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PROCEEDINGS

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Faculty of Social Sciences, University of Ljubljana
Department of Business Communication, School of Business and Social Sciences, Aarhus University

Anne-Ellerup Nielsen, Christa Thomsen, Urša Golob, Wim Elving, Friederike Schultz, and Klement Podnar (Eds.)
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Table of contents

EDITORIAL NOTE ........................................................................................................................... 7
Anne-Ellerup Nielsen, Christa Thomsen, Urša Golob, Wim Elving, Friederike Schultz, and Klement Podnar

1. CSR COMMUNICATION DISCOURSE AND DIALOGUE ......................................................... 9

The discursive construction of legitimacy in CSR communication research ......................... 9
Anne Ellerup Nielsen and Christa Thomsen

Disclosure Alignment and Transparency Signaling in CSR Reports ........................................ 13
Craig E. Carroll and Sabine A. Einwiller

Conceptualizing CSR communication within political CSR ..................................................... 17
Peter Seele and Irina Lock

Discursive construction of CSR among Trade Unions ................................................................. 21
Urša Golob and Klement Podnar

2. CSR COMMUNICATION POLICY, MANAGEMENT AND STRATEGIES ................................ 26

CSR Communication Policy and Value Creation: The Case of Corporate Sustainability ... 26
Maria Teresa Bosch-Badia, Joan Montllor-Serrats, and Maria-Antonia Tarrazon

Corporate Social Responsibility: Strategic Issues Management and Relationship Management ............................................................................................................................................. 30
Robert L. Heath and Damion Waymer

CSR communication vs. protest movement campaign in Chile: A case study of the HidroAysén megaproject debate ................................................................................................................. 40
Gabi Mocatta

CSR reporting as a communication signal contributing to the corporate reputation........ 49
Katharina Hetze

CSR in the Brazilian retail companies: the role of Communication in the promotion of sustainable initiatives .......................................................................................................................... 53
Maria Aparecida Ferrari and Luiz Carlos de Macedo

3. CSR COMMUNICATION AND STAKEHOLDERS .................................................................. 63

Stakeholder Management through Stakeholder Dialogue – Corporate Social Responsibility (CSR) oriented approach ........................................................................................................................................ 63
Lata Dyaram and Vardhini Rajagopal
Six steps to successful Stakeholder Communication: A methodological approach to internal and external CSR Communication
Karin Huber

Processing of CSR communication: Insights from the ELM
Paula Maria Bögel

Communicating Creating Shared Value (CSV) in the English Premier League
Marcelo P. Castro

4. CSR COMMUNICATION, MARKETING AND CONSUMER RELATIONS

Consolidation of TerraCycle’s Waste Collection System in Germany
Roseli Cristine Gonçalves

Consumers’ attitudes towards cause-related marketing
Dubravka Sinčić Ćorić and Marija Dropuljić

The Cigarette’s Identity Construction through Corporate Social Responsibility Advertising
Isabella Astrid Siahaya

The Effects of Consumer Perceptions of CSR Activities on Loyalty
Alexandra Obrist and Matthes Fleck

5. CSR AND ONLINE COMMUNICATION

How social media frame an ethical issue
Michael Etter and Anne Vestergaard

The Legitimization of Ethically Questionable Business Practices via Self-Disclosure in Social Media
Dennis Schoeneborn, Roland Stettler, and Fabian Homberg

CSR online communication strategies: an empirical research in the Italian context
Alfonso Siano, Silvia Cosimato, Carmela Tuccillo, and Francesca Conte

Responsible Business and Legitimacy in Network Societies: Future Research Perspectives
Itziar Castello, Mette Morsing and Friederike Schultz

CSR Communication on Firm and Brand Level
Florian Sommer, Jeanette Klink, and Dilani Janssen

6. CULTURAL APPROACHES TO CSR COMMUNICATION

Cultural Sensitivity in Transnational Corporate Social Responsibility
Candace White

CSR & Communicating CSR of Alcohol Industry across Cultures: To What Extent an Action can be called “ Appropriateness”? Parichart Shapitanonda, Natwipa Sinsuwarn, and James R. Haft

How Firms and NGOs Talk about Supply Chain Responsibility in China
Dirk C. Moosmayer and Susannah M. Davis
The first CSR Communication Conference held in 2011 in Amsterdam has established that CSR communication is getting more and more important in practice as well as in academia. Concurrent with academic research a vast majority of corporations now communicate about their CSR activities in different ways using different tools. Furthermore, CSR communication has become an important part of how corporations make sense of their environment and how they balance their own interests with those of different stakeholders.

Presentations of 2011 CSR Communication Conference were both promising and challenging for the future research on CSR communication. One of the main conclusions drawn was that since CSR communication is an emerging field, there is a need for further conceptualization and investigation of theoretical and methodological approaches to CSR communication. Moreover, there is a need for exploring CSR in various local and global contexts.

The contributions of 2013 conference presented in this volume address this need by giving a variety of insights on CSR communication from theoretical as well as practical perspectives. The proceedings clearly show that many diverse questions are being raised with emergent responsibility dilemmas in the communication domain of the corporate world and beyond.

The contents of this volume provide an overview of CSR communication tendencies from around 30 countries all over the world, including countries from South America, Africa, and Asia where CSR is currently gaining much attention and has been studied very intensively.

A wide variety of topics and views of CSR communication presented in these conference proceedings is divided into six main sections. The first section deals with CSR communication discourse and dialogue, by looking at the discursive, political and legitimization aspects of CSR communication. We continue by examining different CSR communication strategies and policies, drawing on concepts, such as value creation, strategic issue management and corporate reputation. Section three explores CSR communication in relation to stakeholders and stakeholder theory, followed by section four, where we take a closer look into CSR communication in terms of marketing, identity construction and consumer relations. In the fifth section, we examine and discuss new ways to communicate CSR, namely through social media and corporate websites. Last but not least, this volume concludes with proceedings covering cultural and transnational perspectives of CSR communication.

The broad spectrum of diverse topics once again proves that CSR communication is an evolving field that deserves full attention of academia and practice.

The conference committee wishes to express its gratitude to the conference keynote speakers, professors Cynthia Stohl and C.B. Bhattacharya, and Scott Dille from Novo Nordisk, for their insightful presentations. We would also like to thank all presenters, discussants and participants from academia and practice for sharing new thoughts and ideas and contributing to the enrichment of CSR communication debate.

Finally, we would like to express our gratitude to all sponsors for their support.
The discursive construction of legitimacy in CSR communication research

Anne-Ellerup Nielsen
Aarhus University

Christa Thomsen
Aarhus University

Introduction
To judge from the rapidly growing body of research in the field of corporate social responsibility (CSR) management and marketing communication, there is an increasing interest in exploring the role of communication along with the transmission from implicit towards explicit CSR in the European context (Matten and Moon, 2008). Many corporations today are concerned with gaining legitimacy through integrating the expectations of their stakeholders (employees, customers, NGOs, activists, government institutions, institutions of international governance) in the overall company strategy. This also includes stakeholders in or around business units established in developing countries and emerging markets (e.g. Jamali, 2010; Reimann, 2012). Along with the growing pressure on corporations to engage in CSR a seemingly growing number of these are concerned with disclosure, reporting, reputation, etc. issues, and act on them through different CSR communication initiatives, channels and technology, e.g. mass media and social media. However, in spite of the growing attention on adopting CSR communication strategies and tactics, there does not seem to be a common understanding and consensus of how and to which extent CSR communication may contribute to influence stakeholders’ perception of corporations’ CSR performance. At best, some studies hold that there is a general recognition of CSR communication as a potential reputation enhancer, but also that if addressed inappropriately, CSR communication cause more damage than glory to a company. Other studies focus on CSR communication as inevitable hypocrisy (Christensen et al., 2011) and as an embedded ‘promotional dilemma’ emerging when stakeholders claim CSR information, while rejecting companies who practice it as overly self-promotion (Coombs and Holladay, 2012). Consequently, CSR management, marketing and public relations communication research contains understandings that point in different directions, calling for more substantial explorations of the underlying discourse arsenal that CSR researchers and practitioners draw on.

Objective
The aim of this paper is to investigate the discourse construction of CSR communication on the basis of how researchers frame corporations’ CSR doings and saying within management, marketing and public relations streams of CSR research. The purpose of this investigation is to analyze how the role of communication and interaction is conceptualized in specific social contexts such as managing, marketing and public relations in corporations through CSR. We argue that exploring the discursive construction of corporate legitimacy allows us to detect imbalances between corporations and their stakeholders in terms of inconsistent discourses and legitimacy strategies.

Many researchers argue that CSR communication is likely to increase stakeholder engagement, corporate reputation and value creation (e.g. Porter and Kramer, 2006; Du et al., 2010). By looking at the rapidly growing body of research in the field of CSR management, marketing and public relations communication, the paper focuses on the positions, arguments, conflicts and actors of CSR communication across specific CSR topics and initiatives, e.g. disclosure, reporting, reputation, message, channel, etc.

Theoretical approach
Institutional theory is one way of investigating how companies deal with social change processes such as the insisting concern with CSR communication. According to institutionalists, corporations are social institutions that require institutional legitimacy in order to survive. Within an institutional framework, organizational change is addressed as a product of institutions’ pressure on companies to adopt similar practices in a given societal context (DiMaggio and Powel, 1983).
Moreover, the spread of CSR and related concepts enables us to explore emerging discourses, institutionalized through research and best practices of CSR. Accordingly, we address how the emergence of discourse from CSR as accountancy and transparency invites and legitimizes a new social order in which CSR is addressed as a forum for mutual understanding, recognition, negotiation and co-creation amongst stakeholders. Legitimacy theory is another way of investigating how managers are currently making sense of their companies’ new role in the globalized society. Legitimacy focuses on how organizations are perceived by their stakeholders at any point in time and requires that there is a match between the social values of an organization’s activities and the norms of behavior in the larger social system (Suchman, 1995; Dowling and Pfeffer, 1975; Palazzo and Sherer, 2006).

Following Brammer et al. (2012), examining the ideas and views put forward in the literature will determine how legitimacy is discursively constructed and who is participating in and controlling the discourse providing insights into the diversity and dynamics of CSR. We thus argue that legitimizing processes of CSR enable us to explore emerging discourses that are institutionalized through research and best practices of CSR. Accordingly, we address how the emergence of discourse from CSR as accountancy and transparency invites and legitimizes a new social order in which CSR is addressed as a forum for mutual understanding, recognition, negotiation and co-creation amongst stakeholders.

Methodology and data
This research is evaluated from an organizational and critical discourse analysis (CDA) perspective in which discourse refers to social structures of power-knowledge relations encompassing both linguistic and non-linguistic communication and the social practices in which they are embedded (Heracleous and Hendry, 2000; Fairclough, 2003). Our motivation for applying this approach is that the study of organizational discourse and CDA allows us to understand the way in which the notion of interaction is constructed and made meaningful for CSR researchers and practitioners and to examine the underlying institutional context of CSR communication to explain this.

The data for study are based on international peer-reviewed articles on CSR management and marketing communication research papers published during the last 10–12 years and drawn from the EBSCOHost (Business Source Complete) database.

Analytical framework
In order to capture the underlying discourses that researchers draw on when presenting and discussing the practices and sense making processes of CSR we have established the analytical framework below. The framework departs from acknowledged CSR key perspectives (Regulation, Responsiveness and Involvement) that monitor basic CSR activities (e.g. reporting, issues management, marketing, negotiation, etc.). These activities respond to embedded intentional actions (e.g. complying, persuading, co-creating, etc.), which draw on distinct types of discourse anchored in specific overall political, economic and ethical orders. The acts of CSR communication connected to each of these social practices thus serve different functions (e.g. documenting, messaging and interacting respectively).

<table>
<thead>
<tr>
<th>CSR Perspectives</th>
<th>SOCIAL PRACTICE</th>
<th>WAYS OF REPRESENTATION</th>
<th>SOCIAL ORDER</th>
<th>CSR COMMUNICATION</th>
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<td></td>
<td>Activities</td>
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<td>Structure/logic</td>
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<td>Regulation</td>
<td>Reporting</td>
<td>Complying</td>
<td>Governmentality</td>
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<td>PR/Issues man-</td>
<td>Avoiding</td>
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<td>Anchoring</td>
<td>Sensemaking</td>
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<tr>
<td></td>
<td>Negotiating</td>
<td>Co-creating</td>
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Discussion and implication
Our analysis contributes with both theoretical and empirical knowledge of the discursive construction of corporate legitimacy in that it provides insights into the legitimation frames for how people make sense of particular issues – and/or give sense to them (e.g. Fairclough, 1989, 1992; Fiss and Hirsch, 2005). These framings have important implications
for the actors involved (e.g. constraints, mobilization of particular discourses, etc.). Consequently, more awareness of CSR discourses may provide more detailed insights into how institutional processes and corporate legitimacy interact and subsequently how conflicts and tensions emerge in CSR discourse, allowing for researchers and partitioners to adopt more nuanced approaches to and understandings of CSR communication as a complex multidimensional discipline.

Conclusion
Being framed within institutional theory, legitimacy theory and the discourse perspective, our paper answers the call for CSR communication research to probe the role of business in society by investigating relations with various publics, as these are reflected in and constituted by communicative processes. The paper thus provides a series of reflections on CSR communication issues and on corporation’s CSR communication as social change. The arguments provided are based on a review and an analysis of the recent 10-12 years’ CSR communication literature.

References


Disclosure Alignment and Transparency Signaling in CSR Reports

Craig E. Carroll
New York University

Sabine A. Einwiller
Johannes Gutenberg University

We suggest that when companies comply with CSR reporting initiatives, they are engaged in two closely related activities: first, they seek to reveal themselves as transparent, with little or nothing to hide; second, they seek to reveal themselves as rule-followers, meeting the demands of their stakeholders, particularly on the nature of their CSR activities and their societal impacts. We call these activities transparency signaling and disclosure alignment. Transparency signaling refers to organizational efforts to demonstrate transparency. Transparency signaling includes both positive signals and negative signals, with positive signals suggesting a move towards transparency. Examples of positive transparency signals include balance (discussing the good and the bad), taking ownership of one’s messages, guidance and direction (specifying who, what, when, where), accuracy, concreteness, and timeliness. However, transparency signaling also includes negative signals that need to be mitigated, moderated, or eliminated for transparency to be present. Examples of such negative transparency signals include ambivalence, too much praise, embellishment, or lack of focus.

Second, as firms attempt to conform to CSR reporting guidelines, they are engaging in disclosure alignment. Disclosure alignment refers to organizations’ public attempts to align their disclosure practices with the expectations of their audiences. Disclosure alignment includes meeting expectations for CSR report contents and quality. It signals to primary CSR audiences that the organization has taken its audience’s needs into account. Disclosure alignment is a useful concept because it provides a way to recognize that organizational disclosure in and of itself is not sufficient unless organizations do so in ways that let their publics recognize, accept, and approve of, or take action or make decisions, in response to such demands.

We explore the relationship between these concepts in CSR reporting.

Methods

Our exploratory study examined 36 CSR reports from U.S. companies filing their 2011 reports by August 2012, using the computer-aided text analysis program DICTION 6.0.

First, we reviewed DICTION’s variables against the research literatures on CSR, transparency, disclosure, and the GRI Guidelines. We reconfigured DICTION’s variables against that literature, including feedback from scholars working in the field of CSR communication. Our reconfiguration consisted of combining individual DICTION variables into our measures of transparency signaling and disclosure alignment. See Tables 1 and 2. Our measure for transparency signaling contains two dimensions: one positive and one negative. When the positive dimensions occur more often, they should signal the text’s transparency to interested parties. These positive signals include balance, taking individual ownership of one’s message (e.g., avoiding the Divine Passive), guidance and direction, accuracy, concreteness, timeliness, and stakeholder inclusiveness. The ‘positive signals of balance’ mean that Hardship and Accomplishment together increase balance, while the presence of one without the other decreases balance. The negative dimensions include signals that decrease transparency as their use increases within a CSR report. Thus, the negative dimensions include Anti-balance, Ambivalence, Assortment, Attachment, and Adornment. Anti-balance, or the negative signals of balance, includes elements that work against balance, such as use of excessive Praise or Satisfaction words. Our measure for CSR disclosure alignment focuses on the GRI Guidelines ‘G3’ (2011) and expectations for the content and quality of firms’ CSR reports. The GRI Guidelines for content (materiality and stakeholder inclusiveness) and its expectations for quality (timeliness, balance, clarity, accuracy, and reliability) were also measured by DICTION’s variables.

Second, we identified normative ranges for our measures based on Hart’s (2001) previous DICTION research with a variety of textual genres (e.g., political speeches, religious sermons, corporate financial reports, corporate press releases, and public policy and social movement speeches). DICTION is predicated on the assumption that comparative analyses allows us to contextualize and better understand new or unfamiliar texts (Hart et al., 2013). The normative range consists of +/-1 standard deviation from the mean for each of DICTION’s variables, thereby creating three strata—below,
within, and above the normative range. Using these ranges allowed us to compare our sample to a larger population of discourse and thereby contextualize the texts rhetorically.

Third, we analyzed the 36 CSR annual reports with DICTION using the option to divide the reports into 500-word blocks of text as the units of analysis. From the output, we calculated the scores for our created measures.

Fourth, we classified our measures’ according to where they fell in relation to the normative ranges established in Step 2. One key characteristic of DICTION is that the program provides “normative ranges” of its variables based on historical analyses of a variety of textual genres. We identified normative ranges for our measures based on Hart’s (2001) previous DICTION research with a variety of textual genres (e.g., political speeches, religious sermons, corporate financial reports, corporate press releases, and public policy and social movement speeches). The normative ranges established by DICTION provides a reasonable way to think about what transparency and disclosure alignment reasonably looks like. We suggest that the boundaries of what is and what is not reasonable transparency and disclosure alignment are established by the upper and lower limits of DICTION’s historical research. That is, a text with a transparency signaling score within the normative range constitutes transparency that is just about right—not too excessive and not too little. So by extension, then, a text with a score below the normative range is akin to not being transparent enough, and one above the normative range is akin to being too transparent.

Fifth, we examined the extent to which the CSR reports contained discussion focused specifically on the CSR-related topics of economic responsibility, environment, labor, human rights, product responsibility, and society. Two coders analyzed the 3,555 words on the Insistence word list and classified them into one of these six CSR topics. Only words that both coders agreed on were included in the final list of eligible words assigned to each CSR topic score.

Our last step involved comparing the DICTION scores for the CSR reports to DICTION’s normative ranges established for a wide range of genres with some comparable tie to CSR. The DICTION norms conveying these discourses came from the following genres: Political News Reports, Science Writing, Religious Sermons, Corporate Public Relations, Corporate Financial Reports, Public Policy, and Social Movements. We repeated steps 1 through 4 above for the normative ranges of each of these genres.

Results and Conclusions
Our data allow us to make five general observations about CSR reporting relative to transparency signaling and disclosure alignment.

First, CSR reports constitute a hybrid discourse. CSR reports display a mix of values from business, church, government, science and social protest. This creates a latent predicament for organizations attempting to attach CSR to their very identities and to organizational members (one of the primary consumers of CSR reports). A hybrid discourse is one where core values embedded in the discourse do not normally go together (e.g., family-businesses, church-universities, professional arts organizations). As Meyer and Scott (1983) describe it, “The legitimacy of a given organization is negatively affected by the number of different authorities sovereign over it and by the diversity or inconsistency of their accounts as how it is to function” (p. 202).

Second, CSR reports may not have been around for very long, but they are quickly becoming institutionalized. Institutionalization is a process by which “social processes, obligations, or actualities come to take on a rule like-status in social thought and action” (Meyer and Rowan, 1977, p. 342). One of the key aspects of institutionalization is the emergence of isomorphic pressures (DiMaggio and Powell, 1983). We see evidence of this within our small sample of CSR reports, such as when they conformed to the GRI’s expectations for CSR reports or when - for GRI alignment and transparency signals - all 36 firms were found at the same normative level. Further evidence was seen in the absence of companies appearing at particular strata.

Third, companies are adapting their language to the rules for CSR reporting. There were a number of cases where companies modified their typical PR behavior, as when they toned down statements containing excessive praise (Ihlen et al., 2011). Moreover, most companies responded affirmatively when asked to talk about the good as well as the bad, something that most companies prefer not to do (Kothari et al., 2009).

Fourth, although the institutionalization of CSR reporting has moved very quickly, there are areas where it is lagging. We found a little more variation in behavior associated with negative transparency signals. In addition, many of the CSR
topics observed were not really all that dense. CSR discourse seems to be driven more by focused discussion on the role of business and its societal and environmental impacts. Companies may also be reticent to discuss human rights issues or to see what linkages they may have to that issue. Likewise, firms may not yet be comfortable discussing their products and services in CSR reports for fear of either appearing self-serving or for concern about giving away proprietary information.

Fifth, companies may hide behind their transparency signals and disclosure alignment, but they cannot hide completely. One of the more interesting findings in this exploratory study was that the one measure where firms were evenly dispersed across the three strata concerned a calculated measure for Assortment, a reflection of the number of different words used, which is a useful predictor of deception (Burgoon and Qin, 2006). The capacity to examine deception while still giving companies room to aspire, speculate, and change as they strive to meet society’s changing expectations about CSR (Christensen et al., 2013), is very much a capacity that future research should explore.

### TABLE 1. DICTION MEASURES FOR CSR DISCLOSURE ALIGNMENT

<table>
<thead>
<tr>
<th>DICTION Formula</th>
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<tbody>
<tr>
<td>CSR Report Content</td>
</tr>
<tr>
<td>1. Materiality + Insistence + Centrality</td>
</tr>
<tr>
<td>2. Stakeholder inclusiveness + Cooperation + Collectives + Human Interest - Diversity</td>
</tr>
<tr>
<td>Report Quality</td>
</tr>
<tr>
<td>1. Balance + Hardship + Accomplishment - Praise - Satisfaction</td>
</tr>
<tr>
<td>2. Timeliness + Present Concern</td>
</tr>
<tr>
<td>3. Accuracy + Numerical Terms</td>
</tr>
<tr>
<td>4. Clarity - Ambivalence</td>
</tr>
<tr>
<td>5. Reliability + Inspiration</td>
</tr>
</tbody>
</table>

**Note:** CSR disclosure alignment’s two concepts (CSR report content and CSR report quality) and their dimensions are derived from the Global Reporting Initiative’s (G3) Guidelines.

### TABLE 2. DICTION MEASURES FOR TRANSPARENCY SIGNALING

<table>
<thead>
<tr>
<th>DICTION Formula</th>
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<tbody>
<tr>
<td>Positive Transparency Signals</td>
</tr>
<tr>
<td>1. Balance + Hardship + Accomplishment</td>
</tr>
<tr>
<td>2. Timeliness + Present Concern</td>
</tr>
<tr>
<td>3. Accuracy + Numerical Terms</td>
</tr>
<tr>
<td>4. Individual Ownership + Self-reference</td>
</tr>
<tr>
<td>5. Guidance + Familiarity</td>
</tr>
<tr>
<td>6. Concreteness + Concreteness</td>
</tr>
<tr>
<td>7. Stakeholder Inclusiveness + Cooperation + Collectives + Human Interest - Diversity</td>
</tr>
<tr>
<td>Negative Transparency Signals</td>
</tr>
<tr>
<td>1. Anti-balance</td>
</tr>
<tr>
<td>-----------------</td>
</tr>
<tr>
<td>2. Ambivalence (Anti-clarity)</td>
</tr>
<tr>
<td>3. Assortment</td>
</tr>
<tr>
<td>4. Attachment</td>
</tr>
<tr>
<td>5. Adornment</td>
</tr>
</tbody>
</table>

**Note:** The measure for Balance splits into two categories: Positive signals were ones firms should include Accomplishment and Hardship (commission); Negative signals were ones firms should not include.

**References**

Conceptualizing CSR communication within political CSR

Keywords
Corporate Social Responsibility (CSR), Political CSR, CSR communication, Rational communication, Communication tools

Purpose
This paper abstract aims to conceptualize CSR (Corporate Social Responsibility) communication within the theoretical approach of political CSR (Scherer and Palazzo, 2007) that is based on Habermasian (1984) ‘discourse ethics’ and claims for ‘rational communication’. The authors propose a political CSR inspired way out of the “credibility gap” (Dando and Swift, 2003) in CSR communication and present a typology of deliberative CSR communication tools. A short introduction on the topic of political CSR and corporations as political actors is followed by a Habermasian approach to communicating CSR credibly and the embedment of CSR communication within political CSR. Then, a typology of CSR communication tools is presented with examples; the abstract ends with limitations and suggestions for future research.

Introduction: Political CSR and corporations as political actors
As political CSR theorists argue, corporations nowadays operate in a globalized context of morality and partially substitute functions that were ascribed to the state previously. Nation states in the past lost their power and role in a globalized world, which left behind a gap in global governance. Corporations stepped into this gap and engaged in global public policy. Thereby they took on a new political role that is concerned with the resolution of global public issues (Matten and Crane, 2005; Scherer and Palazzo, 2007). Given this “new political role” (Scherer and Palazzo, 2011), questions of legitimacy in society increasingly emerged. The notion of “cognitive” and “pragmatic” legitimacy (Suchman, 1995) was extended by “moral” legitimacy that is “based on moral judgments and an exchange of arguments on whether an individual, an institution, or an action can be considered socially acceptable” (Scherer and Palazzo, 2011, p. 915). This ‘exchange of arguments’ can also be labeled as ethical discourse or rational communication (Habermas, 1984) and is embedded in processes of deliberative democracy (Young, 2004). Such CSR-related communication with stakeholders is a two-way process and can take on various forms, of which communication about the social responsibilities of a corporation is the most prominent. This happens in the tradition of the “political-normative view” on CSR (Schultz et al., 2013).

The case of communicating CSR: A Habermasian approach
A political CSR inspired dialogue is thus based upon consent, agreement and understanding in a deliberative Habermasian sense, where a set of four unspoken “validity claims” (Habermas, 1984) underlies all rational communication:
- **Truth**: objective truth of propositions or factual truth
- **Sincerity**: refers to the subjective beliefs underlying the statements
- **Appropriateness**: the communication is appropriate in its context
- **Understandability**: the context is understandable to the reader

These four validity claims have to be in place such that mutual understanding in the communication is reached. However, if one or more of these claims are not met, a credibility crisis may occur, where the stakeholders’ expectations are not met by the senders, hence the companies. We therefore view CSR as a contribution to stakeholder expectations management that may, if conducted instrumentally, lead to the “credibility gap” (Dando and Swift, 2003) between the company and its stakeholders that questions a company’s license to operate in society. This “credibility gap” is, for instance, observed in one of CSR communication’s most prominent tools, CSR reports. They are currently characterized by latitude for companies to choose what to include, what to leave out, and who to speak to. In the past this leeway led to quite diverse topics mentioned in CSR reports (Lock and Seele, forthcoming; Chen and Bouvain, 2009; Idowu and Towler, 2004; Perrini, 2005) and criticism of CSR (Fleming et al., 2013). Hence, the recipients’ – the company’s stakeholders’ – expectations regarding the contents of CSR reports and the underlying moral legitimization were not met. In the end the credibility of the tool, and in consequence of CSR communication as a whole, can be questioned by stakeholders.
Proposition: Embedding CSR communication within political CSR

In consequence, the question how credibility can be re-established between companies and stakeholders arises. CSR communication that leads to moral legitimacy is characterized by a two-way communication process between the sender, hence the company, and the recipient, thus the stakeholders, of the communication. However, in the past companies were not able to meet stakeholders’ expectations, which led to the mentioned "credibility gap" (Dando and Swift, 2003) between the involved parties. Following Habermas, who provides the theoretical cornerstone of political CSR, and his notion of rational communication (1984), we argue that credibility can be re-established if the four validity claims truth, sincerity, appropriateness, and understandability, are met by the sender as well as the recipient of CSR communication.

**FIGURE 1. BRIDGING THE "CREDIBILITY GAP" IN CSR COMMUNICATION**

Political CSR in the tradition of Habermasian discourse ethics may therefore be seen as the overarching theoretical framework, where moral legitimacy is achieved through credibility by adhering to the four validity claims of rational communication. CSR communication is one of the most prominent means in order to convey this moral legitimacy to the public. There are several CSR communication tools that meet the deliberative demands of political CSR theory.

**FIGURE 2. THE OVERARCHING THEORETICAL FRAMEWORK: POLITICAL CSR**

We therefore propose a typology of CSR communication tools that takes into account the notion of deliberation based on the political role of the corporation.

**The tools of CSR communication**

The existing tools of and around CSR communication can be differentiated on the one hand in instruments that follow a deliberative, political CSR notion implying the possibilities of two-way dialogues and participation ‘at a round table’ and on the other hand in instrumental, strategic approaches. Moreover we distinguish between published and unpublished communication since the access to CSR relevant information can be seen as part of the deliberation and information symmetry.

Published deliberative tools are most of online dialogical communication, such as social media exemplified by Novo Nordisk’s twitter strategy (Novo Nordisk, 2013). Furthermore, also corporate blogs fall into this category, predominantly the ones that are administered in cooperation with stakeholders, such as NGOs as in the case of UNICEF and Volvic and their “drink one liter and donate 10” initiative (Volvic, 2013). Hence, a political CSR based view on CSR communication takes into account the ‘networked society’.
Deliberative unpublished tools are stakeholder roundtables, where the minutes of meeting are usually unpublished, such as the Business Social Compliance Initiative (BSCI, 2013). Also other forms of stakeholder dialogue, such as internal dialogue with employees, or external with NGOs, advocacy groups, or special interest groups are present in this category. Examples are the Forest Stewardship Council (FSC) or the Global Reporting Initiative (GRI, 2013; Mena and Palazzo, 2012). Last, also the intranet may count as an unpublished deliberative CSR communication tool.

On the other hand we differentiate also instrumental tools of CSR communication, hence the ones following an inherently strategic logic.

Published tools of CSR communication in this category would refer to CSR websites, nonfinancial reports, or CSR information brochures, tools that follow a one-way communication logic.

Instrumental unpublished tools are, for instance, internal CSR strategy papers and internal compliance handbooks.

**FIGURE 3. A TYPOLOGY OF CSR COMMUNICATION TOOLS**

<table>
<thead>
<tr>
<th>Published communication</th>
<th>Deliberative</th>
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<tbody>
<tr>
<td>Blogs</td>
<td>Stakeholder roundtable</td>
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<tr>
<td>Social media</td>
<td>Stakeholder dialogues:</td>
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<tr>
<td></td>
<td>- Internal: employees</td>
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<td></td>
<td>- External: NGOs, advocacy groups, special interest groups</td>
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<td></td>
<td>Intranet</td>
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<table>
<thead>
<tr>
<th>Unpublished communication</th>
<th>Instrumental (corporate)</th>
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<tbody>
<tr>
<td>CSR website</td>
<td>CSR strategy papers</td>
</tr>
<tr>
<td>CSR reports</td>
<td>Internal compliance handbook</td>
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<tr>
<td>CSR brochures</td>
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Limitations & Future Research
The proposed typology involves some limitations, that we address in the following:

**Blurred distinction between deliberative and instrumental:** The intranet, CSR websites, and corporate-stakeholder blogs may not only adhere to instrumental notions as indicated in the typology, but may as well be managed deliberatively. In the typology we decided to classify them as instrumental because of the one-way-communication characteristics involved in the publication format.

**Generalization:** The tools themselves are not inherently deliberative. Moreover, not only corporations, but also stakeholders may follow an instrumental approach, which surfaces often in the realm of social media.

**Legal constraints:** Furthermore, we did not consider the level of regulation and legislation that, although being quite limited in Europe, already affects some CSR communication tools in European countries. Regulation on CSR reporting in Denmark might serve as an example here (Albareda et al., 2007).

Therefore we propose that future research might investigate the scenario that CSR becomes more soft law regulated or substituted by legal requirements such that deliberation is not possible any more. Furthermore, with the introduction of the new materiality criteria of GRI G4 (GRI, 2013), we could argue instrumentally and state that companies can limit their CSR scope in their own interest; or we could argue in a deliberative tradition that companies can deliberatively set their CSR sphere of influence through discourse with stakeholders.

