) this endeavour cannot be achieved without “changing marketing mindsets and abandoning the assumption that the root of marketing activity is ‘how to sell more stuff to people’”. Smith, Drumwright and Gentile (2009, p. 4) argue for “a more sophisticated understanding of consumption” that acknowledges a wider set of stakeholder concerned with the company’s actions.

Marketing: too important to be a function

Regarding the strategic importance of marketing in companies’ overall decision making, it is relevant to analyse it in this light. Drucker, the grandfather of modern marketing, expressed it very well by defining marketing as the “whole business seen from its final result, that is, from the costumer’s point of view” (1954, p. 38-39) and McKenna, in the same line, as “a way of doing business” (1991, p. 69). Marketing relates to almost all business areas – from design, to production, client service, and disposal or reuse of a product. For this reason, marketing strategy should to reflect the overall corporate strategy, its mission and values (Kotler, 2010; Belz & Peattie, 2009).

The prevailing marketing system, based on the 20 century’s need for affluence and industrialization (Galbraith, 1998) has been largely criticized for the environmental implication of overconsumption but also for the social and cultural impact of materialism (Smith, Drumwright & Gentile, 2009; Varey, 2010, Crane & Matten, 2010). Also many ethical issues surround the underlying strategy, communication and advertising practice of marketing. These adverse effects have so far been largely ignored by most marketing scholars and practitioners (Smith, Palazzo & Bhattacharya, 2010), due to the belief in the misleading narrative of ‘consumer demand (Galbraith, 1998) and in Friedman’s credo that the sole social responsibility of business is economic corporate growth (Friedman, 1970; Smith et al., 2009; Belz & Peattie; Varey & Pirson, 2014). At the most, marketers, pressed by public policies, acknowledge some social aspects of consumer protection and regulatory and compliance mechanisms (Smith et al., 2009).

Marketing for CSR

Many scholars already identified marketing as a way to integrate social responsibility into business organizations, assumed as an inherent business objective to shape more sustainable lifestyles (Maignan, Ferrell & Ferrell, 2005; Belz & Peattie, 2009; Smith, Drumwright & Gentile 2009; Crittenden, et al., 2010; Smith, Palazzo & Bhattacharya, 2010), reaching from green, environmental to ethical marketing propositions (Garcia-Rosell & Moisaner, 2008; Crane & Matten, 2010). Maignan et al. belong to the first to suggest a step-by-step stakeholder orientation beyond the primacy of the consumer and customer for implementing CSR. Also, Smith et al. (2009) (see also Smith et al., 2010; Smith & Williams, 2011) propose a stakeholder marketing approach model, going further in specifying marketing aspects and processes. Belz and Pettie introduced a comprehensive model for designing sustainability marketing as a means to manage each sustainability issue in every marketing decision level. For them, under these conditions, CSR and sustainability marketing would be synonyms. Both models will be analysed in detail.

The combination of these barriers give a clear picture of how a context in which CSR as it has been practised is still not core business relevant, in part due to the lack of link to marketing and to the complexity of CSR communication and stakeholder engagement.

Research questions and hypotheses

We found little empirical research on corporate practices merging CSR and marketing. Our study investigates the question whether practitioners consider marketing linked to the CSR strategy and directed at sustainability purposes. We attempt to address this question through a set of three step-by-step hypotheses to test the existence of specific aspects that build

this link.

H₁ If companies claim to have a CSR strategy at the core business, then it is reasonable to expect that CSR is integrated in the core business functions.

H₂ If sustainable consumption is a key element for achieving sustainable development and if it resides within the domain of marketing, then it is reasonable to expect that marketing strategy is CSR oriented.

H₃ If consumers are key stakeholders to foster the sustainability agenda then it is reasonable to expect that companies engage in sustainable consumption and production strategies.

Research method

We used a qualitative content analysis of CSR reports and a qualitative cross-analysis of secondary data from previous extant sustainability surveys. Qualitative content analysis is the most commonly used method for research of corporate social information disclosure. It is typically directed at finding key words or concepts within the text. First, we applied a key search strategy then we used critical explanatory and descriptive elements to interpret how CSR, marketing and sustainable consumption is perceived or communicated by practitioners. Each hypothesis addresses each keywords to be searched. The sequencing and the combination of the results of each hypothesis allows for an answer to our research question.

We analysed 24 CSR reports based on the following criteria: 14 CSR reports selected in the KMPG Survey of Corporate Responsibility Reporting 2013 for scoring the highest in KPMG's reporting quality criteria and 14 CSR reports of sustainability leaders voted by the GlobeScan-SustainAbility Sustainability Leaders Survey 2013. Given one overlap in the selection and due to the non-availability of three reports, it comprised a final list of 24 reports (see table 1). The reports consist of publicly available information on the companies' websites, between 2012 and 2014.

In the CSR reports we searched the keywords "CSR strategy", "sustainability strategy", "marketing", "responsible consumption", or "sustainable consumption" and analysed if the words are mentioned in a CSR or sustainability management context, in terms of whether they are cited as being fully implemented, partially or issue specific implemented, as a goal or without a clear reference – meaning that it was not possible to have a clear interpretation of the existence. We take Krippendorff's assumption (1980, as cited by Sweeney & Coughlan, 2011) that the extent of disclosure related to a given keyword can be taken as some indicator of the significance of the topic for the reporting organization.

The review of the sustainability surveys (see table 2) was based on a secondary research method, according to which the extant research is summarized and subject to reinterpretation, a method also referred to as meta-analysis. We selected the most recent sustainability surveys directed at corporate professionals, expert and consumers, that investigate opinions regarding CSR and sustainability topics, practices and concerns, developed by consultancies, businesses networks or multistakeholder projects, coming to a final number of 11. Based on the three hypotheses, in each survey we searched for content (questions or answers) related to the same keywords as in the CSR reports. Although each survey has its own design, structure and question set, our objective was to cross-search for the mention or trends related to the keywords.

We acknowledge the methodological limitations of qualitative research. Considering that judgment is inevitably required in the qualitative analysis, subjectivity of interpretation is a concern, as the results were not analysed by a second assessor.

Results and discussion

To check and verify the first and second hypotheses we performed a search of the keywords "CSR strategy", "sustainability strategy", and "marketing" followed by the interpretation of the underlying context of content related to core business or business functions, to sustainable or responsible marketing, and responsible advertising.

The results in the CSR report indicate that the percentage of the reporters which affirm to have a CSR strategy at the core business (62 per cent) is higher than the percentage of respondents who mention to have CSR integrated the core business functions (46 per cent), which raises doubt whether it is fully embedded in the core business. The low percentage of CSR integration in the core business is in itself a signal that even more advanced companies in CSR practice struggle to have a fully embedded CSR strategy. In its turn, the percentage of reporters mentioning the marketing function as being oriented by the CSR strategy (25 per cent) is lower than the former, which raises the question of marketing being considered a core function, in the first place. There can also be a question of communication coherence, which would call for an improvement in communication clarity and materiality, to mention two of the GRI reporting principles.

In the surveys, globally less than 50 per cent of the companies report to have sustainability at the centre of their corporate strategy while the reference to marketing practices is very limited or non-existent. These findings indicate that there is a limited reflexion of CSR on businesses' functions, pointing to a feeble relation between CSR and marketing, meaning that most probably the marketing practice of most companies remains in its conventional role. These results do not support H₁

hypothesis and H₂ hypothesis.

To check the third hypothesis we performed a search of the keywords “sustainable/responsible consumption”, and “sustainable/responsible production”, “sourcing” and “supply chain”, followed by the interpretation of the underlying context of content related to sustainable or responsible lifestyles and ethical sourcing practices.

The results in the CSR reports indicate that only 25 per cent of the respondents refer to follow a sustainable consumption or production strategy, mainly related to responsible sourcing.

In the surveys, globally, consumers, through their concerns and demands appear as top stakeholder in driving the sustainability agenda. Nevertheless, sustainable consumption is an issue absent in the business surveys, except for one, which indicates its lack of priority in the context of sustainability business strategy. These results do not support H₃ hypothesis.

The lack of positive relationship in the three hypotheses indicates that the link between CSR and marketing is feeble or non-existent according to practitioners' perceptions in the surveys and according to the information disclosed in non-financial reports. We, therefore, consider that most companies still do not have CSR oriented marketing practices. This lack of integration would mean that marketing does not represent a cornerstone to address the sustainability challenge and is confined to its conventional role. Considering these findings, we propose the following hypothesis:

When a company is mentioning CSR as being at the core business but does not unfold it in all the business functions, then it is most probable that mainstream marketing is at the core business while CSR is most likely practiced as an add on.

This hypothesis resonates with the literature review on the various aspects and trends related to the CSR, marketing, and sustainable consumption.

For a CSR oriented marketing: crossing sustainability marketing with stakeholder marketing

Building on these conclusions we propose a conceptual framework for closing the gap between CSR and marketing, centred in the sustainability-oriented marketing theory of Belz and Peattie (2009) and in the stakeholder marketing vision of Smith, Drumwright and Gentile (2009), by blending both approaches in one model for achieving a higher level of CSR in business.

Based on the assumption that marketing is the best poised business strategic tool to address sustainability issues, Belz and Peattie (2009, p. 31) offer a sustainability marketing management vision defined as “planning, organizing, implementing and controlling marketing resources and programs to satisfy consumers' wants and needs, while considering social and environmental criteria and meeting corporate objectives”. They suggest a comprehensive step-by-step frame in which sustainability concerns and goals are considered in each marketing decision process, comprised of an analysis of social and environmental priorities, followed by the integration of social, environmental and ethical values in the marketing strategy, and, finally, using sustainability marketing for transformational change at an institutional level. In Belz and Peattie's proposition corporate sustainability statements and codes of practice have to be integrated into the marketing strategy. Under these conditions, the authors consider that CSR and sustainability marketing would be synonyms.

Considering benefits of a wider stakeholder approach, this model seems overly centred in consumers and costumers, lacking a wider acknowledgement of the needs and concerns of direct and indirect stakeholder beyond their narrow economic function role. Therefore, we suggest framing Belz and Peattie's model with Smith, Drumwright and Gentile's marketing model made up of a comprehensive stakeholder-centric assessment to assist every marketing decision-making step, such as product design, product impact assessment or supply chain monitoring (see also Smith & Williams; Smith, Palazzo & Bhattacharya, 2010). This process implies looking up and down the supply chain but also including various groups from the community (Smith & Williams, 2011), when in the company's sphere of influence. Drawn from standard stakeholder management models, in this five steps process, stakeholders' expectations and concerns at a marketing level are mapped, by means of market analysis information research or dialogue (Morsing & Schultz, 2006), so that their perceptions are taking into account in the marketing management. Ideally, this process allows drawing a dynamic environment for a dialogical process as envisioned in a two-way symmetric communication strategy (Morsing & Schultz, 2006) to trigger co-creation of products, responsible consumption, or sustainability innovations (Coombs & Holladay, 2012).

In this proposition, the inclusion of a wider stakeholder spectrum in sustainability marketing management enables the integration of CSR in the core business. Considering the strategic role marketing has in the whole business it helps turning CSR, until now only a support to the business strategy (Hugé & Waas, 2011), into the business strategy itself. It is our contention that another important consequence of this model would be reducing the risk of dissension of messages and lack of credibility of CSR communication versus marketing communication, usually met with suspicion of some form of “washing”, because it would rise from the marketing framework loaded with CSR values and sustainability purposes.

The role of communication for effective stakeholder engagement and marketing

When companies determine how to be considered socially responsible, they face the complexity of what, how and where to communicate effectively to their stakeholders (Bartlett & Devon, 2011; Coombs & Holladay, 2012). For Lacznia and Murphy (2006) failing the acceptance of a stakeholder approach can result in the default position that marketing activities exist mainly to maximize shareholder return. A key challenge that companies face is to transform CSR communication as a tactical tool for CSR into a strategic part of CSR management (Capriotti, 2011; Coombs & Holladay, 2012). We draw on the literature review and the findings to propose communication elements for a more coherent and authentic CSR communication.

CSR Communication a strategic field of corporate communication

We have seen that CSR should be integrated in all business functions to become business strategic. From this point of view all communication areas should be involved in CSR communication through an integrated communication approach, as sustained by Coombs and Holladay (2012). It implies regarding the company's stakeholder variety and coordinating the overall communication and messaging of the company to prevent contradictions and foster a coherent corporate identity, under the umbrella of corporate communication (Cornelissen, 2014). The benefits from the vision of corporate communication is increasing the link of CSR to marketing and ultimately to the business strategy itself, fostering identity authenticity. This is the more important when looking at the performative role of communication in shaping the organization (Christensen, Morsing & Thyssen, 2013).

The company's positioning – its identity – also influences the credibility of CSR communication. If it presents itself as a whole CSR brand, as it the case of Ben and Jerry's or the evolution of Patagonia, this value most likely permeates and amplifies the effectiveness of the communication (Du, Bhattacharya & Sen, 2010; Coombs, 2012; Podnar, 2015). In such a case, we suggest that CSR communication equals the corporate communication of the firm.

A macro-approach to the stakeholder universe

A key aspect for addressing the critical issues in the wider context of society is the inclusion of stakeholder groups that were traditionally not considered (Freeman & Veal, 2002) in the CSR communication strategy (Morsing & Schultz, 2006). This macro-view also implies looking at the social characteristics of stakeholders, beyond the narrow economic implication to the companies' interest (Crane & Ruebottom, 2011). As already seen, from a practical point of view, companies have to look for the impact of its entire supply chain and design communication strategies capable of inviting different stakeholders to the same table, including those, or precisely those, who are critical about the company's behaviour or critical towards other stakeholder. Although, realistically, marketers, as any other professionals, cannot attend all of the stakeholders that they identify, by mapping the relationships between them, companies will be able to confirm which stakeholders are important and discover others that are more important than they first thought of. In this process it is possible to identify that different groups may have the same objectives, facilitating the design and management of communication content and channels (Smith & Williams, 2011).

Towards humanizing consumers

Consumers and costumers, considered one of the most important stakeholder groups, are treated in a narrow consumption only purpose, disconnected from the rich variety of their role and interests as citizens, professionals and family members (Wooliscroft, 2014), in what Smith, Drumwright and Gentile termed the "new marketing myopia" (2009, p. 4). However, it may precisely be the facet of the social concerned citizen that is behind a change in purchase decision (Smith, Palazzo & Bhattacharya, 2010). Another important aspect is that the concept of consumer, unlike the concept of citizen, does not include the notion of responsibility towards other consumers (Varey, 2014). The fact is that the transformational change needed for altering consumption patterns can only succeed if the consumer is re-conceptualized as citizen (see the World Economic Forum report 2011 The consumption dilemma) or as Smith et al. put it, customers "wear some of those other stakeholder hats" (2009:4).

The importance of humanistic treatment is already being demanded by the civil society, through activists and NGOs (see The story of Change from the Story of stuff project) and starting to be acknowledged in the communication and advertising branch through with the use of criteria for respecting people's multiple dimension (see Publicitaires Eco-Socio-Innovants).

Towards a conversation mode

As marketing communications has shown to have great power in penetrating into individual minds, shaping cultural and social values, and behaviour in its own interest (Jackson, 2011, Sukhdev, 2012) this force should now be used to shape more sustainable lifestyles and communitarian values (Varey, 2010). This is better done through horizontal, honest and trustful relationships with stakeholders (Smith, Palazzo & Bhattacharya, 2010). For Waddock and Googins (2011) the ingredient for trusting relationships is authenticity, meant to be the set of core values integrated in the company from which any corporate communication flows. Golob and Podnar (2011) highlight transparency as the first step for constructive conversation.

In our survey analysis, authenticity, along with transparency, is also pointed as a consumer demand, easily explained by stakeholders' scepticism and distrust due to unsustainable corporate behaviour, as already mentioned. The key challenge is to facilitate dialogue and interaction between the company and its stakeholders as well between its stakeholders (Morsing & Schultz, 2006; Capriotti, 2011; Ihlen, Bartlett & May, 2011). E.ON., a leading energy supplier, is a great example of a conversation mindset. Facing some contradicting challenges on how green they could be in which different stakeholders had opposed views, E.ON. decided to invite the various parties for the same meeting. This multiperspective conversation enabled a rich conversation, in which the company assumed above all, a mediator role.

Another powerful tool is story telling. In Podnar's words (2015, p. 96), "companies cannot avoid stories" and should use them to vividly tell their origin and purpose, as well as their dreams and concerns. The interactions that can be triggered through story telling can be manifold: from cultivating a sense of collective identification to allowing stakeholders the power to intervene and enrich the story, because as Kolster (2012) – specialist in responsible advertising – points out, today companies are no longer the owner of their stories, because people are starting to tell them. For Unerman and Baskin, who devoted two years to researching truth in marketing communications (2012), the tipping point is not to tell people what the company thinks they should know, but involving them in a conversation about what to talk about, resonating with Du, Bhattacharya and Sen's hypothesis (2010, p. 13) that: "the less controllable the communicator is, the more credible it is and vice-versa".

Towards openness and honesty

The challenge of corporate truth is widely amplified with the communication technologies, in particular, with the increasingly open and democratised context of online cross-communication platforms (Capriotti, 2011; McMillan, 2007). With the new digital tools, in particular social media platforms, companies have to readapt their communication source, type and tone, all the more so because research indicates that people may not be interested in having a conventional conversation with corporations at all (Ihlen, Bartlett & May, 2011). So the need to engage in a conversation mode is more than ever desirable, if companies want to regain legitimacy and reputation. Even if companies resist to engaging in a more transparent communication dynamics for fear of losing information, it would turn out effortless, because the internet is inherently a transparency enabler (Unerman & Baskin, 2012). Precisely because of the loss of informative control in the relationships with stakeholders, organizations should focus on doing well and on a higher commitment with openness and honesty about their activities and objectives (Capriotti). In the recognition of a new democratic communication era of any-to-any communication" (O'Kane et al. cited by Capriotti, 2011, p. 361), companies should set up a clear proactive social media strategy (Capriotti). In this realm, the direct selling cosmetic brand Natura is a case study of assuming decentralisation of information and building a solid online network for a multistakeholder dialogue (Natura Conecta).

Conclusions and further research

The critical review of sustainability surveys and the content analysis of non-financial reports revealed that, generically, CSR has had a limited impact on the global business strategy and that marketing, as a core discipline for business success, is still not linked to CSR and sustainability objectives. The supremacy of the economic bottom line together with the short-term shareholder return pressure and the belief in the business case for CSR constrain higher levels of commitment for CSR. These hurdles are amplified by the lack of effectiveness of CSR communication in building strong and collective stakeholder engagement for sustainability. Based on this examination, we proposed a framework for a sustainability-oriented marketing, by merging two extant conceptual models, as a way of closing the gap between CSR and marketing: the sustainability marketing frame proposed by Belz and Peattie (2009) and the stakeholder marketing model advocated by Smith, Drumwright and Gentile (2009). We suggested that through the integration of both models, CSR moves from being accessory to become business strategic.

In academic research it is consensual that transparency and truth are fundamental corollaries of the CSR improvement and that ongoing stakeholder communication is the central piece of any marketing and CSR strategy. We proposed to manage CSR communication under the banner of corporate communication, to broaden the stakeholder universe of the organization, to consider the multidimensional nature of people as opposed to the narrow economic focus of the consumer concept and to engage in a conversation mode based on open and honest dialogue.

Research is suggested to further discuss and improve the proposed CSR oriented marketing model and to survey corporate best practices to analyse the context, motives, features and mechanisms for sustainability-oriented marketing. The wide CSR communication research could benefit from investigating deeper the dynamics of communication and its role in fostering a paradigm shift for more responsible corporate and stakeholder behaviour.

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APPENDIX 1

TABLE 1: LIST OF CSR REPORTS FOR CONTENT ANALYSIS - 24¹

The KPMG Survey of Corporate Responsibility Reporting 2013	A. P. Moller Maersk Bayer BMW Cisco Systems	Enel ³ Ford Motor Company Hewlett Packard ING	Nestlé Repsol Siemens Tesco	Total Vale
Globescan SustainAbility: Sustainability Leaders Survey 2013	Unilever Patagonia ² Walmart General Electrics	Marks & Spencer Puma Nike Coca Cola	Natura IBM Nestlé Novo Nordisk	Google ³ Interface ³

1 Almost all reports follow the GRI Guidelines.

2 Environmental Report 2012 not according GRI guidelines

3 These companies could not be analyzed: Interface, although having a link in its website dedicated to sustainability, does not disclose CSR information in a report like format; Google does not disclose information on sustainability in its website; Enel has a report only in Italian.

TABLE 2: LIST OF SUSTAINABILITY SURVEYS FOR CONTENT ANALYSIS – 11 (PERIOD: 2011-2014)

Survey
BSR-Globescan: State of Sustainable business poll 2012
BSR-Globescan Survey: State of sustainable business 2013
Ernst & Young-GreenBiz Group study 2013: Six growing Trends in corporate sustainability
Futerra-BSR Sustainable Lifestyles Frontier Group Survey 2013: The business value of changing consumer behaviors
Globescan/SustainAbility: Expert Survey on Sustainable Consumption 2011
Globescan-BBMG-SustainAbility Survey 2012: Re:thinking consumption
McKinsey Global Survey 2011: The business of sustainability
McKinsey Global Survey 2014: Sustainability's strategic worth
MITSloan-BCG Research Report 2013: The innovation bottom line
The UN Global Compact-Accenture CEO study on Sustainability 2013
The UN Global Compact-Accenture CEO study on Sustainability-Havas Media RE: PURPOSE: The consumer study 2013 – From marketing to mattering

APPENDIX 2

FIGURE 1: KEYWORD RESEARCH FINDING FOR H₁

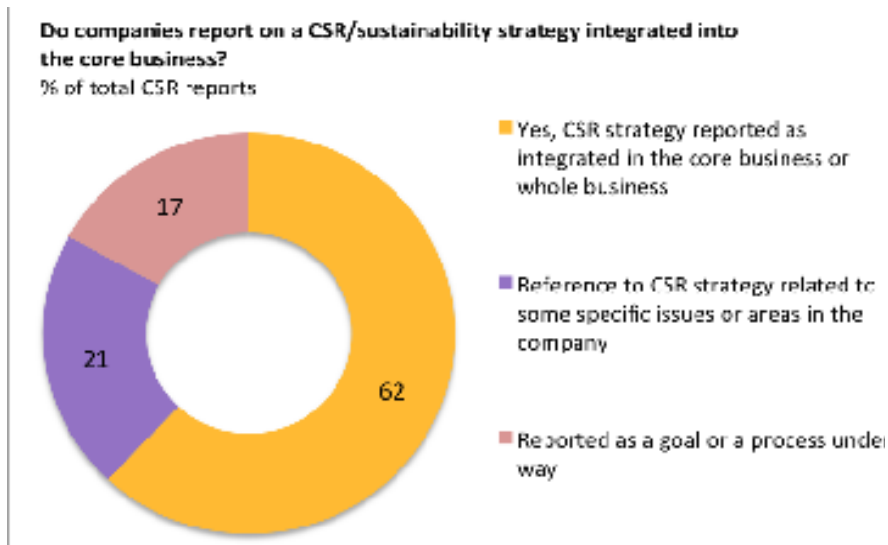


FIGURE 2: KEYWORD RESEARCH FINDING FOR H₁

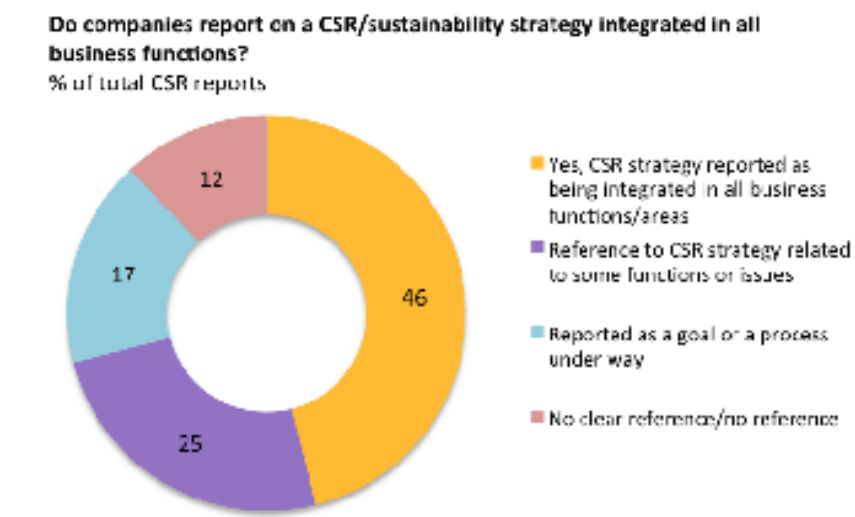


FIGURE 3: KEYWORD RESEARCH FINDING FOR H₁ AND H₂

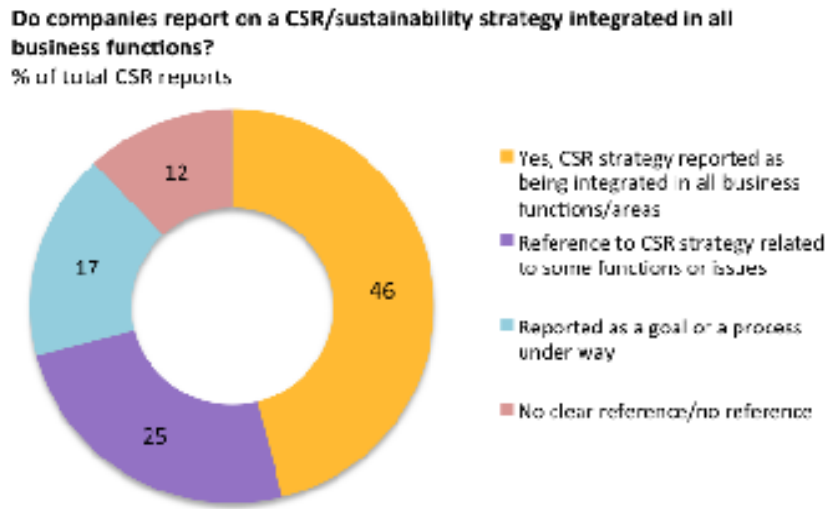


FIGURE 4: KEYWORD RESEARCH FINDING FOR H₃

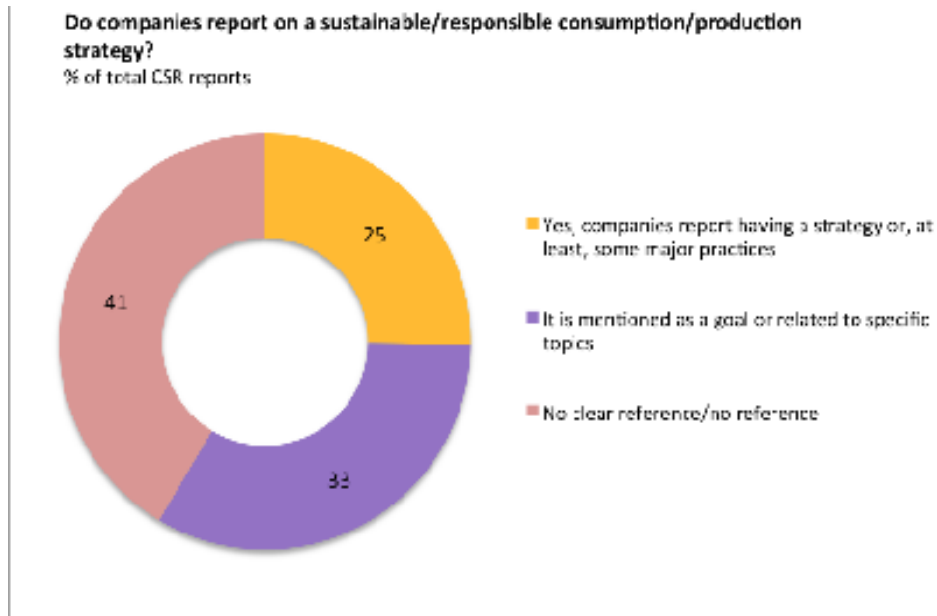
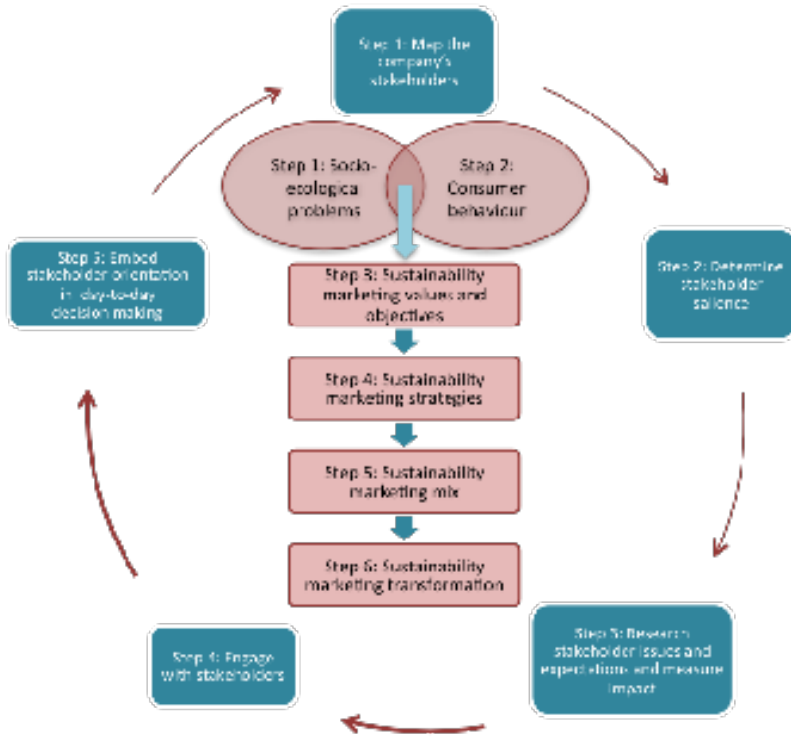


FIGURE 5: FRAMING MARKETING FOR CSR



Source: derived from Belz and Peattie (2009) and Smith, Drumwright and Gentile (2009)

Adolescents' Awareness of Djarum Foundation's CSR Advertisements: Are They Truly CSR Advertisements?¹

Conference paper

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Abstract

Purpose

Djarum Group has several business fields and the main business is Djarum cigarettes. Djarum Group also has Djarum Foundation, running CSR programs one of which is Djarum Foundation Bakti Olahraga focusing on badminton whose ads often appear on television. The purpose of this study is to describe the adolescents' awareness of the Djarum foundation's CSR advertisements.

Design/Methodology

The theories used are advertising and brand strategy. This study used a quantitative method, i.e. survey. Questionnaires were distributed to 600 students from 6 senior high schools in Jakarta which were determined purposively.

Findings

The results of the study found that 70.9% of the respondents were familiar with the brand of the cigarettes through advertisements on television. 63.7% were aware that the most frequently seen cigarette ads on television is Djarum. 51% answered that Djarum ads were about sport. 52.8% admitted the type of the sport in Djarum ads is badminton. The conclusion of this research is that adolescents in Jakarta consciously associated the Djarum foundation's CSR advertisements with Djarum cigarette advertisements.

Keywords

Advertising, cigarette, corporate brand, corporate social responsibility, product brand, television

Introduction

It is unfortunate that the rule in Indonesia stating that a cigarette advertisement must not show the cigarette itself was not followed with a mandating rule that any other form of identity of a cigarette must never be advertised in any media. Therefore, when a CSR advertisement of a cigarette company showed up in mass media, cigarette observers in Indonesia defined that the advertisement was actually an advertisement of the cigarette itself.

Cigarette is the core business of Djarum Group (Lilin Y & Harliem 2015). In Indonesia, the cigarette company of Djarum markets 20 brands of cigarettes, in which 12 among them use the Djarum Brand². Furthermore, Djarum Group runs a CSR program under Djarum Foundation³. The CSR Programs of Djarum Foundation are often advertised in various media, such as televisions, newspapers, and online media.

As for a cigarette advertisement, the Ministry of Health of The Republic of Indonesia and TCSC-IAKMI (2014, p.126) revealed that the main target of a tobacco product advertisement was the adolescent group. A research that was done by the Coalition for Healthy Indonesia (Koalisi untuk Indonesia Sehat) in 2009 showed that 70% of adolescents had a positive impression of a cigarette advertisement. According to Dhae (ND) from TCSC⁴ Indonesia, the number of adolescent smokers in Indonesia increases every year. This would lead to the result in Indonesia being called as the country of baby smoker or kids smoker due to the fact that the biggest number of smokers in Indonesia is comprised of teenagers and children. Furthermore, Kinanti (2013) wrote that 77 percent of teenagers in Indonesia reflected that a cigarette advertisement heavily influenced them to try smoking.

The question then comes into mind: do adolescents in Jakarta recognize and equate the CSR advertisements of Djarum Foundation with the cigarette advertisements of Djarum? It was after all the sameness of brand among the company, the products, and the foundation itself that made cigarette issue observers in Indonesia questioned the true nature of these CSR advertisements.

Objective

The purpose of this paper is to describe the adolescents' awareness of Djarum foundation's CSR advertisements.

Theoretical approach

Brand strategy

Branding strategy involves something Kapferer (1997) has called 'brand hierarchy', which reflects the level at which a brand name is used. Stand-alone brands The advantage of a unique, or stand-alone, brand is that it enables a brand to create its own identity independent of a parent brand. Sub-brands, sub-branding generally follows either a source or endorser branding strategy. These sub-branding strategies may operate at either a corporate or brand level (Percy 2008, pp. 45-47).

Advertising and event sponsorship

According to Blech and Blech (2003, p. 16) advertising defined as any paid form of nonpersonal communication about an organization, product, service, or idea by an identified sponsor. Further it is explained that the nonpersonal component means that advertising involves mass media (e.g., TV, radio, magazines, newspapers) that can transmit a message to large groups of individuals, often at the same time. Blech and Blech (2003, p. 17) also state that advertising can be used to create brand images and symbolic appeals for a company or brand, a very important capability for companies selling products and services that are difficult to differentiate on functional attributes.

Rossiter and Bellman (Percy 2008 pp. 83-84), states that there are four types of advertising one of which is corporate advertising. According to Blech and Blech one of two types of corporate advertising is event sponsorships (2003 p. 588):

Event Sponsorships as communication strategy has become common and increasing for public relations purposes as well as marketing purpose. Being sponsor for charities and causes for companies considered as affective because their brand or other identity can be seen by customers. Sports, for longtime, receive many attention in event sponsorships and tobacco is one of the most generous company who become sponsor for sport...

Further Blech and Blech wrote that for tobacco companies, which are prohibited from advertising on radio and TV, event sponsorship is also a way to have their brand names seen on TV (2003, p. 588).

According to Pickton and Broderick (2005 p. 598) advertising, like PR, is considered good at raising levels of awareness, generating interest and enhancing brand development. Typically, advertising is not considered to be a strong force in encouraging customers to take action (purchase).

Design/Methodology/Approach

This study used a quantitative method, i.e. survey. Questionnaires were distributed to 600 students from 6 senior high schools in Jakarta which were determined purposively. The choice of senior high school students was done by taking into account the factor that these high school students represented the age of adolescence.

The chosen advertisement was Djarum Foundation's CSR advertisement of Sport Initiatives (Bakti Olahraga). Djarum Foundation focuses this CSR sports program in the field of badminton. The background behind the choosing of this advertisement was the nature of sports – that is, to keep a person healthy – that would be contradictory against the nature of cigarettes, that would make a person unhealthy. This research was done by merely using television advertisements. Television advertisements were used because television was proven to be the most widely popular media that adolescents accessed (based on the research by Kartikawangi, Mahardika, and Siahaya in 2014).

2 <http://www.djarum.com/brands/overview/>

3 The main activity of Djarum Foundation is to run CSR programs that are focused on five initiatives: community contributions, sport, environment, education, and cultural initiatives. <http://www.djarum.com/corporate-social-initiatives/overview/>

4 Tobacco Control Support Centre. <http://www.tcsc-indonesia.org>

Findings

a. 70.9% of the respondents put a response that they learned about cigarettes through advertisements, while only 24.7% discovered about cigarettes from friends. 16.2% said that their parents contributed to their knowledge of cigarettes, while merely 11.2% of the respondents answered that their siblings exposed them to cigarettes.

b. 63.9% of the respondents were aware that cigarette advertisements were being advertised on television programs that they watched.

c. 63.7% of the respondents were specifically aware of Djarum's cigarette advertisements existence on the programs that they watched on televisions. Aside from Djarum, there were the brands of LA Lights (43.2%), Sampoerna (32.1%), Bentoel (2.6%) and more.

d. 51% of the respondents were aware that the content of Djarum's advertisements was sports.

e. Furthermore, 52.8% of the respondents were aware that the broadcasted sport in Djarum's advertisements was badminton.