Concluding, the presented typology of CSR communication tools provides directions for corporations how to engage in
CSR communication, particularly when following a political CSR approach of deliberation with the goal to bridge or even close the "credibility gap". Furthermore the typology may guide scholars to analyze CSR communication in corporate contexts comparing for congruence or difference of different CSR approaches.

References

Introduction and theoretical framework
Although corporate social responsibility (CSR) may be foremost perceived as a business concept, it is concerned with redefining the role of business in society and is thus a topic that is prone to a wider public debate (Brammer et al., 2012). Recently, several attempts have been made to understand CSR beyond the discourse dominated by the business-centred approach (e.g. Burchell and Cook, 2006; Brammer et al., 2012).

Brammer et al. (2012) argue that all corporations do or not do is in fact a matter of public concern; they have a decisive impact on such matters as consumerism, employment, social inequality, and environmental quality. Additionally, within the globalisation context practices and studies have shown that the concept of CSR differs widely among different parts of the world. Hence, a visible stream of scholars has turned to institutional theories to find ways to explain the complexity of liaisons between business and society. Allowing the institutional theories to enter the realm of CSR investigation has had an effect of broadening the debate on CSR.

The institutional view on CSR promotes the idea that corporate obligations and actions must be studied in the realm of the whole national system, the social and political context, and past as well as present circumstances (Roome, 2005). Thus, material practices and symbolic constructions might influence how CSR is practiced and affect how it is perceived in a specific setting (Jackson and Apostolakou, 2010). However, the studies on CSR that would consider the institutional context and particular understanding CSR can get based on manifestations of power in which CSR is embroiled within the discourse among social actors are still rather absent from the literature.

CSR’s institutional context includes several other important actors and is based on interaction and involvement of social actors as opposed to the idea where business is the leader of the game (Burchell and Cook, 2006). According to this, institutional approach favours processual understanding of legitimacy around CSR over the output and power oriented approach. Corporate acceptance based on the CSR-related practices is placed into a communicative network of stakeholder and societal debate where both the meanings of CSR and the boundaries of legitimacy are constantly being defined and redefined (Joutsenvirta and Vaara, 2009). Debates on CSR can thus be seen as “process of dialectical struggle in which competing discourses seek to colonise and appropriate language, space and practices” (Burchell and Cook, 2006, p. 123).

Reflecting the aspects of Fairclough’s critical discourse analysis on relations among actors in discourse, power of the actors to influence discourse and reinterpret CSR meanings from their own perspective represents a significant weapon to define the parameters of discourse (Burchell and Cook, 2006). The evidence shows that non-governmental organizations (NGOs) or other associations that are linked to the welfare state are increasingly seen as important actors and partners in enhancing the legitimacy and impact of CSR in the society (Jamali et al., 2011). Such social actors with otherwise strong societal position that could take part in the CSR discourse are trade unions. Burchell and Cook (2006) suggest that trade unions have been an important actor in the multi-stakeholder dialogue when the meaning of CSR in the EU Green Paper was negotiated.

Nevertheless, previous research on trade union involvement in CSR, although scarce, suggests that in most EU countries trade union overall input on CSR topics remains rather weak. Preuss et al. (2006) argue that this is fairly evident in post-socialist countries where trade unions lack power and legitimacy. Exceptions to this are Denmark and Germany, where trade unions claim that they have traditionally been engines of CSR (Preuss et al., 2006). These differences across EU countries suggest that there is a need to study CSR representations in specific contexts that produce frameworks for possible alternative interpretations of CSR from groups outside of the business community. Hence, this paper aims to investigate how trade unions perceive they are involved in the discursive struggles on CSR and to explore the discursive construction of CSR among Slovenian trade unions. This is analyzed through the discursive legitimation strategies as a means of the reproduction of CSR orientations (Siltaoja, 2009; Van Leeuwen, 2007).
Approach and methodology
The paper draws on qualitative interviews with six key trade union representatives, conducted between October and December 2011. The interviewees were selected both from the national confederations as well as from the sector unions. Among them two were from trade union confederations and the remainder were interviewees from the sectoral unions. The semi-structured interviews lasted between fifty and ninety minutes and were tape-recorded and fully transcribed. As this study was part of a broader cross-national study of 12 countries, the schedule of interviews was drafted by a core team of three researchers, and then discussed and amended with the country teams.

The schedule of interview questions started with broad and open-ended questions, like understanding of the concept and recent developments around CSR, and proceeded to more detailed ones, such as how union’s engagement with the concept has come about.

The paper further draws upon critical discourse analysis of the interview data and investigates how CSR and power relations are constructed in the discourse of trade unions. In line with several scholars that argue for a constructivist understanding of communication (Schultz and Wehmeier, 2010) Choulakaki and Fairclough (1999, p. 4) suggest that concepts are not developed only through practical changes in organizational reality but can also be shaped by discourse or ‘talked into being’ which implies that discourse is socially constitutive. However, according to Fairclough’s critical realist perspective discourses can also be socially conditioned in that they are not only resources for social actors but also context-specific boundaries involving various cultural, historical and ideological elements that help us understand how CSR ideas can gain legitimacy in specific contexts (Vaara et al., 2006).

Therefore, we cannot fully understand the CSR practices of organizations and the way stakeholders, such as trade unions, think of them and challenge them without appreciation of the discourses stakeholders draw upon to rationalize and justify their positions. If we aim to understand the positions of trade unions in relation to CSR in general as well as their position vis-à-vis organizations it is important to examine the trade unions’ engagement with CSR discourses as well as their ability to open new avenues for CSR debate.

In order to address this, we use Van Leeuwen’s (2007) analytical framework that offers categories of how discourses construct legitimation for practices. Through this framework we examine how a sense of legitimation for CSR is constructed among trade unions. Van Leeuwen (2007, p. 94) argues that legitimation is an answer to the spoken or unspoken ‘why’ question – ‘Why do this?’ and ‘Why do this this way?’. To answer these questions, he proposes four discursive strategies (Van Leeuwen, 2007, p. 92): (1) authorization – legitimation of CSR by reference to the authority of tradition, custom or law; (2) moral evaluation – legitimation by reference to value systems; (3) rationalization – legitimation by reference to the goals and uses of institutionalized social action, and (4) mythopoesis or narrativization – through narratives whose outcomes reward legitimate and punish non-legitimate actions. Similar, slightly modified frameworks have already been used in CSR and organizational research (e.g. Siltanen, 2009; Vaara et al., 2006).

Research findings
Before we address discursive strategies that emerge from the data, we briefly outline the socio-cultural context that can influence the interpretations of the texts produced in the interviews.

Slovenia’s type of capitalism that gives a context for trade unions functioning is characterized with the institutional coordination seeking balance between marketization and social protection, where all main actors – business, labour and other social groups play an important role (Bohle and Greskovits, 2007). As a rather typical coordinated market economy, Slovenia maintains relatively high employment protection labour, and social dialogue with centralized wage bargaining (Feldmann, 2006). Collective bargaining is comprehensive and results in legally binding tripartite agreements between unions, employers’ organizations and government. The trade union density rate in Slovenia is quite high and comparable with other countries sharing the main characteristics of a coordinated market economy. The density was 25.6 per cent in 2011, a rate that is significantly lower compared to 10 or even 20 years ago, however, it should be noted that the union membership rate among the active population in Slovenia is still amongst the highest of most other new EU member states.

In contrast to coordinated market economies such as Scandinavian countries or Germany, Slovenia faces some typical problems of its post-communist past such as relatively low institutional trust and a salient ‘culture of informality’ reflected in the informal networks that seem to dominate business relations, where agents are primarily using their informal practices to advance personal gain (Grødeland, 2007). This has a significant influence on CSR debate on a natio-
nal level, which is still relatively marginal compared to other EU countries. It has been argued that some of the reasons for delayed CSR discussions may also be related to the low level of political responsibility and the absence of ethical values among political elites. Public interest in CSR also seems to be rather limited with some exceptions among NGOs. The same goes for trade unions and CSR: their influence seems to be rather limited and not high on their agenda. This is especially evident now in the times of economic crisis when trade unions are faced with elemental problems such as high unemployment, frequent layoffs, and infrequent wage payments.

Discursive strategies

Authorization
The discursive strategy of authorization illustrates how institutions that embody authority are used as a discursive resource in an explicit or metaphorical way (Siltaoja, 2009). In the interviews, the strategy of authorization was often used in terms of legalistic arguments. They seem to be an important means through which interviewees addressed CSR. The interviewees argued that CSR should not be something only imposed by laws and by trade union pressures on companies to abide by the laws. Rather there should be willingness to do something more from the corporate side which is often not the case as one of the interviewees pointed out. A representative of one of the sectoral unions argued that legal framework is pretty much dictating the terms of CSR. The legal argument of CSR was also discussed from a different angle: the laws provide a ground for TUs to be active and to legitimize their role as a source of pressure in terms of CSR. In the realm of authorization strategies there was some mentioning of tradition and CSR practices in socialist times and of “how things were done at that time but later everyone forgot about it”.

Moralization
Moralization places explicit emphasis on values that reflect in CSR or should reflect it. Within the moralization discourse words such as ‘good’, ‘bad’, ‘normal’, ‘natural’ etc., are used to generalize values; however, the discourses normally hint at it and are not necessarily explicit. Interviewees argue that CSR cannot be really contested, as there is no real ‘fight’ about the term. TUs also explain that there are existential problems more important than CSR. This is linked with the ‘narrow interests’: one of the informants said that it is necessary for CSR to be understood as a concept that is beyond the interests of particular groups. What CSR essentially represents for TUs is the care for employees: something that comes quite naturally, as explained by one of the informants. The informants also repeated the mantra ‘what is bad is good’ meaning that it is impossible to make a break-through with CSR-related initiatives because positive stories do not normally get much coverage in the media.

Rationalization
Rationalization strategy accentuates objectives, effectiveness, or explanations of the appropriateness of CSR actions performed by TUs. In terms of CSR effectiveness where CSR is normally understood as a business case that should carry positive medium and long-term financial gains for the firm, TUs have their own interpretation of CSR as a ‘business case’. They see it as something where employees benefit and when this is the case, the company benefits as well in terms of committed employees. Furthermore, rationalization was often expressed with the talk about the factual results of TU practices. They were in agreement that what they can achieve is only very basic (e.g., salary negotiations) that might not even count as CSR. They felt that as a social actor they lack the power to achieve desirable effects in terms of CSR, however, they also talked about what they aspire to achieve in the realm of CSR in the future.

Narrativization
Narrativization here refers to how telling a story can provide an example of (un)acceptable and (in)appropriate practice or how CSR meaning is constructed through stories and examples. Here is a quote illustrating the narrativization strategy:

> Of course we are confronted with such issues as for example when a Gorenje company that claims to be SR, closes down a factory and moves the production to Serbia, does not want to follow ILO convention there, although it is still the same company, and they would not allow the workers to establish a union. I mean we would like for companies to respect at least basic ethical guidelines and conventions even when they move the production lines to other countries. But this does not happen in Slovenian companies. (ZSSS confederation representative)

This strategy was used quite often and was interwoven with other discursive strategies.

Discussion
This paper has attempted to explore and analyze the ways in which trade unions make sense of the discourse of CSR and to explore the ways in which they see it impacting on their role as important social actors in society and influencers.
in the workplace relations. CDA is important if we acknowledge Fairclough’s argument that talk and action are related, so that an awareness of how TUs make sense of CSR, helps us to appreciate how and why they tackle the CSR-related issues, how they formulate actual policies and practices and how they challenge the CSR concept.

Overall the findings suggest that while trade unions representatives were seeking ways to legitimize their role in terms of CSR they also struggle over what their role in CSR should actually be. Multiple meanings of CSR also indicate that particular practices conflict between various agendas and how responsibilities are prioritized (e.g., basic care of employees comes first and foremost).

All four strategies are used by TUs to make sense of CSR and to legitimize their own actions; some more salient than others and they are used to accentuate different aspects.

Authorization is foremost used for the reasoning about how the role of the companies as well as the role TUs in CSR discourse and practices is defined, delimited. Moralization reflects discussions on how CSR should be understood; how business community understands it differently or how in general there is no real understanding, hence, the role of TUs in CSR is rather vague and limited. The existential problems appear to be in the forefront on the TUs agenda and it is only natural which aspects of CSR should be covered by TUs primarily; those closely related to the employees. Rationalization is a strategy that is most often used (combined with narrativization). Here, the issues are similar to those expressed through moralization discourses, however, they are more directed towards actual results and effects of TUs activities. There is also a lot of discussion about the power of TUs or rather lack of thereof. Narrativization is most often used to make sense of CSR – it reflects a “learning by doing” strategy of TUs when it comes to CSR issues – it appears TUs are mostly learning about CSR through cases. Informants were also explicitly using the narrativization to make sense of CSR through examples and cases. This might even be a reflection of the lack of TUs knowledge and practical experiences in the CSR realm.

The results also show that CSR is not a neutral phenomenon; it depends on the context, in our case also the context of the economic crisis. In this regard a struggle to overcome the understanding of TUs as ‘fighters’ for the basic rights is evident. Hence, our findings further emphasize the role of context as a discursive resource and support some previous studies (e.g. Livesey, 2002).

References


Introduction

Communication policy is strongly connected with corporate value since the basis of the stock market trading is information (Black, 1986). CSR, in turn, has strong links with corporate value. According to Porter and Kramer (2006, 2011), CSR is a source of innovation and shared value, namely creating value together with stakeholders. Since CSR is directed to the whole society, but, at the same time, it needs shareholders’ support, corporate communication policy must combine the messages of environmental and social sustainability with financial sustainability. Nevertheless, CSR policies are also a way of controlling social and reputational risks. Namely, first to avoid social criticism that may hinder public corporate image. Second, to create a reputational capital that enables to face in better conditions the environmental and social consequences of any accident due to corporate activity.

The aim of this paper is to study how corporations communicate that CSR has a twofold contribution to environmental sustainability and corporate value. To this end, we examine the corporate reports and CSR reports of the corporations that belong to DJIA.

Environmental sustainability policies through DJIA CSR reports

Sustainability policies concerning corporate production processes

Corporate sustainability policies concerning production processes focus on practically exact points, although the emphasis is logically different according to the production under consideration. We can summarize them as: Decrease in CO₂ emission, more sustainable use of energy, rationalize the consumption of water, more rational use of inputs that come from living Nature, and to improve energy consumption through green buildings.

Sustainability policies concerning corporate products

The CSR reports show the high interest of the corporations in the environmental sustainability of their products. In fact, the emphasis on the sustainability of inputs would not make sense without a similar emphasis on the sustainability of outputs. Nevertheless, if in the case of inputs many of them, energy and water for instance, are shared by all corporations, the outputs show strong differences among them that impose different approaches to their sustainability and in the ways of conveying it. Corporate statements about the sustainability of corporate products share a common message: The products are increasingly better for the environment, but, at the same time, they create economic savings for any corporation that uses them as inputs because they reduce their environmental expenses.

CSR and control of social and reputational risks

CSR policies are obviously a way of putting under control social and reputational risks. Bekefi et al. (2006) define social risk as “challenges by stakeholders to companies’ business practices due to real or perceived business impacts on a broad range of issues related to human welfare – for example, working conditions, environmental quality, health or economic opportunity”. In some contexts, environmental and social risks are separated simply in order to underline the distinction between environmental and social sustainability. Reputational risk, in turn, is the negative impact on corporate reputation due to social risk. Deutsche Bank CSR webpage clearly expresses the link between environmental-social...
and reputational risks:

Our framework on environmental and social risks is a key element of reputational risk management. It sets out how to deal with risks that are related to ESG (Environmental, Social and Governance) issues. It covers transaction risks as well as risks arising from our business partners or from business practices that may have a negative impact on public trust in the bank.

Reputational risk can be the consequence of a continued behaviour that raises criticisms in communities and media. In this case, the proper way of addressing it is to undertake a dialogue with communities. Corporations usually incorporate dialogue with stakeholders as one of the items of their CSR policy. Nevertheless, reputational risk can also be the outcome of an accident in a corporate process that damages the environment and even the community. Under these circumstances, to have a solid reputation due to CSR helps to face the accident and to smooth its consequences for the corporation.

Social risk has its origin in social distrust with respect to corporate behaviour, without necessarily leading to a corporate bad reputation in the short run. In fact, it can be regarded as a consequence of social demand of CSR. A central requirement of CSR policy consists of becoming aware of this demand, analyse it and built up a course of action to provide a proper response. A solid CSR identifies how the corporation may integrate the positive contents of this demand and to find in them new ways to create value for stakeholders. In a nutshell, it consists of examining how the corporation can create a new supply to satisfy the new demand. In these circumstances, it is not also central a good CSR policy, but also an excellent communication policy that manages to effectively convey to society that the corporation takes societal demands seriously and tries to satisfy them.

Only few CSR reports mention explicitly social and reputational risks. In others, they remain implicit as one of the features of their CSR. Social risk is explicitly mentioned by Bank of America, JP Morgan Chase, Exxon and Intel. Reputational risk, in turn, is explicitly mentioned only by Johnson & Johnson. As any financial analyst knows, risk control is central for value creation.

CSR as a source of innovation and competitive advantage

In the reports, innovation is systematically regarded as the definitive solution for environmental sustainability. This message embeds, in fact, a double meaning. Current knowledge and the available technology are not enough to reach complete sustainability. Nevertheless, the sustainability challenge brings new business opportunities. Research and innovation have a remarkable weight in CSR reports. Innovation related to sustainability predominates in the sectors of basic materials and industrial goods. From the environmental innovation viewpoint, corporations could be divided into producers of environmental sustainability, i.e. the ones that through their technical skills develop new ways of improving sustainability, and consumers of it, which comprises all corporations. Usually, corporations expose cases that show their innovative contributions to environmental sustainability.

CSR and philanthropy

Philanthropy is the oldest form of CSR. Its aim, as pointed out by Freeman et al. (2010), is to return to society part of the profits the corporations have obtained. The strong point of philanthropy is that it associates corporations to noble causes by helping people, promoting art or improving Nature. At this stage, the corporation does not put its know-how to the service of philanthropic projects; simply, finances them. Pure donations can be regarded as a weak way of controlling social and reputational risks because they hardly contribute to respond to sustainability criticisms that the corporation may face.

Corporate philanthropy has evolved from pure giving to, using the expression coined by Porter and Kramer (2002), strategic giving. The latter essentially means making contributions to causes that reinforce the corporate strategy, and putting the corporate knowhow to the services of causes that can benefit from it. The usual way of articulating philanthropy is through foundations patronized by corporations themselves, although some philanthropic projects are directly undertaken by corporations. In the CSR reports of DJIA corporations, a wide array of philanthropic contributions can be found. A case in point of associating a philanthropy to corporate strategy is the programme Magic of Healthy Living on new food advertising standards for children undertaken by Walt Disney. This is a clear case in which an expense in CSR becomes an investment.

CSR, value creation and financial sustainability

Milton Friedman’s statement (1970) about CSR holding that profit maximization is the sole corporate responsibility may now be regarded as belonging to an economic environment in which the unique stakeholders who mattered with
respect to corporate decisions are shareholders. The increasing role of the rest of stakeholders and, at the same time, of the importance of environmental sustainability has changed the scenario. The contributions of stakeholders theory (Freeman et al., 2004) and shared value (Porter and Kramer, 2011) have been central in the systematization of the new CSR scenario. Now it is accepted with almost unanimity that corporate sustainability rests on three pillars: Financial sustainability, environmental sustainability and social sustainability.

A strict shareholders perspective solely focused on profit maximization in the short run (that a myopic approach can lead to mistake for value maximization) may try to reduce environmental expenses to the minimum legal requirements. The main drawback of this approach is that it prevents the corporation from integrating environmental sustainability into its strategy. Regarded as a challenge instead of an externally imposed expense, environmental sustainability opens a way for value creation. The central argument that supports this statement is: Environmental sustainability has its basis on a social demand founded on absolutely contrasted facts. A new demand always means a new business opportunity. The challenge for each corporation is which part of this new opportunity may capture. Nevertheless, environmental expenses and even value creation are subjected to corporate financial restrictions. As any corporate decision, CSR decisions must fulfil the condition of being financially sustainable.

Conclusions

The answers to the questions we have asked in the introduction are widely positive. From the CSR reports, it becomes clear that corporations try to undertake investment projects aimed to improve environmental sustainability. They are aware that, focused in this way, CSR turns out to be a source of competitive advantage. At the same time, a well focused and communicated sustainability policy serves to control social and reputational risk. Usually, corporations extend CSR to their supply chain by imposing some rules about the environment and work to their suppliers. CSR is subjected to internal controls but often with external members. In addition, corporations try to obtain external recognitions for their CSR, as being accepted in sustainability stock market indices. They widely insist on the good environmental properties of their products, which also becomes relevant for the corporations that use them as inputs. Philanthropic projects are not rare and seem to be regarded as an excellent marketing support. Corporate focus on financial sustainability and value creation is of course central and CSR, without losing its defining features, is adapted to them. All in all, CSR in general and environmental sustainability in particular pose two challenges to managers. First, create synergy between CSR and value creation. Second, create synergy again by communicating this message to shareholders and also to the rest of stakeholders, namely to make the market aware of the synergy that managers aim to create. In a society that demands CSR, the corporate goal in this respect is to become the leaders of it instead of its passive subjects.

References

- DJIA corporations (2012), Corporate Reports on CSR.

Abstract

Purpose
This study compares how well two approaches to public relations can help managements to know and implement societally preferable standards of corporate social responsibility (CSR); those approaches are strategic issues management (SIM) and organizational-public relationships (OPR).

Design/methodology/approach
For at least 60 years, organizations of all types, but particularly businesses, have been pointedly challenged to manage resources by meeting societally constructed CSR standards (norms and ethics) that add value to society. In that tradition, this study employs a review of the SIM and OPR literature and an illustrative case study.

Findings
OPR management theory, often designed to achieve excellent public relations, features relational quality (between an organization and a public) based on how each organization communicates, its communication style. That theory, however, does not provide a full rationale for the type of dialogic engagement needed to know, achieve and enact acceptable CSR standards.

In contrast, embracing the vitality of collaborative decision making (which presumes the importance of relationships), advocates of SIM have built a theoretical and applied rationale to explain how organizations achieve or regain legitimacy which requires four pillars: Reflective management (based on mission and vision driven operating policy, processes and standards), issue monitoring (track and analyze changing standards of CSR), commitment to CSR (establish and maintain the organization’s legitimacy as a right to operate), and issue communication (engage in rhetorical dialogic—discursive democracy—to collaboratively make decisions regarding contextually relevant CSR standards).

Originality/value
Presuming CSR to be a dynamic and deliberative process, this study examines the power of two theories to guide public relations’ efforts to help establish organizational legitimacy by meeting CSR standards.

Keywords
Corporate social responsibility, Legitimacy, Organization public relationships, Strategic issues management

Introduction
Over the years, lines of research and theory have been championed to move public relations theory forward, two of which are strategic issues management (SIM) and organization-public relationship (OPR) management. In the 1980s, discussants of issues management linked corporate planning and management policy implementation, corporate social responsibility, issues monitoring and analysis, and dialogic communication (Heath, 1997; Heath and Cousino, 1990; Heath and Nelson, 1986; Heath and Palenchar, 2009). The lynchpin in that analysis was legitimacy. Issues management focused on the strains between preferences of an organization and its many stakeholders concerning which normative standards of operation justify the organization’s legitimacy, its right to operate as it prefers. What Sethi (1977) called a legitimacy gap influenced Heath and Nelson (1986) to reason that “corporate performance is all too often on one end of a continuum with public [stakeholder/stakeseeker] expectations on the other” (p. 147; see also Heath, 1997, p. 5; Heath and Palenchar, 2009, p. 10; Sethi, 1977, p. 58).
The issues management view of CSR contends that organizations, such as businesses, must narrow the gap between how they prefer to operate and the normative performance standards held by their stakeholders/stakeseekers (S/SS). Failure to meet such standards motivates S/SS to challenge corporate preferences and take actions to constrain the management choices of each offending organization. Such argument is issues driven insofar as issues are unresolved problems, rhetorically contestable matters of fact, value, policy, and identification—and even matters of reputation, deserving of reward. Issues management features this legitimacy gap as the rationale for a dialogic, rhetorical, and discursive engagement by all parties working to assure that communities are fully functional, especially in terms of the collective management of risk.

Also, originating in the mid-1980s, OPR has been explored out of similar, yet at times quite different, assumptions. Connected to excellence theory and relationship management theory, OPR is featured as both dialogic and behavioral adjustments that predict the communication styles organizations employ to adjust their behaviors to earn those publics’ goodwill.

One further proposition of the OPR advocates is that effective relationship management can enhance organizational reputation (Hung, 2005; Yang, 2007), right to reward. It could be argued, but rarely is, that an organization’s legitimacy derives from how well it manages its relationships; on this point, some OPR advocates have loosely connected CSR and OPR (Hung, 2005; Wang and Chaudhri, 2009). For example, Hung (2005) argued that when asked about the importance of building communal relationships with publics the managers of Chinese and Taiwanese multinational companies were quick to mention aspects of community relations and/or corporate social responsibility. A prominent OPR advocate, Ledingham (2006) observed, “the relationship perspective of public relations suggests that balancing the interests of organizations and publics is achieved through management of organization–public relationships” (p. 465).

To make their case, OPR advocates toy with a long list of relationship variables; they highlight communicative styles and strategies organizations can employ to foster, manage, and maintain beneficial relationships. The list includes these concepts: Reciprocity, trust, mutual legitimacy, openness, mutual satisfaction, and mutual understanding, investment, commitment, comfort with relational dialectics, control mutuality, positivity, openness, access, sharing of tasks, networking, as well as communal and exchange relationships (see Grunig et al., 1992; Huang, 2001; Hung, 2005; Ki and Hon, 2006; Ledingham, 2006; Ledingham and Bruning, 1998).

In the following literature review, further attention is paid to the rationale for connecting SIM and OPR with CSR.

**Literature Review**

**SIM CSR and Legitimacy**

SIM arose in the literature and from the practice of corporate management and communication during the turbulent last three decades of the 20th century. Prescient of the innovations of the 1980s, Rex Harlow (1976), a public relations icon, offered a definition intended to refocus public relations. It championed an issues approach to public relations and CSR:

> Public relations is a distinctive management function which helps establish and maintain mutual lines of communication, understanding, acceptance and cooperation between an organization and its publics; involves the management of problems or issues; helps management to keep informed on and responsive to public opinion; defines and emphasizes the responsibility of management to serve the public interest; helps management keep abreast of and effectively utilize change, serving as an early warning system to help anticipate trends; and uses research and sound and ethical communication techniques as its principal tools. (p. 36)

This statement reflected the prevailing incentive to examine every aspect of society; the private sector was put under the microscope.

Thus, issues management was born. Emphasizing this reinvestigation of political economy, Sethi (1977) and others especially in management programs, explored the standards the private sector needed to meet to enjoy the right to operate and the right to reward. The key conclusion was that conflict occurs if a legitimacy gap exists between how key stakeholders expect organizations, especially businesses, to operate and how they actually perform. What was considered a CSR gap became the subject of hundreds of studies that addressed broadly the harmony between business, ethics, and society (see Post, 1978, 1979, 1985; Post and Kelley, 1988; Post et al., 1983; Buchholz, 1982a, 1982b, 1985, 1988). Critics addressed the fundamental question of whether companies could operate as they prefer or they should be guided by and bend in deference to stakeholder expectations. That question, rooted in concerns over legitimacy, was the rationale for the development of an extensive body of literature on the topic of corporate social responsibility (see
Ihlen et al., 2011, including discussions of legitimacy).

Boyd (2009) made the case that legitimacy has at least two dimensions, utility and responsibility. Discursively, the norms of legitimacy center on how useful an organization is to some societal end and how responsible it is in achieving such ends. By that logic, legitimacy is inherently normative. By this same logic, Vaara et al. (2006) saw the tautology between institutionalism and legitimacy: “Legitimacy is a prerequisite for institutionalization and institutionalization is key to understanding the resources of legitimacy” (p. 791). The key to understanding this paradox, they reasoned, rests with language and co-created, shared meaning. “From this perspective, legitimacy means a discursively created sense of acceptance in specific discourses or orders of discourse” (Vaara et al., 2006, p. 793; italics in original). In short, legitimacy is often approached from the perspective of (power) resource dependency theory and social exchange theory. As such it is used as a rationale for organizational policy and processes as well as the battleground on which such policies and processes are evaluated (Sethi, 1977; Heath and Palenchar, 2009). It asks whether organizations should bend society to their interests or should bend themselves to meet the interests of society.

Linking legitimacy and CSR, for instance, scholars demonstrated how understanding legitimacy and CSR standards can explain how and why the European Union creates or reduces trade barriers that include complying countries and exclude non-complying ones (Breitbarth et al., 2009). Moreover, Roper (2005) viewed sustainability as a CSR standard of legitimacy. She reasoned, “if public policy is not seen as rational or is not substantively compensated for, legitimacy will be withdrawn from the state to such an extent that governments will be forced to reprioritize and renegotiate their relationships with civil society, even at the expense of relationships with the economy” (Roper, 2005, p. 78).

When an organization meets the expectations of key stakeholders, it is judged to be legitimate and acting in the interests of those stakeholders— as well as its own interests. As such, legitimacy is a matter of normative behavior. The norms honed to the service of an organization’s mission and vision are judged to be legitimate, or not, by other key players in society. Such normative behavior can be voluntary, forced, co-defined, negotiated, and co-enacted. It is the fodder of legislation, regulation, and litigation. It becomes the rationale for how and whether any organization deserves rewards and can avoid sanctions by conforming to community expectations (see for instance, Bartlett and Devin, 2011). Conceptualized this way, legitimacy is a matter of cost/reward generalized among and in the context of organizational and stakeholder interests. Defined by those whose interests are at stake, CSR standards are contestable matters, unfinished business, and problems of community interest—the heart of issues management.

Broad taxonomies demonstrate how interdependent CSR and legitimacy are; they are multi-dimensional, contextual, multi-layered, and multi-textual. They feature several concerns: political economy (economic, social, and political), management (ethical, technical, functional, conceptual, and operational), stakeholders’ motivations and risk perceptions (security/safety, fairness, equality/equity, and environmental quality/quality of life), and standards as well as contexts of corporate social responsibility (economic, legal, ethical, and philanthropic) (see Heath and Palenchar, 2009, p. 143).

Understood this way, CSR standards are matters of principle, issues that are debatable—contestable—and are expressed in narratives that are variously in harmony with one another. Thus, CSR and legitimacy are discursively fraught with contention and capable of being interpreted as variously serving specific interests and issue positions as well as society as a whole. Since the voices addressing specific standards often do not agree on those standards, discourse is required to achieve sufficient concurrence for organizations to operate.

Examining the multi-dimensional nature of CSR, Heath and Ni (2010) reasoned that community relations (and thus CSR and legitimacy) can be parsed by considering the actions of a nice neighbor (little league sponsorship), a good (generous) neighbor (sponsorships of community projects), and a reflective/responsive neighbor (working to mitigate and remEDIATE environmental damage). The latter especially requires a commitment to mutual empowerment to the benefit of contextually relevant civil societies. This taxonomy suggests that CSR standards necessarily are sensitive to the impact, consequence, and seriousness of the battle over and alignment of interests.

By this, analysis, SIM builds an interconnection between approaches to management, efforts to achieve legitimacy, and demonstration of willingness and ability to meet the multiple and even competing CSR standards of stakeholders. Such efforts go beyond the communication and behavioral adjustment rituals postulated by institutional theory. It must be reflective, concerned by how the organization knows, negotiates, and meets CSR standards as one voice and enactor among many engaged collectively in the processes and practices of collective risk management. As such, legitimacy is a normative social construction, and CSR is an “instrument to build legitimacy” (Schultz, 2013, p. 367).
To be deemed socially responsible, managements of organizations (for profit, nonprofit, and governmental) must “demonstrate the characteristics that foster legitimacy, such as being reflective; being willing to consider and instrumentally advance others’ interests; being collaborative in decision making; being proactive and responsive to others’ communication and opinion needs; and working to meet or exceed the requirements of relationship management, including being a good corporate citizen” (Heath, 2006, p. 100).

With these principles in mind, especially the notion that relationship management is a vital aspect of CSR, the next section examines OPR’s connections to CSR.