FIGURE 1: THE CONTENT OF DJARUM'S ADVERTISEMENTS

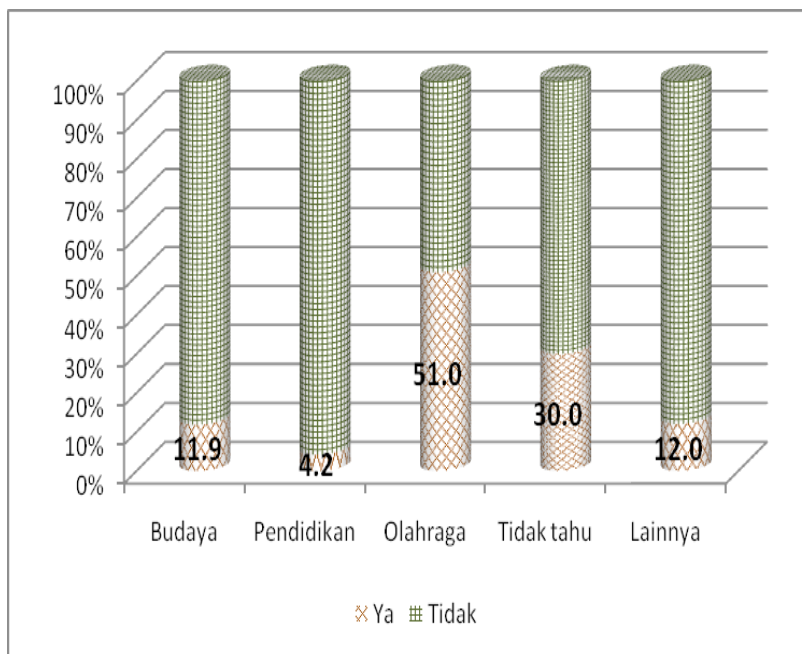
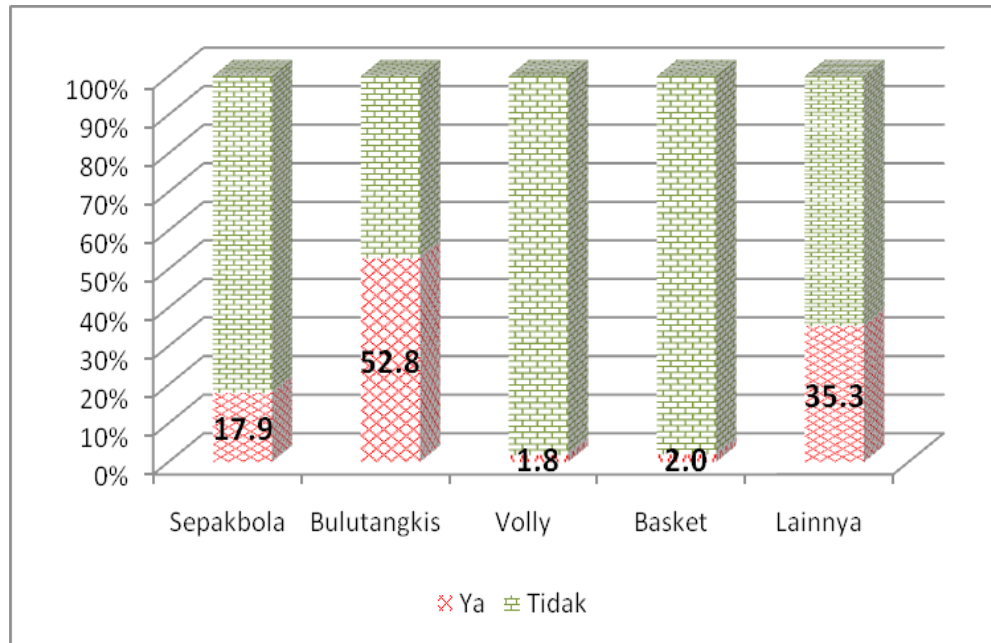


CHART 5. THE BROADCASTED SPORT IN DJARUM'S ADVERTISEMENTS WAS BADMINTON



Discussion

There are many varieties of Djarum’s cigarette advertisements. None of these advertisements show cigarettes or smoking people, which is in line with the government’s rule. The contents of Djarum’s cigarette advertisements include a mystical humor theme (genie), Ramadan edition advertisement (Eid-al Fitr) and more.

In addition to the massively advertised Djarum’s cigarette advertisements, the advertisements of Djarum Foundation’s CSR Program are also broadcasted. One of these is the sport initiative advertisement, which is focused on badminton. Research results have shown that the use of the same brand (Djarum) – whether for the cigarettes or for the foundation – has made adolescents in Jakarta equate Djarum Foundation’s advertisements with Djarum’s cigarette advertisements.

This was relevant with what was written by Kapferer in Percy (2008), that there were 2 brand strategies: stand alone brand and sub brand. In this case, Djarum was not a stand alone brand, it was rather a sub brand that stuck well on Djarum as a corporation, Djarum as the product brand of cigarettes, Djarum as the brand of the foundation, even more on Djarum as a holding company. Results of research showed that the same brand identity had made the advertisements of Djarum Foundation advertised all the 4 brands of Djarum in a single attempt, which was on Djarum as a brand holding company, foundation, corporation, and cigarette product.

The advertisement of the sport initiative programs of Djarum Foundation uses the method of corporate advertising, which is in the form of event sponsorships – to advertise the help given to support sports. Djarum’s strategy in choosing sports as a cause fit well with what Blech and Blech stated (2003 p.588): that sports, for a long time, has received much attention in event sponsorships, and the tobacco industry is one of the most generous companies that becomes a sponsor for sports.

By utilizing the way of event sponsorship, Djarum’s brand successfully places itself on the media and gains attention from its customers. This is in relevance to what Blech and Blech (2003 p. 588) wrote: becoming sponsors for causes would be effective because the brand or any other form of identification would be seen by the customers.

The sameness of identity has brought advantages because Djarum’s identity as a corporation and foundation could penetrate the media, in this case the television. Cigarettes, which are banned from being advertised on media, have finally succeeded to break through the barrier in the television world by utilizing the event sponsorship advertisements. Therefore from the results of research adolescents, were found to be the main target group, could see and become aware that Djarum’s badminton advertisements were broadcasted on televisions.

This was proven by the high awareness of the respondents, where 63.7% of the adolescents could memorize Djarum's advertisements. They were aware that Djarum's advertisements were on the television programs that they watched. The next awareness would be on the content of the advertisements (as explained before), where 51% of the respondents knew that the content was sports. Moreover, 52.8% of the adolescents were aware that the sport being broadcasted in Djarum's cigarette advertisements was badminton.

As the main target group of smoker regeneration, adolescents could not distinguish between Djarum's advertisements as a cigarette brand and Djarum's advertisements as a foundation. The sameness of the identity of both brands has made adolescents think that Djarum Foundation's advertisements are the same with Djarum Cigarette's advertisements.

The sameness of brands between Djarum as a cigarette brand and Djarum as a foundation has brought a positive effect to the cigarettes. When adolescents are aware that Djarum's cigarettes support sports, Djarum would no longer be remembered as the cigarettes that would destroy health, rather as "healthy" cigarettes due to their support of badminton in Indonesia. Badminton, then, became a symbol for Djarum cigarettes and it was by this reason that Djarum's brand as a cigarette earned a positive picture. This was in accordance to what was written by Blech and Blech (2003 p.16): advertising can be used to create brand images and symbolic appeals for a company or brand, a very important capability for companies selling products and services that are difficult to differentiate on functional attributes. Djarum has finally become a "top of the mind" cigarette brand with regards to sports, especially in badminton. The symbolization of badminton has become a distinguishing factor between Djarum and other brands of cigarette. All of these are consistent with statement from Pickton and Broderick that advertising is considered good at raising levels of awareness, generating interest and enhancing brand development (2005 p. 598).

The strategy to show the brand of Djarum through CSR advertisements has played a part to advertise Djarum's cigarettes. Most of the respondents, who were adolescents, thought of the advertisements as Djarum's cigarette advertisements. Thus, the advertisements of CSR Djarum Foundation in Sport Initiatives has likewise become the advertisements of Djarum's cigarettes.

Conclusion

The conclusion of this research is that adolescents in Jakarta consciously associated Djarum foundation's CSR advertisements with Djarum cigarette advertisements.

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How Much Does CSR Count? A Study of Chinese Luxury Consumers' Attitude and Behaviour

Conference paper

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Abstract

Purpose

The group comprised of Chinese luxury consumers is small, but it is well worth studying. Targeting the population of Chinese luxury consumers, this study examines the associations among corporate social responsibility (CSR)-related factors such as CSR awareness, CSR-trust, brand-related factors such as perceived service quality, brand affect, and consumers' purchase intention in the Chinese luxury industry.

Design

A survey of 351 respondents was adopted in this study. All questionnaires were collected through mall interception.

Findings

By comparing CSR-related factors and brand-related factors side-by-side, this work explores to what extent these factors affect Chinese luxury consumers' attitudes and purchase intentions. The results indicate that the influences of brand-related factors are overwhelming, whereas, CSR-related factors only play a minor role.

Originality

This study is one of the first to empirically examine consumers' response towards CSR programs among Chinese luxury market. The findings of this study provide important managerial implications for companies aiming for this market.

Keywords

Corporate social responsibility, Chinese luxury consumer, perceived service quality, brand affect, purchase intention

Introduction

Since the study of corporate social responsibility (CSR) took shape in the 1950s, its concepts and practices in both the academic and business arenas have rapidly advanced and have been refined by scholars and practitioners (Carroll, 2008). Today, CSR is taken into account in corporate communication and marketing-strategy processes and has managerial implications on every aspect of corporate operation (Pirch et al., 2007). Studies have found that companies are maintaining their market performance by increasing their CSR investment and integrating CSR into long-term strategic planning (Mahoney and Thorne, 2005).

Experimental results indicate that consumers were willing to pay 10 percent more for the perceived greater benefits and value in the offer from the socially responsible firm (Abrantes Ferreira et al., 2010). Researches on CSR activity and its positive outcomes are increasing significantly (Argenti et al., 2005), and when asked, consumers tend to declare their willingness and motivation to consider CSR; however, when it comes to real consumption, only a very few take account of CSR (Auger and Devinney, 2007; Devinney et al., 2010). The discrepancy between various CSR studies poses a question of "how much does CSR really count in consumers' real purchase decision making." In fact, questions such as the "influence of CSR initiatives on customer attitudes" still remains only partially empirically answered in the entirety of CSR studies (Poolthong and Mandhachitara, 2009).

To shed light on the apparent paradox of consumers' extensive interest in CSR and yet the limited role of CSR in purchase behavior, Oberseder et al., (2011) conducted a qualitative study on consumers' evaluation process of CSR and its effect on purchase behavior. The study concluded that three hierarchical factors - core, central, and peripheral, will limit the role of CSR in purchase intention. Core factors include information and personal concerns, which respectively mean the depth and type of CSR-related information revealed to consumers and consumers' personal attitude towards the information. Central factors refer to the financial situation of a consumer, which predicts consumers' management of the balance between price, value, affordability, and CSR concerns. Finally, peripheral factors include the image of the company, the credibility of CSR initiatives and the influence of peer groups. Oberseder et al., (2011) claimed that the complexity of the assessment of all core, central, and peripheral factors results in a large number of consumers who ignore CSR as a purchase criterion.

Among all factors mentioned above, two are assumed by the authors of the present study as essential - consumers' awareness and trust of CSR, which consequently inspires the following question: compared to the factors that are essentially related to brands themselves, such as perceived service quality and brand affect, how much will these CSR-related factors affect consumers' attitude and purchase intention? To quantitatively answer this question, this article studies Chinese luxury consumers, for whom price is not likely the primary concern, to examine the effects of CSR on consumers' attitudes and behavior with the belief that the role of CSR in consumers' purchase decisions by the population of Chinese luxury consumers is worthy of more attention from academia.

Henriken (2009) stated that Chinese consumers have distinct cravings and motivations for choosing luxury brands and that both Materialism and Confucianism impact Chinese luxury consumers' attitude and behavior. The business sector, however, is interested in learning the explicit factors that could effectively influence Chinese luxury consumers' attitudes and behavior. Corporate social responsibility (CSR) is thought to be one of these potentially influential factors that have been understudied and little understood. Currently, there is no literature revealing the association between CSR and Chinese luxury consumers' attitudes and behaviors on a quantitative level.

To summarize, the purpose of this study is to empirically examine the effects of CSR, specifically awareness and trust of CSR, on Chinese luxury consumers' attitude and behaviors and to investigate the roles of CSR-related factors and brand-related factors in Chinese luxury consumers' purchase decisions.

Literature Review

Defining CSR

While there is no strong consensus on a definition for CSR (McWilliams et al., 2006), the authors adopt a definition of CSR from several previous studies. First, the CSR activities must be a part of corporations' long-term strategy in pursuit of companies' long-term benefits (Davis, 1960). Moreover, CSR activities must address various stakeholders, especially consumers (Johnson, 1971). And last, this study focuses most on the ethical and philanthropic-level of corporate social responsibilities in Carroll's (1979; 1991) "pyramid of CSR." Therefore, the conceptual definition of CSR adopted here is the ethical and philanthropic expectations that society has towards organizations at a given point of time; and how corporations meet these expectations and fulfill these responsibilities, in the way of reconciling corporations' objectives with their various stakeholder groups' objectives in pursuit of long-term interests (Carroll, 1991; Davis, 1960).

Because on an operational level, the corporations discussed in this study refer to officially registered Chinese commercial companies, -the definition of social responsibilities is extracted from the results of a previous content analysis of top 100 companies' domestic and transnational websites and CSR reports in China in 2007 (Gao, 2009). In this content analysis, Gao (2009) examined the social issues that large Chinese companies and stakeholders of these large companies address. Gao (2009) coded and summarized the social issues addressed under the umbrella of the CSR pyramid (Carroll, 1979; 1991), and the social responsibilities in the field of ethical responsibility, including: "respecting social or commercial culture; issuing guidelines for employees' behavior; issuing guidelines for businesses; advocating self-discipline; having a volunteer policy; possessing an energy-saving policy and having environmental-pollution control" (Gao, 2009, p. 30). The social responsibilities in the field of philanthropic responsibilities included: "setting up charitable donations; giving donations to charity; sponsoring college students; sponsoring civilization or sports; donating to the Hope Project; donating to the disabled; donating to people beset by disaster; and donating to affect alleviation of poverty" (p. 30). The authors of the present study consequently adopted this approach to define the ethical and philanthropic responsibilities discussed in this study.

Chinese Consumers' Response to Corporate Social Responsibility

In academia, CSR scholars are trying to fill the knowledge gap between China and the western world. Ramasamy and Yeung (2009) conducted one of the earliest researches on this issue by answering exploratory questions such as: (1) To what extent are Chinese consumers willing to support firms that are socially responsible in their purchasing decisions? (2) How, why and to what extent are there variations in this support among the Chinese different from their Western counterparts? And (3) Are Chinese consumers able to differentiate between the various responsibilities of businesses as laid out by Carroll (1979)? Ramasamy and Yeung (2009) found that Chinese consumers were more supportive of CSR compared to their Western counterparts; Chinese consumers were able to differentiate levels in Carroll's (1979) pyramid of responsibilities; and economic responsibilities were most important to Chinese consumers while philanthropic responsibilities are of least importance. This study provided some preliminary insights into the attitude of Chinese consumers vis-à-vis CSR, nevertheless it suffers from many limitations. The sample size in this study was relatively small (n=136 in Shanghai and n=121 in Hong Kong). In addition, this is a descriptive research with a relatively simple design; it did not incorporate other variables, such as attribution, trust, perceived service quality and purchase intention. Therefore, it could not fully measure quantitatively how important the role of CSR is in Chinese consumers' purchase decision making.

A more recent study conducted by Tian et al. (2011) is yet more progressive in terms of applying existing theories and incorporating multiple variables. By applying the Information-processing theory (IPT), Tian et al. (2011) proposed five important variables in their study, respectively, awareness, trust, company evaluation, product association and purchase intention. This sophisticated model also encompasses product category and consumer demographics as mediating factors. The results found a generally positive link between CSR and consumers' corporate evaluation, product association and purchase intention. Besides, Tian et al. (2011) successfully built a model, which describes and explains how Chinese consumers' react to CSR, and the study offers great inspiration to this work. However, the study was designed to use fictitious companies and thus eliminated the influence of the brand on consumers' decisions and experimentally created respondents' awareness of CSR. However in real settings, consumers will inevitably be affected by brand preference, especially in luxury consumption for hedonic values (Ho et al., 2012). Therefore, this article strives to improve the research design based on Tian et al.'s (2011) results by using a real-life setting with survey instruments and adding the brand affect into researched variables.

Luxury Focus

The luxury fever sweeping through China has made the Chinese market very interesting for many international luxury brands, thanks to which, Chinese luxury is still growing rapidly and the trend is far from slowing down. Therefore, the authors of the present study chooses this unique market to conduct this research to shed light on Chinese luxury consumers' attitude and behavior mechanism.

In the specific context of luxury consumption, researchers use "luxury" to describe the top category of prestigious brands (Vigneron and Johnson, 1999). Vigneron and Johnson (1999) identified five dimensions as perceived conspicuousness, perceived uniqueness, perceived quality, perceived hedonism and perceived extended self. Drawing on these five dimensions, Vigneron and Johnson (1999) developed a Brand Luxury Index (BLI) scale to measure luxury brand: a measure including 20 items such as conspicuous, elitist, expensive, wealthy, exclusive, precious, rare, unique, crafted, quality and so on. On an operational level, HSBC Global Research (2011) published a report on worldwide luxury goods consumption. The report proposed a mass-luxury pyramid, which offered an operational definition of luxury brand for this study.

Theory Underpinnings

According to Miller (1956), a human being can be considered as an information-processing system, and the process includes the following stages: personal focus of attention -> encoding and judging in short-term memory -> recoding and reasoning through retrieving long-term memory -> making a behavioral response. Based on this model, Tian et al. (2011) applied five variables corresponding to the Information Processing Theory (IPT) in studying consumers' response to CSR: awareness of CSR, trust of CSR, company evaluation and product association, and purchase intention. As a result, their own framework was built and tested upon Miller's (1956) information-processing model.

Interestingly, the variables formed in the above study using IPT, to some extent, coincide with the important factors that Oberseder et al. (2011) proposed in their qualitative study. Among factors that affect the role of CSR in consumers' purchase decision making, awareness of CSR and trust of CSR were respectively categorized as core and peripheral factors. By listing these two CSR-related factors side by side with the brand-related factor - consumers' perceived service quality - this study will be able to measure and compare how CSR-related factors and brand-related factors contribute differently to consumers' brand affect and purchase intention in real consumption.

Awareness of CSR

Awareness of CSR simply refers to consumers' knowledge and perception of CSR activities during actual consuming behaviors (Pomeroy and Dolniar, 2009; Tian et al., 2011). Bhattacharya and Sen (2004) found that low levels of general awareness are a key block for companies looking to reap the positive benefits of engaging in such initiatives (p. 14). Pomeroy and Dolniar (2009) also measured consumers' awareness level specifically in the Australian banking industry. The results indicated a low awareness level in this research context. Lee and Shin (2010) measured consumers' awareness of CSR on

a nine-measure Likert scale, and claimed there existed a positive relationship between the consumer's awareness of CSR activities and consumers' purchase intention.

Trust of CSR

There are many scholars who propose that trust is a mediating variable, to explain why CSR is positively linked to corporate performance measures (Aueveque, 2005; Poolthong and Mandhachitara, 2009; Tian et al., 2011). In a case study of organic food, the results indicate that CSR influences consumer trust, which influences consumers' subsequent actions, i.e. attitude and behavior change (Pivato et al., 2008). Oberseder et al. (2011) also found that the credibility of CSR activities as perceived by consumers will have effects on how consumers make purchase decisions.

Perceived Service Quality

Perceived service quality (PSQ) represents the brand itself, as it is a comprehensive and critical factor that affects an organization's competitiveness, and allows an organization to differentiate itself (Gournaris et al., 2003). According to Zeithaml (1988), perceived service quality is defined as "the consumer's judgment about a product's overall excellence or superiority" (p.3). Customers do not assess service quality only on its outcome (Kotler, 2008), especially in luxury consumption, consumers require more than just functional value (Nia and Zaichkowsky, 2000). Among all, the most well-known and widely applied measurement of PSQ is the SERVQUAL model proposed by Parasuraman et al. (1988). This model is a construct of 22 items representing five dimensions of service quality, namely, tangibles, reliability, responsiveness, assurance, and empathy (Parasuraman et al., 1988)[1].

PSQ is found to be associated with CSR in many studies. Rummell (1999) used a case study of The Body Shop to illustrate that its use of natural ingredients and environmentally friendly practices has had positive associations with consumer perception of its products. Salmones et al. (2005), for example, found that consumers' perception of CSR behavior could have direct consequences on their assessment of the service and PSQ. PSQ has also been shown to affect trust in the Thai banking industry (Poolthong and Mandhachitara, 2009).

Brand Affect

Chaudhuri and Holbrook (2001) conceptualized brand affect, "as a brand's potential to elicit a positive emotional response in the average consumer as a result of its use" (p. 82). Chaudhuri and Holbrook (2001) proposed a theoretical framework where brand trust and brand affect combine to determine brand loyalty (purchase loyalty plus attitudinal loyalty) through an empirical study. Marin et al. (2009) examined the relationship between CSR and brand affect via mediating factors of company evaluation, identity attractiveness and consumer-company identification. A positive relationship was found to exist. Poolthong and Mandhachitara (2009) conducted an empirical study supporting the positive relationship between CSR and brand affect; and trust and brand affect in the Thai banking industry.

Purchase Intention

Purchase intention (PI) is one of the most frequently researched dependent variables in recent CSR literatures (Tian et al., 2011). Purchase intention is found to be influenced mostly by consumers' perceived level of CSR actions rather than the objective level of a firm's CSR actions (Becker-Olsen et al., 2006). In the above literature, sometimes purchase intention has been researched or conceptualized as a part of another construct, such as brand loyalty (Chaudhuri and Holbrook, 2001; He and Li, 2011; Marin et al., 2009), as well as an individual variable (Poolthong and Mandhachitara, 2009; Tian et al., 2011). Previous literature has provided evidence that purchase intention exists as both direct external outcomes of CSR (Bhattacharya and Sen, 2004), and a consequence of CSR awareness (Lee and Shin, 2010), trust (Pivato et al., 2008) and perceived service quality (Poolthong and Mandhachitara, 2009).

Research Hypotheses and Questions

Based on the research findings reviewed above, it is reasonable to hypothesize that, in the context of the Chinese luxury market, the same positive correlations between the two CSR-related factors and between CSR-related factors and brand-related factors exist. Therefore the following hypotheses are proposed:

H1: Chinese luxury-consumers' awareness of CSR has a positive correlation with trust of CSR activities.

H2: Chinese luxury-consumers' awareness of CSR has a positive correlation with PSQ.

H3: Chinese luxury consumers' trust of CSR is positively associated with PSQ.

Also based on earlier research, it can be assumed that CSR-related factors and brand-related factors are both positively associated with brand affect and purchase intention leading to the following six hypotheses:

H4a-b: Chinese luxury-consumers' awareness of CSR has positive associations with both brand affect and purchase intention.

H5a-b: Chinese luxury consumers' trust of CSR has positive associations with both brand affect and purchase intention.

H6a-b: PSQ has positive associations with both brand affect and purchase intention among Chinese luxury consumers.

In addition, beyond the level of testing the correlations between each of the variables, the quantitative nature of this study enables the authors to further examine the degree of influence of CSR-related factors on dependent variables, comparing to brand-related factors. Given the previous findings about the positive influence of CSR on consumer behaviors, the following research question is proposed:

RQ: Among Chinese luxury consumers, do CSR-related factors have more influence on brand affect and purchase intention, compared to the influence of brand-related factors?

Methodology

Since this study aims to provide quantitative answers to the hypotheses and research questions about Chinese luxury consumers, a survey was conducted to collect data with a sample set of Chinese luxury consumers from a non-probability sample of mall interceptions. For the sake of readability and understanding, all distributed questionnaires were translated into Chinese, by the principal investigator of this study, who is a native Chinese speaker, with B. A. in English. Translation accuracy was insured by a translator, a native Chinese speaker who has affluent academic training in both English language and CSR.

Data Collection

Samples were drawn from visitors to four high-end shopping malls in Beijing, the capital of China with consumers of the greatest luxury consuming power, and Harbin, the provincial capital of Heilongjiang Province and a typical representative of a second-tier city in northeastern China. Visitors were approached in the mall entrances or in cafeterias and restaurants located in the targeted malls. Data collection lasted for one month from January 2nd to January 31st, 2013, with a response rate of 13.4%. A total of 352 questionnaires were collected, among which 351 were found usable[2]. During the data collection process, the researcher explained the definition of CSR to the respondents by naming some well-known examples of CSR activity in China.

A total of 156 females, 44.4% of all participants, completed the questionnaire. Male participants totaled 195, or 55.6% of all participants. The majority of the respondents, or 46.7%, were in the age group 25 to 34. The second-largest group of respondents, or 27.6%, was in the age group of 35 to 44. The rest of the respondents were from the age group of 45 to 54 (13.4%), under 24 (including 24, 8.8%) and above 55 (including 55, 3.4%)[3]. In terms of educational backgrounds, the majority, or 62.7% of the respondents attended junior college or college. About 39.5% of the respondents had a master's degree. Respondents with a doctoral degree, or technical secondary school or high school diploma, represented 3.4% and 3.1%, respectively. Only one respondent had a middle school diploma or less. All the respondents spread relatively evenly throughout nine levels of annual luxury products expense, ranging from 0–2,000 RMB/year to above 100,000 RMB/year.

To identify luxury consumers, respondents were asked to check the luxury brands listed in the questionnaires from which they had ever made purchases[4]. It turns out that 90.1% (319) of the respondents said they had made a luxury purchase. The rest claimed that they had never purchased any of the luxury brands provided in the questionnaires. Therefore, for the purpose of this study, the 319 samples are used for further statistical analysis and hypotheses testing (Table 1).

TABLE 1: DEMOGRAPHIC CHARACTERISTICS OF THE SURVEY SAMPLE

Demographics	n	Percentage
Gender		
Female	147	46.1
Male	172	53.9
Age		
24 and under	28	8.8
25 - 34	149	46.7
35 - 44	87	27.3
45 - 54	43	13.5
55 and above	12	3.8
Monthly Household Income (RMB/Dollar)		
Below 2,000 (322)	1	0.3
2,000 – 5,000 (322 - 804)	32	10.0
5,001 – 10,000 (805 – 1,609)	69	21.6
10,001 – 50,000 (1,610 – 8,150)	156	48.9
50,001 – 500,000 (8,151 – 81,500)	55	17.2
Above 500,000 (81,500)	6	1.9
Education		
Middle school and under	1	0.3
Technical secondary or high school	7	2.2
Junior college or undergraduate school	197	61.8
Graduate school	114	35.7

N = 319

Results

Reliability and Validity Analysis

Cronbach's alpha of all constructs -- awareness of CSR, trust of CSR, brand affect, and purchase intention are, respectively, 0.73, 0.90, 0.90, and 0.84, all of which are higher than the recommended level, which is 0.60 (Bagozzi and Yi, 1988) and are considered good for further analysis. The authors performed the Kaiser-Meyer-Olkin measure of sampling adequacy and Bartlett's test of sphericity, considering the 15 items used to measure PSQ. The results show that KMO (0.918) and Bartlett's test of sphericity (Sig. <0.01) are all satisfactory for factor analysis.

After performing principal axis, oblique rotation factor analysis on PSQ, two factors were extracted using a 1.0 eigenvalue criterion and named (1) employee service and (2) brand quality (Table 2). Most of the factor loadings are over 0.6 and considered good for further analysis. Therefore, these two factors are used to reflect consumers' response on perceived service quality. Summed indices for the other four constructs: awareness of CSR, trust of CSR, brand affect and purchase intention, were created in order to perform further analysis.

Hypotheses Testing

Hypotheses 1 through 3 predict positive correlations between CSR-related variables and brand-related variables, and positive correlations between the two CSR-related variables. Awareness of CSR and trust of CSR are both found to be positively associated with employee service ($r=0.39, p<0.01$; $r=0.69, p<0.01$) and the two constructs of brand quality ($r=0.13, p<0.01$; $r=0.23, p<0.01$). Awareness and trust of CSR also are correlated positively ($r=0.51, p<0.01$).

Hypotheses 4a-b, 5a-b and 6a-b postulate that awareness of CSR, trust of CSR and PSQ, respectively, have positive associations with brand affect and purchase intention. And all these associations are supported by the results. Awareness of CSR has moderate associations with brand affect and purchase intention ($r=0.39, p<0.01$; $r=0.30, p<0.01$); trust of CSR shows strong positive associations with brand affect and purchase intention ($r=0.62, p<0.01$; $r=0.59, p<0.01$); moreover, both sub-factors of PSQ – employee service and brand quality show significant strong positive associations with brand affect ($r=0.65, p<0.01$; $r=0.49, p<0.01$) and purchase intention ($r=0.64, p<0.01$; $r=0.49, p<0.01$).

TABLE 2: PSQ FACTOR ANALYSIS

Item	Factor loadings	
	Employee Service	Brand Quality
1) I can trust the employees of the brand	0.91	
2) Employees get enough training from the brand to do their jobs well.	0.82	
3) Employees of this brand are always willing to help.	0.82	
4) This brand has its consumers' best interest at heart.	0.70	
5) This brand understands consumers' needs.	0.67	
6) I receive prompt service from this brand.	0.66	
7) Using products from this brand helps me show my social value.	0.65	
8) I feel safe in the transactions with the brand.	0.59	
9) Using products from this brand helps me show who I am.	0.52	
10) This brand keeps its promises.	0.50	0.41
11) The appearances of its products match my aesthetical value.		0.84
12) Consuming products of this brand gives me a good experience.		0.79
13) This brand has good functional value.		0.77
14) This brand has excellent quality.		0.73
15) The quality of this brand's products is dependable.		0.72

In all, according to the correlation test results, all hypotheses are supported (Table 3). The results indicate that both CSR-related factors and brand-related factors are strongly positively associated with brand affect and purchase intention in the Chinese luxury market.

TABLE 3: CORRELATIONS BETWEEN CONSTRUCTS

	1	2	3	4	5	6
1. CSR Awareness	--	0.51**	0.39**	0.13**	0.39**	0.30**
2. CSR Trust		--	0.69**	0.23**	0.62**	0.59**
3. Employee Service			--	--	0.65**	0.64**
4. Brand Quality				--	0.49**	0.49**
5. Brand Affect					--	0.82**
6. Purchase Intention						--

** Pearson correlation is significant at the 0.01 level (1-tailed).
N = 319

Research Questions

To further examine the influence of brand-related factors and CSR-related factors on brand affect and purchase intention, the authors performed a hierarchical regression analysis with both brand affect and purchase intention, with a fixed order of independent variables entry in order to control the effects of covariates and test the influences of CSR-related factors without the influence of brand-related factors (Table 4).

In this case, brand-related factors—employee service and brand quality (PSQ) were entered in the first step and significantly positive influences show for both brand affect (employee service: $\beta=0.65$, $P<0.01$; brand quality: $\beta=0.49$, $P<0.01$) and purchase intention (employee service: $\beta=0.64$, $P<0.01$; brand quality: $\beta=0.49$, $P<0.01$).

However, the results show otherwise as to CSR-related variables. After entering both CSR-related factors—awareness and trust of CSR in step 2, there is minor or no influences shown on either brand affect (Table 4a) or purchase intention (Table 4b). The results indicate awareness of CSR has no significant influence on brand affect ($\beta=0.07$, $p>0.05$) and purchase intention ($\beta=-0.05$, $p>0.05$). And trust of CSR has no influence on brand affect ($\beta=0.09$, $p<0.01$) and only minor influence on brand affect ($\beta=0.10$, $p<0.05$).

To this end, the quantitative results of this study suggest that awareness of CSR and trust of CSR make little, if any contributions to consumers’ brand affect and purchase intention, whereas brand-related variables, including employee service and brand quality both have much more influence on Chinese luxury consumers’ brand affect and purchase intention in real consumption self-reports.

TABLE 4A: SUMMARY OF HIERARCHICAL REGRESSION ANALYSIS FOR VARIABLES PREDICTING CONSUMERS’ BRAND AFFECT (N=319)

Variable	B	SE B	β
Step 1			
Employee Service	0.52	0.03	0.65**
Brand Quality	0.39	0.03	0.49**
Step 2			
Employee Service	0.45	0.04	0.56**
Brand Quality	0.37	0.03	0.46**
CSR Awareness	0.07	0.04	0.06
CSR Trust	0.09	0.05	0.10

Note. R2= .66 for Step 1; $\Delta R2= .67$ for Step 2. ($ps < .01$)
** Correlation is significant at the 0.01 level (1-tailed).

TABLE 4B.: SUMMARY OF HIERARCHICAL REGRESSION ANALYSIS FOR VARIABLES PREDICTING CONSUMERS' PURCHASE INTENTION (N=319)

Variable	B	SE B	β
Step 1			
Employee Service	0.50	0.03	0.64**
Brand Quality	0.39	0.03	0.49**
Step 2			
Employee Service	0.46	0.04	0.59**
Brand Quality	0.37	0.03	0.47**
CSR Awareness	-0.05	0.04	-0.05
CSR Trust	0.10	0.05	0.11*

Note. R2= .66 for Step 1; $\Delta R2=$.66 for Step 2. (ps < .01)

** . Correlation is significant at the 0.01 level (1-tailed).

*. Correlation is significant at the 0.05 level (1-tailed).

Discussion

Correlations between each factor

The correlation results of the present study coincide with most recent studies of consumers' attitude and behavior towards CSR conducted in various industry settings worldwide (Becker-Olsen et al., 2006; Hartmann et al., 2013; Marquina and Morales, 2012; Sen and Bhattacharya, 2001; Tian et al., 2011).

Meanwhile, it is interesting to notice that, from the results of this study, not only both CSR and brand related factors have positive correlations with brand affect and purchase intention, but also they are positively interrelated with each other in the Chinese luxury market.

Awareness of CSR vs. trust of CSR

From the previous literature, it is important to realize that consumers' awareness of CSR is an essential factor to consider, for that the current low levels of general awareness are a key block for companies looking to reap the positive benefits of engaging in such initiatives (Bhattacharya and Sen, 2004, p. 14). Also, consumers' trust of CSR – whether consumers believe in the credibility of companies' CSR activities has also been proved as one of the peripheral factors that limit the role of CSR in consumers' purchase decision-making (Oberseder et al., 2011). The current study finds that these two important CSR-related factors are interrelated, which implies that the more CSR information consumers have, the more likely they will trust the credibility of companies' CSR activities; in turn, the more they believe in CSR, the more they will seek for CSR knowledge.

CSR-related factors vs. brand-related factors

Hypotheses 2 and 3 tested the correlations between CSR-related factors and brand-related factors. The existing positive associations suggest that based on better perceived service quality, consumers are likely to have better perception of companies' CSR activities; and if consumers know and trust companies' CSR activities well, it may in turn relate to perceptions of the companies' employee service and brand quality. Worth noticing is that, in the two CSR-related factors, trust of CSR is much more strongly correlated with perceived service quality, especially the sub factor of employee service, compared to awareness of CSR. The author assumes that a better perception of a company's employee service and brand quality will enforce consumers' idea that this company has both necessary expertise and sincerity to fulfill its CSR promises.

Brand-related factors vs. brand affect and purchase intention

This study employed a previously well-established scale to measure consumers' perceived service quality on dimensions of tangibles, reliability, responsiveness, assurance and empathy. Eventually, two factors that can fully represent consumers' perceived service quality in the context of Chinese luxury market emerged from factor analysis—employee service and brand quality. Both employee service and brand quality are strongly associated with brand affect and purchase intention. Not surprisingly, employee service and brand quality are still the two most significant factors that correlate with consumers' attitude and behavior towards a company.

CSR-related factors vs. brand affect and purchase intention

To the extent of correlation, positive associations are established in Chinese luxury market between both awareness of CSR and trust of CSR towards brand affect and purchase intention. While comparing the Pearson correlation scores, the authors noticed that trust of CSR is more strongly correlated with brand affect and purchase intention than awareness of CSR. However, this result contradicts previous findings. Oberseder et al. (2011) categorized information, which is assumed to represent awareness of CSR in this study, as the core factor that affects the influence of CSR on consumers' purchase behavior, while credibility of CSR, which is similar to trust of CSR in the present study is deemed as peripheral. And the effect of the factors came in a hierarchical order. The authors of the present study thus suggest that, consumers' trust of CSR is as important, if not more, as consumers' awareness of CSR in terms of positive association between CSR and consumers' attitude and behavior.