**OPR CSR and Legitimacy**

Although many authors mention relationship and mutual benefit in their discussions of public relations (see Bruning et al., 2006), the systematic research of this topic has drawn on a formulary approach to interpersonal communication. Marital communication (typically the work of Canary and Stafford, see for instance Canary and Stafford, 1994) is often used as a paradigm to identify and model the key variables needed to differentiate relationship quality. The logic essentially has become that antecedent conditions call for variables that then serve as independent and/or mediating variables predicting relationship quality, as a dependent or outcome variable (Broom et al., 1997).

To understand the status of this topic, Huang and Zhang (2013) reviewed 40 articles that work to identify and model the variables that define relationship quality as a foundation for excellent public relations. The consensus is that OPR is multi-dimensional in how it is conceptualized; therefore it requires a multi-indexed approach to the definitive measurement criteria, such as “relationship dimensions,” “relational features,” “relational outcomes,” and “relationship quality indicators,” which continue to be elusive (Huang and Zhang, 2013, p. 87; see also Broom et al., 1997; Ki and Hon, 2006; Ledingham and Bruning, 1998; Hung, 2005).

Broadly, although it is not always so proposed, it can be argued that those organizations with qualitatively better relationships are more legitimate. The case Canary and Stafford (1992) made in this regard (in the context of marital relationships) builds first on “the assumption that equity theory provides a framework for understanding relational maintenance strategies” because “people are motivated to maintain equitable relationships” (p. 244). This assumption is based on the principle of distributive justice which reasons that stronger marital relationships are predicted based on the summative equity of married couples’ outcome-input ratios. Setting aside the notion that organizations’ relationships with stakeholders likely differ in many ways from those between two spouses, the logic of equity theory is a potential connective tissue between OPR and CSR. Secondly, the assumption is that both parties have various maintenance strategies that are, or can be, employed dyadically in ways that facilitate or harm relationship quality. OPR theory also presumes the efficacy of information sharing as the central aspect of the dialogic process.

Ni and Wang (2011) applied some of that logic, coupled with intercultural communication theory using anxiety and uncertainty management, to examine OPR across cultures, or in situations where culture is a major factor. This project investigated cultivation strategies: Access, positivity, openness, assurance of legitimacy, networking, and sharing of tasks (the latter being a key theme of marital communication and equity theory). Cultivation strategies are independent variables which variously are used to predict outcome or consequences of relationship cultivations. These are trust, control mutuality, relational satisfaction and relational commitment. Legitimacy in this case is operationalized as acknowledgement that various publics’ concerns are legitimate and those persons are “entitled in the organization’s decision—making process” (Ni and Wang, 2011, p. 271). Otherwise, terms such as CSR or legitimacy play little role in this model, but it assumes broadly that given antecedent conditions, cultivation strategies can foster favorable consequences and mutual benefits. But does it assist in the effort to understand how standards are determined societally, sanctions are brought to bear, and legitimacy is a result of compliance—or not—with such standards? Rather it seems to presume that the organization is empowered to make such decisions as long as publics’ concerns are considered in that decision making process.

Such analysis presumes that cultivation strategies include allowing publics “access” to organizations decision—making processes (Ni and Wang, 2011, p. 271). Also relevant are the positive measures the organization uses to make the relationship pleasant. Openness equals disclosure of the organization’s feelings and thoughts about the publics. Networking entails building relationships with the organizations with whom the publics network. Finally, “sharing of tasks is mutual involvement of problem-solving processes in the areas of interest to the organization, the public, or both” (Ni and Wang, 2011, p. 271). How such problem solving occurs and whether it is relevant to CSR is unclear.

Only as relational variables, those that can cultivate positive relationships, does OPR theory seem to connect with CSR.
Wang and Chaudhri (2009) suggested that stakeholder relationships “are at the heart of the CSR and public relations functions” (p. 247). In making their case, they do not employ the OPR model mentioned above but rather see relationships as connected to issues of “communication outreach, education, occupational health and safety, and environmental protection” (p. 247) as master narratives. Johanson and Nielson (2011) also take a discursive approach to stakeholder relations. When organizations show their commitment to CSR concerns and take appropriate management responses then relationships become more positive. As such, CSR is based on social obligation and, perhaps equity, theory. Reflective business practices and effective communication are needed to overcome the suspicion publics have toward why organizations act as they do, and to that end, relationships can be conceptualized as an organization’s commitment to community well-being and the development of social capital (Roper and Weymes, 2007).

By that reasoning, the rationale for connecting CSR and relationship management is not so much how the organization communicates, the style it adopts, what it communicates, or how it adjusts itself to key publics, but rather its ability to demonstrate its commitment to community well-being, social capital, and useful collective engagement. As much as that requires communication, it even more presumes reflective management by which an organization can foster its legitimacy through the social capital earned by demonstrating that it is willing and able to meet prevailing CSR standards and engage in dialogue regarding what they should be.

CSR has a long tradition of presuming a management bias, including creating, budgeting, and implementing strategies that are intended to demonstrate the organization’s willingness and ability to foster, know, and achieve the CSR expectations of its key stakeholders. This premise calls for a more fundamental commitment on the part of organizations than may be implied through communication styles and strategies that OPR advocates typically use to define and predict high quality relationships. Certainly, as well, the societal disputation over CSR standards may presume a more robust dialogic, rhetorical, and discursive approach to standards and implementation than is presumed by granting publics access to the organizations’ decision-making processes and its willingness and ability to share information. It might be important to feature the OPR role of task sharing and joint problem solving, but such analysis must presume a robust dialogue among many voices that may find consensus to be difficult and even impossible.

One connection between CSR and excellence theory was emphasized by Grunig (1992) this way: “Excellent organizations manage with an eye on the effects of their decisions on society as well as on the organization” (p. 17). Excellence theory features the processes of public relations that it believes are most productive in helping organizations earn good will and avoid unwarranted constraints. It would, then, tend to argue that how it manages OPR will predict whether the relational process variables can and will lead to outcome variables by which the organization is rewarded for relationship quality. But the question is how the normative standards are created, co-managed leading either to reward or punishment. The case that follows offers a brief opportunity to compare SIM and OPR answers to the CSR challenge.

A Narrative Case Study of OPR, SIM, and CSR in Guinea

The narrative of this case study stars enactors of the West African republic of Guinea which has one of the largest and highest quality sources of iron ore in the world (estimated to be worth $140 billion US). The issue before the former and current governments is to decide which companies will extract and market this ore and how much the country (or its leadership elite) will receive in compensation. The current political leader, Alpha Conde, is trying to understand and re-define the contracts that will be implemented to mine and market the ore. His goal is to get the best deal for his country and put it to use for the citizens of Guinea.

**Act One:** Rio Tinto was originally granted the primary contract to mine and market the ore by General Lansana Conte, then head of the Guinean government. In July 2008, Rio Tinto was stripped of its contract, perhaps because the deal was insufficiently lucrative for the Guinean ruling elite.

**Act Two:** In 2009, the Conte government granted contracts for half the deposit to Benny Steinmetz Group (BSGR) which plays a prominent role in the diamond market and looks to expand into extracting other minerals. In 2010, a Brazilian competitor of Rio Tinto contracted with BSGR to buy its rights. Perhaps that business deal was a partnership agreement, or a flip.

**Act Three:** Soon after taking office in December 2010, the current president of Guinea, Alpha Conde, began to review this business transaction to determine whether his country had the best deal; Human Rights Watch, a powerful NGO, had concluded that the contract as it was written and being implemented was not the best deal that could be crafted for the country, one of the poorest in Africa. Conde’s reformative efforts were aided by Africa Progress Panel, chaired
by Kofi Annan, World Economic Forum, Transparency International, Veracity Worldwide, and Revenue Watch, which is at least partially funded by progressive activist George Soros. Conde partnered with Prime Minister Cameron to attend and seek assistance from G8 in his battle for the best contracts.

**Characters, Plot, and Dialogue:** When Conde began his investigation, a company spokesman for BSGR said that the allegations of fraud against the current business deal were false, nothing but a smear campaign. BSGR’s lead person in Guinea was Frederic Cilins. “His role at B.S.G.R. was to accumulate relationships and identify relevant power structures” (Keefe, 2013, p. 56).

Relationships and power structures are key themes in this case. Cilins was tasked with knowing how things work in Guinea. To build relationships (mutually beneficial?), he distributed diamond-encrusted gifts; this goodwill campaign had focused on then president, General Conte (who preceded President Conde), and Conde’s youngest wife’s (Mamadie Toure) brother. “Soon afterward, [Mamadie] Toure’s brother was named the head of public relations for B. S. G. R-Guinea” (Keefe, 2013, p. 56). Together Toure and Cilins were the skid greasers, the relationship-builders.

After her husband (General Lansana Conte) died, Mamadie Toure moved to the US and eventually revealed to federal investigators that she held contracts signed with BSGR; these were executed to buy her influence over the change of contract from Rio Tinto to BSGR. These contracts gave her “control mutuality,” so much so that BSGR tried to pay cash to get the papers back to avoid them from being used to bring criminal charges against BSGR. BSGR contended that it was open in its dealings, able to show how it solved the problems of Guinea, networked, and positively committed to the well-being of Guinea. Such communication style variables are often associated with the discussion of OPR.

The involvement of public relations gets even more entangled in this case. In addition to their own public relations personnel, BSGR hired a US company (based in Palm Beach with international affiliations) called F.T.I. to manage its image, reputation, and to do battle with the Guinean government of President Alpha Conde. “F.T.I. practices an aggressive form of public relations, seeking not only to suppress negative media coverage about a client but also to plant unfavorable stories about the client’s adversaries” (Keefe, 2013, pp. 59-60). The result, perhaps, was dueling attack campaigns. At issue was the legitimacy of the business deal BSGR had created with Alpha Conde’s predecessor.

Thus, there is a relationship and an issues management dimension to these financial dealings; at stake is the matter of whether the government can be fully functioning for the good of the nation. Does “relationship” theory offer a critical set of guidelines by which to judge the case? Also, in a multiple stakeholder model, with Guinea and BSGR at the center, is the public arena such that the issues can be debated and best case decisions achieved, as proposed by the SIM literature? Businesses are currently engaged in dialogue with Alpha Conde and his associates who are aided by the powerful NGO’s mentioned above. CSR is a key theme, challenging the businesses involved to be able to prove that they have legitimacy, the right to operate.

The next section, findings, poses themes based on how well SIM and OPR inform organizations to understand, contest, and comply with, voluntarily and through the public sector, actions that fall under the heading of CSR.

**Findings**

The literature review and the case study suggest that SIM offers a sound explanation for how CSR standards are socially constructed through dialogue among many voices. As such they are multi-dimensional, contextual, multi-layered, and multi-textual, and the result of discursive processes.

1. **In contrast, OPR tends to be limited to the communicative strategies and styles employed by an organization to foster rewarding relationships. It is not issue oriented, nor is it fully grounded on principles relevant to the assessment of organizational legitimacy. It tends not to be dialogic on matters of performance expectation and compliance; it is not founded on propositional discourse. Thus, by that analysis, it might seem comfortable with the first two elements in the Heath and Ni (2010) taxonomy: Being a nice organization and being a generous/good organization. If that theory only addresses the relationship between an organization and a public, it cannot offer a management or communication solution to the legitimacy quandary.**

2. **SIM presumes that the nature and quality of a relationship can predict how parties will engage in collaborative decision making over the normative standards and expectations of CSR. It takes more of a societal view than a relational view of the public relations problem.**
3. OPR may be more relevant to reputation management than to issues management. It can, for instance, predict that if an organization employs specific communication styles and is positive, nice or generous it will enjoy the fruits of relationship quality. However, having a favorable reputation with some publics is not synonymous with being deemed legitimate by other stakeholders. As Deephouse and Carter (2005) concluded, “legitimacy emphasizes the social acceptance resulting from adherence to social norms and expectations whereas reputation emphasizes comparisons among organizations” (p. 329).

4. CSR, as one of the pillars of SIM, presumes that organizations are resource dependent; their legitimate right to resources depends on how well they narrow the legitimacy gap by demonstrating that they know the contextually relevant standards of CSR and are willing and able to engage in discursive contest, as needed, to help achieve agreement as to the standards. Then, they demonstrate through performance that they are willing and able to meet the standards as a means for achieving legitimacy.

5. Reputation is issue driven (Heath, 2013); it is subject to external scrutiny, judgment, and approval/disapproval. Thus, a management can ask (and contend) are we seen as having a reputation for knowing and complying with high (acceptable?) CSR standards? Are “good” reputations deserved? What, based on CSR standards, is a “good” reputation? How contentious are the standards, and in the judgement of which stakeholders? Is its reputation legitimate, a question that can be raised during crisis and risk management? For instance, in the case of an automobile company is its product safe? If it is a soft drink company, is its product nourishing or a contributor to the social drift toward increased obesity? If it is an ore extraction company operating in Guinea, is the enabling contract one that is fair to the citizens of the company or merely beneficial to the special interests of the ruling elite and the company seeking the contract?

6. Although links between OPR and CSR tend to be based on the argument that positive relationships are the key to organizations being perceived as being ethical and committed to the interests of its publics, for OPR to become relevant to CSR, it must become based on a discursive, social construction rationale, whereby matters of power, performance standards, and ability to add value to society are socially constructed—co-created and co-negotiated among multiple involved parties (see Johansen and Nielsen, 2011). This challenge tends to be ignored by OPR advocates.

7. CSR is inseparable from the discursive analysis of political economy. Moreover, discussions of, social construction of, and implementation of CSR are built through “various embattled and instantiated principles reflecting preferences of operations embedded in the text of each political economy” (Heath and Palenchar, 2011, p. 316).

8. SIM is focused on issues and ideas relevant to CSR standards whereas OPR literature is limited to communication styles, which may, in especially difficult issue situations, lead to distancing (see Waymer, 2013) rather than conflict resolution.

Research limitations/implications
This research is limited by the authors’ view of SIM and OPR on the matter of CSR. Such research can lead to biases and misunderstandings; however, the analysis in this paper offers propositions that can be judged by others as a means for weighing the development of theory and judging its ability to address key questions. To be fully functioning, a society should foster collective rewards and responsibilities and the discursiveness associated with analyzing such judgements in ways that do not give advantage to an organization or leadership cadre of a community beyond or above that of the societies and communities where it operates.

Practical implications
Efforts continue to be made to create a theoretical and practical rationale for helping societies to improve themselves through discussions of CSR. How do fully functioning societies solve problems relevant to key factors such as fairness, equality, safety, and environmental quality/life? Is that the work of one organization or one elite segment of the population; is it enough to focus on the quality of relationships; or does it require carefully grounded and effectively implemented business practices and dialogic processes? Given the fact that CSR is based on normative expectations entities have of themselves and of others in each political economy, the question is how those can and should those principles become operationalized through management and communication practices.

OPR helps explain how CSR communication serves the parties engaged in collaborative dialogue, but SIM is a more fulsome explanation of the wrangle over the ideas that shape the public and private sectors’ standards of a fully functioning
society. CSR standards become stated through language which can allow for voluntary compliance, but also presumes the need for legislation, regulation, and litigation.

Social Implications
This analysis seeks to develop the rationale and means by which dialogue can help societies to be more fully functioning. Such dialogue must necessarily occur in the boardroom and reflectively shape budgeting rather than let budgeting shape it. It must assume the useful potential of others’ ideas and preferences, and as the case above illustrates, to be most effective it should presume multiple voice decision making.

A discursive approach to relationships would presume the importance of judging the nature and relevance of the language constructions that define relationships in CSR terms, or vice versa. As much as relationships are variable dependent, a case can be made that those variables become more meaningful when framed discursively. Thus we can ponder the CSR implications of the following discursive constructions of relationships from an organizational perspective. We have become “too big to fail our shareholders”; businesses are granted tax breaks and incentives to become regional “job creators” and “economic engines.” We have cutting edge technology and state of the art engineering. What role are citizens to play in discussions of public safety, public welfare? Who or what organizations are deemed legitimate in terms of the operations, policies, and procedures that support diversity, race, gender, sexual preferences, marriage (equality), community resilience, and all of the linguistically laden problematics of the human condition? All of these discursive relational linguistic constructions have implications for relationships, CSR, and legitimacy.

Originality/Value
Our intention is to develop theory that is useful to the analysis of CSR and its role and impact on the quality of communities big and small. To that end, we have explained and weighed two competing approaches to this problem and then suggested how OPR could play a more important role by adopting a discursive, or a more discursive analysis, one that examines the linguistic, terministic themes that can be used to connect issues, relationships, and performance expectations.

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CSR communication vs. protest movement campaign in Chile: A case study of the HidroAysén megaproject debate

Gabi Mocatta
University of Tasmania

Abstract
This paper is a case study of CSR communications versus protest movement campaign in hydroelectric megaproject development in Chilean Patagonia. It surveys a case in which a company initially sought invisibility for its megaproject, which protest made visible. It then examines how the company’s subsequent CSR campaign generated backlash or a “boomerang effect”. Because many energy and mining megaprojects are currently planned – and protested – in Chile, research that offers insights into CSR communication in such conflicts is needed.

Introduction and literature survey
Conflicts over major development projects have become a central feature of the contemporary communications environment. Megaprojects - major infrastructure developments valued over US $1 billion (Altshuler and Luberoff, 2004; Flyvbjerg et al., 2003) - are often contested because of their visible, landscape transforming nature. To develop and maintain legitimacy (Gray et al., 1996) and to minimise investors’ perception of risk, megaproject developers must have a nuanced understanding of the prevailing social and communications landscape, and a conviction that obtaining a social licence to operate is more than simply hard-headed risk management. A failure to pitch CSR communication appropriately can present projects with significant setbacks or loss of social licence to operate.

In this case study of CSR communications in hydroelectric megaproject development in Chile, I examine the CSR and publicity strategies of developing corporation, HidroAysén, and the “public education campaign” (interview, 15 May 2013) of the transnational anti-dams protest movement Patagonia sin Represas (Patagonia without Dams). I consider the HidroAysén/Patagonia sin Represas communications contest as a struggle both for invisibility (Lester and Hutchins, 2012) and mediatised visibility (Thompson, 1995, 2000, 2005, 2011), and as a contest for strategic legitimacy (Massey, 2001) by achieving symbolic power (Bourdieu, 2004; Topper, 2002). When a megaproject is contested by protest that achieves symbolic power, CSR communicators may be inclined to counter with campaigns that likewise “strategically manipulate symbols” (Massey, 2001, p. 153). This, however, may generate a backlash or “boomerang effect” (Cho and Salomon, 2007; Hoekstra et al., 1953), producing public scepticism and threatening a project’s legitimacy.

The paper conceptualises HidroAysén’s CSR communication in terms of Flyvbjerg et al.’s “megaprojects paradox” (Flyvbjerg et al., 2003) in which megaprojects typically rely on a formula of “underestimated costs, overestimated revenues, undervalued environmental impacts and overvalued economic development effects” (Flyvbjerg, 2005, p. 18) in order to be approved and built. This requires a downplaying of risks: best achieved through strategic application of CSR messages. Megaprojects have therefore long been planned and built in a conflicted space where sometimes only lack of transparency and aggressive CSR campaigns ensure their completion.

Although the protest of HidroAysén, like many contemporary environmental conflicts, has unfolded in a transnational communications environment – a possible emerging “transnational public sphere” (Fraser, 2007) the case must also be considered in its local context. Only one research paper to date (Beckman et al., 2009) has addressed CSR communications in Chile. This tells us that CSR has only been considered seriously here since around 2000, that CSR activities are rare outside large firms and that many Chilean firms regard CSR and its communication as a form of crisis management. Interestingly, Beckman et al. (2009) point out that environment-focused initiatives in CSR are scarce, and that “in the face of environmental crises, more action will soon be taken on this front” (p. 195).

This paper asks what happens in a landscape of global visibility, when a megaproject developer in Chile initially chooses relative invisibility for its project? What happens when protest makes this project visible? How does a hybrid national/transnational company conduct CSR communication in this context – and what are the results?
Method
This study uses extended semi-structured interviews (McCracken, 1988) to ascertain the communication strategies of the developing company and the protest organisation. Nineteen interviewees were conducted with key actors on both sides of the debate. By including observational analysis of public events surrounding the debate, this case study research also takes an ethnographic approach (Geertz, 1973; Hannerz, 2003). Interview and observational data was triangulated with publicity material produced by the developing company and the protest organisation. Media - and social media - commentary on the dams broadens the multi-perspectival approach.

The HydroAysén megaproject
The HidroAysén project, established in 2006, would comprise five hydroelectric dams in Aysén, Chilean Patagonia, and 2300kms of transmission lines to carry 2750 mW of power north to Chile’s population and mining centres. Requiring an investment of US$8 billion (Ulmer, 2013), this is the largest energy infrastructure project in Chile’s history. HidroAysén was approved in May 2011, generating the largest protests since Chile’s return to democracy. The project has been since been in legal and complaints processes and is now is now (September 2013) awaiting a ruling from a Committee of Ministers in order to advance. HidroAysén is jointly developed by transnational company Endesa (51% Spanish/Italian owned) Colbún (49%). Colbún is owned by the Matte family – part of the influential Chilean oligarchy (Mönckeberg, 2001).

Though critics claim the project would cause irreparable environmental and social damage in this isolated and culturally distinct region (which they say is understated in the project’s Environmental Impact Statement), the project’s developers and the Chilean government (echoed by mainstream media) – contend the project is “necessary” (Cooperativa.cl, 2011) because of Chile’s increasing energy demands (interview, 11 October 2013) and lack of fossil fuels. Analysts have forecast the need to double current energy production by 2020 to keep up with over $100 billion in projected investment in mining in the world’s largest copper producer (Woods and Boyd, 2012). Critics point the fact that with plans to connect Chile’s northern energy grid (in which over 90% of energy is used by mining) with the largest, central grid into which HidroAysén’s energy would be fed, it is clear that the project is intended to supply energy for mining, much of it owned by multinationals, in the country’s far north. HidroAysén’s communications have, however, consistently represented the project as one intended to benefit ordinary Chileans.

Communicating HidroAysén

Invisible in Patagonia
A year after it was formed, in August 2007, HidroAysén presented its project in local forums in Aysén. It characterized the megaproject as a source of growth, employment and modernization in a remote, undeveloped region, distant from the mining-rich regions of Chile’s north. Despite local-level CSR initiatives ranging from offering post-secondary scholarships to sponsoring a local fire brigade to bringing food parcels for old-age homes – true to McWilliams’s et al. basic CSR definition (McWilliams et al., 2006) - the company carried out no national-level communications, effectively remaining invisible nationally. Several of the interviewees for this research comment on the absence of a national-level CSR communications strategy: “there was no publicity campaign, nothing. They didn’t want to generate conflict” (interview, 26 July 2013). “There was a strategy of not informing, to avoid opposition, which of course generates increased opposition” (interview, 15 May 2013). One interviewee, an ex-employee of the company, explained:

I think that HidroAysén from its beginning, was a project that cultivated a low profile and tried to generate a closeness to the authorities, and shall we say, directly to the immediate community...to the potentially affected. And it didn’t have, despite being a national project, any politic of communication at a national level. [It was] invisible at a national level, and it appeared in the arena only because it was opposed (interview, 7 August 2013).

At the same time, the company was also negotiating invisibly (interview, 7 August 2013; interview a and interview b, 2 September 2013) in networks of power in the capital Santiago. As the general manager of Endesa-Chile explained to a shareholders’ meeting in April 2007: “we are collaborating closely with the regulating entity so that norms are established that are in accordance with our interests” (Rodrigo and Orrego, 2007, p. 68).

Making HidroAysén visible
In February 2006, as news of a new hydroelectric megaproject spread locally, the Consejo de Defensa de la Patagonia Chilena (Council for the Defence of Chilean Patagonia, CDP) was formed. It included some 30 (by 2013, 68) local, national and international organisations, and was fully internationally funded. The CDP began a proactive communications campaign, Patagonia sin Represas, which it called a “citizens alert” (interview, 15 May 2013).
Patagonia sin Represas ran local forums throughout the region in 2006/2007. It began publishing advertising pages on the dams in local and national papers, published a book on the conflict which it presented to opinion makers in the capital, and organized symbolic acts like a 9-day protest ride across the Aysén region. Nationally, the most visible manifestation of the Patagonia sin Represas’ campaign was a series of giant advertising billboards, each a photomontage of a string of power pylons set against an iconic Chilean landscape. Those interviewed for this research identified an image of the famous Torres del Paine (Figure 1) as the most emblematic of the campaign.

The motivation for using this image was explained as follows:

The first thing was to find a symbolic image that would initiate the campaign. It had to be something that would immediately capture public attention, that was recognizable and appreciated...Although the region of Aysén has innumerable landscapes and places of extraordinary scenic beauty, these weren’t as well known or recognized...It was decided therefore to use an iconic image of Patagonia...recognized globally, which was the controversial image of the Torres del Paine crossed by high voltage power lines (Patagonia sin Represas, 2010).

Because the landscape it showed was not in Aysén, the image was denounced as “misleading” (Patagonia sin Represas, 2010) and “propaganda” (Matus, 2011). As one interviewee explained: “they [the company] tried to demonstrate that we were lying” (interview, 11 June 2013). Another interviewee noted the company’s efforts to reject the image only reinforced its impression: “If you say ‘look, we aren’t going to pass the Torres’, then you’ve already lost. In communicational terms, you’ve lost, because people are left with the impression that the lines will be run past the Torres” (interview, 7 August 2013). When the anti-dams campaign heard a comment that “it would be equivalent to showing it [the power line] on Easter Island” (Patagonia sin Represas, 2010) they made a swift intertextual response, producing an image showing power lines slung behind the unmistakable statues of Chile’s Easter Island, with the a clarifying anchorage: “Here, this would be unacceptable. In Aysén too” (Figure 2). Together with other similar billboards (Figures 3 and 4 below), these images were the most prominent imagery surrounding the dams debate from 2007-2010 (interviews 15 May 2013; 7 August 2013; 23 August 2013). By achieving visibility and symbolic power, they succeeded in opening national debate around HidroAysén.

FIGURE 1. PATAGONIA CHILENA

![Image of Patagonia sin Represas billboard with text: ¡SIN REPRESAS!](image1)

FIGURE 2. AQUI SERÍA INACEPTABLE EN AYSÉN TAMBIÉN

![Image of Patagonia sin Represas billboard with text: AQUI SERÍA INACEPTABLE EN AYSÉN TAMBIÉN](image2)

FIGURE 3. “CHILEAN PATAGONIA WITHOUT DAMS”

![Image of Patagonia sin Represas billboard with text: ¡SIN REPRESAS!](image3)
HidroAysén, made visible, was forced to respond. It began a televised CSR advertising (Farache and Perks, 2010; Pomering and Johnson, 2009) campaign containing imagery which now became emblematic of its position (interviews 7 August 2013, 26 July 2013). The campaign centred around themes of the national, clean energy, (Figure 5) development, the company’s contribution to society (Figure 6), and the unreliability of other types or renewable energy. One ad showed local people with a voiceover describing ways in which they would benefit from the project (Figures 7 and 8) with the anchorage: “A favor” (“in favour”), perhaps to underscore that the project was not as opposed locally as much as by environmentalists and NGOs nationally and internationally.

A pair of televised advertisements, shown from November 2010, in anticipation of HidroAysén’s environmental approval, illustrated an energy crisis in Chile. They divided the screen in half to show the lights going out in an operating theatre when a pizza delivery man rings a doorbell (Figure 9), and a soccer stadium plunged into darkness when a hairdryer is switched on (Figure 10). They were accompanied by a voiceover stating: “If Chile does not double its energy in the next 10 years, it will only half function…”

If Patagonia sin Represas’ symbolic communication has been accused of “lying”, HidroAysén’s symbolic response was now charged with the same. In the social media networks, reaction was swift. Public figure and renewable energy specialist Marcelo Mena wrote on Twitter @marcelomena: “HidroAysén campaign plays on ignorance. Industry 70% of energy. Houses only 16%”. The term “campaign of terror” quickly emerged: this has particular historical resonance in Chile, referring to the fear campaign run by Pinochet surrounding the 1988 yes/no plebiscite that ended his dictatorship. Rodrigo Miranda, head of Chile’s College of Journalists (@periodistascl) tweeted: “I think that HidroAysén made an error
in calculation. Campaign of terror doesn’t lead anywhere. Remember the ‘yes’ campaign”. @Diego_Benavente tweeted: “campaign of terror of #hidroaysen, symbolic violence”. Other tweets underscored public notions that the project would not benefit ordinary people: @ginniasa “Hidroaysén and terror campaign to convince us that we will be left in the dark. LIE. Only good business for them, that we Chileans will pay for.”

On May 9th 2011, HidroAysén’s EIS was approved. Weeks of anti-dam demonstrations began in Santiago, 27 cities across Chile and in 15 other countries. On May 20th an estimated 80,000-100,000 people marched in Santiago in the largest protest the country had seen since its return to democracy. Changes in public opinion were clear. In November 2010, 57.8% of Chileans were anti-HidroAysén (Ipsos, 2010). By April 2011 that figure had risen to 61.8% (Ipsos, 2011). By May 2011, public disapproval of the project was 74%, rising to 81% amongst 18-34 year olds. However, asked whether they believed that the dams would be built anyway, 72% of Chileans said they believed that they would (La Tercera, 2011).

Conclusion
The case presented here indicates that even in a context where CSR is not routine, and where corporate communication with stakeholders is considered a form of crisis management, as in Chile, proactive CSR has now become crucial. In this case, a megaproject developer’s seeming attempt to remain invisible, coupled with a concerted local campaign of CSR initiatives may have played into a “politics of enclosure”, actively generating dissent. When the protest organisation’s communications filled a national communications vacuum on the megaproject, making the project visible, defining risk, and achieving symbolic power, the company responded. Cast in a defensive communications role, it ran a campaign of “strategic messages” to (re)gain legitimacy and create its own symbolic power. This campaign was not regarded as authentic by a protest-primed public, resulting in a “boomerang effect” (Piotrow and Kinkaid, 2001; Rogers, 1995) - producing the opposite of the results intended. In short: HidroAysén’s CSR communication was understood as “greenwashing” or “CSR washing” and the project lost its crucial social licence.

Although Flyvbjerg et al.’s megaprojects paradox seems a fitting prism through which to view the case of HidroAysén, megaproject developments may increasingly less be characterized by this communicational conundrum. If megaprojects are ever-more visible and more protested; if CSR surrounding them meets with an ever-more skeptical public; if local and national protest is ever-more effective at withdrawing projects’ social licence and if transnational protest is ever-more effective at creating the perception of investment risk; getting projects passed and built though communications “spin” may no longer succeed.

In Chile, however, older, less socially responsible ways of doing business are only just changing. Only four years ago, Beckman et al. told us that corporate social responsibility initiatives here were nascent and that within them, environmental issues did not feature strongly. The same authors also tell us that more action would soon be taken on this front (Beckman et al., 2009). The case presented here points to the fact that, in an infinitely connected world where the locally invisible becomes the globally seen, that action has now begun.

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Structured Abstract

Purpose
The aim of this research is to discuss CSR reporting as a communication signal that is able to contribute to the corporate reputation.

Design/methodology/approach
CSR reporting as a signal is conceptualized based on literature on different research strands such as CSR communication and reporting, communication management, signalling theory and corporate reputation management.

Findings
Corporate communications aims at an enhanced corporate reputation. CSR reporting as a communication signal to stakeholders plays a vital role within corporate communications. Signalling theory can thus be considered to be an important approach in order to explain CSR reporting as part of communication and reputation management.

Research limitations/implications
Due to this conceptual approach, empirical evidence is lacking. Further research would need to demonstrate under which conditions CSR reporting works best as a signal contributing to the corporate reputation - or on the contrary, not at all.

Originality/value
In this paper CSR reporting is connected with communication and reputation management and comprehensively discussed in the light of signalling theory. 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 communication management and signalling theory.

Keywords
CSR reporting, CSR communication, Corporate communications, Communication management, Signalling theory, Reputation management, Corporate reputation

Article classification
Conceptual paper

The paper’s research question is: “When is a CSR report able to work as a communication signal that contributes to the corporate reputation?” In answering the question, it provides a review of the existing discussion on (CSR) reputations and enlarges it by discussing CSR reports as a crucial communication signal.