In all, even though these positive associations between CSR and brand affect and purchase intention are supported, the associations are not directional. Because of the effects of multicollinearities among all independent variables, a more complex statistical analysis procedure may possibly result in different findings. Besides, to quantitatively examine the influences of CSR-related variables and brand-related variables on consumers' brand affect and purchase intention, the results of the regression tests are also worthy of discussion.

Influences of CSR-related factors on brand affect and purchase intention

Extensive literature claimed that CSR might have a positive influence on consumers' attitude and behavior (Hartmann et al., 2013; Marquina and Morales, 2012; Sen and Bhattacharya, 2001; Tian et al., 2011), while others found otherwise. Despite consumers' interest in CSR and its ostensive impact on purchase intention, in reality, CSR still only plays a minor role in consumption decisions (Mohr et al. 2001). These previous divergent findings have predicted a discrepancy in results of the present study.

In fact, awareness of CSR does not have significant direct influence on Chinese luxury consumers' brand affect and purchase intention. And trust of CSR only has a limited effect on consumers' attitude towards brands and their final purchase intention. However, on the other hand, Chinese luxury consumers rely much more on the brand-related factors to create brand affect and make purchase decisions. That being said, in actual consumption, consumers will not take CSR into account as much as they declare to be, at least in today's Chinese luxury market.

Even though positive associations do exist between CSR and brand affect and purchase intention, further statistical analysis finds that the direct influence of CSR on consumers' attitude and purchase intention is too weak to be taken into consideration, especially compared to perceived service quality.

The authors of the present study suggest several reasons for this result. First, as stated in the literature review, academic research into consumer response to CSR typically either assumes consumer awareness, or artificially creates it under experimental conditions (Mohr et al., 2001). Thus, while such studies offer some useful insights, the effect of CSR on actual consumer behavior may not be fully captured.

Second, when being asked, respondents tend to declare their willingness and motivation to consider CSR due to social desirability bias; whereas in real consumption, only very few will really take account of CSR (Auger and Devinney, 2007; Devinney et al., 2010).

Third, the present study is conducted within the luxury industry, which differs from all of the previous research of this kind. The nature of luxury consumption may indicate that Chinese luxury consumers are less likely to be attracted by socially responsible actions, as CSR may not fit their primary personal concern in luxury purchases. For example, in food industry and consumption, consumers may care more about CSR, because such CSR initiatives as whether a company manufactures with environmental friendly materials or whether a company is fully responsible for its food security relates directly to consumers' personal concerns when making such purchases (Oberseder et al., 2011). Therefore, such research conducted in food industry is more likely to produce positive outcomes (Hartmann et al., 2013).

Thus in industries such as cosmetics, fast-moving consumer goods and food, consumers are more likely to pay attention to CSR and in turn, CSR will have more significant influence on consumers' attitude and behavior. However, in luxury consumption, consumers evaluate brands and products mostly according to their utilitarian value (excellence and function), hedonic value (aesthetics, pleasure, and experience), symbolic value (self-expressive and social) and economic value (Ho et al., 2012). Compared to the above-mentioned industries, research conducted in the luxury industry may provide different results.

Lastly, this study is conducted in the Chinese context, which may suggest that there is still a gap between China and developed countries as to the influence of CSR on consumers' attitude and behaviour.

Conclusion

Even though the positive correlations are established between CSR and brand affect and with respondents' purchase intention, in further analysis, the actual influence of CSR on consumers' purchase decision making is still very limited in real consumption compared to brand-related factors. The findings of this study offer some insight for professionals working in the industry, as well as scholars who are trying to identify the influence of CSR on actual consumption. For professionals, it should remind them that, CSR may help the company to different extents according to which industry they are in. Compared to informing their audiences of companies' CSR knowledge, it may be more important to communicate to the audiences the credibility of CSR activities, including companies' expertise and benevolence dedicated to CSR initiatives. For scholars, it points another direction to test the influence of CSR on consumers' actual purchasing behavior, which is to put the studies in real consumption settings rather than to experimentally create respondents' awareness of CSR or bias their response with social desirability.

Limitations and further suggestions

The results of this study also suffer from some limitations due to the sample size and the luxury chosen. This study did not adopt a random sample, but a convenience sample from four mall interceptions, which limits the generalizability of these findings to the entire Chinese luxury market. Due to the nature of the luxury market, as explained above, the influence of CSR on consumers' attitude and behavior may differ substantially from that of the general population.

The author also would like to provide suggestions for future researchers. First, a more statistically powerful sample set can be adopted to increase the generalizability to studies of this kind. Second, future research on the influence of CSR on consumers' attitude and behavior can also adopt real consumption settings, but in different geographical areas. The results of such studies are also subject to the influences of different society cultural backgrounds and levels of economic development. Finally, because consumers' essential needs for different industries vary dramatically, it is necessary to conduct comparative studies on how CSR affect consumers' attitude and behavior differently in different industries, and thus future research will be able to offer more insight into different communication strategies and focal points for CSR practitioners in different industries.

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NOTES

[1]. The measurement of PSQ in this study is a slightly modified version of the SERVQUAL model.

[2]. The dropped questionnaire was not usable because only five items in that questionnaire were filled out.

[3]. From the sampling procedure, the researchers observed that elderly mall visitors approached were less willing to participate in the survey, which directly leads to the result that the education level of all survey samples is significantly higher than that of the whole population, because elderly individuals in China tend to have lower education levels.

[4]. A comprehensive list of luxury brands is adopted from a HSBC (2011) report on Global Luxury Goods.

Reputation or Responsibility for Client-perceived Value? The Moderating Role of Strategic Orientation

Extended abstract

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Abstract

Purpose

Corporate marketing practices are becoming ever more important for business service clients, signaling quality and higher client-perceived value. The aim of this paper is to advance understanding of the influence of communication practices that concern corporate social responsibility (CSR) and corporate reputation on client-perceived value, specifically functional value, and to assess the moderating role of strategic orientation in business service relationships.

Design/methodology/approach

The conceptual framework is based on the corporate marketing framework, signaling theory and relationship marketing theory. The framework is tested on a survey sample of 228 client firms, using covariance-based structural equation modeling.

Research limitations/implications

The case study offers limited support for the findings; more cases need to be examined to determine whether the findings are robust.

Findings

This paper primarily reveals that communication practices which concern CSR and corporate reputation positively and significantly influence client-perceived functional value. Second, the impact of communication practices that concern CSR on functional value is stronger than the impact of corporate reputation. Finally, the effect of communication practices that concern both CSR and corporate reputation on functional value is stronger if the client firm has a long-term strategic orientation.

Research limitations/implications

Further research on the topic may involve developing links between other elements of the corporate marketing framework and client-perceived value. Attitudinal and/or behavioral value consequences may be included in order to better understand clients' decision-making.

Originality/value

The originality of the paper lies in better understanding the effects of CSR and corporate reputation on perceived value. In addition, the strong and significant moderating effect of a business-client strategic orientation is demonstrated. To be successful in business relationships, business service providers need to understand both the importance of CSR and a long-term strategic orientation for client-perceived functional value.

Keywords

Corporate social responsibility, corporate reputation, client-perceived value, strategic orientation

Introduction

Today, companies are expected to do business in a responsible and good way. Due to these expectations, corporate social responsibility (CSR) is becoming an imperative in strategizing, planning, and tactics. However, there is no definite formula on how to implement CSR and communicate its manifestations to stakeholders (Nielsen & Thomsen 2007). Researchers are debating how to communicate CSR (Pérez 2015), how to distinguish CSR activities and pure public relations (Frankental 2001), but parallel to the corporate side there is still a lack of knowledge on how stakeholders perceive such actions, whether and why CSR has an effect, and what kind of feedback/outcomes companies may expect from stakeholders when

pursuing CSR actions.

The success of corporate social responsibility efforts largely depends upon the perceptions of the relevant stakeholders. While it is not practically possible to capture all stakeholders' perceptions at once and generate an overall resulting CSR, it is important to understand how different stakeholders are impacted by corporate actions. In this paper, we focus on better understanding how perceptions of customers are shaped in business-to-business (B2B) service relationships. Research that focuses on CSR and its role for business clients as stakeholders is rare (Nätti et al. 2014) and hence our paper brings novel findings on both the conceptual and empirical level to this vital body of literature. In general, customers as stakeholders have increased expectations from organizations to behave socially responsibly. They demand to be informed about the company's CSR practices in order to evaluate whether such practices meet their expectations (Podnar 2008). We argue that these premises are valid for both individual and business customers. Moreover, as business customers are held accountable for their CSR actions and have to communicate with their customers, their knowledge and understanding of the CSR role should be greater than that of individual customers.

Corporate social responsibility and corporate reputation are closely related concepts. Researchers are still debating the possible relations between them. In our approach, we argue that a distinction can be made between perceived corporate reputation and perceived CSR. Although CSR is usually conceptualized to form or reflect corporate reputation (Walsh & Beatty 2007; Pérez 2015; Lindgreen et al. 2009), we take a different angle and aim to test whether the overall reputation and CSR are perceived differently by and of varying importance for business clients. While not arguing against established theoretical bases we believe that, if it is possible to isolate the effect of CSR from the effect of the overall perceived reputation, important implications for the further development of corporate communications actions can be established.

Turning to the perception of business clients, we link reputation and CSR to perceived value. Value represents one of the most important concepts in business relationship research (Anderson & Narus 2004; Eggert & Ulaga 2002). In this paper, we focus on functional value that attracts most of the interest and importance in B2B research. Functional value is also referred to as consumer surplus or a value after the exchange process (Anderson et al. 1993), "usage value", economic value (Lindgreen & Wynstra 2005), or the value of the utility consumers receive (Graf & Maas 2008). Together with perceived value, we also take a client firm's strategic orientation into account. Namely, the perceptions of clients will differ if they are only focused on short-term transactions than if they have a long-term relationship with a provider or are generally tending to focus on long-term strategic actions.

This paper contributes to a better understanding of the effects of communication practices that concern reputation and CSR on perceived value in business services. Further, it conceptually distinguishes between overall reputation and CSR and assesses their separate effects on perceived value. Finally, it assesses strategic orientation as a boundary condition for perceived value and its determinants with the aim of demonstrating differences between a short-term and long-term strategic orientation in a relationship.

Literature Review and Conceptual Framework

In order to conceptually develop our framework, we rely on three theories and frameworks. First, we argue that reputation and CSR conceptually belong to the corporate marketing framework (Balmer & Greyser 2006; Balmer 2012; Balmer & Gray 1999). The framework originates in the 1990s and synthesizes corporate-level concepts and perspectives in marketing: corporate identity, organizational identity, corporate branding, corporate communications, corporate image, and corporate reputation. While some aspects of the corporate marketing framework are internal (e.g. identity), in this research we focus only on the external aspects, that is, CSR as an element of corporate communications and on corporate reputation.

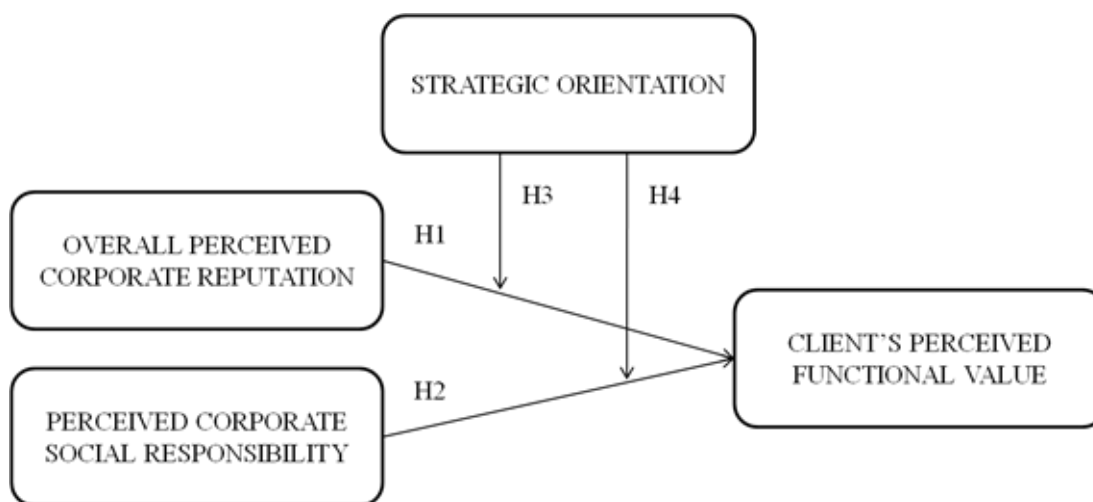
Second, in order to relate reputation and CSR with perceived value, we use signaling and relationship marketing theories. Namely, corporate marketing practices are becoming more and more important for business service clients, signaling quality and higher client-perceived value. Signaling theory is rooted in Spence's economic model (Spence 1973; Kirmani & Rao 2000) where it is postulated that stakeholders are sensitive to strategic and uncontrolled signals sent by companies and that they are carrying information in order to create an equilibrium in the market. Hence, theory implies that corporate manifestations of reputation and CSR signal value to clients. This is even more important if we involve the relationship marketing perspective (Ravald & Grönroos 1996; Grönroos 1996) and its vital role for creating and sustaining value. Relationship marketing theory facilitates the explanation of the role of strategic orientation in our research. Namely, for clients with a long-term orientation there should be more value from relationships than for clients which are short-term and transaction-oriented.

More than 20 different definitions of corporate reputation could be extracted from the current literature. Two different approaches are evident: integrative (overall and all-encompassing definitions) and specific (more specific or for a specific stakeholder group). We rely on Gotsi and Wilson (2001, p. 29) for a definition of corporate reputation as "a stakeholder's overall evaluation of a company over time. This evaluation is based on the stakeholder's direct experiences with the company, any other form of communication and symbolism that provides information about the firm's actions and/or comparison with the actions of other leading rivals". For the purpose of this research, we apply the definition to business clients as stakeholders.

In the conceptualization of corporate social responsibility, we take the standpoint of corporate communications and use a specific definition pertaining directly to customers. Namely, Walsh and Beatty's (2007, p. 133) position that CSR represents "customers' perceptions that the company sees and acts on environmental and social responsibilities". Hence, we assess the perceived CSR as customers' impressions based on information they gather from communications and relationships with providers. When providers are acting responsibly, their acts join the general pool of attributes assessed by service clients when evaluating the service in all phases of the process.

For a client's perceived value we rely on Zeithaml's definition (1988, p. 12): "perceived value is a customer's overall assessment of the utility of a product based on perceptions of what is received and what is given". For the purposes of this research, we focus on the positive functional traits of value – quality as one of the most important benefits for clients. In line with previous literature and our own proposition that overall corporate reputation perception differs from CSR perception, we develop a conceptual framework as shown in Figure 1.

FIGURE 1: CONCEPTUAL FRAMEWORK OF THE RESEARCH



Based on the outlined theories and previous research, there is evidence that reputation and CSR should help in increasing the benefits and reducing the sacrifices perceived by clients (e.g. Hansen et al. 2008). This means that the higher the perceived reputation and perceived CSR, the higher the value perceived by clients. This is especially true in the business service setting as the offer is intangible and clients usually do not have the ability to assess the objective quality and other formal properties. They need to rely on other signals and cues in order to form their perceptions and make decisions. Hence, we hypothesize:

- H1: Perceived corporate reputation positively impacts the functional value perceived by business clients.
- H2: Perceived corporate social responsibility positively impacts the functional value perceived by business clients.

Further, a long-term or short-term strategic orientation demonstrates the overall position of the client – whether they base their operations on temporary and current settings or whether they aim to be successful in the long run. This points to an important boundary condition that could add to the understanding of how business relationships and hence a client's perceptions evolve under conditionality. We argue that if a strategic orientation is characterized as a long-term orientation, the effect of reputation and CSR on perceived value will be high. On the contrary, if the orientation is short term the effect of reputation and CSR on perceived value will diminish and be less important. Hence, we hypothesize:

- H3: A long-term strategic orientation boosts the effect of perceived corporate reputation on the functional value perceived by business clients.
- H4: A long-term strategic orientation boosts the effect of perceived corporate social responsibility on the functional value perceived by business clients.

Methodology

In order to empirically test our conceptual framework, we selected the setting of professional services. Due to the high level of expertise required to implement a professional service, business clients usually lack knowledge and need to rely on other cues in order to form their perceptions. Corporate reputation and CSR are thus likely to play an important role

in formation of the perceived functional value. More precisely, the focus in our research was on the relationship between advertising agencies and their clients.

We used pre-developed scales to create an instrument to measure the focal constructs: Overall Perceived Corporate Reputation (Selnes 1993; Hansen et al. 2008), Perceived Corporate Social Responsibility (Walsh et al. 2009) and Client-Perceived Functional Value (Davies 2006; Lapierre 2000; Park et al. 2012). A Likert scale ranging from 1 to 7 was used to measure the level of respondents' agreement to the posed statements. Strategic orientation was measured on a continuous scale ranging from 1 to 10, where 1 is a short-term orientation and 10 is a long-term orientation.

Prior to launching the survey, the questionnaire was assessed in detail by three academics and two managers from practice. We also ran a pilot survey with 20 respondents and performed preliminary analyses. Subsequently, the survey was conducted among companies from one developing European country. A total of 4,591 e-mails, whose addresses were drawn from a general database of businesses, were sent and, after three reminders, 927 companies were reached. Due to the policy of personal data protection, most e-mails were sent to the general (info) e-mail address of the company; therefore the reach was lower than it would have been with direct access to respondents. Of these 927 companies, about 20% did not use the services of advertising agencies. The final sample consisted of 228 usable questionnaires (a 31% response rate).

Results and Discussion

The majority of companies in the sample belong to wholesale and retail trade (18.58%), other services (16.39%) and manufacturing (9.84%) industries (in line with the national classification of enterprises). Medium-sized firms (with 50–249 employees) make up 31.29% of the sample, small firms (10–49 employees) 30.61%, micro firms (up to 10 employees) 21.77%, while the rest are large firms (250 or more employees). The average length of the relationship with the agency was 3 years and the average spending was 32% of the total marketing budget. Almost half of the respondents (46%) are directors of the firms (CEOs, general managers), followed by heads of the marketing department and members of the marketing department.

Descriptive statistics, diagnostic tests and statistical inference for items for all constructs were first conducted using SPSS V.20. Covariance-based structural equation modeling using LISREL 8.71 was used for testing the hypothesized model, following the two-step approach (Anderson & Gerbing 1988). We first conducted reliability and validity analyses of the focal constructs through confirmatory factor analysis (CFA); the results are presented in Table 1. All three concepts have excellent composite reliability and average variance extracted indicators, all higher than the set thresholds of 0.6 and 0.5, respectively (Bagozzi & Yi 1988; Fornell & Larcker 1981).

Table 1: Reliability and validity of the measures

Item	Loading	CR	AVE
Overall Perceived Corporate Reputation			
...has a good reputation among my colleagues/friends and family.	0.880	0.911	0.773
...has a good reputation compared to its competitors.	0.893		
...has a good reputation in the market in general.	0.866		
Perceived Corporate Social Responsibility			
...seems to make an effort to create new opportunities.	0.881	0.919	0.741
...would reduce its profits to ensure a clean environment.	0.782		
...seems to be environmentally responsible.	0.867		
...seems to be socially responsible.	0.908		
Client-Perceived Functional Value			
...had a proactive approach to ideas.	0.825	0.956	0.709
...had consistent work processes.	0.832		
...showed empathy for creative changes.	0.862		
...provided us with constant information on the account status.	0.820		
...had strength in strategic thinking.	0.838		
...kept its promises.	0.875		
...was flexible in responding to my firm's requests.	0.825		
...instilled confidence.	0.856		
...gave my firm individual attention.	0.840		
Notes: CR = Composite reliability; AVE = Average Variance Extracted			

The convergent validity of the model was supported as all t-test values of the indicator loadings in the measurement model were statistically significant (Anderson & Gerbing, 1988). Discriminant validity tests are presented in Table 2 where correlations between pairs of constructs are shown below the diagonal and squared correlations above the diagonal. Correlations are statistically significant and moderate in size. The lowest correlation is between overall perceived corporate reputation and CSR ($f = 0.470^{**}$). Average variance extracted at the diagonal is higher than the corresponding squared correlations, providing additional evidence of discriminant validity (Mackenzie et al. 2011).

TABLE 2: CORRELATIONS AND DISCRIMINANT VALIDITY

	Overall Perceived Corporate Reputation	Perceived Corporate Social Responsibility	Client-Perceived Functional Value
Overall Perceived Corporate Reputation	0.773	0.221	0.253
Perceived Corporate Social Responsibility	0.470**	0.741	0.274
Client-Perceived Functional Value	0.503**	0.523**	0.709
Note: ** $p < 0.001$			

The data were also tested for common method bias (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). We made efforts to control for common method bias by protecting and assuring respondents regarding their anonymity, thus reducing evaluation apprehension. We also introduced an online questionnaire design with different visual question types.

The next step was to assess the structural equation model and paths for the hypothesized relationships. The overall fit of the model is excellent, with the following indices: $df=101$; Chi-Square=337.833 ($p=0.0$); RMSEA=0.0985; NNFI=0.973; CFI=0.977; SRMR=0.0399; GFI=0.849. The main hypotheses are tested in Table 3. The resulting model explains a high portion (68%) of client-perceived functional value variance. All hypothesized structural paths are positive and significant; hence H1 and H2 are confirmed.

TABLE 3: HYPOTHESES TESTING

Hypothesis	Relationship	Beta	R ²
H1	Overall perceived corporate reputation --> Client-perceived functional value	0.423**	0.681
H2	Perceived CSR --> Client-perceived functional value	0.487**	
Note: ** $p < 0.001$			

In order to test the boundary condition, we introduced strategic orientation. We constrained the variance of indicators by fixing the error variance for all independent constructs ($EV = (1-CR) * \delta^2$; Cadogan et al. 2002; Baumgartner & Homburg 1996). We assumed that reliability for strategic orientation with a single-item indicator was $CR = 0.70$ (Steenkamp & Van Trijp 1991). The resulting model is presented in Table 4. The model explains a higher percentage of variance ($R^2=0.785$) than the one without the boundary condition. Strategic orientation positively and significantly moderates the relationship between corporate reputation and client-perceived functional value as well as the relationship between CSR and client-perceived functional value. Further, the main effect of a strategic orientation on client-perceived functional value is not significant, hence strategic orientation may be characterized as a real moderator of the tested relationships (Sharma et al. 1981).

TABLE 4: HYPOTHESES TESTING WITH A BOUNDARY CONDITION

Hypothesis	Relationship	Beta	R ²
H3	Overall perceived corporate reputation (CR) --> Client-perceived functional value	0.211**	0.785
	Perceived CSR (CSR) --> Client-perceived functional value	0.238**	
	Strategic orientation --> Client-perceived functional value	0.030 ^{NS}	
	Strategic orientation x CR --> Client-perceived functional value	0.221**	
H4	Strategic orientation x CSR --> Client-perceived functional value	0.237**	
Note: ** p<0.001			

It is important to observe that in both models the main effect of perceived CSR on value is stronger than the effect of corporate reputation on value. This reveals the position of CSR relative to corporate reputation, as perceived by clients.

Conclusions

Based on our study, the answer to the question “Corporate reputation or CSR?” is “both”. Supported by empirical evidence, our conceptualization argues that both corporate reputation and CSR are important for the perceived value of business clients, hence; companies should not exclude one or the other in their communication efforts. However, we were able to demonstrate that perceived CSR of professional service providers has a stronger effect on clients’ perceived value than corporate reputation at the overall level.

Three important findings are revealed in this paper. First, communication practices that concern CSR and corporate reputation positively and significantly influence client-perceived (functional) value. That is, corporate marketing framework elements are important signals of quality in business services. This again stresses the vital importance of communicating issues related to CSR and actions for building a corporate reputation vis-à-vis clients.

Second, communication practices that concern CSR have a stronger impact on clients’ perceived value than the overall corporate reputation. This adds to the importance of observing CSR communication as a distinctive element of communication within firms. CSR usually shows either concrete actions or a strategic lack of action in social, environmental and other fields of responsibility, and this may explain why it is perceived as a stronger cause of value than overall reputation.

Finally, the effect of communication practices that concern both CSR and corporate reputation on perceived value is stronger if the client firm has a long-term strategic orientation, while it is weaker if the client firm has a short-term strategic orientation. This holds strong implications for managing and communicating efforts with business clients. Service companies should identify key business clients, assess whether they are aiming to build long-term relationships, and then adjust and customize their CSR and corporate reputation communication efforts with selected clients, rather than communicating in general with all customers or stakeholders. Our results show that such customized communication with clients who are of strategic and long-term importance yields higher perceived value which could result in favorable attitudinal and behavioral outcomes from such clients.

One of the limitations of this study is that it is based on cross-sectional data. Further research could measure antecedent concepts (CSR and corporate reputation) at one point in time and the resulting concept of perceived value at another point in time in order to clearly distinguish the causality. Subsequent research on the topic may involve developing links between other elements of the corporate marketing framework and client-perceived value. Attitudinal and/or behavioral value consequences may be included in order to better understand clients’ decision-making.

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8. CSR COMMUNICATION IN DIFFERENT INDUSTRIES

Communication Transparency in Ethical and Traditional Banking: Is There Any Difference in the Banking Industry in Spain?

Abstract

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Purpose

The aim of this contribution is to examine transparency in the communication process in two different types of banking in Spain: ethical or alternative banking and traditional banking. Transparency is a key value in the thinking of ethical banking, but do they perform different practices over traditional banking that justify or support that commitment to transparency?

Design/methodology/approach

An exploratory study has been performed in a sample of two ethical and two traditional banks operating in Spain. The identification of an explicit commitment to transparency, the analysis of disclosed information, the identification of channels of information and the identification of stakeholders allow assessing transparency.

Findings

Transparency appears as a complex concept that has more to do with corporate philosophy and the vision of the company rather than with the actions developed to achieve a greater transparency level, where the resources of the financial institution seem to prevail over the thinking of the organization.

Practical and social implications

This study will contribute to the knowledge about ESG information disclosure in the banking industry, developing the identification of those practices that improve transparency and will result in greater efficiency in decision-making processes.

Originality/value

Study of transparency is approached from a new perspective, based on traditional communication models and the elements of business communication: issuer, message, channel and receiver.

Keywords

Transparency, communication, ethical banking, traditional banking

Communicating CSR in the Casino Industry: An Update

Conference paper

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Abstract

Purpose

This research updates the author's 2008 study, giving a current snapshot of CSR communication in the casino industry.

Design/Methodology/Approach

A stakeholder-based textual analysis of the web sites of two casino corporations assesses the content and structure of the web sites from the perspective of four important stakeholder groups (customers, governments, investors, and local communities).

Findings

The web sites for casino corporations Caesars Entertainment and MGM Resorts take different approaches to the corporations' social responsibility: One, a more functional orientation to CSR, uses the tool to address groups (communities, customers, etc.) that are important to its success, while the other attempts to convey a more authentic moral approach to CSR.

Research limitations

Because this research focuses on two U.S. casino corporations, the results here cannot be generalized to all casino corporations in a global context.

Practical implications

This research highlights some disadvantages of using a web site to distribute messaging about CSR: while messages have an increased reach, they are less targeted and may not reach their intended audiences effectively.

Social implications

The different approaches seen here set the stage for an important discussion about the appropriate role of CSR and the relationship between business and society.

Originality/value

Findings provide value to those who communicate CSR messages as well as those who consider the overall relationship between business and society. Additionally, the original method used here – a stakeholder-based textual analysis – offers a new way to approach documents such as web sites whose messages reach a variety of different stakeholder publics.

Keywords

Corporate social responsibility, CSR, communicating CSR, casino industry

Introduction

This paper looks at corporate social responsibility (CSR) communication in a very specific industry: gambling, which as a so-called "vice" industry brings a host of CSR-related questions and challenges to the table. In countries around the world, legalized casino gambling has expanded at an exponential rate in recent years. Once considered a pastime of the disreputable, gambling has turned into a mainstream entertainment option in many cultures. This moral shift has opened the door not only for the expansion of casinos but also for the creation of corporations to run these now-legal gambling establishments.

Proponents of legalized gambling often tout the benefits that casinos can bring to a community, especially jobs and tax revenues. Increasingly, they also point to the contributions that casino corporations make to both local and national non-profit causes in the name of corporate social responsibility. Indeed, these contributions can be significant – but when they are juxtaposed with the many potential negative externalities of legalized gambling, serious questions can arise about the use of CSR in the casino gaming industry, much as in other industries whose products can be harmful such as tobacco and alcohol.

Because it intends to improve a corporation's reputation, CSR brings the most benefit when it is widely communicated to appropriate stakeholders. For many years, CSR communication was limited to certain set formats: Annual reports were perhaps the most popular, along with targeted media relations (primarily press releases) and, when appropriate, letters to important stakeholders. The Internet, with its vastly expanded reach and reduced costs, has tremendously influenced the communication of corporations' socially responsible actions. This research considers the ability of a corporation's web site – in this case, the web site of a casino gaming corporation – to communicate with various stakeholder groups including customers, investors, and governments.

This research follows up on a prior study completed seven years ago (Strauss, 2009). The intervening time period has seen a significant expansion of the casino industry globally. For the purpose of comparison, this research examines the same two corporations analyzed in late 2008, MGM Resorts (formerly MGM Mirage) and Caesars Entertainment, which operate casinos primarily in the United States. The research here both assesses the current state of CSR communication by these two casino gaming corporations as well as makes comparisons to the original study to suggest some ways that CSR communication has changed – or remained the same – in the intervening time.

Background and Context

The growth of the global gambling industry in the last 30 years has been nothing short of remarkable. This growth includes not only a building boom and expansion of the traditional gaming market in Las Vegas, USA but also an expansion of legalized gambling into locations around the world. The Chinese Special Administrative Region of Macau, for instance, opened its legal gambling market to competition in 2002 (Zheng and Wen, 2014) and by 2006 had surpassed Las Vegas for annual revenues from casino gaming (Barboza, 2007).

As legal gambling has evolved into a mature industry, its proponents have shifted toward the moniker "gaming" in an effort to detach from historical unsavory perceptions of the act of gambling. Although gambling happens both online and in brick-and-mortar establishments, in the United States, the former is still illegal. This paper refers specifically to corporations that run legal gambling operations, which in the United States occurs only in casino environments; hence, the terms "gaming industry," "casino industry" or "casino gaming industry" will be used here.

According to the American Gaming Association, the lobbying group for gaming in the United States, the casino gaming industry is responsible for 1.7 million jobs and contributes \$250 billion to the U.S. economy. Perhaps even more significantly for gambling proponents, casinos provided \$38 billion in tax revenues to economies at the local, state, and federal levels in 2014. In 2014, 23 U.S. states allowed commercial casinos to operate, and tribal-owned casinos operated in 16 others (American Gaming Association, 2015; National Indian Gaming Commission, 2015).

Opponents of the casino gaming industry cite the potential for negative externalities in communities where casinos operate (Friedman et al., 1989; Lee and Back, 2009; Zheng and Hung, 2012; see also Stokowski and Park, 2012). However, social costs generated by casinos are notoriously difficult to estimate for a number of reasons (Walker, 2007). Additionally, the negative social costs of casinos are often exported to out-of-town visitors, especially in tourist destinations (Eadington, 1975).

The decision to introduce casino gaming into a community, or expand the already legal gaming industry in a location such as Macau, is often presented as an analysis of social costs vs. expected financial benefits. A deeper analysis, however, shows that the evaluation of casino gaming's impact is rarely so straightforward (Strauss, 2015). Nevertheless, this decision continues to be made in locales around the world, and the casino industry continues to expand at a significant rate, demanding more consideration of this industry's impact on society.

Literature Review

Corporate social responsibility and the "benevolent halo effect"

Corporate social responsibility has been operationalized in a number of ways, but at its heart CSR is the belief "that business and society are interwoven rather than distinct entities; therefore, society has certain expectations for appropriate business behavior and outcomes" (Wood, 1991, p. 695). CSR's opponents, notably among them Milton Friedman, have argued that a

prosocial orientation can detract from the corporation's ability to make money for its stockholders – a corporation's one and only responsibility in a purely capitalist system (Friedman, 1970).

However, in recent years CSR's advocates have taken a middle-ground approach that eschews Friedman's extremist opposition, arguing that corporations can benefit financially by engaging in socially responsible actions and making those CSR actions prominent and visible to key stakeholders. This "business case" for CSR argues, among other things, that consumers may be more likely to purchase products from corporations they perceive as socially responsible; that corporations might attract and retain better, more satisfied employees by being socially responsible; and that governments might be less likely to impose costly regulations on corporations that engage actively in CSR (Carroll and Shabana, 2010; Strauss, 2015; see also Bhattacharya and Sen, 2004; Frynas, 2005; Groza et al., 2011; Lee et al., 2013; Smith, 1994; Smith and Kumar, 2013; Vong and Wong, 2013).

Although a number of different aspects of corporate social responsibility can be identified and explored, it is perhaps most important here to consider what Chernev and Blair (2015) call "the benevolent halo of social goodwill" that can be created by a corporation's socially responsible efforts. Pelozo, Ye and Montford (2015) found that consumers frequently attribute positive values to the products of food corporations that engage in (and actively publicize) socially responsible actions. Additionally, publics may be less inclined to react negatively to corporations' wrongdoing if they know that the corporation engages in CSR (Cho and Kim, 2011). This highlights a potentially troublesome element of CSR use in the casino industry: that consumers may falsely develop a positive opinion of the product of these corporations (gambling) and be less critical of its potential negative externalities.

Communicating CSR

If CSR is to be effective as a driver of a corporation's financial success, these efforts must be communicated accurately and sensitively to appropriate stakeholders (Moreno and Capriotti, 2009). Corporations often use stakeholder theory to approach CSR communication strategically by prioritizing important stakeholder groups (Clarkson, 1995; Maignan et al., 1995). These stakeholders might include traditional publics such as investors, customers, local communities, and governments as well as situational publics such as nonprofits.

CSR communication in any medium can be challenging. A climate of corporate distrust can cause stakeholders to meet CSR communication with skepticism (Macleod, 2001; Porter and Kramer, 2002; Smith, 2003). Effective CSR communication must be transparent and genuine and the corporation must be upfront about acknowledging how it might benefit from its CSR efforts (Forehand and Grier, 2003; Frankental, 2001; Graafland et al., 2004). Legitimacy must be emphasized through the use of appropriate tone and content, especially when corporations are bypassing the third-party effect of communication sources such as news media (Wanderley et al., 2008). Even though CSR communication can be challenging, however, it is important that a company communicate effectively with stakeholders on this topic so the stakeholders can ensure that the corporation is fulfilling its obligations (Strauss, 2015).

The Internet has proven useful to corporations in spreading the word about their socially responsible actions because of its wide reach for distributing messages and relatively low costs (Wanderley et al., 2008). Web communication also allows corporations to control their CSR messages and bypass the traditional gatekeepers associated with communicating messages via third parties such as the news media (Esrock and Leighty, 1998; Moreno and Capriotti, 2009). However, messages on the web are often general and not targeted to a particular audience, which might make them less effective in specifically addressing the needs of certain stakeholder publics (Moreno and Capriotti, 2009; Snider et al., 2003).

CSR in the casino industry

The notion of corporate social responsibility in the casino gaming industry calls to mind a number of questions. Because casino gaming is one of the so-called "vice" industries (other examples include tobacco and alcohol), CSR by corporations in this industry looks different than it does other industries (Strauss, 2015; see also Cai et al., 2009; Palazzo and Richter, 2005; Yani-di-Soriano et al., 2012). Because of potential negative externalities generated by vice industries' products, stakeholders often have higher expectations for CSR in these industries, in which products themselves can cause harm in addition to the processes used to manufacture these products (Boatright, 1996; Wood, 1991).

CSR in the growing casino gaming industry initially associated social responsibility of casinos primarily with the prevention and treatment of gambling addictions and disorders. However, CSR in today's casino industry contains a more robust understanding of societal responsibility that includes environmental sustainability and stewardship, community involvement and support, and employee engagement and development – much as would be found in other industries (Song et al., 2014).

Communicating CSR in the casino industry

Only a handful of academic studies have examined the specific topic of CSR in the casino industry (Buchanan et al., 2009; Buchanan and Johnson, 2007; Hancock and Hao, 2012; Lee et al., 2013; Song et al., 2014; Yani-de-Soriano et al., 2012). Still less attention has been paid to the idea of communicating casino corporations' socially responsible actions to relevant stakeholders, something that has the potential to greatly influence the growing casino gaming industry at a pivotal time in its evolution.