Theoretical background: Stakeholder management, corporate reputation, CSR and signalling theory
Stakeholder management
In the academic literature on strategic management and the corporate responsibilities of a firm, stakeholder theory is one of the key elements (Andriof and Waddock, 2002). Stakeholder theory leads to the concept of stakeholder relationship management because positive relationships, which guarantee several benefits, related to trust in the company and a smooth collaboration between the company and its stakeholders, are highly beneficial for business (Bhattacharya et al., 2009). Therefore, stakeholders and their perception of the company are in the centre of all corporate reputation and impression management activities.
Corporate reputation management through communication management
A positive corporate image which results in a positive corporate reputation (Fombrun, 1996) 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. The corporate image is what is generally perceived about a company by the public and by the company’s stakeholders. It 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 (Arendt and Brettel, 2010). As an effect of such a direct or even indirect contact between company and stakeholder and the resulting experience, each stakeholder has her/his individual perception of a company under the condition that her/his expectations are met (Pelova et al., 2012). This leads to certain knowledge about and/or feelings towards the company. A company is thus able to affect its image and reputation by influencing the picture that stakeholders have of it by reputation management (Greyser, 1999). The vehicle to do so is corporate communication, which can be characterized as a strategic management function overseeing and coordinating the work of all communication practitioners in a company (Balmer and Gray, 1999). In this context, the concept of communication management and its aim of identifying and shaping communication situations evolve. The company’s social responsibility is such a communication situation.

CSR and its reporting
Corporate (social) responsibility (CSR/CR) has been a topic of increasing importance for companies since around the past half century. Social responsibility, in the sense of socially and environmentally responsible behaviour in the core business by addressing the concerns of their stakeholders, has become a key element of strategic corporate behaviour and one of the most important issues regarding today’s business (Carroll and Shabana, 2010). It is argued that on a general level, CSR may serve as an insurance-like protection (Eisingerich et al., 2011). Therefore, with regard to the corporate reputation - which can be formed by partial reputations for specific issues - a reputation for CSR issues is thus a key dimension (Fombrun, 2005). An appropriate CSR communication plays thus an essential role. It can be explained as a process in which stakeholders’ expectations are anticipated (Podnar, 2008), and is seen as being one of the two fastest-growing dimensions in corporate communication and as one of the most important tasks of communication management (Zerfass et al., 2011). Here, differences between communication and concrete CSR behaviour are either perceived negatively (‘greenwashing’) or as a so-called ‘aspirational CSR talk’ which has the potential to stimulate CSR improvements leading to social change (Christensen et al., 2013). In this regard, reporting is an important communication tool which provides information regarding different sorts of CSR issues (Golob and Bartlett, 2007). It is thus understood as a strategy to legitimise the company’s activities (Hooghiemstra, 2000) so that it adds to a good engagement with multiple stakeholders. A CSR report can thus be understood as a communication signal.

Signalling in the context of corporate communications and CSR
Corporate communication can be seen as a diffusion system of organizational signals expressing positive organizational attributes of which quality is a key attribute (Connelly et al., 2011). By sending the right signals, a company can achieve prestige through competition which focuses on (hidden) quality. In the present day, responsibility is another key dimension of a company’s attributes so that responsibility can be considered an aspect of a company’s overall quality. 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 (Aquveque, 2005). 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, even though it is not possible to foresee how exactly stakeholders will interpret these signals in comparison to those of competing companies and what the final effect on a company’s performance is (Aquveque, 2005). Customers, employees and investors are important stakeholder groups who are addressed by CSR signals (Servaes and Tamayo, 2013; Berthelot et al., 2012; Lee et al., 2013).

Framework for CSR reporting as a signal contributing to the corporate reputation
On the basis of the outlined concepts of corporate and CSR reputation, CSR reporting and signalling theory, a framework for CSR reporting as a communication signal that is able to contribute to the corporate reputation is developed. The following diagram describes how a CSR report as a communication signal can contribute to the (CSR) reputation. Starting from either a positive or a negative context for CSR reporting, the company’s CSR report is either perceived as a positive or as a negative communication signal. This leads to an effect on the (CSR) reputation which enhances, remains stable or decreases.
Conclusion
From the theoretical background mentioned previously and the framework elaborated above, it can be discussed when a CSR report works as a communication signal that is able to contribute to the corporate reputation. It is shown that this is the case if the CSR report works as a positive signal that either reinforces the given good corporate reputation or is even able to improve a former negative reputation. To do so, the CSR report as a positive signal needs to fulfil the requirements of credibility and trustworthiness as it either reflects the company’s CSR engagement or is perceived as a credible ‘aspirational talk’ which is able to stimulate further CSR engagement. It is a signal which shows the stakeholders that the company cares about its social responsibility. It is thus able to enhance the corporate (CSR) reputation.

References


Abstract

Purpose
The purpose of this study is both to assess the state of the art of the Corporate Social Responsibility in the retail organizations in the State of São Paulo, Brazil, and to seek to answer the following questions: a) is CSR seen as a passing fad?; b) to which degree does the communication process help promote the implementation of CSR practices in retail businesses? c) are those sustainable practices affecting employee behavior?

Design/methodology/approach
Interviews were conducted with executives responsible for Communication and CSR departments in 12 retail companies in the State of São Paulo, Brazil. The results obtained were transported onto a matrix based on two communication paradigms proposed by Grunig (1992) and scale of stakeholder involvement proposed by Austin (2001).

Findings
The analysis of the data gathered suggest that the higher the degree of acknowledgment of the area of Communication by top management, the more relevant their empowering space, and the higher the visibility of their CSR and sustainability practices vis-à-vis their stakeholders. Most of the retail companies examined concentrate their efforts in advertising campaigns rather than on corporate projects, which suggests that in an environment of fierce competition, the exercise of symmetric communications with stakeholders seems to take a second place.

Originality/value
To date, practically no academic research has been conducted on the connection between Communication processes and CSR strategies in the retail sector in São Paulo, Brazil. This paper paves the way for further study on the assessment of the legitimacy of the symmetrical communication strategies for improved CSR practices.

Key words
Symmetrical communication, Retail sector, Corporate Social Responsibility, Sustainability, Integrative public involvement

Introduction
The Brazilian retail sector has evolved both in terms of its structure and in terms of the introduction of initiatives in the areas of CSR and of business management sustainability.

Those changes call for the identification of new communication strategies in the relationship with stakeholders, be it in retail operations or at the level of store management. For this research, CSR is considered a participative social process where communication has a central role (Sorsa, 2008).

In recent years, Brazil has become a world model in terms of economic growth, having shown resilience in the global economic crisis, and has consolidated its position among the major emerging markets alongside Russia, India, China and South Africa, the so-called BRICS’. The country has received international acknowledgment for the positive economic and social stability levels achieved in the past decade.

The Brazilian retail sector is closely associated to the country’s vigorous growth, anchored on the expansion of the country’s middle-class. By 2013, the middle class had risen to nearly 91 million people, almost half the country’s population. From the viewpoint of the economy, those figures represent a major impact on the growth of the retail sector, as the
minimum wage increased by 172.5% between 2002 and 2012, and income grew by 54.3% in real terms in the same period.

This favorable economic environment reflects positively on the results of the retail sector, particularly by virtue of the Government’s efforts to promote consumption, which has benefited the internal market and increased the sector’s share of GDP. A consequence thereof has been the expansion – both physical and virtual - of the retail chains that sought to fulfill the consumption dreams of this growing segment of the population. In this context, retail companies were faced with the need to function competitively, efficiently and responsibly, in an attempt to preserve their brand and their reputation. Deloitte, a consulting company, identified this concern by stressing that “now, more than ever, in addition to conceiving operational strategies, Brazilian retailers need to focus on continuity and business strategies (Deloitte, 2011, p. 27).

**Retail sustainability: the challenge of convening stores, suppliers and consumers around a new value**

The very nature of retail makes the sector – an intermediate activity situated between production and consumption - a great motivator of consumption of goods and services. Over the past decade, society demands for the sustainable development of the planet have forced businesses in general and retailers in particular to become more attentive to the impact of their activity. Today, the retail sector is aligning itself with the new demands imposed by the consumers, who refuse to purchase goods from companies that pollute the environment, disrespect workers’ rights or neglect their impact on the communities in which they operate.

To respond to that, many businesses have been trying to steer the retail sector from the promotion of unrestrained consumption and to consider the issue of waste generated after goods and services have been consumed (Macedo, 2007, p. 8).

For the consumers, a company’s sustainable practices, which include offering new products conceived on the basis of social and environmental considerations, are today important elements taken into account in addition to the traditional criteria of price, quality, packaging and delivery deadlines. An increasing number of consumers today demand that companies adopt more humane behavior patterns and adopt social and environmental standards in the goods and services provided (Parente, 2000).

Retail companies, in turn, are becoming aware of the fact that there is a great opportunity in seeking to distinguish themselves in the market, and believe that this is the path retail must take to secure a lasting competitive advantage. By investing in sustainable management as a business strategy, retail companies address the demands of a significant share of the consumers, thus acting on an issue which is becoming an ever-increasing concern of society as a whole (Parente et al., 2004).

The adoption of CSR practices at the operational level may ensure the retailers, in the long run, competitive advantage as well as greater proximity to their internal and external publics (Pinto, 2004; Pinto and Lara, 2004; Aligleri, 2008; Aligleri et al., 2009).

The privileged position of the Brazilian retail sector in the value chain, situated between suppliers and consumers, offers a valuable opportunity for the retail company to influence both ends of the value chain, warranted by two elements 1) the very close relationship between retail and the community where it operates - a reciprocal relationship, as retail needs consumers and consumers need the stores close to where they live; and 2) the very close relationship between retail and its suppliers: retailers need the goods produced in the factories; they also need the wholesalers to be able to sell the goods in their stores; the producers need the distribution channel to reach the end consumer.

Because it occupies this intermediate position in the value chain, the retail sector is expected to lend an expressive contribution in the field of sustainability. Increasingly more aware of this context, a number of retail companies have been seeking to promote conscious consumption in their communication action and in their points of sale, by remodeling or opening new stores using materials and equipment which reduce consumption of natural resources, in an attempt to protect the environment and to cut operations costs. The major retail companies in Brazil, for example, are in a better position to influence their suppliers directly and to transform them into partners in their CSR practices, as they can apply economic pressure on suppliers. Furthermore, the retailer can encourage suppliers to adopt standards in the production of their goods and services that take into account tax and labor legislation, and the eradication of child and forced labor in the production chain. Moreover, the major retailers are in a strong position to encourage their suppliers to offer goods that are more sustainable in the future.
James Austin’s “Collaboration Continuum”: a proposition for the identification of the stages of a business with regard to sustainability

According to James Austin (2001), one of the ways businesses can contribute to society is by establishing partnerships with both profit- and non-profit organizations. Based on studies carried out on sectorial alliances published over the past two decades (Austin, 2000, 2001, 2003; Austin et al., 2005; Austin et al., 2004), the author introduces a framework on the type of relationship or stage businesses adopt to address social responsibility and sustainability initiatives. This framework is referred to as the “Collaboration Continuum” (Austin, 2001). The author claims that the involvement of the business in social issues generally results in some sort of collaboration with non-profit organizations, a cross-sector partnership, in other words. This type of partnership, the author suggests, is most beneficial because it usually involves visibly different “performance measures, competitive dynamics, organizational cultures, decision-making styles, personnel competencies, professional languages, incentive and motivational structures and emotional content” (Austin, 2001, p. 29). Otherwise, his research points out that “organizations must think strategically in order to reap all the benefits from cross-sector collaboration” (Austin, 2001, p. 30).

The “Collaboration Continuum”, claims Austin (2001), allows the partners to categorize those alliances, to understand how they can evolve along time, and to analyze the changes resulting from those relationships between organizations. The three stages of a collaboration relationship are: philanthropic, transactional and integrative. “As the process evolves along this continuum, the relationship between the business and the civil society organization becomes more intense, more complex and takes on a greater strategic value” (Austin et al., 2004, p. 36).

At the philanthropic stage, the nature of the relationship between the business and the organization is mostly one of donor/beneficiary. In other words, it is charity-oriented and paternalistic. The relationship between those organizations is limited to yearly donations in support of the non-profit organization. The financial resources received may be significant for the NPO, but, usually, are not critical from the economic point of view for neither of the partners. This type of alliance is normally limited to the request and receipt of the donation, and does not imply any administrative complexity or any strategic connection to the mission of either organization. For the business, the donation represents the promotion of its image as a concerned and responsible institution. Philanthropy may be an ideal starting point, the first step in a relationship that seeks to generate value for both partners (Austin et al., 2004).

At the transactional stage, the business and the NPO establish the exchange of resources through specific activities; for example, cause-related marketing, event sponsorships, and contractual service arrangement. In this case, the involvement of the partners is more intense and the generation of benefit usually is a two-way flow. The alliance also promotes essential competencies in both organizations, entailing new opportunities for the exchange of resources and knowledge between the partners. The alliance achieves more relevance for the missions and strategies of both organizations and enhances the importance of the alliance, as the nature and scope of the benefits broaden (Austin et al., 2005). For the business, this relationship signals the beginning of an alignment with commercial operations and daily activities. At this stage, the relationship is no longer a mere transfer of financial resources from the business to the organization: the alliance entails the involvement of the company personnel, and benefits in the terms of motivation and self-esteem of employees are generated (Austin, 2001).

At the integrative stage, the sector alliances begin to show a convergence of missions and the synchronization of compatible strategies and values (Austin et al., 2005). At this level, the company and the NPO establish a deeper relationship and develop several joint activities which generate benefits for both partners. At this stage of alliance, the efforts are joined for the generation of both social and business value. In a sense, the relationship becomes better managed, as an integrated joint venture, where top management functions are shared by the partners, and top management is committed to and engaged in the alliance. As such, the cultures of both organizations start to merge, creating new processes and new behavior that solidify the alliance (Austin, 2001).

The Collaboration Continuum, shown in Table 1, summarizes the relationships of alliances between organizations at each of the three stages: philanthropic, transactional and integrative.
As the alliance migrates from one stage on to another, the level of partner involvement shifts from low to high. Likewise, the importance of the alliance for the mission of the organizations shifts from peripheral to central. As a result, the resources dedicated to the alliance are increased and the activities carried out by the alliance intensified. Naturally, the interaction between the partners becomes more intensive and the administrative complexity of the alliance becomes more sophisticated. All of that means that the strategic value of the alliance shifts from minor to very relevant.

According to Austin (2001) it is critical that professionals and researchers interested in this structure carry out a systematic identification and analysis of different variables associated to the alliances between organizations. Thus, it will be possible to make better decisions as to their management or alteration to ensure the best benefits from the initiative.

For Austin (2001), the Collaboration Continuum may be a useful structure to help consider the strategic value of alliances between organizations from a variety of sectors, be it to analyze the current situation of an on-going alliance, be it to plan the possibilities of future projects. In this study, the Collaboration Continuum has been utilized to analyze the stages of sustainable activities carried out by major retailers in the State of São Paulo, even though Austin’s (2001) structure of the continuum and the strategic issues addressed by him may be applicable to other sectors in the market.

According to the author, despite the fact that the Collaboration Continuum was created empirically focusing on the relationship between companies and NPOs, the framework may be applied to establish and analyze strategically other forms of relationships or activities of companies in the area of CSR which is the case in point. Earlier research in the field has been conducted in Brazil by Terepins (2005), Costa Santos and Costa (2005, 2006) and Parente and Terepins (2006, 2008, 2009) on the activity of major Brazilian retail companies in the area of CSR, and determining their development stage. This earlier research, however, addressed the issue solely from the point of view of business management, and none of those projects emphasized the issue of communication as an important dimension of sustainability practices. This is what the present study attempts to determine.

Communication Paradigms

Grunig (1992) introduces two models to explain how communication functions within an organization, namely: the symbolic paradigm and the behavioral paradigm.

In the symbolic paradigm, communication is seen as a form of defense, as it strives to influence the publics to make decisions that benefit the organization. This communication model is associated with concepts such as image, reputation, brand and identity. Here, communication is reduced to the transmission of messages, the resort to advertising campaigns, press relations and the use of the media (Grunig, 1992). Communication is reduced to a tactical role in the organization, and the communication processes are aimed at reinforcing the organization’s rhetoric and stakes above those of its publics.

In the behavioral paradigm, in contrast, the efforts are steered towards the participation of the communication executives in the organization’s strategic decision-making, so that they can help manage the behavior of organizations. Communication is seen as a bridge that builds relationships between the organization and its different stakeholders (Grunig, 1992). Communication has the strategic role of emphasizing the creation of two-way communication to provide publics with a voice in management decisions. For Grunig (1992, 2009), in the behavioral paradigm the communication

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<thead>
<tr>
<th>Nature of relationship</th>
<th>Stage 1</th>
<th>Stage 2</th>
<th>Stage 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philanthropic</td>
<td>Low</td>
<td>Transactional</td>
<td>Integrative</td>
</tr>
<tr>
<td>Level of engagement</td>
<td>Low</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Importance to mission</td>
<td>Peripheral</td>
<td>Central</td>
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</tr>
<tr>
<td>Magnitude of resources</td>
<td>Small</td>
<td>Big</td>
<td>Big</td>
</tr>
<tr>
<td>Scope of activities</td>
<td>Narrow</td>
<td>Broad</td>
<td>Broad</td>
</tr>
<tr>
<td>Interaction level</td>
<td>Infrequent</td>
<td>Intensive</td>
<td>Intensive</td>
</tr>
<tr>
<td>Management complexity</td>
<td>Simple</td>
<td>Complex</td>
<td>Complex</td>
</tr>
<tr>
<td>Strategic value</td>
<td>Minor</td>
<td>Major</td>
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processes adopt an ethical, efficient and socially responsible approach. Organizations embracing this paradigm install communication processes that are more ethical and, for this reason, receive a more positive response from its stakeholders (Freeman, 2006; Gower, 2006).

Research conducted by Ferrari (2009) revealed that most of the Brazilian and Chilean organizations practice asymmetrical communication in their relationship with stakeholders, which can be ascribed to their respective political, economic and cultural contexts. The results corroborate the notion that the symbolic paradigm remains relevant for those businesses as they privilege the transmission of rhetorical messages over the promotion of stakeholder dialogue.

The power of the communication process does not lie on the dissemination of information alone, but rather, and above all, on the strengthening of relations, the promotion of dialogue, the collective building of reality, as well as on the possibility of positively influencing individual and collective behavioral changes. The collaborative feature of this communication process fosters the introduction of sustainable projects that require open-mindedness and acceptance from the stakeholders. In this respect, Grunig (2009) underlines that:

A responsible organization accepts the consequences its actions may have on its stakeholders. An organization that feels responsible for its stakeholders will normally communicate with them in a symmetrical manner. Through effective communication, the organization will be able to build positive relationships (Grunig, 2009, p. 33).

A responsible organization carries out communication processes that foster a management model supporting the organization as a pivotal player from the social and environmental point of view; it is an organization that produces and shares decisions through relationships with the different publics and shares the means and contents committed to transparency and with a permanent dialogue with all stakeholders.

Methodology
The objective of this study was to seek answers to the following questions:
1. What is the contribution of the communication process in the implementation stages of CSR in the major retail businesses established in the State of São Paulo?
2. Are communication activities strategically integrated with the CSR practices in those businesses?
3. Does the communication process contribute to the CSR of those retail businesses?
4. Do the organizational culture features of those large-scale retail businesses foster or hamper the practice of CSR?
5. In which ways does the communication process support those businesses in their CSR practices?

Qualitative field research was conducted with 12 large-scale retail businesses in the State of São Paulo in the following areas: supermarkets, furniture, household appliances, drugstores, garment and construction. The State of São Paulo was selected for its national relevance as the most advanced region housing the largest businesses. The State has an approximate population of 42 million. Seventeen in-depth interviews were conducted with executives in charge of the Communications and Sustainability departments/areas at 12 companies. In eight of the businesses, the areas of communication and sustainability are merged, whilst, in the remaining four, the areas of communication and sustainability were independent.

The businesses surveyed have a total turnover of R$ 115,27 billion (€38 bi) and employ over 347,000 individuals. Together, they account for 5,753 stores spread over all of the states in the country. They also operate through e-commerce. From the 12 companies, nine have majority Brazilian ownership; three have a majority of US-, France- and France-Brazilian capital, respectively. Nine have headquarters in the capital, and three outside the capital.

The businesses selected are among the 100 largest retailers in the country and have headquarters in the State of São Paulo.

The data gathered through the interviews were analyzed against the following theoretical frameworks: Austin’s Collaboration Continuum (2001) and the Communication Paradigms proposed by Grunig (1992). The cross-reference of those two approaches has allowed us to assess the role of the communication processes vis-à-vis the CSR practices in the large-scale retail businesses studied.

Findings
The results of the research exercise were classified according to five different dimensions, taking into account the manner the communication and CSR processes are practiced in the 12 businesses studied.
1. For the large-scale retailers, the environmental dimension is a priority in the practice of CSR.

The environmental aspect is a priority in the supermarket sector. Among the most relevant environmental practices are:
- a) solid waste management;
- b) recycling programs involving consumers;
- c) investment in construction of “green” stores with the installation of sustainable equipment and technology that curb both environmental impact and operational costs;
- d) adoption of environmental standards in their procurement policies;
- e) reverse logistics programs.

The building sector also shows great interest in the environmental pillar of CSR. The businesses in this sector of activity have implemented projects aiming at offering environmentally efficient products in their stores, promoting environmental certification of goods sold and investing in sustainable stores. Their motivation for investment in large-scale retailers is twofold: 1) the country’s strict environmental legislation and 2) the anticipation of reduced operational costs.

Although not appearing as markedly in the answers provided, the social dimension is part of the CSR initiatives in five of the businesses surveyed. In the drugstore segment, campaigns involving donations for charity institutions and the use of the store as a collection point of donations of winter clothing, toys, books, etc., continue to be relevant. Even though this type of practice may also be present in other segments in retail, it is interesting to underline that drugstores continue to stress this type of initiative as part of their CSR efforts.

2. The communication process in the retail sector is primarily anchored on advertising campaigns for the promotion of goods and services.

In the retail sector, the communication efforts consist predominantly of advertising campaigns. Major communication efforts in the larger retailers focus on sales promotions and on securing a broader consumer base in a context of fierce competition. An analysis of the advertising supplements in newspapers, magazines and electronic media reveals that the bulk of the budget is assigned to the printed and electronic media. Similarly, the internal communication efforts of retailers aim at securing the involvement of employees, seen as “supporters of the company”. Strengthening their market position by means of major investments in the media is a practice in eight of the twelve retailers surveyed. In our view, this effort reflects the adoption of the symbolic paradigm by those retailers, one of the communication models proposed by Grunig (1992), and which reinforces the dissemination and maintenance of a positive image, in a “defensive” posture according to which the company is the highest qualified in its area of activity. The advertising campaigns and the excessive use of mass media provide a clear example of the way those companies relate to their consumers; internally, the companies adopt the traditional tools to involve employees and ensure their commitment toward the company’s objectives.

3. The large retailers still need to develop considerably in their CSR practices. Most don’t perceive CSR as a “value” for their business.

The retail sector has started to practice CSR; the major retailers, however, have yet to achieve the ideal level of sustainable practices. According to Austin (2001), the ideal stage is the integrative, at which the organization incorporates CSR principled in its mission and culture, and acknowledges the strategic value of the issue across all of its business activities.

Because of the high level of diversification of the sector, retailers find themselves at very different stages as far as CSR practices are concerned. Although some of the retailers surveyed can be highlighted as models in terms of sustainability management, be it as a result of the influence of the parent company abroad, be it as a result of environmental legislation compliance, most retailers are still a long way from achieving this level. The bulk of the retailers find themselves at the intermediate stage.

Based on the results obtained, only four of the retailers surveyed are at the integrative stage and are carrying out CSR projects based on and linked to their business strategies. Those organizations seek to introduce sustainability into their daily operations and to ensure that sustainable standards are adopted and practiced by their employees as well as by their suppliers. However, engaging the conscious consumer in his choice of goods and services remains a challenge to engage.

Three retailers were found to be at the transactional stage, an intermediate level of sustainability practice. Those retailers see sustainability as an opportunity to reduce the impact of their activities on the community and on the environment, although they still encounter major difficulties when attempting to internalize CSR concepts and practices into their management model. No rarely, top management lacks true commitment to the issue and does not assign sufficient resources to the projects.
Five of the 12 retailers were found to be at the philanthropic stage. Although engaged in some sort of social or environmental initiative, those companies continue to carry out projects dissociated from their business and without understanding the strategic value of sustainability.

Austin (2001) introduces seven variables that may influence the position of an organization on each stage: 1) level of engagement; 2) relevance for the mission; 3) magnitude of resources; 4) scope of activities; 5) level of interaction; 6) complexity of management, and 7) strategic value. In our study, we have sought to reflect the influence of each of those variables on the sustainable practices carried out by the retailers surveyed.

With regard to the first variable, four retailers showed a high level of engagement with the CSR initiatives, whilst in seven retailers this level of commitment was moderate, and in one, low. The study reveals that this variable is reflected on the discourse and on the practice of CSR. As a rule, top management supports sustainable practices, but that support is not always reflected in the planning and execution of their initiatives. As far as the second variable is concerned, the relevance for the organization’s mission, the study revealed that eight of the 12 retailers treats sustainability as a peripheral issue, that is, they fail to relate sustainable practices to the business mission. One of the reasons of this lack of correlation may be the lack of understanding by top management of how CSR can be aligned with the business objectives. Only four retailers are at the integrative level, where sustainability is treated as a strategic issue, that is, as a competitive advantage for the business. As far as the third variable is concerned, the magnitude of resources for investment in sustainability is moderate, and in five it is still very low. This indicator reflects the lack of financial resources invested in implementation of CSR initiatives; resources are directed to other projects, usually in the commercial area. This has a bearing on the fourth variable, the scope of activities, which is thus moderate in seven retailers and limited or narrow, in the remaining five. That means that even when the organizations surveyed do carry out CSR initiatives, it is still necessary to broaden their scope. As to the fifth variable, level of interaction, the organizations do not manage to plan sustainability initiatives in line with the other business areas. Generally speaking, the sustainable initiatives are dissociated from projects that are relevant for the pursuit of the business. As such, they lack effectiveness that might lead to increased competitive advantage.

The sixth variable addresses the complexity of management of CSR initiatives carried out by retailers. In this case, the results reveal that only three of the retailers surveyed have a formal sustainability structure independent from other organizational functions. In three retailers, the area is coupled to Communication, and in four of them both Communication and CSR are part of Marketing. One of the retailers has no formal area dedicated to CSR, and the last one assigns the issue to their Environment department. We can thus see a variety of configurations that require a case-by-case analysis due to their diversity.

With regard to the strategic value, the last variable, four retailers indicate that this is a relevant value to their business; three consider it a moderate value, and five do not consider sustainability in their management practices. Often, organizations acknowledge the strategic value of CSR, but fail to materialize its strategic dimension to the benefit of their business.

4. Differences in the practice of CSR among the retailer sectors surveyed

The five sectors surveyed have shown differences which should not be neglected when addressing CSR practices and the communication process. As a rule, the executives interviewed underlined that sustainability is a value that should be incorporated into their business. Nonetheless, in practice, only a few retailers take this value into account in their management and daily operational practices. This either is due to lack of the necessary conditions and resources or because this value remains at the discourse level and is not reflected on the concrete business initiatives.

5. The state of the art of the connection between communication and CSR in the retail sector varies in line with the size of the organization

Based on the matrix proposed for the analysis, Chart 1 shows the 12 retailers surveyed and their position in one of the three groups. This breakdown reflects the behavior of the organization with regard to the stages of sustainability suggested by Austin (2001) as well as the communication paradigms proposed by Grunig (2001).

The retailers referred to as ADHIJ are in the philanthropic-symbolic quadrant of the matrix, i.e., those are retailers at the philanthropic stage of sustainable practices and adopting the symbolic paradigm for communication. Those retailers are yet to perceive sustainability as a strategic value for their business and have so far failed to develop more elaborate
communication processes either because they lack a formal Communication department in their structure or because the communication activities are under the area of Marketing. In this context, focus is directed to the promotion of the goods and services to consumers and, to that purpose, the tools available at the stores such as posters, leaflets, etc. are used.

The retailers represented as FGK are in the transactional-symbolic quadrant and are the retailers that are at the transactional stage in terms of sustainability, orienting their communication process according to the symbolic paradigm. This group of retailers represents the "transition group", as it is composed of those retailers that understand sustainability and seek to introduce it in their daily operations, even though those practices are not fully integrated into their businesses. They are yet to revise their processes and move forward to try to inject sustainability in their organizational culture and introduce initiatives across the organization. As to the communication processes, those retailers move between two paradigms: as a rule, their concern is more toward the contribution of the communications processes to the improvement of their image and reputation and of reinforcement of the brand than toward a commitment to a symmetrical relationship with their strategic stakeholders or even toward a symbolic paradigm. Exceptionally, those retailers also seek to integrate communication and sustainability initiatives to engage employees in sustainable practices or to promote two-way communication processes with their stakeholders seeking to open a dialogue channel for the participation in the organization’s decision-making. The retailers in the FGK group have some experience in the behavioral paradigm, but that is not a consistent priority in their communication processes.


The retailers referred to as BCEL are in the integrative-behavioral quadrant, where organizations are at the integrative stage of sustainability and adopt the behavioral paradigm in their communication. This group of retailers deals strategically with sustainability and comprises the retailers where top management is willing to change business processes in order to achieve, simultaneously, social and environmental objectives as well as economic objectives. Those retailers have an effective structure that ensures the development of sustainability projects and manages to internalize concepts and practices, engaging internal and external stakeholders in the proposed initiatives. The organizations in this group conduct their communication processes in a responsible and transparent manner, seeking to share their sustainable strategies and opinions with all internal areas. The Sustainability and Communication areas in those organizations are connected to top management and usually act in unison to achieve the organization’s objectives and to build a dialogue with their priority publics. In this sense, the communication processes assume a two-way, symmetrical character, working alongside the sustainability processes to attain lasting results.
Conclusion
Because of the scarcity of research and literature on the connection between communication and CSR in Brazil, the results of the present study may be treated as a preliminary endeavor to analyze the behavior of the retail sector in Brazil vis-à-vis sustainability and of how the process of communication has been operating in this context.

A trend has been identified among the retail companies that privilege the development of environmental projects that contemplate the introduction of sustainable practices, most likely because of legislation requirements or the need to cut costs.

Furthermore, the study has revealed that the retail companies use advertising campaigns to promote their goods and services, indicating that the bulk of the communication effort is dedicated to promoting sales and securing new consumers. The very culture of the sector greatly influences the behavior of the communication processes and is a factor that justifies the low level of commitment of the companies to a CSR process strategically aligned with the business.

The retail sector is migrating from the philanthropic stage on to the integrative stage as far as CSR practices are concerned. However, CSR still needs to be seen as an intrinsic value for the organization; this value needs to be incorporated across the major retail companies so that all decisions and actions of the company are based on it. To date, most of the companies surveyed simply pay lip service to those practices.

The results reveal that one-fourth of the companies surveyed have managed to secure synergies between communication and CSR and have been identified as being at the integrative stage, according to Austin's framework (2001), and within the behavioral paradigm (Grunig, 1992). In those companies, the areas of Sustainability and Communication area linked to top management and work shoulder to shoulder toward the business targets, promoting the open dialogue with their most relevant publics. We have also ascertained that, in those companies, the practice of communication as a symmetrical and two-way process is installed to legitimize the CSR practices of the companies, which have acquired a considerable history of sustainability and therefore the experience to improve their practices.

1 The acronym BRIC was coined by Jim O’Neill, a Goldman Sachs economist, in 2001. The expression was used for the first time in “Building Better Global Economic BRICs”, as a reference to a group of countries comprising Brazil, Russia, India and China, all emerging countries that had a relevant position in the world economy. In 2010, South Africa was added to the group, which has since become known as BRICS.

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Abstract

Purpose
The main purpose of this paper is to project a holistic stakeholder management model using the stakeholder oriented approach to CSR.

Design/Methodology/Approach
The paper draws from literature relevant factors which could probably lead to better CSR offerings towards stakeholders.

Findings
The significant relationship of salience leading to CSR has been established in literature. Salience reveals important stakeholder clusters which receive different levels of attention and focus from the organisation; categorising stakeholders based on their relative importance. However the antecedents of salience have not received much focus. The forerunners of salience have been identified and illustrated in this paper. A conceptual model is projected here based on in-depth review of literature.