As mentioned previously, CSR has the potential to establish goodwill toward a corporation and its products via a halo effect (Chernev and Blair, 2015; Cho and Kim, 2011; Pelozo et al. 2015). When a casino corporation's CSR efforts are communicated effectively, they may have the potential to create such an effect on important stakeholders such as customers, local communities, and governments charged with regulating the industry. As such, communication of casino CSR can be a powerful tool for corporations wishing to fight back against the lingering stigmas of gambling that still remain in some circles.

Like all corporations, casinos often make strategic decisions about the communication of CSR actions based on expected financial return. This can lead to the prioritization of certain primary stakeholders and the lack of communication to others, in line with stakeholder theory (Sweeney and Coughlan, 2008). In the casino industry, however, this approach can unintentionally lead to negative effects on secondary stakeholders that aren't directly tied to the corporation's financial success (Strauss, 2015).

Research Questions

By revisiting the research originally performed in 2008, this current study aims to answer the following questions:

RQ1: How do two casino corporations (MGM Resorts and Caesars Entertainment) communicate CSR messages to stakeholder publics via their web sites?

RQ2: How do these messages compare to the ones sent by these corporations in 2008?

Method

This research followed the same methodological approach as the previous study (Strauss, 2009). Because the primary audiences for the reporting of socially responsible activities are investors, customers, governments, and local communities, this research conducted a stakeholder-based textual analysis of two casino corporation web sites. These sites were examined and analyzed from the perspective of important stakeholder groups likely to view them and focused on customers, governments, investors (current and potential), and the local community. Data collection and analysis was performed in June 2015.

The web sites of the two large casino corporations initially studied – Caesars Entertainment and MGM Resorts, then known as MGM Mirage – were chosen because of the corporations' prominence in the U.S. casino landscape and the extensive description of actions such as community involvement, environmental responsibility, and diversity on their web sites. This made the web sites rich locations for acquiring data through textual analysis. In order to provide a basis for comparison, this study was limited to these two corporation's web sites.

The analysis of these web sites looked primarily at the ways in which these corporations conveyed messages about their socially responsible activities. Both visual and verbal representations of philanthropy, community, and diversity contributed to a larger understand of corporate social responsibility as portrayed on the two web sites. The location of these web pages within the larger structure of the organization's web site was examined in order to understand how these corporations classify their social responsibility actions and what sort of importance is attributed to them.

Findings and Analysis

This section contains a description of each site and the location of information of corporate social responsibility information within each site. It then considers each site from the perspective of various publics who are primary stakeholders in the communication of CSR. Finally, the section offers comparisons to findings from the original study of CSR communication on casino web sites, which was conducted in 2008.

Site descriptions

The web sites of MGM Resorts (<http://www.mgmresorts.com>) and Caesars Entertainment (<http://www.caesars.com/>) fill a number of functional roles, which is represented in the design of the sites. They prominently feature booking engines

for customers to reserve rooms at one of the corporations' many hotel-casinos and the graphics and text are designed to encourage engagement and excitement. The main landing page of each web site features information on the corporation's loyalty program, which designed to give customers rewards for spending money at the corporation's hotels, casinos and restaurants.

One primary difference between the two sites is the location of information about the corporation itself separate from information about the gambling/tourism product. MGM Resorts's web site features links at the very top of the page to information about the company itself, including a variety of web pages that discuss corporate social responsibility. In contrast, Caesars Entertainment links to corporate information at the very bottom of the web page, meaning that a user would have to scroll down to find this information. This would mean that the casual user might be less likely to find this information on Caesars' web site than on MGM's.

A user who clicks on the Caesars link to corporate information is taken to a microsite that focuses on five aspects of the corporation. Links to pages with general information, information for investors, information about careers, and resources for media are joined by a link simply labeled "diversity." A large banner graphic on the landing page of this microsite reads "Our Commitment" and provides links to information about social responsibility efforts directed at four specific publics: employees, customers, local communities, and the environment. At the bottom of this page, users can link to more information about Caesars branded "CodeGreen" program, which seeks to limit the company's negative environmental impact.

Users on the MGM Resorts web site who choose to learn more about the corporation are presented with a drop-down menu of ten choices. These options include general information about the company (Company Overview, Mission Statement), information about careers, information for investors, and (somewhat oddly) "wallpaper" graphics for computers, where users can opt to use a graphic featuring the corporation's artistic rendition of its many casino resorts as the background on their computers. The final five options on the drop-down menu are all CSR-related: a general overview (Corporate Social Responsibility), a link to a microsite that focuses on the issue of diversity (Commitment to Diversity), and links about social responsibility efforts targeted at specific publics (Community: MGM Resorts Foundation, Responsible Gaming, and Environmental Responsibility).

It is worth noting that some of the linked pages from MGM's main web site feature information that is quite outdated, such as a 2011 Annual CSR Report (marked with the indication "New!") and a 2010 Diversity and Philanthropy Report. The link to general information about "Corporate Social Responsibility" takes the user to a microsite that seems to be much more updated than the pages accessible for the site's landing page; however, even this site has a 2013 CSR report as its most recent document.

User perspectives: A stakeholder-based analysis

This section considers the CSR information presented on the MGM Resorts and Caesars Entertainment web site from the perspective of four stakeholder publics that become relevant when a corporation engages in CSR: customers, governments, investors, and local communities. Each description tries to take into consideration the public's likely reasons for visiting the site, the type of information members of that public are looking to find, and the messages about CSR users are likely to receive as a result of this interaction.

Customers. As mentioned previously, both web sites are tailored toward making it easy for customers to make reservations at one of the corporation's many hotel-casinos. Exciting graphics and promotional messages suggest that the web sites are targeted at this audience. However, if a customers are using the website solely to make a reservation at a hotel, they will not receive any messaging about CSR unless they actively seek this information out.

Customers who want to seek out social responsibility information about these casino corporations will find this information more readily on the web site of MGM Resorts, where it is featured in a drop-down menu under the header "Our Company," displayed prominently at the top of the page. Actively retrieving the same information on the Caesars web site requires the customer to scroll to the very bottom of the web site. However, upon doing so, the customer is greeted by a forceful statement of the company's commitment to engage in CSR with a number of publics that are specifically identified such as employees, guests, and local communities (see Figure 1). It should be noted that Caesars does not have a specific CSR microsite per se; instead, information about the corporation's social responsibility to stakeholders is displayed on the main page of Caesars' corporate information microsite.

By contrast, the landing page to MGM Resorts' microsite, more colorful and engaging, focuses more on the corporation's impact on society, as suggested by the tagline "inspiring our world through corporate social responsibility" (see Figure 2). There is no specific mention made here of customers as there is on Caesars' CSR microsite, suggesting that customers who seek out this information might not feel that their needs are being addressed directly. However, Caesars' association of CSR toward the customer public with policies that support responsible gambling might be a bit off-putting in merely suggesting that the customer/user might have a gambling problem.

The presence of microsites dedicated to the corporation's social responsibility suggest to a consumer that both companies are aware of the expectations of society for responsible behavior by these corporations, but ultimately consumers might never receive these CSR messages unless they are active about seeking them out.

Governments. Engaging in CSR can help a corporation avoid restrictive regulations and enjoy beneficial treatment by governments, especially at the state and local levels. In the specific case of casinos, governments in some states also have to power to make regulatory changes that allow for casino corporations to begin operations in their state (as of 2015, 11 U.S. states still have no legalized gambling within their borders, and 16 allow no commercial casino operations). A government official, or anyone acting on behalf of that individual, is likely to be an active consumer of information about a gaming corporation's CSR efforts.

As mentioned previously, casino gaming expansion is often justified by the promise of economic benefits, including jobs and increased tax revenues. It should come as no surprise that both corporations' main web sites prominently feature links to information about the careers available at each casino corporation. These links are located at the very top of the page – meaning that everyone who views the page will see them regardless of whether the viewer scrolls to read the whole page – and are centered on the page, making them especially visible.

When clicking on these links, a government viewer sees verbiage emphasizing a commitment to employees. Caesars' web site states:

Caesars is committed to recruiting, retaining and developing the best employees regardless of race, color, religion, sex, age, disability or national origin. We encourage a diverse work environment that fully capitalizes on the talents, skills and potential of all our employees.

We hire, retain and develop the best employees so that we may provide our guests with the unsurpassed customer service that is the foundation of Caesars success. We actively search for a diverse pool of candidates to provide us with the depth of talent, skills and potential to meet our goals. We have strong mentoring, management development and tuition reimbursement programs to ensure that everyone has the opportunity to build the best career possible.

MGM's site has a similar message:

MGM Resorts International™ knows its people are its most valuable asset. We are the world's premier entertainment and gaming employer. Our resorts offer wonderful places to work and, for those just starting out, we have programs targeted toward helping you launch your career.

These statements lead a viewer to conclude that the jobs created by these casino corporations are not just any kind of employment, but the sort of job that leads to a career. In reality, however, a majority of casino jobs are in service-level employment rather than managerial positions (Gottdiener et al., 1999).

One interesting difference between the two corporations' web site architecture has an interesting implication for those government publics searching for information about the casino corporations being examined here. While Caesars directly addresses its "commitment" (i.e. social responsibility) to four publics – employees, customers, local communities, and the environment – MGM's corporate social responsibility site lists more general divisions ("inspiring our world," "diversity and inclusion," "environmental sustainability," and "philanthropy and community engagement"). This may leave legislators more confident in Caesars' ability to fulfill its responsibility to stakeholder publics because it has clearly identified those to which it is committed.

Investors. Investor publics are particularly difficult targets for CSR communication because their primary interest in the corporation is financial. While some investors choose to affiliate themselves with socially responsible corporations for personal reasons, all investors are concerned with gaining a return on their investments, preferably a sizeable one. Although they may not agree completely with Milton Friedman – that corporate profits should go only to shareholders and not to social responsibility programs – investors are unwilling to forego profits entirely for the sake of other stakeholders.

Both MGM and Caesars operate microsites for investor relations, but only Caesars features social responsibility on the main page of this microsite as part of its company overview.

...Caesars Entertainment is focused on building loyalty and value with its guests through a unique combination of great service, excellent products, unsurpassed distribution, operational excellence and technology leadership. Caesars is committed to environmental sustainability and energy conservation and recognizes the importance of being a responsible steward of the environment.

In contrast, MGM's company overview is merely a description of its properties and holdings in a variety of U.S. and global locations. An active user of the MGM site might delve further into the "News Releases" section and there find a number of press releases about philanthropic events among other topics such as financial results and restaurant openings. However, it is possible that an investor could seek out information about the MGM corporation and not receive any CSR messaging.

In contrast, the Caesars investor relations microsite features CSR quite prominently. In addition to the mention of responsibility and stewardship in the company overview, the landing page of the microsite also features a link to the corporation's efforts to promote diversity in employees, communities, and suppliers. (This link is actually replicated on the side bar and top bar of the page.) In summary, however, while one of these two corporations (Caesars) does feature CSR messages more prominently in a microsite targeted to investors than does the others, overall the CSR messaging targeted to this public is minimal in comparison to the messages that other active publics are likely to receive; further, the prominence of messaging about CSR on Caesars' website implies that this corporation considers CSR from the "business case" perspective, where expenditures on CSR can expect to see a return on both goodwill/reputation and financial gain.

Local communities. The decision to expand casino gambling is often welcomed by governments and local leaders, who are attracted by its promises of jobs and financial gain, but is not so popular with members of the casino's new community. Although some claims have been contested, academic research on the social cost of casinos has linked them with negative externalities such as crime and a rise in gambling addiction.

Community members in casino locales, or residents in communities considering casino expansion, would likely be active consumers of information about CSR by these two corporations. On the MGM web site, these users would follow the link marked "philanthropy and community engagement" to a site with more information about that corporation's community-focused CSR, where they would find this statement:

Community investment is central to our social responsibility philosophy. Our business success depends upon the sustainability of our communities as viable economic hosts with clean and healthy environments and cultural enrichment for our employees and our guests. We have the inspiration, the responsibility and the power to help our communities confront the immense challenges that confront them. We make contributions of our leadership, our expertise, our time and our dollars. Through our community engagement today we have the opportunity to mold our legacy for the future.

At the Caesars web site, users would click on a link marked "A commitment to our communities" and read a somewhat more light-hearted statement:

We are passionate about being part of the communities we are privileged to serve. It's a way of engaging, developing ourselves as individuals, understanding the needs of others and also, [sic] having fun. Serious play in our communities takes many different forms at Caesars Entertainment.

Further information about Caesars' philanthropic foundation, employee giving program, and advocacy efforts is found on this page, as is a section about the positive benefits of casinos and tourism on local economies.

Members of a community who are considering a casino's potential impact who look at these sites would see CSR messages that paint an overwhelmingly positive picture of these corporations' impact on local communities. However, users in this public might be skeptical of the corporation's motives and the advocacy-only perspective of the messaging: By not even addressing the potentially negative externalities of casinos in communities, these corporations may lack the transparency needed for successful CSR messaging.

Discussion

Observations on current CSR messaging by these corporations

Similar to 2008, in 2015 the CSR-focused areas of the web sites for casino corporations Caesars Entertainment and MGM Resorts take two different approaches to the corporations' social responsibility. Taking a more direct stakeholder approach, Caesars has a more functional orientation to CSR, using the tool to address certain groups (communities, customers, environmental concerns) that are important to its success. On the other hand, MGM's more general approach attempts to convey a more authentic moral approach to CSR – but it remains to be seen whether the site's viewers actually perceive this authenticity. It also is unclear whether either of these sites' messages translate into feelings of positive goodwill and organizational legitimacy toward the corporation.

This research also looked at the perspectives of other stakeholder groups (governments, investors, local communities) and found that the casino corporations' web sites had much more CSR information for these stakeholders, who were more likely to be active seekers of this kind of messaging. However, because these sites are necessarily designed to advocate on behalf of the corporation, the information they provide about CSR can be one-sided and incomplete. Web site viewers with a more casual interest might not take the time to understand complexities of casino corporations' CSR and the role these corporations play in society.

From an academic perspective, the most striking difference between MGM's and Caesars' current web sites and their messaging on corporate social responsibility is that Caesars operationalizes CSR from a stakeholder perspective, where the corporation fulfills its obligations to very specific public such as customers, communities, and the natural environment, while MGM takes a more general approach to CSR that is more on the level of the general relationship between business and society.

This provides an interesting comparison to the findings of the previous study, which noted that Caesars' approach to CSR was motivated strongly by a business-oriented bottom line approach (which aligns with the stakeholder-based approach that is common in strategic CSR) and that MGM's approach to CSR "seems to reflect a more idealized viewpoint on corporate social responsibility, where the corporation accepts the responsibility of improving society not because it feels that it has to, but because it wants to" (Strauss, 2009, p. 18).

Seven years later: Comparisons to the 2008 data

In seven years, things have changed considerably both in the casino industry and in the role that corporate social responsibility plays in contemporary business. In this section, the current web sites and their portrayal of and messaging about CSR are compared to the messages sent by these web sites in the original qualitative data, collected in October 2008.

Architecturally, the web sites of these two corporations have changed overall very little in this time. In 2008, Caesars Entertainment (then Harrah's Entertainment) focused primarily on the customer audience, putting links to corporate information at the bottom of the page and requiring the user to actively seek this information; the same is true of Caesars' web site today. Likewise, the MGM web site still links to company information at the top of the page, making corporate social responsibility information visible and easily accessible to all users.

One interesting change over the seven-year interval is the de-emphasis of responsible gambling as a component of CSR. Although these web sites still contain messaging about responsible gambling, the focus of their CSR messaging has shifted to more traditional, industry-agnostic elements such as philanthropy and environmental stewardship. In fact, looking at the CSR-specific aspects of these corporations' web sites, one might not even know that they are engaged in the casino gaming industry.

This last fact suggests that in the seven-year interval between these two studies, casino gaming has evolved as a more mature industry with similar characteristics – such as the expectations that it will engage in corporate social responsibility – to other industries. This is in line with the seeming ubiquity of casino gaming in the U.S. landscape as well as the increasing power of the casino industry to influence policy and economy.

Limitations and Future Research

Because this research takes the perspective of various stakeholders in perceiving the corporations' messages about CSR in the casino industry, it has necessarily taken a surface-level approach to the vast amount of information contained on these two corporations' web sites. Further research could more closely examine and unpack some of the more contentious terms found on these sites, such as "diversity" and "environmental sustainability."

There is no question that both of these sites make information about their socially responsible activities available in abundance for users who actively seek out this information. However, it is less clear whether average users of the web site are likely to obtain this information if they are visiting the web site for another purpose, such as booking a hotel room. Further research into user perceptions of these web sites could provide an audience reception perspective on how these corporations' CSR messages are being perceived by average users.

Learning how audiences perceive and process CSR messages from casino corporations' web sites could teach us a great deal about CSR communication in this growing industry. Audience studies could give us valuable insight that would help communicators craft effective and ethical CSR messages in this industry and a variety of others.

Although CSR communication (and, indeed, CSR itself) is a topic that has a great deal of ethical complexities, very little time has been spent here examining the ethical implications of CSR messaging by casino corporations. Given the potential "halo effect" of CSR on a corporation and its product, further study from an ethical approach could consider whether it is indeed ethical for casino corporations to engage in and publicize their CSR efforts given the nature of their business endeavors.

Finally, this study looks specifically at one form of CSR communication by these casino corporations – online through the corporation's web site. Further research could look at other means of communicating CSR messages, either digital (e.g., social media) or otherwise (media relations, printed communication such as annual reports, etc.). Additional research could also look at the CSR messages that customers receive during and after the times that they are guests at the hotel, in addition to these messages they might receive on the web site before their interactions as customers.

Conclusion

One finding consistent to both the original and the follow-up studies suggests that these two casino corporations deprioritize customer publics for CSR communication. Although information is certainly available to customer publics when they visit the corporation's web site to learn about its properties and/or to book a room, CSR messages may not be a part of a

customer's web experience during the online process.

The lack of communication of CSR messages to customers may have several causes. This may occur as a result of a functional approach to CSR, rather than a moral one, where decisions are made on a cost-benefit basis: The corporation feels that communicating CSR messages to customers is unlikely to increase purchase decisions, and therefore the expenditures on CSR communication to this audience are not warranted. Casino corporations, and other vice corporations in particular, may feel that customers are unlikely to perceive CSR messages as authentic, and thus these messages might have an unintended negative effect on perceptions of the corporation.

Whatever the cause, the casino corporation's decision not to actively communicate CSR messages to customers may have some unintended side effects. Without knowledge of these corporations' involvement in CSR, customers are unable to decide whether they feel this level of responsibility is adequate; this prevents them from being able to "vote with their dollars" and choose not to patronize corporations they feel have fallen short of their obligations. Because customers are also part of other stakeholder publics (local community, investors), their lack of knowledge about casino CSR may have implications for their actions in those roles as well.

Overall, there is a great deal to still be learned about the role that casino corporations play in society, how they fulfill their obligations to certain stakeholders, and how they communicate their CSR messages to those publics. As the casino industry continues to grow, expanding into new communities and cultures, communicating CSR messages effectively and responsibly needs to remain a high priority for these corporations. Continued research on this topic is needed to ensure that these corporations are adequately fulfilling their obligations to the local communities and the society that allows them to operate.

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APPENDIX

FIGURE 1

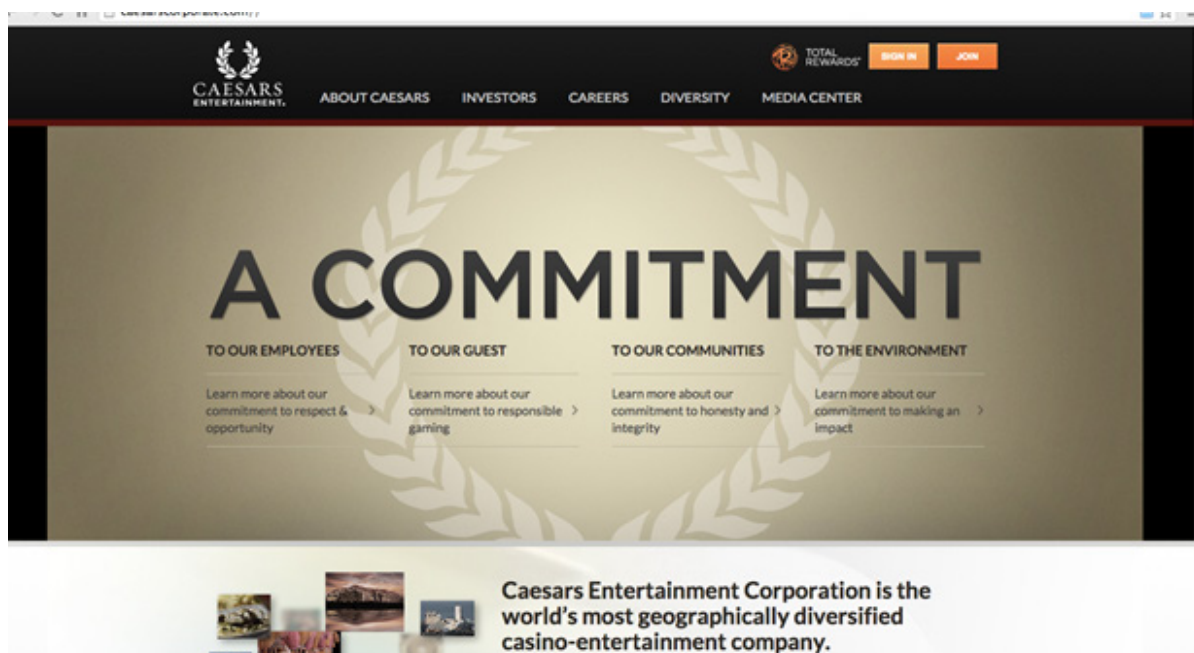
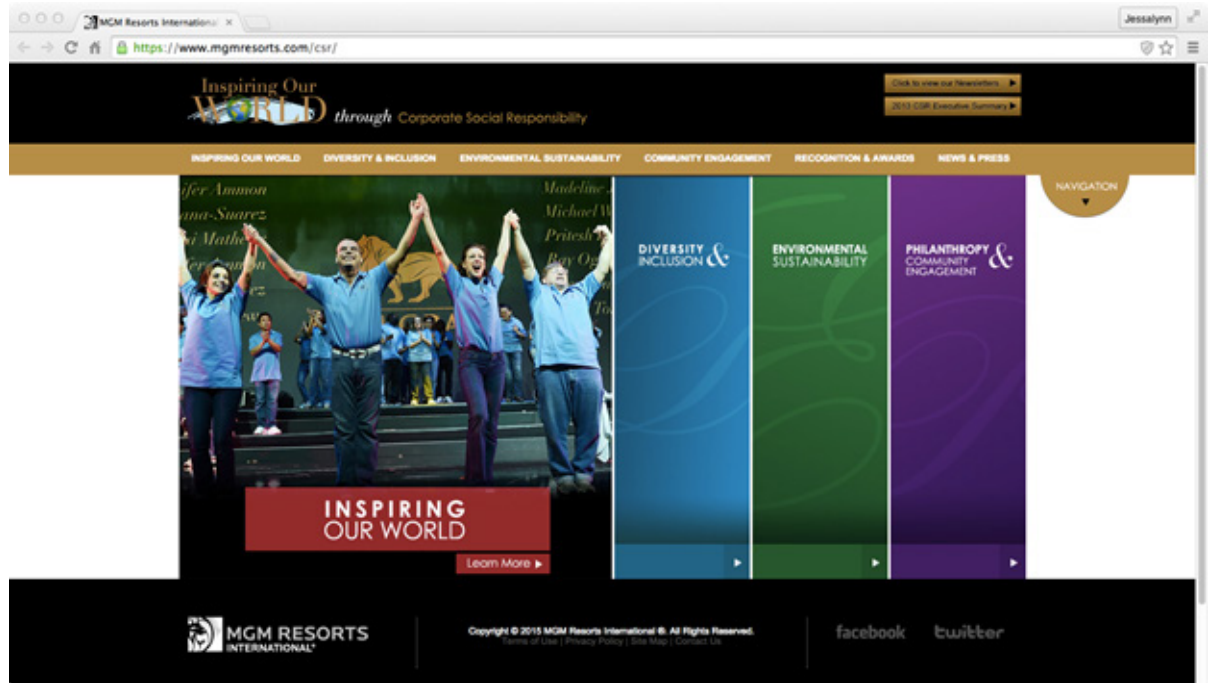


FIGURE 2



The Bank Enacting CSR – Discursively Legitimizing Power Subtly

Abstract

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Purpose

In the wake of the 2008 financial crisis sparked by the banking sector, using CSR to regain customer trust is tempting, and sustainable bank Merkur chooses to communicate CSR by avoiding to flash the natural power structure of a financial institution in e.g. turning customer wishes down. This article seeks to explore discursive strategies applied in a small Danish bank. The power of the employee in the every day meetings with customers is represented as a positive/legitimized action even if the outcome is not in line with the wishes of the customer.

Design

Van Leeuwen's (2008) model of legitimation is used to show how employees apply the legitimation discursive construction applied to Fairclough's (1989) understanding of power relationships. From a CDA perspective discourse represents power or knowledge relationships from micro to macro level. Data comprises recorded conversations between employees and customers as well as recordings from internal meetings in which employees discuss how to act in a manner so as to not excessively demonstrate power positions.

Findings

To varying degrees employees seem to successfully tone down the power position inherent in the banking sector. Internal meetings disclose an increasing struggle to demonstrate good CSR communication through not demonstrating the power position excessively. A task becoming increasingly challenging considering macro factors such as tightened sector regulations.

Originality

It seems refreshing to observe how this bank, which represents only a small part of the sector, aims to tone down power relationships as a means of communicating or demonstrating good corporate social behaviour. It may even be inspirational to more conventional parts of the sector as well as to other sectors.

Keywords

CSR, legitimation, power, communication

Exploring CSR Communication Research in the Fashion and Apparel Industry: A Quantitative and Qualitative Review of Existing Literature

Extended abstract

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Abstract

Purpose

The purpose is to provide an overview of the state of scholarship about CSR communication in the fashion industry, to identify issues and perspectives articulated in the research.

Methodology

A quantitative and qualitative analysis of 67 articles found in 38 academic journals in an array of disciplines was conducted.

Findings

Theory and research traditions are underdeveloped and fragmented, with few studies specifically about CSR communication. The overarching theme was that a company is only as responsible and ethical as the other companies in its supply chain; human rights and labor treatment in third-world countries were critical issues.

Research implications

Two-thirds of the articles in the sample were published since 2012, which supports that CSR research in the fashion and apparel industry has appeared at a late stage.

Practical/social implications

Despite growing stakeholder pressures to adopt CSR, there is a 'discursive polyphony' and consequent confusion among consumers, as well as political reluctance to regulate the apparel industry. The problem of supply chain management as a recurring CSR issue will require global political and corporate efforts to rectify.

Originality/value

The apparel industry has been scrutinized as a significant contributor to global and environmental harm at all points in its supply chain. The major issues call for a more comprehensive approach to communications management to look at practices in the production and sourcing phases of the industry, and to examine how CSR is communicated to consumers, including the embedded dilemma of encouraging over-consumption as a motive for increasing profits.

Keywords

CSR, fashion industry, CSR communication

Purpose

Even though the fashion and apparel industry has been increasingly scrutinized as a contributor to global and environmental issues at all points in its supply chain (Zeller 2012), there has been no comprehensive study of corporate social responsibility (CSR) in this industry (Mann, Byun, & Hoggie, 2014). In terms of social cost, the fashion industry helps create a culture of consumerism and waste, and garment manufacturing is negatively associated with the environment, human rights, and labor standards. Nonetheless, little is known about CSR approaches, methods, issues and activities that are prevalent in research about the industry. The purpose of this study is to begin to address that gap by reviewing the existing scholarly literature in order to better understand the status of scientific research about CSR communication by identifying trends, patterns, and scientific knowledge in studies about corporate social responsibility in the fashion and apparel industry. Specifically, this investigation aims to identify the most prevalent research approaches and methodologies, as well as the most frequent issues, activities, and communication approaches and perspectives.

Methodology

The study used both quantitative and qualitative content analyses of scientific publications in the field of CSR in the fashion and apparel industry to provide an overview of the intellectual structure of research in the field. Van Osch and Coursaris (2014) provide three reasons for studying the status of a research field. First, the study of existing scholarship provides information about the development of a field, its core practices and assumptions, and sheds light on potential knowledge gaps. Second, scientists build on the work of others to create new knowledge, and thus, a review of the extant literature provides a ground for assessing the influence of specific constructs. Third, existing literature functions as a legitimizing device to carry out further investigation. Content analyses of a scholarly area are valuable because they help shed light on the current state of development of a specific field and provide an understanding of the theorizing dynamics within a field (Silva & Teixeira, 2012).

The sample was obtained through library searches of academic databases. Considering the interdisciplinary nature of CSR, a focus on communication journals would have provided an incomplete and inaccurate review of the field; therefore, scientific publications across different disciplines were included. Every combination of the following search terms was used: fashion, fashion industry, apparel industry, clothing, corporate social responsibility, ethics, sustainable, sustainability, reporting, communication, public relations, news coverage, media, advertising, campaign, dialogue, engagement, involvement, and discourse. Key words had to be present in the abstracts as a way to guarantee that the main focus of the full paper was on topic. Only full-text articles in peer-reviewed journals written in English were included in the sample; editorials, book reviews, magazine articles, and bibliographies were excluded (Ye & Kim, 2012). All relevant articles through the summer 2014 were retrieved and downloaded. After eliminating duplicate articles that came up in different searches, a total of 67 discrete articles in 38 academic journals were identified for analysis. Coding categories for the quantitative analysis included the main focus of the article (communication, marketing, supply chain and production, human rights/employee treatment, management, consumer behavior, regulation and legislation, environmental issues, and sustainability) and the research approach (conceptual or empirical). Articles that were specifically about communication (n=11) were analyzed qualitatively in a second round of analysis.

Findings

Of the 67 articles, 76 percent (n=51) were empirical and 24 percent (n=16) were conceptual. For the 51 empirical articles, 48 were cross sectional (data collected at a single point in time), and only three were longitudinal. The majority (58%) of the empirical articles used qualitative methodologies (n=30), which is explained by a high number of case studies (n=12). Mixed methods accounted for almost 20 percent of the studies (n=11). Quantitative methods, primarily surveys (n=11), were used for 22 percent of the studies. The overarching theme of the articles was that a company is only as responsible and ethical as the other companies in its supply chain; human rights and labor treatment in third-world countries were critical issues. Many of the studies were case studies of manufacturing facilities in Sri Lanka, Bangladesh, India, and China, and were concerned with oversight of working conditions, codes of conduct affecting ethical practice, and international regulatory frameworks. Other issues were sourcing from responsible and sustainable suppliers, waste management at all levels of the supply chain, using eco-materials, product life-cycle assessment, and responsible manufacturing practices.

Statistically significant positive correlations were found between four pairs of variables. The issues of human rights and employee treatment correlated with regulation and legislation, $r(67) = .377, p < .002$. Environmental sustainability and consumer behavior were significantly correlated, $r(67) = .298, p < .01$, as were environmental sustainability and management, $r(67) = .298, p < .01$, and marketing and communication $r(67) = .376, p < .002$. The quantitative analysis showed the main foci of the majority of the articles were supply chain management and sustainability. For most of the articles about either of these issues, both issues were present.

The quantitative analysis also showed that a fair number of studies (n=25) addressed issues about consumer behavior, and that consumer behavior significantly correlated with environmental sustainability. The consumer behavior articles were predominantly about perceptions, awareness, attitudes, and knowledge of consumers about environmental issues and sustainability, and in particular how those perceptions and attitudes affect purchase intentions and buying habits. Two studies looked at how consumers dispose of clothing. The majority of the consumer-related studies did not focus on communication to consumers, but were presumably examining perceptions and attitudes that could be antecedents for marketing and advertising message strategies.

CSR communication was a focus of only 11 of the 67 studies, which were further analyzed qualitatively. The qualitative analysis revealed three sub-themes: identifying critical issues, reacting to negative allegations, and the need for explicit communication. Three studies focused on defining and prioritizing issues in the fashion industry in terms of corporate social responsibility. A primary concern is the supply chain issue of addressing labor practices, particularly in under-developed countries. Another critical issue was reducing environmental impact at all levels in the supply chain. Since the fashion industry relies on a number of steps in the supply chain, it is difficult for one company in the chain to be sure that all others have the same level of social responsibility.

The second sub-theme addressed how the fashion industry has been increasingly scrutinized as a contributor to global environmental and social issues and how it has reacted. Four of the 11 studies looked at how fashion companies are communicating their responses to negative allegations concerning industry-related social and environmental infractions. Labor practices in third world areas generated the greatest amount of negative media coverage. All of the studies found the companies were reactive, rather than proactive, in their responses and in their environmental disclosures. There was an association between negative media attention and positive social and environmental disclosure. Media reports make consumers and other stakeholders in the global community aware of issues, and consumers in turn put pressure on companies to respond.

The third theme addressed the value of CSR communication. Four studies about CSR communication indicated there is confusion surrounding the discourse about different aspects of CSR in the fashion industry. Two of these studies looked specifically at eco-fashion and sustainable apparel goods and the communication surrounding it. Many phrases such as 'fair trade', 'organic', 'recycled', and 'vintage' are used to persuade consumers and give them reasons to buy (guilt politics), but consumers are often confused by these promotional strategies. Existing environmental commitment was also a strong indicator of purchase intention, but committed consumers wanted very explicit information about environmentally-friendly apparel brands. A conclusion was that companies should increase awareness and knowledge about the benefits of sustainable and eco-friendly brands through explicit communication. Studies looking at discourse surrounding CSR communication conclude that consumers face a perplexity of information that causes confusion among consumers who strive for more sustainable consumption practices.

Two-thirds of the articles in the sample were published since 2012, which indicates that CSR research in the fashion and apparel industry has appeared at a late stage compared to CSR and CSR communication research in general. The fact that only 11 articles in the sample had a communication or marketing focus implies that CSR communication in fashion research is understudied.

Research implications

The results show that regarding CSR in the fashion industry, companies need to educate as well as to communicate. Despite growing stakeholder pressures to adopt CSR, there is a 'discursive polyphony' and consequent confusion among consumers, as well as political reluctance to regulate the apparel industry. The major challenges of the fashion and apparel industry that are worthy of future research may thus be grouped in two major streams. The first stream calls for more comprehensive attention to public relations management and consultancy, aiming at mapping and investigating the structuring, organizing, implementing, and documenting of CSR processes and practices in the production and sourcing phases of the industry. The second stream points to how CSR is clearly and explicitly communicated as a public relations function. Accordingly, future research about CSR and CSR communication in the fashion and apparel industry should investigate more general conceptual and fundamental CSR public relations issues, including addressing the embedded dilemma of encouraging consumers to over-consume as a motive for increasing profits, as well as exploiting cheap labor for the same reason, while striving to gain public and social legitimacy for the ethical urge to do good.

Practical/social implications

Fashion and consumption are important elements of everyday life, and are components of consumer identity and social relationship building (Firat & Venkatesh, 1995). Because of outsourced production business models and the cheap labor force that third-world countries provide, apparel industries are able to make substantial profits for both shareholders and national economies, therefore generating political reluctance to interfere with or to regulate the industry (Hillier, 2011). Compared to other industries such as energy or public health, which can affect public budgets considerably, the political pressure on the apparel industry is remarkably modest. Consequently, consumers' as well as businesses' willingness to restrict over-consumption (throw-away fashion), and to encourage more sustainable practices is not necessarily given first priority (Morgan & Birtwistle, 2009; Gwilt & Rissanen, 2011; Hillier, 2012).

The apparel industry has been scrutinized as a significant contributor to global and environmental harm at all points in its supply chain, which calls for a more comprehensive approach to communications management to look at practices in the production and sourcing phases of the industry, and to examine how CSR is communicated to consumers, including the embedded dilemma of encouraging over-consumption as a motive for increasing profits.

The reactive approach of the industry to adopt CSR from a more comprehensive perspective may be explained by the tacit hesitation of businesses, politicians, and consumers to address the urge to consume, which can be a barrier to promoting more sustainable living patterns in everyday life and adjusting the world economy in this direction.

Originality/value

The results of the study offer insights into the research field of CSR and CSR communication in an unique industry. Reviewing existing knowledge about CSR in the fashion industry does not simply yield information on the status of a research

field, but allows us to better understand the relevant issues of interest to the research community, which contributes to the construction of a CSR research agenda. The issue of supply chain management is, and has for several years been, the most important issue for corporations who have outsourced their production to third-world countries. It is also the most challenging CSR issue for businesses to handle due to the problems of surveillance and control over processes and activities along the supply chain, not to mention the diversity of cultural and social practices across borders. However, from a consumer perspective, a fashion company is only as socially responsible as the other companies in its supply chain.

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