Research implications
The model portrayed could be used as a direction for further research pursuits.

Originality and value
The paper attempts to bring out the subtle difference between stakeholder management and management of stakeholders.

Keywords
Stakeholder Salience, Stakeholder Integration, Top Management Support, CSR Offerings

Paper type
Conceptual paper

Extended Abstract

Introduction
The evolution of stakeholder theory in line with CSR has been profound over the years (Carroll, 1979; Wood, 1991; Clarkson, 1995). The collaborative conceptualisation of the two has given rise to newer ways of viewing stakeholder relationships. Stakeholders are indispensable to any organisation; from time immemorial, organisations have been working with an extensive system of stakeholders. Amongst the other theories, it is the stakeholder theory that has transformed CSR significantly (Donaldson and Preston, 1995) which is now being viewed as a method to develop, replenish and improve the relationship with a variety of stakeholders.
CSR through stakeholders’ perspective

Stakeholder theory envisages that stakeholders are vital entities to any organisation; it encompasses mechanisms that are needed to be developed to foster better relationships with parties towards whom the organisation is needed to be responsible. According to Chen and Ahmed (2010), a stakeholder-oriented approach to Corporate Social Responsibility recognizes that organisations function within a wide network of stakeholders who post their varied assertions on the organisation. Consequently CSR is now seen as an important instrument of dialogue between the organisation and its stakeholders (Berger et al., 2007). Organizations are responsible towards those parties who are either directly or indirectly affected by the firm’s activities (Clarkson, 1995; Wood and Jones, 1995). Stakeholder theory is the fulcrum of stakeholder management. According to Garriga and Mele (2004), stakeholder management facilitates and attempts to incorporate and integrate stakeholders in organisation’s decision making process. One of the biggest challenges in stakeholder-oriented approach to CSR is finding out the optimal model to improve the relationship between the organisation and its stakeholders by providing mutually beneficial offerings (Post et al., 2002). As a result often stakeholder dialogue which outlines the interplay between the organisation and its stakeholders is deployed as a mechanism to resolve the imbalance in meeting the needs of the stakeholders. According to Freeman (1984), stakeholders are “any group or individual who can influence or be affected by the organization achieving its goals”, examples of stakeholder groups could be employees, investors, customers, suppliers, environment and local community. Basic underlying principles in relation to stakeholder management or stakeholder theory can be classified into two: Principle of Corporate Rights and Principle of Corporate Effect. The former stresses on the obligation of corporations not to intrude upon the rights of others, while the latter stresses on responsibilities that corporation have on repercussions of their actions on others parties (Freeman, 1999). Mcwilliams and Siegel (2001) view CSR as a response towards pressures from the competitive environment and/or the demands posted to managers from various stakeholders. O’Riordan and Jenny (2008) have explained that major part of fulfilling CSR demands goes into managing the wide range of stakeholders.

Paying heed to stakeholders’ demands

The onus lies on organisations to be receptive to the needs of the stakeholders. Difficulties in handling and managing these stakeholders often lead to defining and choosing important segments to be given more importance than the others. The crucial task in CSR is building robust and enduring relationship with stakeholders (Waddock and Smith, 2000). Murray and Vogel (1997) have stated that CSR– stakeholder dialogue act as an exchange mechanism through which interactions and offerings between the organisation and its stakeholders are strengthened.

Research has proved that stakeholder oriented approach to CSR does lead to many favourable organisational outcomes (Turban and Greening, 1997; Aguilera et al., 2007; Brammer et al., 2007; Heslin and Ochao, 2008; Orlitzky et al., 2003; Lichtenstein et al., 2004; Lindgreen et al., 2009; Rettab et al., 2009); however in order to deliver suitable outcomes efforts are needed to be developed by organisations. Dealing with these constituencies poses a lot of hurdles which could possibly be mitigated through constant efforts of the organisation. Quite often organisations prioritize various stakeholders and they try to address the needs of the most predominant ones (Chen and Ahmed, 2010). Prioritising could portray the salience of stakeholders. The term salience was brought to light through the work of Mitchell et al. (1997) wherein stakeholders are classified based on power, legitimacy and urgency. Salience brings out the relative worth of each stakeholder group. Salience is the degree to which managers respond or give priority to the claims of specific stakeholder groups (Mitchell et al., 1997). Power determines the capability of any stakeholder group to influence the organisation; legitimacy relates to acting to suit socially accepted norms, value and beliefs and urgency relates to identifying stakeholders groups who pose demands to be met within a specified period of time.

Each stakeholder group is different and they pose demands to organisations at different levels. It is quite difficult for organisations to treat and address the demands of all the stakeholders in the same level and within a particular time frame. Prioritising stakeholders provides them with ample space to develop policies towards each stakeholder groups separately. It is not always necessary that organisations place the same amount of importance to all stakeholder communities; this might be true for the fact that the demand from each stakeholder group is different and also the interplay between the groups themselves is humongous.

In literature, it has been argued that salience plays a pivotal role in stakeholder management and it leads to better CSR offerings amongst stakeholders. Reasons could be many; once stakeholder are identified and prioritised they can easily be mapped into categories, thereby meeting their demands becomes easier. Moreover it helps in recognising important groups, thus helping organisations in reacting proficiently and in responding to stakeholder’s needs better. Mishra and Saur (2010) have shown the significant relationship between salience and CSR. It has been proved that usually managers comply with the demands of salient stakeholders (David et al., 2007).
What could lead to salience?
Salience essentially is recognising stakeholders who are important based on parameters. However in order to arrive at such parameters organisations have to have some forerunners. Salience could be determined through preliminary motives and dialogues. The trigger for salience could be stakeholder integration and top management support.

Stakeholder integration as antecedent of salience
Stakeholder integration is defined as “ability to establish positive collaborative relationships with a wide variety of stakeholders” (Rueda-Manzanares et al., 2008; Sharma and Vredenburg, 1998). Stakeholder integration and stakeholder engagement are closely correlated and both are conventionally perceived as CSR in action (Greenwood, 2007; Garriga and Mele, 2004). Stakeholder integration is an important concept in CSR (Wood, 1991; Knox et al., 2005). Stakeholder integration enables the firm to better understand the stakeholders’ needs. Stakeholder integration encompasses developing strategies for associating with internal and external constituencies (Hart, 1995). Stakeholder integration can be seen as a process whereby the stakeholders’ needs are analysed. This process could lead to building long-lasting equally constructive relationship with various stakeholders. Stakeholder integration could reflect the genuine interest of management to cope with stakeholders. Stakeholder Integration envisions a holistic approach to stakeholder management. Stakeholder integrations highlight the genuine interests of management in building a strong bond with their stakeholders.

Stakeholder integration highlights the determination of the organisation to take efforts to understand, channelize policies and change for their stakeholders’ demands. Mere salience could mislead organisations to offer an array of benefits that they visualise to be important to the predominant stakeholder groups.

Stakeholder Integration (SI) covers three things; knowledge about the stakeholders, interaction between stakeholders and the company and adaptational behaviour (Plaza-Ubeda et al., 2010). Knowledge captures the methods and policies laid to systematically collect information about stakeholders. Knowledge assimilation is the first step in the process of stakeholder planning; without proper understanding it would rather be impossible to meet the demands of various stakeholders. The descriptive stakeholder theory emphasizes the need to understand the needs and demands of stakeholders. CSR offering made without assimilating information from stakeholder might lead to deployment of resources towards unrealistic-unrelated tasks. Assimilating information about stakeholders helps in, understanding their demands, enriching their relationship with the organisation. Hart and Sharma (2004) have expressed that more often than not, organisation’s crucial stakeholder’s change over time. Therefore stakeholder analysis could be seen as a dynamic concept; wherein assimilating knowledge about stakeholder constitutes a continuous vicious cycle.

Interactions echo signs of healthy relationships. Plaza-Ubeda et al. (2010) have stated that interaction refers to mutual or reciprocal relationship or influence with stakeholders. Interaction strengthens the association between two entities. Constant interaction can lead to healthy exchange of information. Polonsky (1995) has argued that communication is crucial in maintaining relationship with stakeholders. Interactions are pedestal for learning. Interactions bring about shared values and create trust between the stakeholders and the organisation.

Adaptational behaviour refers to changes undertaken by organization through altering its behaviour, with a view of meeting its stakeholders’ demands (Maignan and Ferrell, 2004). Adaptational behaviour captures the dimension of ‘change’. Change is inevitable in any relationship; ‘change’ here reveals the attentiveness of organisation to adhere to the needs of the stakeholders. Adaptational behaviour showcases genuine interests displayed by the organization towards adhering to the demands posted by the stakeholders. Knowledge and interaction act as planning devises and adaptational behaviour transforms the plans into action. Adaptational behaviour reflects the salience of the stakeholder group, it showcases the relative importance of the particular group who then emerge as being salient stakeholders.

Top Management Support as antecedent of Salience
Salience could also be determined with the amount of relevance placed by the top management amongst these stakeholders. The support received from the top management often transforms plans laid into action. Top management leaders are the drivers who blowout the spirit of social responsibility in the organisation (Waldman et al., 2006). They also integrate these in the business processes through various mechanisms (Vitell and Singhapakdi, 2008). Based on the support received from the top management salience towards a particular stakeholder group is revealed. It is only when stakeholder integration gets clubbed with support received from the top management the salience of the stakeholder group becomes strong.
Relevance of the framework
Thus it is perceived that a holistic stakeholder management model will have stakeholder integration and top management support leading to salience which will in turn lead to better CSR offerings amongst stakeholders. It is believed that this model differentiates management of stakeholders from stakeholder management. The latter being genuine interest showcased in fulfilling stakeholder needs and the former being manipulating needs of stakeholders according to the organisation’s yearnings (Post et al., 2002). The factors indentified reveal the genuine interest of the organisation to foster better relationship with stakeholders. Stakeholder integration covers all the necessary variables that are needed in bridging the gap between ‘what stakeholders want’ and ‘what is offered by the organisation’; it weeds out manipulation to a large extent and showcases efforts undertaken to understand stakeholders. Similarly top management support brings out the relative worth of each stakeholder group based on organisation’s concerns. However this model could be strengthened with other factors and could also be tested empirically. This is a projection for further research pursuits.

References


Six steps to successful Stakeholder Communication: A methodological approach to internal and external CSR Communication

Karin Huber
The CSR Company, Vienna

Abstract

Purpose
Communication can fulfil its role as a “CSR Driver” when involved in the CSR-strategy development process. As organisations cannot act outside of society or deny their stakeholders needs and interest, engaging with their stakeholders lies within the responsibility of organisations but foremost in their own interest. Responsibly operating organisations of all sizes set clear correlations between actions and words.

Approach
A thorough stakeholder analysis lays the foundation to confront organisations with their role in society and address all relevant issues of responsibility. The paper proposes a structured approach to systematic stakeholder involvement and a sound stakeholder communication strategy, subsequent to the analysis and based on its result.

Findings
International Organisations like the UN, the European Commission, or NPOs like GRI or Accountability prove to be driving forces behind sustainability. They support businesses with guidance on how to manage CSR, being mainly the result of multi-stakeholder processes. Combined with significant findings by academic research, practical guidelines can form a thorough foundation for stakeholder-focused CSR-Management and communication.

Practical implications
Stakeholder Involvement is key to achieve sustainability by establishing reliable as well as sustainable communications for corporate social responsibility.

Originality/value
The Six-Steps-Method is based equally upon practical implications, internationals standards and scientific research findings. It provides internal as well as external CSR-communication with a methodological approach for involvement of stakeholders, identified by relevance and interests, while at the same time making communication a driver of CSR in organisations.

Keywords
Stakeholder Communication, CSR Communication Tools, Stakeholder Involvement, Methodological Approach, Internal/External CSR Communication, Corporate Communication and CSR

Paper Type
Conceptual paper

Section
Tools for communicating CSR

1. Introduction
Credibility and trust, are most valuable elements for organisations in relationships with stakeholders and certainly add to corporate value. Whether profit-oriented or not, organisations conducting business responsibly and integrating long-term aspects by building sustainable relationships with relevant interest groups like employees, clients and customers, partners, suppliers, shareholders and investors, create value equally for the organisation and society. Hence "sustaina-
ble”, “responsible”, “green” or “environmentally friendly” today seem to be almost indispensable attributes for businesses presentations of corporate values, services or products. However they also seem to be dubious, as stakeholder’s mistrust and suspicions of greenwashing (or “window-dressing”, “white-” or “blue washing”) show in various surveys.

Concerns on the value of such messages can be deepened by media, NGOs or public’s critical assessment when it comes to trust based on sincerity and honesty. New media technologies encourage stakeholders not only to immediate research on background information, but can also facilitate the spread of discontent with organisational behaviour. Precious trustful relationships between organisations and their public can thus be easily and “sustainably” harmed.

A modern CSR approach to address the challenges of sustainability involves stakeholders as they play a crucial role in successfully integrated CSR-Management. Only they can issue the “social licence to operate”. CSR goes beyond Corporate Philanthropy and includes stakeholder needs and opinions already at the stage of strategy building. Furthermore it requires to be embedded into the overall corporate business strategy, entailing the organisations mission, vision and objectives, policies and plans as well as projects and programs, which are designed to achieve the objectives. As the licence to operate can only be earned by the acceptance of stakeholders, it is part of corporate responsibility to engage with stakeholders – and subsequently have actions speak louder than words. Nevertheless it takes cooperative, dialogical communication to involve stakeholders and build relations with them. Hence CSR communication plays an important role in a holistic CSR Approach by making stakeholders be part of the action.

Stakeholder-oriented management means that the environment is not just perceived through the filter of strategic planning and is exclusively dedicated to the resources and potential of the organisation. It explores and opens up future possibilities for action which should derive from the widened perspective on strategic options (Karmasin and Weder, 2008).

In addition stakeholder involvement strategies support understanding, recognizing and managing stakeholder concerns. They can also enable organisations to protect themselves against potential accusations or doubts regarding their engagement and legitimizes their CSR commitment (Eriksen and Morsing, 2011). Giving stakeholder communication an integral role in the strategy and considering it a driving key element for CSR, can therefore substantially contribute to the development of a sound sustainability strategy and successful CSR management.

CSR Communication is the expression of a company’s willingness to take responsibility for its impacts on society. Whether regarded as a change process or integrated when establishing an organisation, successful CSR needs communication in two functions, both internally and externally:

- to drive the process – referring to the communication “of” CSR, as an instrument to advance CSR;
- to communicate economic, ecologic and social responsibilities - referring to the communication “about” CSR as part of reputation management.

A holistic approach to CSR communication takes both elements into regard, is stakeholder-focused and dialogical (compare with Morsing and Schulz, 2006).

The conceptual approach in this paper sets comprehensible steps to establish a clear correlation between words and actions of responsibly operating companies by answering crucial questions like:

- What does it take for organisations to establish reliable and truthful communications for its corporate social responsibility?
- How and when do stakeholders need to be included in CSR strategy building?
- And how can organisations, whether large or small, initiate structured dialogue, keep it going and build a long term relationship upon it?

It will show in a simple six steps method, compliant with international standards and based on CSR communication research findings, how to establish credibility, transparency and stakeholder orientation and embed these three pillars of responsible communication into the organisation.

2. Theoretical Background

**Sustainability is the goal – CSR the way to reach it**

Sustainability is a social challenge for society. It entails a wide variety of issues such as climate change, freshwater scarcity, deforestation and desertification, biodiversity, poverty, population growth and more. It is the goal, society and politics want to achieve by involving economy, playing an important role in sustainable development. Companies however are not responsible for solving the problems of society. Whereas they certainly are responsible for the problems they cause or create. It is therefore expected, that companies accept their responsibility to contribute to solving social issues
and problems, if they are related to their respective fields of business and interests (Wood, 1991). Corporate (Social) Responsibility is the systematic management approach organisations can apply to do business in a responsible way to reach the goal of “Sustainability”.

To assure a consensus when discussing Sustainability, CSR and the Stakeholder Concept in this article, the underlying understanding and definition of the terms used shall be based on the following definitions:

**Brundtland Definition of Sustainability**

The intergenerational aspect of sustainability has first been stated in the report of the so-called Brundtland Commission. 1987, “The World Commission on Environment and Development” received global attention at the UN Conference in Rio, 1992: “Sustainable development is the kind of development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (Our Common Future, From One Earth to One World, 1987).

**Social Responsibility in ISO 26000**

The ISO 26000 Guidance on Social Responsibility (SR) published in November 2010 gives a widely accepted definition on responsible behaviour of organisations. The norm is designed to guide organisations in how they can contribute to sustainable development and is the result of a five-year, international consultation and discussion in a multi-stakeholder dialogue with 400 experts of 99 countries.

Referring to ISO 26000 Social Responsibility is the responsibility of an organization for the impacts its decisions and activities have on society and the environment, through transparent and ethical behavior that:

- contributes to sustainable development, health and welfare;
- considers the expectations of the stakeholders;
- complies with applicable law and is consistent with international standards of conduct;
- is integrated throughout the organization and practiced in its relationships.

(ISO/FDIS 26000:2010(E), p. 6)

**CSR on EU level**

A renewed EU strategy 2011-14 for Corporate Social Responsibility has been issued by the European Commission in October 2011. Whereas corporate responsibility in the old communication of the Commission is stated to be “voluntary”, the new definition declares CSR to simply being “the responsibility of enterprises for their impacts on society”. To fully meet their corporate social responsibility, enterprises should have a process in place to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy, in close collaboration with their stakeholders, with the aim of:

- maximizing the creation of shared value for their owners/shareholders and for their other stakeholders and society at large;
- identifying, preventing and mitigating their possible adverse impacts.

The Commission therefore recommends relying on ISO 26000, OECD, UNGC and the GRI reporting standard.

**The Stakeholder Term**

Stakeholders are individuals, groups or individuals or organisations that effect and/or can be affected by an organisation’s activities, products or services and associated performance (AA1000APS, 2008). However this does not include all those who may have knowledge of or views about the organisation. Organisations will have many stakeholders, each with distinct types and levels of involvement, and often with diverse and sometimes conflicting interests and concerns.

**The Stakeholder Concept by Freeman**

Freeman defines five key questions for businesses:

- What is our business?
- What business are we in?
- What business do we want to be in?
- What business should we be in?
- And most importantly: What do we stand for?

(Freeman, 1984)

Organisations will need to involve their stakeholder to answer these questions as they cannot operate in separation from their environment — whether it is regarded as market, society or the public. To seek stakeholder feedback and dialogue on these questions can therefore be seen as a strategy of expanding business options by initiating a planning process
to secure an extended potential of internal and external information (Karmasin and Weder, 2008).

**Stakeholder Engagement**

The term refers to the strategies and processes used by organisations to engage with relevant stakeholders and the results of their engagement.

It is being used to improve communications, obtain stakeholder support for activities and operations, raise understanding for decisions or projects, gather useful data and ideas enhance corporate reputation or provide for more sustainable decision-making.

Stakeholder Engagement refers to the attention an organisation pays to its stakeholders concerns with an on par, dialogical approach. It consists of the following elements:

- listening;
- willingness to understand;
- openness to the outcome;
- straightforwardness;
- honesty about agenda and motives;
- facilitation of access to communication;
- clear communication;
- comprehensive, intelligible content;
- regarding of communication as conversation;
- being on par with stakeholders;
- personal, small unit – communication.

3. **Materials**

In 2012 the author has taken part in developing an online “self-check on CSR communication” for a CSR communication consultancy. CSR – and communication managers mainly in Germany, Austria and Switzerland have been invited via the CSR news platform crs-news.net to participate in the test. By August 2013, 280 participants have been taking the short online test, which went online in April 2012. It is taken anonymously, data is not collected. The program memorizes the IP addresses and displays only the last taken test result in the overall statistics, which can be viewed when done. As this is certainly not scientifically reliable data, it still does show certain trends:

Only one third of the participants see CSR positioned in an executive position, whereas another 30 percent regard CSR as a mere reputational tool.

**FIGURE 1. IMPORTANCE OF CSR (SOURCE: COMACT.AT)**

A majority of participants do not know the content of the guidelines for communication with stakeholders.

**FIGURE 2. COMMUNICATION WITH STAKEHOLDERS IN ISO 26000? (SOURCE: COMACT.AT)**

A close 77 percent report that they communicate on CSR issues to employees. The next largely informed groups are customers (61%) and the public (53%). This might indicate, that CSR communication could be dominated by PR and marketing.
Among the CSR communication tools, the website is even more favoured and in use than the definitely more elaborated sustainability report. PR is used by 50 percent of the participants whereas only 25 percent organise stakeholder panels as a communicative instrument.

Only one third involves the stakeholder in the process of developing the CSR strategy, while another third informs them by communication on projects. This matches the result of the question of strategic positioning of CSR.

In summary the results show that CSR communication is used in the limited range of “communication about CSR” but not as a driver of the CSR process within the organisation and stakeholder are not involved in the strategy development process.

4. CSR Communication beyond PR
The statistics of the CSR Communication check and the authors personal experience in consulting support the assumption of a lack of systematic stakeholder involvement and consequently a lack of strategic stakeholder communication in the organisational practice.

CSR management still widely operates in combination with mere communication on philanthropic projects, referring to this practice as “CSR communication”. But to use CSR content only for PR, Stakeholder Management or CSR-Reporting, deprives organisations from benefiting from the full potential of CSR communication. The mere publication of data on sustainability or CSR activities or projects in a report does not assure that the issues of stakeholders have been addressed properly or that their needs for information have been met. Corporate effort needs to be taken beyond the
plain publication of a sustainability report, to meet the rising informational needs of interest groups and stakeholders.

Despite research findings by academia or recommendations and guidelines by international organisations many organisations seem to be quite unaware so far of the perspectives for sustainable development of their organisation by adapting the stakeholder concept for their CSR. Communication, also on CSR and sustainability, still seems to be basically viewed as “telling, not listening” (Grunig and Hunt, 1984). And although a one way communication approach is not effective in CSR and stakeholder communication, monological communication tools are still widely in use.

Two-way communication
A certainly effective way of gaining trust by adequate involvement is dialogical or two-way communication (Morsing and Schultz, 2006), as it can build up to a relationship by communication. Stakeholder Dialogue needs to consist of the following elements:

• identifying concerns;
• promoting understanding;
• mediating interests;
• identification of key issues;
• defining opportunities for long-term communication processes;
• preventing conflicts;
• monitoring trends.

(AA1000SES, 2011)

Looking at organisational chart and organigramm, the communication on CSR can often be found at the agenda of PR and marketing. One of the favourite, yet ineffective, communication methods of both departments is

The scattergun approach
It refers to the scattergun, which fires a great number of small pellets on its target hoping that some of them might hit – most however miss. The scattergun approach in stakeholder communication is when organisations, respectively the communication department, don’t pay attention to stakeholder’s specific interests and needs to isolate them from the general publics. While a few people may be interested, the majority of the CSR and/or communication effort will be wasted on people who aren’t interest groups or who are, but the issue is not of interest to them, or all different stakeholder groups get provided equally with the same amount of information and content.

Knowing and respecting different stakeholder groups informational needs and interests can lead to more effective strategies for stakeholder communication, as for example.

Grassroots communication
Grassroots and word-of-mouth on the other hand, can be most effective as a strategy for stakeholder involvement as it keeps communication at a personal level thus helping to increase the value of the message by enhanced authenticity and trust. It is an efficient, yet inexpensive, involvement strategy, regarding quality higher than quantity (compared to mass media communication).

Mass media still seems to be the preferred instrument when it comes to communication with stakeholders and despite various existing tools in use like Stakeholder Dialogue Events, World Cafés or surveys, practice shows a lack of structured efforts in stakeholder involvement. There seem to be uncertainties about:

• At what point in the process shall stakeholders be asked for feedback?
• How can their feedback be managed to make it part of the organisations continuous improvement of sustainable development?
• How to build a CSR strategy on the information gathered?

The following chapter will show a structured and practical approach on how organisations can involve their stakeholders and create a sound base for relationships with different interest groups.

5. Six steps to successful stakeholder communication
Before starting the Stakeholder Involvement Process
Once the organisation has taken the strategic decision to make social responsibility or sustainability an integral part of the overall business strategy it can start to develop a CSR strategy. The organisation needs to be clear about their objectives, meaning that it needs to know what the purpose of their CSR engagement is, where it wishes to go and what it wants to achieve. Core competence and market environment need to be defined. CSR objectives need to be clearly and
decisively linked to the core objectives of the organisation. All decisions, activities or tasks to accomplish to reach these objectives need to be defined and listed.

This can either be seen as a process:

**FIGURE 6. PROCESS OF SIX-STEPS-STAKEHOLDER INVOLVEMENT (SOURCE: AUTHOR’S OWN)**

![Diagram of Process of Stakeholder Involvement in six steps](image)

or as a structure model to build up from the base (identification) to the top (evaluation):

**FIGURE 7. PYRAMID MODEL OF SIX-STEPS-APPROACH (SOURCE: AUTHOR’S OWN)**

![Diagram of Pyramid Model of Six-Steps Approach](image)
The preferred type of presentation can be used to achieve structured stakeholder involvement. However organisations shall be able to answer the following questions step by step:

1. Identification and prioritization of Stakeholders
   • Who has got interest in the company?
   • Who can influence the organizations' success?
   • Who can be affected most by the organisations decisions and activities?

To define the role of an organisation in society it needs to know, what society expects of it. Society consists of a variety of stakeholders which need to be prioritised. A thorough stakeholder analysis lays the foundation for organisations to confront themselves with their role in society and address all relevant issues of responsibility. It is a dynamic process, its results need to be monitored and reviewed on a regular basis (annual or biannual).

This can be done by creating a table, a graphic or some other visualisation. The crucial point in this step is the internal discussion among representatives of the organisation – ideally of all levels and different functions. The discussion of the stakeholder’s order of importance needs to be careful and thorough.

Using the Salience Model by Mitchell et al. (1997) can be a first step into the process. This step creates the basis for all CSR related strategies: stakeholder involvement, engagement and communication.

Mitchell et al. (1997) define Power as the ability of the stakeholder to impose their will. Urgency is the need for immediate action; Legitimacy is whether their involvement is appropriate.

For some organizations it may well be appropriate to divide their stakeholders in internal and external stakeholders, or even adapt different sections for a more individual structure.

**FIGURE 8. SALIENCE MODEL BY MITCHELL ET AL. (1997)(SOURCE: AUTHOR’S OWN)**

**Priorization of Stakeholders**

1. **Dormant stakeholders** have power but not urgency or legitimacy. Regarding Involvement and communication the organization needs to be aware of them but there is no need to plan for their communication needs at the moment.

2. **Discretionary stakeholders** own legitimacy but no power or urgency. Communication needs maybe in the form of actually asking for some details – no urgent need of attention.

3. **Demanding stakeholders** have urgency. Their needs have to be met upon request.

Close attention has to be paid to 4, 5, 6 and 7 as there is more than one dimension to overlap:

4. **Dominant stakeholders** own power and legitimacy. They have a legitimate claim on attention and their communication
needs have to be taken into account.

5. **Dangerous stakeholders** are the ones where power and urgency overlap. They could be dangerous to the organization’s activities or a project unless their demands can be met. Urgent communication activity needs to be planned and conducted carefully.

6. **Dependant stakeholders** have legitimacy and the urgency but no appropriate power. They should be kept informed. Most importantly:

7. **Definitive stakeholders** needs have to be met by all means as they are crucial to the organization or their activities. In this stakeholder group power and legitimacy converge. They need to be considered in all communication activities. (Mitchell et al., 1997)

A database can be created, to monitor the defined stakeholders and their prioritization, as their position may change overtime and needs to be reviewed on a regular basis.

To be clear about the stakeholders positioning is crucial as this information will strongly influence the communication needs in step 4.

**2. Identification and collection of issues and interests**

- What kind of issues and interests do they have?
- How can they affect the organization’s success?
- How to define what is really material?

Organizations need to know, how to sustain business in a changing environment and still contribute value to society. Therefore the materiality process determines the most relevant and significant issues for an organization and its stakeholders (AA1000APS, 2008, p. 9). In the past, material issues to address and to report on have been defined by financial reporting. Now disclosure on risks and opportunities posed by sustainability issues is increasingly demanded by various stakeholders.

Material issues are the ones most relevant and significant to an organization and their stakeholders. To gain this information, organizations need to seek stakeholder feedback on the most critical and important issues that will influence the decisions, actions and performance of both, the organization and its stakeholders. In this phase measures to listening to stakeholders and direct involvement need to be taken.

A Stakeholder Matrix can be useful to keep track on the organizations objective, its stakeholder groups and the relevant issues.

**3. Definition of fields of action – planning of engagement methods**

- Where and how can the company involve stakeholders and engage with them, in order to establish long term relationships?
- On what level do we (want to) engage with them?
- Which engagement methods do we use or should we use?

Decisions, actions and performance related to the material issues are now necessary to plan.

Organisations can adopt the “Five Levels of Engagement” model by the International Association of Public Participation (IAP2) and define the level of engagement for each stakeholder group:

**Level 1. Inform** – Provide balanced and objective information to help understanding a problem, alternatives, opportunities and/or solutions – f.e. websites, newsletters, flyers, personal communication

**Level 2. Consult** – Obtain feedback – f.e. focus groups, surveys, forums or meetings

**Level 3. Involve** – Working directly with stakeholders to ensure that concerns and feedback are consistently understood and considered – f.e.: collect personal feedback in team sessions, interviews, panel discussion at symposium, workshops or mapping sessions
Level 4. Collaborate — Participate as equal partner in each aspect of the decision including the development of alternatives and the identification of a solution — f.e. steering committees, member of CSR/sustainability team

Level 5. Empower — Final decision-making is in the hands of the stakeholders — f.e. working group is responsible for specific decisions, stakeholder group referendum

Regarding the communication strategy with the stakeholders an information matrix can prove to be helpful:

**FIGURE 9.** INTEREST MATRIX, BASED ON GARDENER ET AL. (1986), “POWER/INTEREST MATRIX” IN HANDBOOK OF STRATEGIC PLANNING (SOURCE: AUTHOR’S OWN)

<table>
<thead>
<tr>
<th>Keep satisfied</th>
<th>Key Player</th>
</tr>
</thead>
<tbody>
<tr>
<td>Keep informed / regard their interests</td>
<td>Involve / Collaborate</td>
</tr>
<tr>
<td>Minimum effort</td>
<td>Keep informed</td>
</tr>
<tr>
<td>monitor</td>
<td>Consult</td>
</tr>
</tbody>
</table>

Organisations can also develop and use any visualisation they find useful to map their stakeholders communications needs.

4. Definition of stakeholder-specific information channels and tools that establish dialogue
   - How do stakeholders communicate with the company?
   - Do the stakeholders communicate with each other (and if so: how)?
   - How does the company communicate with them now (are content and channel appropriate)?
   - How can we do so in the future?

Answering these questions and analyzing the stakeholders communications behaviour can lead to a displaying the results in a network graphic or in a scheme or figure. A listing of all communication channels and tools used for communicating with stakeholders on CSR is to be done. Gaps or non-corresponding channels and tools can thus easily be detected and corrected. Organisation will also need to consider the relations of stakeholder groups to each other and take the level of influence into regard.

Quality of communication shall be favoured over quantity. There will be many small—unit instruments needed for personal communication like conversations, talks, discussions, a.o. One of the advantages of effective stakeholder communication is that communication budget can be kept low by meetings, workshops, trainings, coaching, mentoring, conferences, events, and many more.

Nevertheless there will also be the need of mass media communication instruments like intranet, newsletter, employee magazines, company brochures, flyer, poster, press releases, advertising campaigns or social web tools like corporate CSR blogs, forums, net-communities, and more.

5. Specific presentation of relevant information for each stakeholder group
   - What issues are of interest to which stakeholder group?
   - What is the key message?
   - How can we make content easily accessible and understandable to each stakeholder group?

Step five also needs careful analysis of the communicational habits of the exponents of stakeholder groups. The information gathered will be crucial, as it will determine content, message and language (in the sense of lingo: specific jargon, terminology, technical, etc.) but also need consideration of the respective media literacy of the individual stakeholder groups (which certainly can be inhomogeneous). Disclosing credible information about strategy, goals, standards and
performance to those stakeholders who base their actions and decisions on this information, based on the knowledge gathered so far, ought to be a minor challenge.

6. Evaluation of CSR communication activities and setting measures for continuous improvement of stakeholder involvement and engagement

- Are we still on the right track?
- Are we in a position to anticipate future developments in our social and entrepreneurial environment?

This can be achieved by the adaption of accountability model for stakeholder engagement to CSR communication needs:

- Think strategically;
- Analyse and Plan Involvement and Communication;
- Strengthen Capacities of organization;
- Design the Stakeholder Involvement Process;
- Engage, Review, Report;
- Regard as a cycle process of continual improvement.

(compare with AA1000SES, 2011)

It is important to establish goals and standards against which not only the CSR strategy but also the stakeholder involvement and communication strategy and their associated performance can be managed and judged. All findings need to be redefined through feedback.

The Positive Effects of Stakeholder Involvement by Communication

Organisations may use communication of and about their responsibility to achieve positive affects on their perception and the recognition of their role in society. CSR communication can be an important contribution to the internal process of continuous improvement but mainly it contributes to the improvement of relations and exchanges with key stakeholders. Relationship with corporations, governments, the media, suppliers, partners, customers and the community in which an organisation operates can improve. Effective Stakeholder Involvement by communication can also provide information useful to the organisation about the challenges and impacts of the business activities. It can describe products, services and other activities authentically and credible. Organisations can take their responsibility, with a clear conscience, and show their contribution to society, businesses can show their positive impact on the market and competitors.

Taking full advantage of CSR communications potential, it can also positively affect the areas of competitiveness and reputation as well as the ability to attract and retain workers, members, customers, clients, voters or users. Adequate stakeholder communication can support the maintenance of commitment and performance among employees and positively influence the assessment of investors, owners, donors, sponsors and the financial community (ISO 26000).

Seeing issues coming up at an early stage can foster a proactive or active approach towards sustainability and CSR in organisations, and lead away from the currently so widely practiced reactive attitude, which regards CSR merely as a part of the reputational management.

6. Discussion

CSR and stakeholder communication have been the subject to some extend of academic research. But "while the empirical observations have served to illustrate the complexity faced by managers as they engage in CSR communication, they do not guide managers in how to approach the complexity of the communication" (Morsing and Schultz, 2006, p. 331).

But also the discussion and presentation of the necessity to involve stakeholder into organisational decision making processes by worldwide by institutions like UN or EU has so far only convinced a few to follow the recommendations. Certainly the concept of stakeholder involvement demands a good deal of courage for organisations and their management, whether it is the Executive Management, CSR – or Communication Management.

On the one hand there seem to be rather irrational concerns of the proponents to enter face to face meetings or even encounter with stakeholders on organisational levels. On the other hand, there is often strong disapproval of the concept by the management, as the involvement of stakeholders is often misunderstood as giving away the ultimate authority for decisions – which in fact rests with the management and shall definitely remain there – and stakeholder demands dominating the organisation thus being held hostage by different interest groups. The rest consist of indefinite objections fuelled by the concern of management loosing control by empowering stakeholders, management loosing its legitimisation or uncontrollable outcomes of open stakeholder dialogue. All of these seem to hinder the involvement of
stakeholders in CSR strategy and communication but are in fact based on a lack of know-how on professional stakeholder involvement strategies.

Nevertheless “stakeholder involvement becomes increasingly more important for ensuring that a company stays in tune with concurrently changing stakeholder expectations. CSR is a moving target, making it increasingly necessary to adapt and change according to shifting stakeholder expectations, but also to influence those expectations” (Morsing and Schultz, 2006, p. 336). Taking stakeholders interests into account and taking their claims serious is currently the biggest challenges organisations face, as it needs to change their point of view and drop concerns regarding the loss of control.

The presented paper tries to combine the best of both: essential research findings and a straightforward method to control and manage the involvement of stakeholders using communication to build sustainable relationships as a basis for a sound CSR communication strategy. As this is a practitioners’ paper the focus lies definitely on the practical approach, but may hopefully be interesting for scientists as well. Promoting science by practicing dialogue between academia and practitioners and involving academia, by research findings and studies into practitioners work, seems to be worthwhile and certainly an act of stakeholder involvement. Translating scientific output and research results in the field of CSR communication for practitioners and promote the transfer of practical challenges and experience in science, may well be one of the missions of CSR communication.

7. Conclusion
Stakeholder Involvement has been a step-child of CSR as well as CSR Communication. A holistic approach to both demands careful analysis, which takes little steps and small successes and also does not respond well to mass media communication instruments. Dialogical communication demands small scale communication, sound relationships and trust, that feedback is well received and respected. It requires small scale research and laborious empirical work. The quality of relationships is crucial not the quantity.

Established in the proposed manner, CSR communication helps companies to exemplify relations with internal and external stakeholders and to show how they fulfil their social responsibility, while responding to the stakeholders expectations. International guidance standards on CSR (ISO 26000, UNGC) show a strong emphasis on stakeholder involvement, as does the new reporting standard G4 by GRI®.

Consultation and collaboration are not only levels of stakeholder engagement, they certainly also serve as a test for this conceptual framework’s integrity. Sharing practical knowledge and experience and revealing whether information is relevant one of the authors objectives. The “open house” approach also opens the opportunity to gain valuable feedback from others. Therefore the author will be happy to discuss and process any feedback on this methodical approach to stakeholder communication in further research on the topic.

1 As for example in the “State Green Business Report 2013” (available at: http://www.greenbiz.com/research/report/2013/02/state-green-business-report-2013), the annual
3 In this paper the term “CSR” is used synonymously for Corporate Social Responsibility, Corporate Responsibility, Corporate Sustainability, Social Responsibility and all similar terms for organisational efforts to address sustainable development. The term “Organisation/organisational” addresses corporations or businesses but also includes academic or political institutions and non governmental/ non profit organisations.
4 All figures from Comact.at, “Online self-check on CSR communication”, developed by Huber and Cziharz, 2012 for Comact, 280 participants, April 2012–August 2013 (available at: www.comact.at).
5 There is no differentiation between large corporations or SME or NPOs, as the steps to take are basically the same. Large corporations will be of a more complex structure, as will their processes for decision-making. This and the communication channels may well be shorter and easier to define in SME, which can also shorten and facilitate planning and decision-making processes.
6 Stakeholders define the material issues of organisations to report on. Organisations have to document the process.

Abbreviations:
CSR – Corporate Social Responsibility
CR – Corporate Responsibility
SR – Social Responsibility
CS – Corporate Sustainability
AA – AccountAbility
References


**Figures**

- Figure 6: Process of Six-Steps-Stakeholder Involvement, author’s own.
- Figure 7: Pyramid Model of Six-Steps-Approach, author’s own.
- Figure 8: Salience Model by Mitchell et al., author’s own.
Processing of CSR communication: Insights from the ELM

Paula Maria Bögel
Leuphana University

Keywords
CSR communication, Elaboration likelihood model, Involvement, Social responsibility

Introduction
Over the last decades, a constantly increasing number of companies have engaged in corporate social responsibility (CSR) activities, often with the aim to gain a competitive advantage (Carroll and Shabana, 2010). Effective CSR communication is one basic condition for companies to profit from their CSR activities (Ihlen et al., 2011). However, despite the importance of CSR communication for a successful CSR engagement, management often does not include it in strategic planning. As a result, existing studies identify two major problems in CSR communication: the lack of awareness about CSR activities among many stakeholders and stakeholders’ skepticism towards CSR (Du et al., 2010). Key stakeholders often do not trust companies' CSR activities; actually, they frequently accuse companies of engaging in such activities only for marketing purposes, so called “greenwashing”. Hence, a key challenge for companies is to persuade stakeholders to believe in their CSR engagement and consequently overcome the trust barrier. Therefore, it is necessary to better understand how stakeholders process CSR communication and how they evaluate it. So far, little is known about the cognitive processes that influence the processing of CSR information and the variables involved (Wang and Anderson, 2011).

One variable that has been identified in numerous studies as a significant influencing factor of information processing is involvement (Gotlieb and Sarel, 1991; Petty et al., 2009). Based on these previous findings, the purpose of this research is to better understand how stakeholders process information about CSR and how they can be persuaded by CSR communication depending on their CSR involvement. This quantitative study examines if stakeholders with high vs. low corporate social responsibility (CSR) involvement differ in their processing of CSR communication as well as in their expectations for persuasive CSR communication. Implications for target-based CSR communication are also discussed.

Conceptual framework

Involvement & information processing
The general research on the influence of involvement on information processing has shown that involvement influences peoples’ cognitive activities while they process information (Wright, 1974; Petty et al., 2009). Overall, people invest greater cognitive effort in information processing when their involvement is high rather than low (Celsi and Olson, 1988; Petty et al., 2009). Therefore, it is assumed that people will invest more cognitive efforts while processing CSR information when their CSR involvement is high rather than low (hypothesis 1).

In addition to how the level of involvement influences the degree of cognitive elaboration, involvement also affects information processing in terms of the perceived level of trust in the presented information (Petty et al., 1983). Based on the previous findings on the relationship between involvement and trust, it is suggested that when transferred to CSR communication, a higher level of CSR involvement reduces stakeholders’ trust in the CSR engagement of a company (hypothesis 2).

Involvement & persuasion
Based on these findings about the influence of the involvement level on information processing, Petty and Cacioppo (1986; cf. for a current review Petty et al., 2009) developed a conceptual model to explain the relationship between involvement and persuasion: the elaboration likelihood model (ELM). The ELM identifies two different routes to persuasion: the peripheral and the central route. The central route is likely to occur if a person is motivated (involvement, need for cognition) and does have the ability to process and evaluate the available information (comprehensibility, degree of distraction, knowledge level). Processing via central route includes a high level of elaboration that is reflected in intensive issue-relevant thinking. In this case, the pros and cons of the argumentation are considered, and the quality of an argumentation is crucial for persuasion (Petty et al., 1983). In contrast, if a person’s motivation or ability to process
information is low, persuasion occurs via the peripheral route, including a low level of elaboration. When applied to CSR communication, it is expected that if CSR involvement and processing ability among stakeholders is high, intensive elaboration while processing CSR communication is likely to occur, leading to stakeholders’ expectations of sound information about companies’ CSR activities (hypothesis 3).

Method
107 students at a German university participated in the study. 73% of the participants were female. The average age was 22, SD = 3.15. In the study, participants received information about a fictitious company.

In the first phase, participants were given initial information about a fictitious fashion brand. To create a realistic scenario, information from different sources was included: screenshots from the website of the fictitious company, a newspaper article and two articles from different (fictitious) blogs that contained information about the company. CSR information was not included in this first phase. As this study aimed to examine the information processing as well as the persuasion process, all initial information about the company given to the subjects were slightly negative as previous research has shown that CSR will be viewed with enhanced skepticism if the company initially has a negative image (Elving, 2012). To test the manipulation, the company image was measured after the first phase by asking the participants to complete the sentence “I would describe the company as...” using a 7-point Likert scale (1 = negative image) for 12-items provided on semantic differential scales (e.g. high quality/low quality). On average, the company was perceived negatively, M = 2.43, SD = .83, thus confirming the manipulation of the initial company image.

In the second phase, participants were given the CSR report of the fictitious fashion brand. Again, in order to create a realistic scenario, the described CSR activities were similar to those of comparable existing companies (e.g. the popular fashion brand H&M). In a pretest of the material, participants (n = 47) were informed about the study and were asked to rate how realistic they perceived the company on a 7-point Likert scale (from 1 = not realistic to 7 = very realistic), M = 4.29, SD = 1.60, thus indicating that the presented material was perceived as realistic.

Findings
To compare the differences in information processing dependent on the CSR involvement, the sample was split at the median (5.00 at a 7-point scale). Overall, the difference in the level of involvement was significant between the two groups, t(102) = 14.66, p < .001.

In general, the results support the hypotheses that the processing of CSR communication is different based on stakeholders’ involvement level. Subjects with a high CSR involvement level spent more time attending to the CSR report than subjects with low CSR involvement. However, this difference did not reach statistical significance, t (81) = .73, p = .234. Thus, hypothesis 1 was not supported.

In terms of the differences in trust in the CSR engagement of a company dependent on the CSR involvement, the theoretical assumptions were supported (hypothesis 2). Subjects with high CSR involvement trust the CSR engagement of the company significantly less than subjects with low involvement level, t(102) = -1.92, p = .029. Effect size was small to medium, d = .38.

Furthermore, the findings confirmed that dependent on the two different ways of CSR information processing, subjects need different communication options in order to be persuaded to trust the company’s CSR engagement. Hypothesis 3, proposing that depending on the CSR involvement level, people have different expectations towards a trustworthy CSR communication, was confirmed. According to the proposed hypothesis, the percentage of participants who demanded more detailed CSR information differed significantly by the level of CSR involvement, whereby participants with a high level of involvement more often demanded detailed CSR communication (HI: 74%, LI: 55%), 2 (1, N = 104) = 3.96, p = .047. Based on the odds ratio, the odds of participants demanding more detailed CSR information were 2.29 times higher for participants with a high level of involvement than for those with a low level of involvement.

Implications
So far, CSR communication research has often focused on the effectiveness of communication strategies in general. In contrast, the application of the ELM offers a theoretical basis to better understand which moderator variables influence stakeholders’ processing of CSR communication and hence the persuasion process. The main finding of the ELM with regard to the different needs of stakeholders is the differentiation between the two ways of how stakeholders process CSR communication depending on their level of CSR involvement. This leads to two different routes to persuade stake-
holders to trust CSR activities.

As involvement can be used to characterize individuals as well as groups, previous research has distinguished stakeholder groups with different involvement levels (Pérez et al., 2013) that could assist companies in more strategically targeting their CSR communication (cf. Dawkins, 2004). Following the ELM, for stakeholders groups who have low CSR involvement and/or insufficient processing ability and thus process CSR information via the peripheral route, visual information is better than textual information. In this scenario, expertise of the message source and source credibility are important factors in the persuasion process (Petty et al., 2009). In contrast, for stakeholder groups with high CSR involvement and sufficient processing ability, companies should provide detailed textual information about their CSR activities, because stakeholders will expect companies to present valid information about their CSR activities.

Limitations & further research
The use of the ELM as a psychological theory offers interesting potential for a more theoretical reflection on CSR communication research. For this purpose, this study offers interesting preliminary insights, but also suffers from some limitations. One limitation is that this study used a correlational design (Shadish et al., 2002) to test the developed hypotheses. To further examine how involvement influences information processing and thus persuasion, an experimental design should be used including the manipulation of the level of involvement as well as the manipulation of ability.

References
Communicating Creating Shared Value (CSV) in the English Premier League

Marcelo P. Castro
Manchester Business School

Purpose
This research has two objectives. First, how high-ticket prices can potentially erode supporters' allegiance, and how this affects awareness and response to CSR initiatives. Secondly, it proposes the operationalization of the three strategies within the Creating Shared Value (CSV) framework (reconceiving products and markets, redefining the value chain, and the development of local clusters) as a sustainable strategic alternative to expand business and social value, while enhancing the league's CSR Communication potential.

Design/Methodology
This research follows a mixed methods approach based on two studies. The qualitative study explores the application of the CSV framework to the league and is based on semi-structured interviews of league/club executives and secondary sources. The quantitative study is based on a survey of members of the two main supporters’ organizations that have already committed their support to this project. It aims at understanding their views on ticket pricing, erosion of allegiance, CSR awareness and their views on lower-tier teams (Academia and Women).

Findings
Early findings based on my pilot project include a defensive posture from the League due to skepticism, how on-field performance overshadows CSR efforts and monopolizes media interest, and the lack of use of their players’ presence in social media. It also includes the league’s pragmatic understanding that CSR initiatives bring the club closer to society, the lack of measurement of communications impact, and the need to balance excellence with an affordable product.

Originality/value
Introduces the concept of Erosion of Allegiance and how it affects CSR awareness. It proposes the CSV framework to expand business and social value. Lastly, it illustrates how stronger social ties are attractive to new market segments and quality sponsors, and could transform the EPL&C into a unique vehicle for CSR Communications.

Keywords
CSV, Sport, Football, Price Unfairness

Article Classification
Research Paper

Background
The English Premier League and its clubs (from this point on the EPL&C), as other global enterprises, faces the challenges and opportunities of balancing local and global tensions. On the one hand, what Andrews and Ritzer define as “glocal”, or the integration of local and global forces, where the purely local has been overtaken by this new combination. In the EPL&C this is reflected by 62% of its players being foreign born (Wheeler, 2013), attracted by the league’s high wages.

On the other hand, the EPL&C follow an aggressive global growth strategy, so-termed “grobal”, in which financial and intellectual power “overwhelm the local rather than neatly integrating the two” (Andrews and Ritzer, 2007, p. 137). This “grobal” strategy is fueled by the transnational network society where information technologies (in the case of the EPL&C television and the internet in particular) “enhance and accelerate the production of knowledge and information, in a self-expanding, virtuous circle” (Castells, 2000, p. 10) in which boundaries of space and time that define cultures are replaced with what Castells defines as “real virtuality”. This real virtuality provides “the symbols and icons from which we think and thus exist” (p. 13). Social actors like the EPL&C advance their agendas by taking advantage of “spaces of flows”, defined as “the technological and organizational possibility of organizing the simultaneity of social practices without geographical contingency” (p. 14). In other words, the EPL&C has developed an entertainment product that ef-
effectively and simultaneously engages fans all over the world.

The EPL defines its “global” business strategy as the “virtuous circle model”. In the words of its Chief Executive, Richard Scudamore:

The model says: 1) Put on the best possible show – by using the top talent we can attract from around the world – in full stadia; 2) generate maximum interest – that can mean commercial interest, public interest, political space; 3) convert that into commercial success, soft power and political influence; and 4) distribute revenues equitably, use power and influence responsibly, balance commercial success with corporate social responsibility and redistribute that money, influence and soft power responsibly to put on a better show (Premier League, 2013b).

However, one of the consequences of this strategy is the increase in “glocal” costs primarily in the form of player wages that are currently 67% of revenue (Gibson, 2013) and put into question the long-term sustainability of the league despite its overall success. Thus far the EPL&C have dealt with this imbalance by attracting investors with deep pockets or “innovative” debt schemes, by increasing the price for their TV rights and sponsorships, by increasing player transfer fees and, most importantly for this research, by passing along some of the additional costs to local supporters in the form of higher ticket prices that they are increasingly having a hard time affording.

In short, the EPL&C has simultaneously been able to develop a “world-class” product to reach and engage fans in almost every corner of the world while disenfranchising an increasing proportion of their supporters at home.

Based on the previous snapshot, the aim of this research is twofold: first, to understand how higher ticket prices affect the supporters’ allegiance to their clubs and its effects on their awareness and response to CSR initiatives. Secondly, this research proposes how the EPL&C could redress the imbalance between the “glocal” and “global” tensions by adopting the Creating Shared Value (CSV) framework of expanding both economic and societal value (Porter and Kramer, 2006, 2011) and implementing the three strategies presented by the authors: reconceiving products and markets, redefining the value chain, and the development of local clusters.

The following section links this practical problem with the extant literature, and identifies specific gaps that will be addressed with this study.

Problematizing the relationship between the EPL&C and their Supporters

Freeman (1984) is largely credited for bringing stakeholder theory to the forefront of strategic thinking. He defined stakeholders as any group or individual that “can affect or is affected by the achievement of an organization’s objectives” (Freeman, 1984, p. 46). This definition, criticized as too broad (Jackson, 2010, p. 97), has been redefined by Fassin as “any individual or group that maintains a stake in an organization in the way that a shareholder possesses shares” (Fassin, 2009, p. 116). Although this definition might be too narrow, since it suggests prioritizing primary stakeholders, the author also recognizes that stakes differ, ranging from being a claimant to an influencer or a combination of both. How firms prioritize these claims is what Mitchell et al. define as stakeholder salience. Under this view, stakeholder salience depends on three attributes: power, legitimacy and urgency (Mitchell et al., 1997). In the football industry, supporters are a “definitive” stakeholder group (Mitchell et al., 1997), since they hold all three attributes. For traditional supporters, their club is part of their identity, and they congregate in football stadiums to “make strong public declarations of who they are, what groups they identify with, what they stand for, and who and what they stand against” (Brown, 2000, p. 139).

However, supporters are not a homogeneous group, and there are several taxonomies in the literature that deal with the segmentation of supporters (Wann and Branscombe, 1990, 1993; Tapp and Clowes, 2002; Giulianotti, 2002). These studies, mostly based on geo-demographic and psychographic approaches, show a continuum of supporter commitment from the “traditional” committed supporter, to the “more detached, cool, consumer-orientated identification” (Giulianotti, 2002, p. 25) of the post-modern consumer.

In terms of supporter expectations, the literature has identified that understanding supporter needs “appear[s] to relate to the redevelopment of the area surrounding the club’s stadium, reduced ticket price costs and – most crucially – investment in the playing team which might give it a better chance of winning football tournaments” (Millward, 2011, p. 121).

Balancing the expectation of success with affordable ticket pricing is becoming increasingly problematic. According to a May 2013 survey, a third of season ticket holders have a hard time affording renewal, and believe that the season...
ticket prices are unfairly overpriced by £200 (Preston, 2013). According to Xia, consumers make judgements on price unfairness based on how prices used to be in the past, and/or compare their situation with other people or groups (Xia et al., 2004). Also, the economic exchanges between buyers and sellers are governed by social norms that rule and guide behaviours. These informal social norms “are often unconscious; they are the unstated but implicitly understood rules of exchange that most members of a group have internalized” (Maxwell, 1999, p. 1001). My interviews with supporters’ organizations largely confirm the above. Participants made judgements on price unfairness based on how affordable football was to the working class when they were children, and how expensive the EPL has become in comparison to the German Bundesliga, a league that is comparable in terms of player quality and pan-European success but with average ticket prices that are less than half the Premier League’s (Sedghi and Chalabi, 2013). Also, the escalating player wages only exacerbate the problem since it is harder for supporters to reconcile that their hard-earned money enables multi-million pound wages. Further, football supporters perceive that clubs exploit their allegiance, since their identification to the club locks them into the relationship.

This research explores whether breaching the psychological contract that made affordable ticket pricing a social norm, erodes the level of allegiance over time (either explicitly or implicitly), and how this influences both the awareness and response to CSR schemes. Those supporters that are not participating as spectators have limited touch points to engage with the CSR schemes. Also, the literature shows that CSR schemes under these conditions could backfire and further disengage supporters (Sen and Bhattacharya, 2001).

Most importantly, if football is to fulfil its promise of being a factor in social cohesion, it requires participation or more specifically, spectating. According to Brown, spectating “forms citizens’ identities and collective loyalties” (Brown, 2000, p. 144), and high ticket pricing “is creating an alienation from the sport and creating new forms of social exclusion” (Brown, 2000, p. 146) that undermines its social cohesion potential. This situation also undermines the two forms of social capital: bonding social capital created by “social networks that tie together and reinforce the identity of homogeneous groups such as families or communities or ethnic groups”; and also bridging social capital created by “link[ing] together members of different social groups” (Quelch and Jocz, 2009, p. 3).

In pursuit of a more sustainable business model, I believe that the Creating Shared Value (CSV) is a framework that can moderate this conflict and increase total value to the EPL&C, their supporters and society at large, since “corporations depend on a healthy society to sustain competitiveness” (Porter, 2009, p. 22). Value is neither a fixed pie nor a zero sum game. However, firms in general “have presumed that they are the rightful owners of value and are therefore entitled to charge whatever the market will bear. To that end, they have treated pricing as an optimization problem, pricing mechanically in the pursuit of profit” (Bertini and Gourville, 2012, p. 97). Changing the status quo requires EPL&C leaders that foster symmetric dialogues with supporters and a business ethics underpinning as constraints on self-interest (Freeman et al., 2010) and as a way of dealing with the “separation fallacy” (p. 6), the widely accepted view in business that certain business decisions have no ethical content, and/or that some ethical decisions have no business value.

In order to expand business and social value, I believe that the literature must recognize the role of the “potential customer”, in this case the “potential supporter” as a distinct stakeholder group that encompasses new market segments that will be targeted as part of the CSV strategy. In my view, “potential customers” are obviously different than “existing customers” and a distinct stakeholder group in their own right since they possess resources that the firm needs to grow and therefore “affect the firm”. In terms of stakeholder salience, just as the existing customers, this a definitive stakeholder group that is also an influencer. I believe that this distinction is important because it provides EPL&C leaders with an additional positive and tangible market incentive to engage stakeholders and unlock CSV that benefits both the EPL&C and society at large.

Despite the argument above, unless EPL&C leaders embrace the need for a new strategy, the issue of high ticket pricing is unlikely to change any time soon as long as fans keep on filling the stadiums (average attendance is over 90% of total capacity), and thus further legitimizing the status quo. However, consistent with Castells’ view on social movements, supporter organisations are already resisting and could potentially develop what Castells calls a “project identity”, a new identity that redefines their position in society. In the network society, these social movements can develop quickly and supporter could pressure the EPL&C by mobilizing against its sources of revenue (sponsors, satellite TV, etc.). However, at the present time supporter rivalries seem to mitigate the potential for a league-wide social movement against high-ticket prices.
Purpose

Although there is anecdotal commentary in the literature that a club’s focus on commercial success “may erode the traditional strength of the brand in the medium term and ultimately threaten revenues in the long term” (Hamil, 2008, p. 116), the extant literature on supporters has focused on either presenting taxonomies of supporters based on geodemographics or psychographic background, or on the assumption that a lifelong allegiance is transferred from generation to generation. However, to this author’s knowledge, there is a gap in the literature in understanding whether this allegiance could erode over time due to some of the disenfranchisement factors explained above, and how these factors might therefore lower the intergenerational transfer of club identification.

The second objective of this research is to explore how the implementation of strategies based on the Creating Shared Value (CSV) framework is a superior fit to bring CSR schemes from the periphery to the core of the EPL&C strategy while further deepening their “social embeddedness” (Hamil and Morro, 2011).

CSR is a “fuzzy concept” (Beckmann et al., 2006, p. 17). As Margolis and Walsh argued, CSR is an attempt to balance shareholder wealth maximization with social dynamics (Margolis and Walsh, 2003), as the firm’s duty to meet or exceed stakeholder norms by aligning the firm’s behaviour with the demands that are desirable to its main stakeholders (Maignan and Ferrell, 2004). However, CSR does not appear to offer clear enough incentives for it to be part of a pragmatic business strategy. Conversely, it shows how straightforward CSV is in comparison, and how CSV is a framework that can be part of a sustainable business strategy and “integral to profit maximization” (Porter and Kramer, 2011, p. 16). Also, although respect for the law and an ethics underpinning are assumed, it does not seem to require “enlightened” leaders to embrace it. Shared value is not about personal values, nor is it about redistribution of wealth. Shared value “is about expanding the total pool of economic and social value” (Porter and Kramer, 2011, p. 5).

The EPL currently contributes almost 4% of its revenues to corporate social responsibility platforms that range from improving the country’s football infrastructure to physical education at local schools (Premier League, 2013a). Although there is an understanding of the strategic importance of being perceived as a good citizen, and a belief that CSR strengthens allegiance and ultimately brings some supporters to the stadium, my research thus far shows that the business and social sides of football are still misaligned and the “business case” for CSR is yet to be made. In my opinion, the CSV framework, on the other hand, provides a valuable roadmap in which the EPL&C could operationalize their proposed three strategies: “reconceiving products and markets”, in this case by reconceiving its lower-tier teams (Academia and Women) to broaden and deepen its ties to the local community and promote participation (spectatorship) of new market segments such as low-income consumers, women, minorities, previously non-interested citizenry and disenfranchised supporters. There are several advantages that these lower-tier teams provide: players’ backgrounds that are analogous to the local community and that are not perceived as “out of touch”. Also supporters might be more willing to engage in CSR schemes that are tied to the long-term success of their clubs and endorsed by players that are perceived as the future of English football. Lastly, the media, a key player in amplifying and legitimizing these efforts, might be more engaged in schemes that show that there is a genuine effort in integrating society with the club as part of a new, long-term and sustainable strategy.

The second strategy proposed by the CSV framework refers to “redefining productivity in the value chain”, in this case by investing part of the additional value created in developing local players, lowering payroll in the long run and bringing additional revenues from homegrown player transfers. The third and last strategy refers to “building supportive industry clusters at the company’s locations” (Porter and Kramer, 2011, p. 5). In terms of clusters and consistent with the glocal/global dynamics, the EPL&C has both international clusters (where foreign players are formed), and local clusters (where British players are formed).

In my opinion if the EPL&C were to adopt the strategies within the CSV framework the EPL&C could also be a unique communications vehicle of their local communities’ social cohesion that can develop into a sustainable competitive advantage especially for smaller clubs that are competing with English and foreign clubs with larger budgets, star players and better winning records.

The EPL&C could also be a valuable CSR Communications partner for their local governments, NGO’s and sponsors, which is the subject for the next section.

Creating CSR awareness and engagement through football

According to Davies sport “plays a unique part in corporate responsibility and development. After work itself it is the largest
focus of mass civil participation. It also attracts the largest audiences of any human activity on the planet, filling the most space in all forms of media. It also crosses over geography, politics, class, race, sex, culture and religion” (Davies, 2002).

Smith & Westerbeek agree, arguing that “the ubiquitous appeal of sport and the economic might of the corporate sector” make them natural partners to deliver CSR initiatives (Smith and Westerbeek, 2007). They contend that, “sport, more than any other potential vehicle contains qualities that make it a powerful force in effecting positive social contributions”. This is a valuable complement to corporate sponsors that lack the qualities to be perceived as an organization involved at the grassroots level (Levermore, 2010), and highlights the additional business value that the EPL&C could generate from becoming a CSR communications vehicle for their sponsors.

Pomering and Dolnicar suggest that “focusing on individuals with specific interests (sports, charities and so on) is currently the superior strategy compared to trying to identify ‘generally socially responsible’ consumers, and trying to customize CSR communications for this heterogeneous group” (Pomering and Dolnicar, 2009). They posit that a fan’s identification with a sport or a team can influence how the individual processes the CSR message. They offer as an example that “interest in the sport of cricket does not primarily have anything to do with CSR, but someone who likes cricket may notice that their bank supports cricket in their community, which leads to CSR awareness and, consequently, can be expected to translate into attitudes and even purchasing behaviour favourable to the organization engaging in such CSR initiatives”. This is consistent with the “mediating role of consumers’ perceptions of congruence between their own characters and that of the company in their reactions to its CSR initiatives” (Sen and Bhattacharya, 2001).

Based on the above, there are normative, instrumental and emotional reasons to justify the argument for football as a vehicle to communicate its sponsors’ CSR initiatives, but there are also ubiquitous examples of unethical behaviour that taint its potential. On the normative side, sport showcases universal values that go beyond borders and cultural differences. Milton-Smith (2002) listed the following personal virtues that define the essence of sport: courage, dedication, perseverance, humility, civic duty, altruism, empathy, loyalty, team commitment, moral strength (Milton-Smith, 2002). Also, sport, for the most part, provides a “non-political arena” fertile for productive interaction between sport stakeholders (business, NGOs, civil society and political institutions). However, sport is also the focus of some of the most widely publicized cases of unethical behaviour (substance abuse, racism, winning at any cost, corruption, etc.).

On the instrumental side, Smith and Westerbeek (2007) identified seven unique features of sport that could be leveraged for social responsibility purposes: mass media distribution and communication power, youth appeal, positive health impacts, social interaction, sustainability awareness, cultural understanding and integration, and lastly, immediate gratification benefits (fun). In the specific area of professional sport properties and leagues, Babiak and Wolfe (2009) identified unique resources that could be leveraged in order to enhance awareness and engagement in CSR initiatives: ticket donations; signage; facilities (stadia, arenas); events; access to media, suite holders, vendors, and sponsors; and the professional staff of the team (lawyers, trainers, accountants, and owners) (Babiak and Wolfe, 2009).

On the emotional side, Bal et al (2007) noted that the environment of sport is influenced by emotions that can influence how marketing, or in this case CSR messages, are received (Bal et al., 2007). According to Reisch, business underestimates the power of emotions in communicating CSR. The author argues that “the moral cognitive perspective of the underlying motives for sustainable behaviour is supplemented by moral emotions” (Reisch, 2006, pp. 192-193). Also, the supporters’ identification with their club could also moderate the “self-promoter’s paradox” (Ashforth and Gibbs, 1990, p. 188), the view that companies that overemphasize their legitimacy risk communicating the opposite effect.

The previous paragraphs highlight the potential, drawbacks and immaturity of CSR in sport and in football in particular. However, my research proposes that those organizations that embrace a strategy based on the CSV framework could have a commercial competitive advantage in attracting sponsors with a long-term mentality that could help create a virtuous circle in which long-term relationships stabilize funding for the EPL&C, allowing it to develop a better product by attracting better talent and improving on-field performance as a result.

In the area of communications, CSV could also be a more effective mind-set than CSR, since being consistent with a profit maximization business strategy might generate the reputational gains while moderating skepticism. Previous research has shown that consumers are willing to adopt a “win-win” perspective with social schemes that include extrinsic motivations beyond social value (Du et al., 2010).
Research method and data analysis
For this still on-going exploratory research I follow a mixed method methodology divided into two separate studies with different data collection methods: the first study focuses on exploring the application of the CSV framework to the EPL&C, and is based on semi-structured interviews of EPL&C executives and key stakeholder groups and secondary sources (team websites, media coverage, foundation reports and documents collected through my fieldwork). For data analysis I use Template Analysis. According to King “template analysis is a style of thematic analysis that balances a relatively high degree of structure in the process of analysing textual data with the flexibility to adapt it to the needs of a particular study” (King, 2012, p. 426). It also gives the researcher the opportunity to identify thematic patterns allowing me to go from “descriptive themes” (King, 2012, p. 429) close to the data, to “interpretive themes” that flow as “undercurrents running through participants’ accounts” (p. 432) “to major themes” (p. 429).

For the second study my data sample will be members of the two largest supporter organisations in England that have already committed their support to this research project. The study will focus in understanding their views on ticket pricing, allegiance erosion, CSR and low-tier teams within their club. As research design and data collection method I will use a large-scale survey administered via e-mail.

Findings from Pilot Project
The findings thus far are based on a pilot project based on semi-structured interviews with EPL&C representatives and executives from the two main supporters’ organizations. Although further empirical evidence is required, the early findings offer a window to my research’s contribution potential.

From the EPL&C interviews, early findings present both challenges and opportunities. Among the challenges, the League shows a defensive posture due to their perceived skepticism from the media and the general public. Another challenge is how on-field performance overshadows CSR efforts and monopolizes media interest. This is a challenge that might be moderated by strategies based on CSV, since CSR will become part of the mechanism for on-field success. Lastly, although social impact is measured (not independently) and is a requisite for league funding of CSR initiatives, there is no evaluation of CSR Communications, and no plans to do so in the near future.

Among the opportunities, the EPL&C have a pragmatic understanding of the benefits of bringing the club closer to society but how these efforts translate to fan engagement and new fans to the stands is still fuzzy. The EPL&C also understand that high-ticket prices can disenfranchise certain segments of the population, but they see it as part of the cost of being “best-in-class”. The adoption of CSV has the potential of bringing society to the core of their business model (and back to its historical roots) in a way that is consistent with profit maximization and winning football games. Another opportunity is the lack of a systematic use of the EPL&C players’ presence in social media networks, and how they could play an important role in engaging their fans in a meaningful way.

Findings on the supporters’ side can be classified into two groups: high-ticket pricing and the EPL&C corporate governance. Since the latter is beyond the scope of this research, I will focus on high-ticket pricing exclusively. As explained in previous sections, supporters make price comparisons based on how prices used to be when they were children, and by comparing ticket prices with the German Bundesliga, a League that is similar in quality but whose average season ticket price is less than half the Premier League’s (Sedghi and Chalabi, 2013). The supporters also perceive that high-ticket prices skew the demographics to affluent, white and older men (one of the participants mentioned that he has been of average age for the last twenty years). In terms of their perception of the EPL&C’s CSR initiatives, they showed limited awareness and a skeptical view of the motives behind those efforts. This skepticism is fueled by their overall mistrust of the EPL&C based on their current governance and what they perceive to be an unfair ticket pricing strategy.

Conclusion
The EPL&C faces “glocal” and “grobal” tensions that challenge the long-term sustainability of its business model. This research highlights the negative effects of the current ticket pricing strategy on the EPL&C’s relationship with local supporters and how it jeopardizes the long-term sustainability of the league. It proposes how the three strategies within the CSV framework can bring football back to its historical roots as an integral part of social cohesion in a way that is consistent with commercial and winning objectives. Bringing society back to the core of the EPL&C can open new business opportunities by attracting new market segments and quality sponsors that are interested in the EPL&C as both a commercial partner and a unique vehicle for CSR Communication and community engagement. Ultimately, it will require visionary leadership that promotes an organisational identity that is consistent with football’s cultural heritage, sensitive to supporter issues and with a genuine commitment to social problems shared by the community. These values lead
to transparency and a shift from a stakeholder information strategy to stakeholder dialogues that evolve into a more sustainable league that aims at balancing excellence and affordability. This research proposes the CSV framework as a starting point to a new virtuous circle model that challenges the status quo.

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Structured Abstract
This concept for the “Consolidation of TerraCycle’s Waste Collection System in Germany” was elaborated during a CSR Communication Seminar within the scope of the Master Program in Responsible Management 2011/2012 at the Steinbeis University Berlin. The seminar focused on the three main phases required for guaranteeing an effective stakeholder marketing and communication process: Phase 1, which covers the basic rules of integrated marketing communication (including the four Ps for marketing and the seven principles of effective communication); Phase 2, handling responsible management, marketing and communication tools; and Phase 3, which is centred on customising stakeholder communication.

The initial idea was to investigate TerraCycle’s business concept, which was already successfully running in 15 different countries at that time, in light of the stakeholder marketing and communication process proposed in the seminar, and then, make some suggestions for the Marketing Communication in the German market.

The analysis provided good evidences of how TerraCycle has been successfully applying the four Ps of marketing (Product, Price, Place, and Promotion) within a context of sustainable management. However, as the market for waste treatment in Germany is already well established and the competition is very high, TerraCycle is still experiencing some resistance to increase its activities in the market in this country.

The same strategy shall be pursued in the German case, but with more emphasis on the value creation, being developed in light of the Service-Dominant Logic. Instead of presenting the business proposition as a competitor, communication activities shall highlight the uniqueness of this business concept, appealing to the high level of environmental and social consciousness of the German society.

This can be achieved by intensifying the responsible marketing communication tools already used by TerraCycle, as follows: Cause-related Marketing (support to schools and non-profit organisations through donations by program sponsors); Social Marketing (eliminate the idea of waste); and Vision and Mission Statements (a successful business can no longer be detached from ecological and social issues). All marketing activities have been conceived and implemented by TerraCycle’s employees, with no budget for advertisement campaigns.

The information analysed could provide particulars permitting the conclusion that TerraCycle’s sustainable marketing communication concept has proved to be effective, with a potentially vast reach at low cost. The approach for the highly competitive German market should rather be focused on fostering knowledge building and encouraging people to rethink about their consumption patterns and waste (aiming at “zero waste” in the future), considering the life-cycle of different materials as well as closed-loop models.

The paper has been now updated for presentation at the CSR Communication Conference 2013 in Aarhus.

Keywords
Stakeholder marketing and communication process, Integrated marketing communication, Four Ps for marketing, Responsible management, Marketing and communication tools, Customised stakeholder communication, Service-Dominant
Logic, Zero waste

Category
Case Study

Limitations of research due the sources of information
For lack of official sources like sustainability reports or ISO 14000 Certification, I have decided to rely on information published on the web, partially provided by TerraCycle itself, but also on press releases from different serious sources, some of them quite reliable such as the New York Times, The Wall Street Journal, Financial Times, Fortune Small Business, Inc., and various CSR and sustainability sites and blogs. According to an article published by TerraCycle, there were 2.4 billion press impressions, 3,362 articles written as well as 25,000 blogs and social media mentions about the company in 2010. In average, more than 500,000 people visited the teracycle.net website every month (TerraCycle, 2011). All this, without spending any single dollar on advertising! I would say that this speaks for itself. TerraCycle has been walking the talk and so gaining credibility and wide visibility in the international market place.

Effective Stakeholder Marketing and Communication Process
According to a report of the United Nations Environment Programme, “from marketing to advertising, from corporate communication to public awareness campaigns, the messages of sustainability are embodied in practices that are increasingly well-established (UNEP, 2006).

Within the framework of sustainable development and responsible management the concept of marketing has been evolving from a one-to-many profit-dominant to a more diversified and inclusive logic in the last years. The capacity of essential stakeholders of an organisation to respond to its responsible management activities has become a key element in marketing context since early 2000. The increasing affluence to modern information technology allows individuals to express themselves and collaborate with others. This new wave technology consists of three major forces: cheap computers and mobile phones, low cost internet, and open source. The emergence of new wave technology has led to a new communication age, called by Scott McNealy, Chairman of Sun Microsystems, the age of participation (Kottler et al., 2010). The rise of social media such as blogs, Facebook, Twitter, YouTube, photo sharing and other sites enables people not only to consume information but also to create news and ideas as well as to directly interact with a broad spectrum of social groups, inclusive corporations. This new form of communication enables people to turn from mere consumers into prosumers who have the power to influence and even decide on the survival of a business.

As a consequence of this increasingly dynamic communication process, organisations whose marketing campaigns are inconsistent with their business practices have been severely penalised in the last years. In 2008, the food giant Nestlé was accused of promoting its powdered baby milk in developing countries even though drinking water access problems in some regions made this dangerous for children. More recently, Nike has been subjected to sustained boycott campaigns supported by numerous consumer associations and NGOs all over the world. The issue in this case are the working conditions of employees in Nike factories sited in South-East Asia and elsewhere.

On the other hand, the benefits of a CSR policy and appropriate stakeholder marketing and communication strategy are manifold: strategic, economic, social and political.

- **Strategic benefits** —> differentiation and market positioning:
  E.g., consumers are often encouraged to pay a premium price for a sustainable product or service that they learned about through a cause-related marketing campaign.

- **Economic and financial benefits** —> commercial results, investment, long-term value, development of new markets, and lower operating costs:
  E.g., investors become attracted by the excellent social, environmental, and ethical risk management processes and above average returns as indicated in a business’ sustainability report.

- **Social and political benefits** —> improvement of a company’s image followed by retention of high-quality human resources as well as better and higher productivity:
  Prospective employees may accept lower wages for the personal satisfaction of working with a responsibly managed company that they learned about through the organisation’s vision and mission statements, values statement, or code of ethics.

The common point in all these examples is the **stakeholder goodwill**, i.e., the value created for an organisation, when its stakeholders adopt a positive image of it. However, the fact alone that a company is aware of social, environmental and economic issues and, then, highly committed to its responsibilities towards the triple bottom line is not sufficient
CSR 2013 PROCEEDINGS

to create goodwill. It must be effectively communicated to stakeholders. Otherwise, the organisation will not be rewar-
ded for such performance. Marketing and communication are the business case catalyst (Conaway and Laasch, 2012).

“Walking the talk and talking the walk”
The term “greenwash” has become usual in the context of sustainable development or sustainability for companies that
do not act according to its statements. General level of awareness of global environmental and social issues has increased
in the last decades, so that this kind of behaviour is no longer regarded as a minor offense. Not only consumers but society
as a whole is demanding more coherent and transparent business practices, governments and international institutions
are creating the required framework for enabling the private sector to cope with change. Brand credibility has become a
condition sine qua non to grant and maintain recognition and reputation in the market place. But as much important as
walking the talk is the company’s ability to communicate good socio-environmental performance effectively. Talking the
walk, supported by a good conceived CSR communication strategy, can also bring manifold advantages to the business.

The key for an effective stakeholder marketing and communication process lies in reaching a high balance between the
stakeholder value created and the effectiveness of communication, so that truthful messages of excellent stakeholder
performance are understood flawlessly (Horiuchi et al., 2009). Nike, Nestlé and bp are some examples of how stakehol-
der trust and goodwill could be re-established due to responsible management activities and effective communication
with stakeholders.

The process consists of three phases: Phase 1, which covers the basic rules of integrated marketing communication
(including the four Ps for marketing and the seven principles of effective communication) for reaching high effectiveness
of marketing and communication activities; Phase 2, handling responsible management, marketing and communication
tools for creating stakeholder goodwill; and Phase 3, which is centred on customising stakeholder communication acti-
vities according to the different stakeholder groups.

Responsible Management and the Marketing Mix
According to Kotler and Armstrong (Kotler and Armstrong, 2006), the Marketing Mix, also called the 4 Ps for Marketing,
consists of:

- **Product**: the goods-and-services combination the company offers to the target market;
- **Price**: amount of money customers have to pay to obtain the product or service;
- **Place**: company activities that make the product/service available to target consumers;
- **Promotion**: activities that communicate the merits of the product/service and persuade target customers to buy it.

Within the context of Responsible Management, the Chief Design Officer of Johnson & Johnson, Chris Hacker, has ex-
panded the definition of the traditional 4 Ps of marketing into a scheme in which “the key is considering sustainability
from the start” (Conaway and Laasch, 2012). This adapted Marketing Mix shows the intersection between marketing,
communication and responsible management as follows:

- **Product**
  - Product innovation by responsibility features
  - Elimination of products with unacceptable socio-environmental performance
  - Product differentiation by responsible management

- **Price**
  - “Inpricing” of external effects
  - Price premium on responsible product features
  - Taxes or subsides based on socio-environmental product performance

- **Place**
  - Environmental impact of distribution
  - Responsibility as door opener to new distribution channels
  - From product distribution to “Service-Dominant Logic”

- **Promotion**
  - Usage of cause-related marketing as sales argument
  - Spillover effects from company’s responsible reputation to product sales
  - Access to and creation of new markets

The Seven Principles of Effective Communication
Considering that effective communication occurs when messages are shared and understood, to better communicate
the responsible marketing activities within the framework of this new marketing mix approach organisations shall shape
the message in the most effective way for reaching all internal and external stakeholders. Today, more and more organisations are adopting the concept of Integrated Marketing Communications (ICM), a concept under which a company carefully integrates and coordinates its many communications channels to deliver a clear, consistent, and compelling message about the organisation and its products (Kotler and Armstrong, 2006).

Conaway and Laasch have adapted this definition and described Integrated Marketing Communications (ICM) as the process of using an organisation’s full range of communication and marketing tools in an interconnected manner for building stakeholder goodwill (Conaway and Laasch, 2012). The authors analysed the case of a major Canadian food processing company that managed to re-establish stakeholder goodwill after a crisis caused by the contamination of a meat processing facility with dangerous bacteria in 2008. The lesson learned from the communication strategy implemented by the CEO, based on transparency and tailored to the company’s stakeholders, has led them to compile the following seven time-tested principles of effective communication: adapt to your audience, clarify your purpose, state your message clear, stay on topic, be complete and accurate, establish goodwill, and communicate with credibility.

Let’s now analyse the case of TerraCycle in the light of the above considerations.

Sustainable Management at TerraCycle – An Approach

Originally, TerraCycle is an American company founded in 2001 by Tom Szaky, a Canadian student who has developed a collecting, recycling/upcycling system for waste materials which would normally end in the landfill or in the incinerator. The current business originates from the initial activity of producing organic fertilizer gained from worm poop and packed in old soda bottles, which was created within the framework of the “Princeton Business Plan Contest”, a student entrepreneurship competition in 2001.

The business concept, whose aim is “to eliminate the idea of waste”, is based on sponsorships with big brands, partnerships with manufacturers (small local businesses, cooperatives or NGOs), and the “collecting brigades” (local communities like schools, churches, youth centres, hospitals, retailers, theatres, stadiums, restaurants, neighbourhood groups, and even individuals). Beside the environmental aspect, TerraCycle also addresses social issues. Through this business model, employment chances for unprivileged people (ex-convicts, veterans, parolees, etc.) are being created as well as schools and charities are benefiting from 0.03 US$ (£, € etc., depending on the country) for each piece of waste collected.

TerraCycle has proven to be conscious of the real fact that, contrarily to Friedman’s famous doctrine, the social responsibility of business is not only to increase its profits, but also to adopt a solidary attitude towards humans and nature, today and regarding future generations. According to information directly provided by TerraCycle’s PR Managers and Sustainability Managers in the US and UK, the company has been working in accordance with international standards such as the UN Global Compact and the Millennium Development Goals. TerraCycle may be also applying some tools like ISO 14000 and product life-cycle management, and publishing sustainability reports according to GRI as well. But they argued that formal information on this subject is restricted only to sponsors and potential investors. But nonetheless, I consider it is worth to try to get an overview of TerraCycle’s sustainable management.

Totally convinced of the “cradle to cradle” principle which postulates that “in nature, the waste of an organism is the food for another” (Braungart and McDonough, 2009), TerraCycle has expanded its business by continuously creating new waste stream programs and entering new markets. In 2009, TerraCycle decided to go global and launched its first program outside the USA: the chip bags program in Brazil (Szaky, 2011).

The environmental concerns are embedded in the company day-life. For example, in the company premises, desks are made of used doors and pellets, office spaces are divided by strings of leftover soda bottles, the internal and external walls are covered with graffiti created by graffiti street artists.

Regarding the social aspects, beside the donations generated by the collection programs, TerraCycle has become a second chance employer for ex-convicts, veterans and parolees. In developing countries like Brazil and Mexico, TerraCycle has been working in partnership with small enterprises, women cooperatives and NGOs, and so generating new jobs for people who otherwise would have no chance on the labour market. In general, these employees get equitable salaries and are encouraged to take part in educational programs.
TerraCycle and the 4 Ps for Responsible Marketing

The real voyage of discovery consists not in seeking new landscapes, but in seeing with new eyes. (Marcel Proust)

Organic fertilizer from worm poop was not Tom Szaky’s invention. Long before he had this idea, many small farmers were already doing that in small scale, or even people in their household. But Szaky identified here a business opportunity based on the sense of urgency related to the environmental issue and the huge problem caused by the increasing production of waste, and the necessity to address it. In this context, TerraCycle defines itself as “eco-capitalist” or even “social capitalist”.

Product
You can’t recycle everything. For everything else, there’s TerraCycle! (Szaky, 2009).

Strongly anchored in the “zero waste sustainability goal”, the company has been developing several participative programs for collecting, recycling and upcycling non-recyclable waste, and so addressing the environmental problem caused by the huge quantity of waste that normally ends in landfills or incinerators.

TerraCycle’s social marketing campaigns are based on the company’s vision of achieving the “zero waste” goal by contributing to change the way people think about resources. Emphasising the “cradle-to-cradle” principle in which “in nature, the waste of an organism is the food for another”, they develop creative new products made from, e.g. juice pouches, potato chips bags, pens, plastic bottles, cans, corks, and even cell phones, cameras, computer components, and GPSs.

Price
[...]
This is another fundamental of eco-capitalism: unless you make the product equally economical for consumers, they aren’t going to buy a product they don’t know anything about. [...] It is not enough to just offer a green choice at a premium price; the goal is to make green products at a competitive price (Szaky, 2009).

TerraCycle’s price policy relies on the principles of eco-capitalism as well as on their own experience of only roughly 5% of people responding positively when asked whether they would pay a little bit more for a “green product” that has the same features like the “normal version”. But 100% of their audiences raise a hand when asked if they would buy the eco-friendly version if the two products were the same price. From these statements of TerraCycle’s CEO we can conclude that the company’s target group is the wide mass of consumers who want to buy organic, eco-friendly products, but don’t want to pay more for them.

This does not include the LOHAS group, of course!

Place
You go to the little stores and build your brand up, and then you go to a bigger store and a bigger store, and finally, when you’ve really established yourself, you might go to a major big-box retailer (Szaky, 2009).

TerraCycle began, then, with the “start-small” model for selling the food plant made of worm poop, but they soon realised that it would not be the right way to go, as the sales volume and the ordering frequency were very low. They decided then in favour of a more aggressive tactic, and after hardly trying to get in touch with some big-box stores, TerraCycle got some trial orders from The Home Depot and Wal-Mart in 2005. The business expanded quite well and they could feature a national distribution in Home Depot, Wal-Mart, Target, and a number of other major retailers in 2007.

The continuous search for innovative business concepts, combined with the perception that what other people considered waste could also be considered a raw material, has brought TerraCycle to the idea of sponsored waste. In this same year, the company grew to nine different products made from recycled/upcycled waste, offered at Home Depot and Wal-Mart. Nowadays, TerraCycle has more than 250 products that can be found in the shelves of big-box retailers in 22 different countries. These articles are produced with the sponsorship of local major brands, in partnership with local organisations and communities, and with the participation of local collecting brigades.

Promotion
TerraCycle’s natural home was the Internet. [...] So from the start, TerraCycle was more than just a product, it was an intriguing and inspiring story. This heartfelt, human-interest backstory helped us get noticed by media big and small (Szaky, 2009).
According to information from TerraCycle’s CEO and its International PR Manager as well, the company has spent just little money on marketing and advertising since its foundation. Word-of-mouth recommendation by the brigades and partners has created waves of local publicity and goodwill across America and beyond the country borders.

TerraCycle has been using a promotional “pull strategy”, communicating directly with its target groups through different channels, like its own homepage, social media (e.g. other blogs, Facebook, Twitter, etc.), short video (e.g. at YouTube), articles in newspapers (e.g. The Wall Street Journal and N.Y. Times “You are the Boss” column), invitations by important TV channels, organisation of brigade contests, participation in trade fairs, etc.

TerraCycle also launched a new, innovative promotion channel some years ago, which proved to be very effective, from the economic as well as environmental point of view. Asked by the magazine Newsweek to contribute to the Earth Day issue of April 2008, Tom Szaky suggested transforming the magazine cover into an envelope printed with sponsors’ advertisements. These envelopes could be filled by the readers with upcyclable products from the sponsors and sent to TerraCycle. This marketing idea has generated a huge increase in Newsweek’s sales and the additional market advantage to be the world’s first magazine whose advertisement had ever been upcycled. The concept has been then expanded to other magazines, generating huge increases in their ROI. “In truth, I’ve not found anything (other than toxics) that can’t be upcycled and potentially become an economic success – even advertising” (Szaky, 2009).

**TerraCycle’s CSR Communication in Germany**

TerraCycle started activities in the UK in 2009 and expanded the business to other European countries like Germany, France, Spain, Benelux, Switzerland and Italy in 2011. In Germany, the company initiated a program with the sponsorship of BIC for collecting writing instruments and transforming them into pails or watering-cans. But, due to the fact that the market for waste collection and treatment in Germany is already well established and the competition is very high, the company has experienced some resistance to increase its activities in the country in the first two years of operation. In the meantime, TerraCycle Germany has expanded the waste streams and introduced three further collecting programs (oral care products, drink pouches and inkjet and toner cartridges) whose sponsors and partners have embedded TerraCycle’s waste treatment system into their CSR strategy.

This could be seen as evidence that TerraCycle’s marketing and communication strategy, based on the aforementioned ICM Tools (4 Ps within a context of sustainable management as well as the seven principles of effective communication), has helped to break down initial barriers in the difficult German market. This strategy shall be pursued but, for the consolidation of the marketing strategy in the country, more emphasis has to be put on the uniqueness of this business concept based on a holistic approach to the service of waste collection and treatment as well as on the increase of value creation for stakeholders resulting from the related marketing communication activities. This interconnection can be illustrated also by analysing the compliance of TerraCycle’s business practices with some of the foundational premises of Service-Dominant Logic, namely:

- **Goods are a distribution mechanism for service provision**
  Contribution to the “elimination of the idea of waste” (service) is a result of waste collection and recycling/upcycling.

- **Operant resources are the fundamental source of competitive advantage**
  Program participants (actors) are moved by the desire for more sustainable practices regarding environmental and social issues.

- **The customer is always a co-creator of value**
  Active participation of program sponsors, partners and collecting brigades (individuals, neighbourhood, schools, churches, private and public companies, and institutions) is a core element of the business. The brigades choose the charity or school that shall benefit from the donations (0.03 € for each unit of waste collected).

- **A service –centred view is inherently customer-oriented and relational**
  Interactivity, integration, customisation, and co-production are central components of TerraCycle’s business model. As an example, customers can make propositions of further waste streams and then participate in the creation of new programs.

- **All social and economic actors are resource integrators**
  The very nature of the business model presumes that all actors (brigades, partners, sponsors, customers, and TerraCycle itself) are connected with one another through networks which generate further networks, and so on. This model of integration of resources has been named “garbage social network”.

- **goods are a distribution mechanism for service provision**
- **operant resources are the fundamental source of competitive advantage**
- **the customer is always a co-creator of value**
- **a service –centred view is inherently customer-oriented and relational**
- **all social and economic actors are resource integrators**
Responsible Marketing Communication Tools
Since its foundation TerraCycle has been effectively applying some responsible marketing communication tools like cause-related marketing, social marketing and vision and missions statements, namely in the following way:

- **Cause-related marketing**: a corporation commits to making a contribution or donating a percentage of revenues to specific cause based on product sales (Kotler and Lee, 2005).

  TerraCycle has been giving support to schools and non-profit organisations through the donation (by the program sponsors) of 0.03 € for each piece of waste collected by the brigades; incentives and contests in order for increasing collections by brigades (schools, organisations, communities) or even individuals who get bonus points, TerraCycle products, and direct or in kind benefits.

- **Social marketing**: a means whereby a corporation supports the development and/or implementation of a behaviour change campaign intended to improve public health, safety, the environment, or community well-being. Behaviour change is always the focus and the intended outcome (Kotler and Lee, 2005).

  The whole marketing concept of TerraCycle acts upon the maxim of “eliminate the idea of waste”. People are encouraged to rethink about their consumption patterns and the concept of waste (aiming at “zero waste” in the future), considering the life-cycle of different materials as well as closed-loop models.

- **Vision and Mission Statements**: organisation’s identity and purpose, serving as lighthouse guiding a company’s and its employee’s actions and behaviours (Conaway and Laasch, 2012).

  TerraCycle’s business practices, both internal and external, have showed that they are undeviatingly pursuing their vision that a successful business cannot be detached from ecological and social issues any more. Always committed to the aim of “eliminating the idea of waste”, the whole TerraCycle’s team has been actively participating in the company development process. TerraCycle’s offices are completely equipped with upcycled, reused or repurposed materials and garbage is collected in the premises as well. Open floor plants and frequent brainstorming sessions facilitate the communication and foster the internal collaborative culture.

In order for TerraCycle to consolidate its waste collection and treatment system in the German market these IMC tools shall be pursued and broadened. For this, the Service-Dominant Logic approach combined with the seven principles of effective communication shall be highlighted as an important element for underpinning the company’s responsible marketing and communication process. The focus on the sustainability messages and the value created for the stakeholders by the service offered shall be addressed, appealing to the high level of environmental and social consciousness of German society as a whole. In this case, the service offered consists of “eliminate the idea of waste”.

1 The term new wave technology was inspired by the term fifth-wave computing in Michael V. Copeland and Om Malik, “How to Ride the Fifth Wave”, Business 2.0, July 2005.
2 Service-Dominant Logic is based on a mind-set shift, from a “good and services” into a “service” logic of marketing. According to Vargo and Lusch (2006), “service is the application of competences through deeds, processes and performances for the benefit of another entity or the entity itself”.

References


Extended abstract

Introduction

Cause-related marketing was firstly introduced by American Express in 1983 (Adkins, 1999, p. 15; Andreasen, 1996, p. 4; Varadarajan and Menon, 1988, p. 59), although there were some solitary examples of commercial cooperation between enterprises and nonprofit organizations at the end of the nineteenth century (Adkins, 1999, p. 9), as well as in the seventies (Husted and Whitehouse, 2002, p. 5).

Sinčić Ćorić et al. (2011) reveal that there were different understandings of cause-related marketing during the eighties. In the absence of a formal definition at that time, Varadarajan and Menon (1988) first offered one, proposing that “cause-related marketing is the process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives” (p. 60). They concluded that cause-related marketing is distinct from sales promotion, corporate philanthropy, corporate sponsorship, corporate good Samaritan acts, and public relations, though it is often an amalgam of such activities.

Contemporary marketing practices reveal that cause-related marketing is a specific type of partnership between profit and nonprofit organizations (Sinčić Ćorić and Kurnoga Živadinović, 2009, p. 71) that also serves as a strong marketing communication tactic (Adkins, 1999, p. 43; Subrahmanyan, 2004, p. 116; Simčić Brønn and Belliu Vrioni, 2001; Adler, 2006, p. 5). Pringle and Thompson (1999) stress that cause-related marketing should be seen as a strategic and efficient source for brand differentiation and emotional positioning, as well as a means of communicating a social sensitivity.

Cause-related marketing can be realized in different ways and at different levels. Daw (2006, p. 61) depicts three different types of initiatives of cause-related marketing campaigns: initiatives connected to the product, initiatives connected to the promotion’s activities and initiatives connected to the program, while Varadarajan and Menon (1988, p. 64) differentiate strategic alliances of profit and nonprofit organizations, linkage of a certain product to a nonprofit cause, or linkage of a certain brand to a nonprofit cause. Andreasen (1996, p. 5) distinguishes three forms of cause-related marketing programs: promotions based on transactions, promotion of common issues and licensing.

Purpose

The purpose of the paper is to develop 5-point Likert scale for attitude measuring and measure the attitudes of Croatian consumers towards cause-related marketing. Apart from measuring the general attitudes, in this particular study two elements of a campaign are selected: the donation size and personal connection with a cause.

Design/Methodology/Approach

The research was conducted in two phases. (1) Firstly, the Likert scale was developed. Authors produced a pool of 95 items based on a literature review. Each item was evaluated in terms of its intensity by a group of 32 judges. Only the items with satisfactory correlation (above 0.5) were included in the questionnaire for measuring attitudes. Chosen items related to cause-related marketing in general (10 of them), personal relation to the cause (7 of them), and influence of a donation size to consumer’s intention to participate in cause-related marketing campaigns (9 of them). (2) Secondly, the final questionnaire was given to respondents that have previous experience with cause-related marketing campaigns. In total 162 respondents participated in the survey. The data were collected through a highly structured questionnaire. Apart from demographic data, the questionnaire consisted of a 5-point Likert scale with 10 items associated with cause-related marketing and socially responsible behavior in general, 7 items associated with the consumer’s personal relation to the cause and 9 items associated with the donation size. The respondents were asked to score their level of agreement with each item, on a scale from 1 to 5, where “1” stands for “I strongly disagree”, “2” stands for “I disagree”, "3" stands for “I neither agree nor disagree”, “4” stands for “I agree”, and “5” stands for “I strongly agree”. The survey was conducted from June to September 2016.
“3” stands for “I neither agree, nor disagree/I cannot evaluate”, “4” stands for “I agree”, and “5” stands for “I strongly agree”. The respondents were guaranteed anonymity therefore; they were giving authentic answers.

Findings
Analysis reveals that even 97% of the respondents support socially responsible behavior in general. 65% of them find that supporting nonprofit goals, investing in the community and being socially responsible are necessary for successful and profitable business. 85% of the respondents consider that socially responsible corporate behavior and supporting nonprofit goals positively influence consumers’ perceptions of a company. 94% of the respondents report their willingness to buy a product that supports nonprofit organizations working for a common good.

Furthermore, 95% of the respondents consider cause-related marketing as a good way of investment in the community, while 93% of them think that companies involved in cause-related marketing programs contribute to the community by being involved in such programs. 82% of the respondents consider cause-related marketing as a great marketing communication tool. When asked about trust towards companies that are involved in such campaigns, or that support them in different ways, 70% of the respondents report agreement, while 20% of them cannot evaluate and 10% of them even disagree with that. Finally, 86% of the respondents feel that cause-related marketing campaigns positively influence consumers’ perceptions of actors involved.

The majority of Croatian consumers agree with different items related to the cause. 86% of the respondents think that the cause is important for them, as well as 88% of them find the nonprofit goal to be important. 85% of the respondents think that the greater their personal involvement with the cause, the greater their willingness is to buy the brand that supports a cause-related marketing campaign. 87% of the respondents find some causes more preferred than the other. Only 43% of the respondents state that the cause involved in a cause-related marketing campaign needs to be related to the characteristics of the product (whereas 40% of them feel that this is not important or not important at all). Finally, 60% of the respondents find that their personal involvement with the cause influences their intention to buy a brand that supports a cause-related marketing campaign, while 30% of them cannot evaluate that influence, and 10% of them feel that there is no influence of a cause to their intention to buy a brand that supports a cause-related marketing campaign. The respondents perceive some causes to be of a greater importance for them. In such cases they feel themselves more motivated to participate in such campaigns. On the other hand, there seems to be substantial dispersion in their opinions about the “match” between the cause of the campaign and the characteristics and nature of the product itself.

The situation is to some extent different when respondents were asked to take donation size in mind. Only 53% of the respondents think that the donation size is important for their participation in the cause-related marketing campaigns. At the same time, 31% of them do not consider donation size to be important. Mean value for the majority of the items is around 3 (I cannot evaluate or I neither agree nor disagree), with rather large variation coefficients. Both prove that respondents have different opinions about the importance of the donation size. Obviously, they do not find the size of the donation to be crucial for their participation in cause-related marketing campaigns, but the majority of them would like to know the specific amount of the donation size allocated by a single purchase of the product involved in a cause-related marketing campaign.

To conclude, overall attitude of Croatian consumers that have previous experience with cause-related marketing campaigns towards such campaigns is positive.

Research limitations/implications
There are two limitations to these results. Firstly, the structure of a convenient sample consisted of majority of the female respondents (72%). Although this is so, women primarily make purchasing decisions, therefore their answers can be considered indicative. The second limitation is connected to the selected elements that can influence consumers’ attitudes. Apart from investigating consumers’ general attitude towards cause-related marketing, this research specifically analyzes selected elements that can influence consumers’ intention to participate in cause-related marketing campaigns, i.e. cause and donation size. For that reason, when interpreting the results one should not exclude the influence of other elements on consumers’ intention to buy the brand that supports a cause relation marketing campaign. As a consequence, the results can be considered indicative, and can serve as a starting point for future research of cause-related marketing.

Practical implications
The results of the research show that cause-related marketing can be useful communication tool for enterprises and nonprofit organizations, because consumers in general have positive attitudes towards such campaigns. The results
also point that it is necessary to thoroughly consider how to communicate specific elements of campaigns (i.e. donation size, match between product’s characteristics and purpose of campaign, personal involvement with a cause etc.) in order to achieve maximum understanding by target group.

**Originality/value**
The paper presents the development of 5-point Likert scale for measuring attitudes towards cause-related marketing campaign, as well as its application on a sample of Croatian consumers. The scale can be applied in different cultural or economic contexts.

**Key words**
Cause-related marketing, Likert scale for measuring attitudes, Specific elements of cause-related marketing campaigns, Croatian consumers

**Category of the paper**
Research paper

**References**
The Cigarette’s Identity Construction through Corporate Social Responsibility Advertising

Isabella Astrid Siahaya
Atma Jaya Catholic University of Indonesia

Abstract
Cigarettes are harmful for health and Indonesia now ranks the third for having the highest smoking rates in the world. According to one of the leading daily newspapers, the grant that the Indonesian government has given to the low-economic society in the form of cash for their basic needs is spent for buying cigarettes. Smoking has become addictive. In fact, the Indonesian government has made various efforts to stop the smoking habits of the citizens. But those effort has made the cigarette companies and the creative advertising agencies more ingenious in creating ads. After the ban, PT DJARUM, one of the largest cigarette companies in Indonesia, advertised their product by showing the wealth and natural beauty of Indonesia. Their next step was to show routinely in their advertisement their corporate social responsibility programs in the media. The cigarette advertisement has been metamorphosed. People no longer look at the physical appearance of the cigarettes in ads but they see the cigarette companies that have social responsibility towards the environment. One important thing is that the brand of cigarettes from PT DJARUM is also DJARUM. In other words, the company’s name is the same as the product’s brand. The purposes of this study are: a) to understand how PT DJARUM interpret its own identity, b) to understand how PT DJARUM interpret CSR advertisement and c) to understand the construction of the DJARUM cigarette’s identity through advertising their CSR programs in the media. The research method is qualitative. The data collection was done through text analysis, in-depth interviews, observation and literature study. This research is an original and has not been studied previously.

Keywords
Identity construction, Publicity, Advertising, Advertorials, Corporate identity, Brand identity, Corporate social responsibility, Marketing public relations, Media

1. Preface
1.1 Background
In the last ten years, the call to stop smoking and ban cigarettes in Indonesia more intensive. Indonesian government has been using a variety of ways ranging from the writing of the dangers of smoking warnings on cigarette packs, smoking ban to sponsor events organized by educational institutions, in cooperation with various parties for an instance building management to enact non-smoking areas. Furthermore, the President of Indonesia, Susilo Bambang Yudhoyono has signed Peraturan Pemerintah No. 109 of 2012 which declares cigarettes as addictive substance (Prihandoko, 2013).
Numerous attempts have been made to prevent the increasing number of smokers, however, Indonesia is still in the third position as a country with the largest number of active smokers in the world after China and India. The National Commission for Children Protection (Komnas PA) recorded that 121 million Indonesian families are the smoking families. This is based on the research by the Demography Institution of University of Indonesia (UI). Komnas PA assumes that if in the family there is a baby or toddler, it means that there will be 121 million Indonesian children to be passive smokers. In fact, there are 45 million active smokers in the age of 10-14 years old meaning that almost the entire population of Indonesia or more than 70 percent become passive and active smokers. This condition is exacerbated by aggressive tobacco advertising and the lack of non-smoking areas (Virdhani, 2013).

Regarding the advertising, The Global Youth Tobacco Survey reported in 2009 that 89.3% of respondents aged 13-15 years old see cigarette ads on billboards, 90.5 % from television and 76.6% from the newspapers/magazines. Even 10% of them claimed to have cigarettes from free offers. From the data, it can be inferred that Indonesia is a paradise for the advertising and promotion of cigarettes while in another country, tobacco’s advertising and promotion is very limited and even prohibited (Hemawati, 2013).
Cigarettes companies also very intensely sponsor various events, such as music concerts and adventure activities. Such activities are advertised massively through the mass media. It means that when tobacco products are prohibited from being advertised, the companies even more creatively and aggressively advertise through events. Despite no physical cigarettes in advertising, the music concerts or adventure events may invisibly keep people interested in smoking. The ads lead people to think positively about smoking.

Nafsiah Mboi, the Minister of Health of the Republic of Indonesia, argued that tobacco advertising can influence children to smoke. “Sponsored Ads become a powerful tobacco industry promotion and effectively draw people to start smoking, especially the kids” he stated on the World No Tobacco Day (HTTS) 2013 (Rachmaningtyas, 2013).

Interestingly, such restrictions conversely become a challenge for the tobacco industry to find different ways to advertise in the mass media. PT DJARUM is one of the companies that seem to not run out of ways in responding to the challenges and obstacles to promote cigarettes. PT DJARUM even heavily advertises CSR program under the banner of DJARUM Foundation which focus on five areas: community contribution (social), sports, environmental, cultural and education. Continuous advertising of CSR programs in each of these areas is presented in the media.

The cigarette advertising has experienced a metamorphosis. Cigarettes that are claimed as harmful to health are transformed as something good and interesting in the advertisement through CSR by solving the problems in the society and offering an attraction of nice pictures and displaying public figures in the ads. DJARUM advertises the foundation that actually has a social dimension as if advertising the product or service of a company.

Having observed the existing phenomena, this study focuses on the advertising of CSR DJARUM Foundation for sports in Kompas newspaper that is seen as a process of cigarette’s identity construction. The research questions are as follows:

1. How does PT DJARUM interpret its own identity?
2. How does PT DJARUM construct its product’s identity through CSR programs advertising in the media?
3. How does PT DJARUM interpret CSR ad?

1.2 Objectives of the study
The purposes of this study are:

1. To know how PT DJARUM interpret its own identity.
2. To know how PT DJARUM interpret CSR ad.
3. To find out how PT DJARUM construct its product’s identity through CSR programs advertising in the media.

1.3 Benefits of the study

a. Academic benefits: theoretically improve the knowledge about CSR brand identity in cigarette advertisements.
b. Practical benefits: provide insight for the audiences to understand the meaning and purposes of CSR advertising of the tobacco companies.
c. Social benefits: to do research to generate the patterns of communication and the language used by the companies to deliver their messages through images and words on CSR advertising.

2. Theoretical background
2.1 Organizational culture
Schein (Miller, 2009, p. 88) firstly defined the culture of a social group - an organization or other collectives in the following way:

A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid, and therefore, to be taught to new members as the correct way to perceive, think and feel to those problems.

Miller (2009, pp. 89–94) also stated that Schein further also provided a model that sorts out the various elements of culture into three distinct levels, namely:

Level 1. Artifacts: the most visible level of culture in Schein’s model consists of physical and social environment that organizational members have created.

Level 2. Espoused Values: the second level of Schein’s models of culture is composed of individual and group values. Values represent preferences or what “ought” to happen.
Level 3. Basic Assumptions: Schein’s third level of culture is the “core” assumptions that individuals in a group hold about the world and how it works … these assumptions have become “taken for granted” because they have been reinforced time and time again as the group deal with internal and external problems.

As you well know, examples of the artifact are stories, myths, heroes, or organization’s logo, products and services offered, advertising as well as dressing-up and speaking manner, while example of values is the value of honesty. Later, basic assumption is how people or organizations look at the environment or the truth.

2.2 Corporate social responsibility
Nowadays, almost all companies have Corporate Social Responsibility (CSR) programs. CSR programs are conducted on an ongoing basis and become values for the companies. In Indonesia, some foreign companies that aggressively carry out CSR programs are The Body Shop and Unilever. One of the local companies is Pertamina, a petroleum government entity. For The Body Shop and Unilever, by either hearing or seeing the name or the logo or any kinds of corporate identity, people will usually remember and relate with the CSR programs that are carried out. It means that through artifact that can be seen, read and heard, people will remember or recognize the CSR programs that have become the value for the corporate.

There are various definitions of CSR, but this study uses the definition by Kotler (2005) stating that Corporate Social Responsibility is commitment to improve community well-being through discretionary business practices and contribution of corporate resources. The core of CSR is that the company is no longer merely for profit but must give positive effect to the community.

2.3 Brand identity and advertorial
It is previously stated that the value of the company can be recognized through corporate or product or service identity. Brand is one form of identity. Harris and Whalen (2006, p. 9) stated that there are several companies which the corporate brand and product’s brand are one and the same, such as McDonald’s, Coca-Cola, and Starbucks. For such companies, the corporate identity is very important because if the trouble happens to the company it will affect the product directly and vice versa. This is what is called by the monolithic brand architecture: characteristic by strong, single master brand. Customer makes up choices based on brand loyalty. Features and benefits matter less to the consumer than the brand promise and persona. Brand extensions use the parent’s identity and generic (Wheller 2006, p. 23).

FIGURE 1. EXAMPLE OF MONOLITHIC BRAND ARCHITECTURE THAT USES COLORS TO EMPHASIZE THE SUB-BRANDS (WHELLER, 2009)
This study uses the definition of Wheller’s brand identity (2009, p. 3) that argued that brand identity is tangible and appeals to the senses. You can see it, touch it, hold it, hear it, watch it move. Brand identity fuels recognition, amplifies differentiation, and makes big ideas and meaning accessible. Brand identity takes disparate elements and unifies them into whole systems.

Brand identity is always contained in the advertisement. One type of advertisings is advertorial. Advertorial is derived from advertising and editorial. According to Widyatama (2009, pp. 84–85) advertorial has extensive size as the size of the display, it’s just more directed message delivery technique in the form of such a long story with a script. The explanation to the conclusion that it could be interpreted as an advertorial ads compiled or created in such a way that such an article authored by the print media is concerned. The purpose and function of the advertorial is to inform and to persuade.

3. Methodology

The research is qualitative. The research method uses semiotics of Barthes and in-depth interviews. Semiotics is used to find the meaning of a sign in the event gallery of CSR. Interviews were conducted to gather information related to the event gallery of CSR. However, this study only uses denotation and connotation stages, and does not discuss the myths stage. Samples were selected using purposive method and the event gallery CSR DJARUM foundation for sports was chosen to be published in Kompas newspaper. The reason of choosing this event gallery is that because it is inconsistent between sponsoring sports which the objective is to maintain health and the fact that it is sponsored by tobacco company whose products are harmful to health. In this study, only images and posts existed in the event gallery will be discussed using semiotics.

4. Analysis and Discussion

4.1 Semiotic Analysis of the event gallery DJARUM foundation on the Commitment to Restore the Badminton Supremacy

DJARUM foundation is a foundation owned by the tobacco company DJARUM which its line tag is DJARUM foundation Devotion to the Country (DJARUM foundation Bakti Pada Negeri). The programs of DJARUM foundation deal with social service, sports, environment, education and culture. This study specifically addresses the event gallery DJARUM foundation for sports with the headline of the Commitment to Restore Badminton Supremacy that includes photos and news (body text). There are 10 photos in the event gallery DJARUM foundation for sports (DJARUM foundation Bakti Olahraga) and generally show training activities and games performed by DJARUM foundation for sports. To find out how the identity is really built by DJARUM foundation for sports through the event gallery, each photo and post will be analyzed using the semiotic meaning and this study only uses the denotation and connotation stages.

4.1.1 Photo 1.
4.1.1 Denotation Stage
a. In a badminton court, there are two men. The first is an adult male directing his badminton racket with legs widely open. His face is showing seriously look at something in front of him. He is wearing blue T-shirt and black shorts, sneakers and white socks. Right behind, another man is lying on the floor with arms widely open. He is wearing blue T-shirt and white shorts. Outside the court, there are two men wearing blue T-shirts sitting and laughing while looking at the badminton court. There is a metal barrier and at the back there is a crowd of people sitting.

b. Photo caption: The performance of Ricky Soebagia/Rexy Mainaki (gold medalists in the men’s double at the 1996 Olympics), against the other top men double, Sigit Budiarto/Candra Wijaya. This exhibition match created a serious mood, tense, in fact often resulted audiences’ laughter because of the players’ unique and fascinating actions that made the Red and White flag raised in the arena.

The marker of this photo is the two men who are serious, tense and tired in the match, but their actions still could result the audiences’ laughter. The game was performed by the best Indonesian badminton players at the 1996 Olympic, the gold medalists who many times contributed to the raising of the Red and White flag in the arena.

4.1.1.2 Connotation Stage
a. Connotation of the caption suggests the efforts of those men’s double players to be the top at the international level, the 1996 Olympic Games. The “Red and White flag” represents the colours of Indonesian national flag, and the sentence is to say that the performance of the Indonesian badminton players has made Indonesia as a strong country in badminton. Those former athletes are heroes for Indonesia. This sentence would like to remind the glory of the Indonesian badminton double players in the international level, especially at the Olympics. It also becomes a reflection of the fact that there has been no Indonesian men’s doubles who currently have won the same achievement in the Olympics.

b. The picture of two players who are playing with their face mimic and the body lying on the floor with open arms signals the seriousness of the game. The former Indonesian best duals are not just the icons that are presented to enliven the event which was held by DJARUM foundation Bakti Olahraga but also there is a willingness to show how the world champion badminton players play. People laughing and crowd behind hints that the game supported by DJARUM foundation Bakti Olahraga also caused excitement and gave entertainment at the same time for the audiences.

4.1.2 Photo 2.
4.1.2.1 Denotation stage
a. A male player who is standing with legs open, serious face and lips slightly open and staring ahead while holding the shuttlecock in one hand and the other hand slightly elevated. He is wearing a blue T-shirt on which DJARUM foundation is written, black shorts and white socks. In front of him, there is a boy looking up while holding the racket.

b. Photo caption: Anthony B Ariantho, a player created by PB DJARUM who ever won a bronze medal at the Atlanta Olympics, the United States, in 1996, while giving a training to early age children in GOR Sudiang, Makassar, South Sulawesi, on Saturday (1/6).

4.1.2.2 Connotation Stage:
a. The caption highlights that DJARUM badminton association (PB DJARUM) succeeded in producing a world-class player who won a bronze medal at the 1996 Olympic Games in Atlanta. In other words, PB DJARUM has made efforts to produce heroes in the field. Further, this sentence also suggests DJARUM’s efforts to foster the Indonesian athletes to be the champions are continuous in which the former world champions or heroes who used to be PB DJARUM players now are empowered to become coaches. Those Indonesian heroes are currently the coaches for the new prospective badminton heroes. The next sentence “are currently training early age children in GOR Sudiang, Makassar, South Sulawesi, on Saturday” hints that DJARUM provides care and guidance to the children to form them to be the world-class athletes. The search and development of new generation is not only done in Kudus, Central Java, the origin of PT DJARUM but also in Jakarta as the capital city as well as in other several areas, one of them is Makassar.

b. The image of man with serious face expression while holding a shuttlecock and a boy in front of him holding a racket and his head slightly up turned suggests an effort to provide guidance in complete seriousness.

4.1.3 Photo 3.

4.1.3.1 Denotation stage
a. The picture of man wearing blue T-shirt on which DJARUM written and directing his hand forward while holding the shuttlecock and racket. Serious look on his face and his lips open. Standing behind someone is wearing a white T-shirt written DJARUM.
b. Photo caption: Sigit Budiarto, now active as a coach, is patiently and carefully giving good technique to hit the shuttlecock for the coaching clinic attendees aged 10-15 years.

4.1.3.2 Connotation stage
a. The caption indicates that Sigit Budiarto, the former champion, is now the coach at DJARUM. “Patiently and carefully” hints that Sigit as the coach is teaching the children with full understanding and that training young children needs extra time and attention. Another signal is that as a coach, Sigit pays attention to the details. This sentence implies a patronage like a father teaching young children in patience. This picture suggests that DJARUM is able to act as a patron for its students to form them as the future world champions.

b. The picture of a man who is wearing a blue T-shirt with DJARUM written on it and directing his hand forward while holding the shuttlecock and racket with a serious look on his face and his lips open. The picture suggests the man as the representative of the DJARUM foundation who is giving guidance.

4.1.4 Photo 4.

4.1.4.1 Denotation stage
a. The image of a man who is raising hands excitedly and pointing to the right side. One hand is holding the speaker. He is wearing a blue T-shirt and in front of him, a group of girls wearing white T-shirts and black pants are raising their hands then touching their chests.

b. Photo caption: Lius Pongoh, the legendary Indonesian badminton player is seriously giving direction upon warm-up session shortly before coaching clinic begins.

4.1.4.2 Connotation stage
a. The caption reflects that DJARUM foundation along with the former athletes is part of the history of Indonesian badminton and cooperates to provide guidance and generate the spirit of Indonesian children. Lius Pongoh is currently the member of the board of PB DJARUM badminton suggests that he is part of DJARUM.

b. The picture of a man raising his hands pointing forward and wearing a blue T-shirt and in front of him a group of girls hints the training is carried out with full of seriousness and spirit so that a group of girls who are in front of him seriously pay attention and follow the instructions from the person in front.
4.1.5 Photo 5.

4.1.5.1 Denotation stage
a. Picture: an adult male wearing a blue T-shirt standing in the badminton court with legs and hands slightly apart and his body a bit at sideways. He is wearing a blue T-shirt and black shorts and white sneakers. Not far from him, a man in the middle is directing his badminton racket into the air.

b. Photo caption: Hariyanto Arbi known for his jumping smash is sharing knowledge to one of the coaching clinic participants.

4.1.5.2 Connotation stage
a. The caption suggests that a badminton famous athlete with his strength and unique jumping smash is sharing his knowledge and experience to the coaching clinic participant. Hariyanto Arbi, a former Indonesian badminton athlete, is famous for his jumping smash so that he’s called Smash 100 Watt. This one of the former PB DJARUM’s athletes managed to become world champion. This phrase, once again, suggests that the efforts of developing badminton undertaken by DJARUM are continuously carried out. The former DJARUM world champion is open to share their playing techniques, including how to do the jumping smash, to the current DJARUM’s badminton trainees.

b. Figure 5 suggests a man who is giving direction, guidance and training and the boy in white T-shirt in front of him who follows the guidance.

4.1.6 Photo 6.
4.1.6.1 Denotation stage
a. The picture of middle-aged men playing badminton and wearing a white T-shirt.

b. Photo caption: (left to right) Hastomo Arbi, Eddy Hartono, and Hariyanto Arbi together with the Arbi Family against the Mainaky Family (not visible in the photo). Amazing performance of three on three episode created different atmospheres in GOR Sudiang, Makassar.

4.1.6.2 Connotation stage
a. Hastomo Arbi, Eddy Hartono, and Hariyanto Arbi are the brothers who are the former successful PB DJARUM badminton players in various levels of world championships. The caption implies that DJARUM successfully made the brothers to be the world-level badminton champions. DJARUM produced a family that reached world-class achievements in badminton.

b. The photo of the Arbi family whose members are middle-aged playing badminton hints that the former world champions that DJARUM produced remained eager to show the best game. DJARUM really just wanted to highlight that player it had trained. The photo only shows the Arbi family, while the Mainaky family who was not under PB DJARUM was not shown in the photo.

4.1.7 Photo 7.

4.1.7.1 Denotation stage
a. The picture of middle-aged man wearing a blue T-shirt and shorts standing in front of the badminton net, raising his hand and holding the badminton racket and shuttlecock. Not far behind him, there are two boys wearing white T-shirts and shorts and there are other two men standing wearing blue T-shirts. Off the court on the floor, it is written DJARUM and also on the back wall.

b. Photo caption: Christian Hadinata the legendary Indonesian badminton is giving guidance to the participants of the training, about flat shots that can beat the opponent.

4.1.7.2 Connotation stage
a. The caption hints that, once again, the foundation represented by DJARUM badminton’s hero who has become the legend in sports in Indonesia. Christian Hadinata who is also a coach at PB DJARUM suggests that the athlete who has become the legend is parts of the PB DJARUM and cooperatively train the Indonesian children to be the next world champions.

b. The picture of middle-aged man who is picking up the shuttlecock and holding the badminton racket and paper represents an expert in the field who is providing guidance to the younger players.
4.1.8 Photo 8.

4.1.8.1 Denotation stage
a. The image: a man who is standing and holding a microphone and another hand is raised, before him a man sitting and three men behind him.

b. Photo caption: The coaches from Sulawesi Selatan are seriously receiving training from Head of Development Department of PB PBSI Basri Yusuf. The qualified coaches also encourage the birth of outstanding athletes in the international arena.

4.1.8.2 Connotation stage
a. The caption hints that Djarum foundation helps the Indonesian Badminton Association (PBSI) to produce champions. PBSI organizational structure is made up of people from the government, even the President of Indonesia, Susilo Bambang Yudhoyono (SBY) and several ministers as the board of honour, board of advisors to and chairman. This is like a teasing for the government saying that who says the government bans cigarette? Tobacco companies actually assist and cooperate with the President and his ministers to improve the Indonesian badminton. This is a proof that the Indonesian government is not able to do much for the Indonesian badminton if not supported by Djarum which its identity is posted at the backdrop. PBSI athletes who are high-achieving apparently supported by Djarum. Djarum does not only train the children but also the coaches to be able to produce the new world badminton champions.

b. The photo of a man holding a speaker with a background of the writing Djarum foundation Bakti Olahraga, Djarum Badminton ALL STAR and one who is sitting behind him Christian Hadinata suggests that all who provide guidance are the representatives of Djarum foundation. The efforts of Djarum foundation are not only training the players but the coaches. The badminton coaches in various regions in Indonesia are in support of Djarum foundation.
4.1.9.1 Denotation stage
a. The photo of two middle-aged men wearing batik holding a white rectangle object with their hands and smiling at a group of people holding cameras in front of him. Behind him standing a man who is staring at the direction of the two men.

b. Photo caption: The director of DJARUM foundation for sports, Yoppy Rosimin, is symbolically giving assistance to PBSI South Sulawesi, Makassar, on Friday (31/5). The good facilities and infrastructure are expected to be able to foster the spirit of the athletes and coaches in South Sulawesi.

4.1.9.2 Connotation stage
a. The caption implies that in order to produce badminton world champions it is not only about providing training for the athletes and coaches, but also giving support for the improvement of the facilities.

b. The photo of two middle-aged men wearing batik holding a white rectangle object with their hands and smiling at a group of people in front of him who are holding cameras implies that the two persons are happy to hold the object that is important for both of them and many people in front of them. Further, it also emphasizes that DJARUM wanted to say that the media saw the ceremony of granting assistance to PBSI is an important moment that had news value so that the cigarette is worth to be presented in the media.

4.1.10 Photo 10.

4.1.9.10 Denotation stage
a. The picture of boy who is falling on the floor in the badminton court. One of his hands is resting on the floor and another is holding the racket and shuttlecock with eyes staring at the shuttlecock. The boy is wearing a white T-shirt and red shorts. On the sidelines of the court, there are four other boys who are looking towards the falling child and one of them is laughing at him. At the other part of the court, there is another adult male on the sidelines also looking at the falling boy.

b. Photo caption: The performance of Andi Muhammad Yusran (9) is able to make the audiences amazed. His steps and techniques of hitting prove that Indonesia is not lack of excellent new generation in badminton.

4.1.10.2 Connotation stage
a. The caption implies that there is always hope for Indonesia to become the top again because Indonesia still has excellent new generation in badminton. The nine-year old boy is able to make the audience astonished by his game. He is trained by DJARUM.

b. The picture of a boy falling on the badminton court’s floor and the spectators who are watching from the side signals the boy’s great efforts to play seriously when following the coaching from DJARUM. Furthermore, DJARUM is also able to provide entertainment and excitement for the spectators.
Semiotic analysis of the results above shows the same symptoms that DJARUM seeks to demonstrate to the public its position as a giant tobacco company and through its CSR programs it has successfully managed to produce some badminton world champions and has supported the government to save the Indonesian badminton and become the world champion again.

4.2. The Interpretation of identity, advertising and the construction of Djarum cigarettes’ identity through CSR programs

4.2.1 The Interpretation of DJARUM’s identity

This tobacco company, based in Kudus, Central Java, has the same name for its company, foundation and product that is DJARUM, as it can be seen below:

FIGURE 2. THE FRONT PAGE OF THE CORPORATE WEBSITE FEATURING A CORPORATE, PRODUCT AND FOUNDATION BRAND (DJARUM)

Among 15 domestic products brands of PT DJARUM cigarettes, there are 11 products which also use name DJARUM (DJARUM):

1. DJARUM SUPER
2. DJARUM COKLAT
3. DJARUM 76
4. DJARUM Istimewa
5. DJARUM Black
6. DJARUM Black Cappuccino
7. DJARUM Black Tea
8. DJARUM Black Cappuccino
9. DJARUM Black Slimz
10. DJARUM Black Menthol
11. DJARUM Black Slimz

The corporate, product, and foundation use the same identity that is DJARUM. The brand is written using the same capital letters and fonts as categorized by Wheller as the monolithic brand architecture. The use of the same identity can lead people who read the event galley to the equation of DJARUM foundation and DJARUM cigarette products. The visualization of DJARUM foundation in the event gallery will surely make the readers to remember DJARUM as the company and cigarettes as the product.

DJARUM foundation is part of our PT DJARUM but apart from the cigarettes. The name DJARUM is the same for company, foundation and product but we never offer cigarettes while carrying out CSR programs, no SPG sell cigarettes if the product brand
performs a music concert. We are apart from the cigarettes, we are DJARUM foundation (BD, DJARUM foundation).

Besides the equation between company, foundation and product, there is also an inconsistency between the DJARUM cigarette products that harm health and the foundation that devotes to sport with the purpose of maintaining and improving health.

Smoking is actually not harmful to health. It is harmful to health if cigarettes are consumed in excess. As an example if we notice the Arabians who eat goat meat, we may question "Are they seriously ill?" The answer is no because they eat in a proper portion. Sugar, if it is over-consumed, it will also cause disease. It will be the same way for cigarette. If it is consumed normally, it will certainly be not harmful to health. Sports make us healthy and actually DJARUM foundation not only supports our sport concern but also has CSR programs for education, culture, social and environment ... (BD, DJARUM foundation).

The results of those interviews indicate that on the side of DJARUM foundation, they do not want to be equated with the product although the visualization of its identity is the same. The difference is that the tobacco products are not promoted at all in the implementation of CSR programs. DJARUM foundation does not use SPG to sell cigarettes when implementing CSR programs.

4.2.2 The Interpretation of CSR advertising of DJARUM foundation

FIGURE 3. GALERY EVENT DJARUM FOUNDATION (KOMPAS, 2013)

Advertising is also one form of identity. The event gallery CSR DJARUM foundation for sports featured the Indonesian former badminton athletes who had triumphed and brought the name of Indonesia at the international level. Most of
them were the players under PB DJARUM and currently become coaches at the club. The event gallery described DJARUM foundation’s efforts devoted for sports to produce powerful athletes that have been continuously carried out. Communication through the event gallery can be an attempt to announce that CSR has become part of or value for DJARUM, especially for badminton.

Being apart or not from the value, the owner of DJARUM has done “mutual aid” since the company was still in small scale so that a philosophy has emerged internally and evolved with the environment. DJARUM foundation has been organizing activities devoted for badminton since 1951 up to day. Indonesian DNA is mutual aid and being religious. They are the characteristics of Kudus as the city of “Wali Songo” where the people are very religious and like to help each other. This is what has been done by DJARUM. We have done this for a long time while CSR just boomed in Indonesia, 10 years ago. The difference is just that we did not advertise it but now we will certainly publish it to the public through media (BD, DJARUM foundation).

Although it is not published in the newspaper in the form of advertising but from the interview above, we can say that the event gallery DJARUM foundation is an advertisement. If we notice, there is an indication of infotorial on the right upper of event gallery in a small size. In addition, there is the word advertising at every end of the sentences in the narrative.

This is an advertorial. We actually communicate through a variety of channels. One of them is in the form of event gallery that more display photos as they are more attractive and better understandable message. Event gallery exists not only in Kompas but also in almost all media such as Sindo, Republika, and Suara Merdeka (BD, DJARUM foundation).

According to Prof. Alois A. Nugroho, an expert in communication ethics in Indonesia, the event gallery CSR DJARUM constitutes an ad because it has a form of infotorial. If DJARUM foundation does not want the foundation is equalized with cigarettes, that will be unbelievable as what Prof. Alois A. Nugroho said.

Just look at the name DJARUM foundation. Why is DJARUM also written with the letter D and not JARUM? In Indonesian language the correct word is JARUM (NEEDLE). DJARUM is then an identity. Therefore, DJARUM in this infotorial is DJARUM as corporation, foundation and products that are cigarettes. So, it is also a tobacco advertising (interview with Alois A. Nugroho).

The event gallery, in fact, is not the only way to publish DJARUM foundation for sports devotion programs but it could be interesting because the photographs in it highlight its activities. DJARUM foundation admitted that they have used various media to advertise the CSR sports devotion programs and its purpose is to enhance the positive image.

We communicate the CSR programs through media for several reasons. The first is that there are positive messages about the problems being faced and must be solved together. Second, the company actively participates in it. Third, in term of PR, it is to increase the positive image and to do so, communication is necessary. The last, it becomes a forum of sharing for the CSR organizers from other companies that plays a role as a laboratory to create to new activities (BD, DJARUM foundation).

Through the interviews, it is also revealed that CSR has become the culture and value of DJARUM. That value is communicated through the event gallery that is undoubtedly is an ad that is packaged in the form of advertorial. DJARUM foundation stated that the purpose of CSR DJARUM foundation is to enhance its positive image. Advertorial is one form of artifacts of the culture. Therefore, CSR DJARUM foundation is advertised to show that CSR is the culture of DJARUM and there is a hope to enhance the positive image of the foundation. The photos are highlighted to be more attractive but Kompas is not the only print media used to communicate CSR DJARUM foundation for sports programs.

1.2.3 The Construction of DJARUM cigarettes’ identity through CSR advertising

As mentioned by the representative of DJARUM foundation, the objective of the event gallery CSR is to enhance the positive image. Looking at the semiotic discussion, the image formed by DJARUM foundation Bakti Olahraga is to create the Indonesian badminton athletes who can reach high achievement at the international level and such efforts are continuously carried out up to now. The process of making CSR advertorial gets the direct supervision from DJARUM who confirms that the event gallery is indeed an ad.

In Kompas Newspaper, the news value is set by the editors. The press release was performed by DJARUM but Kompas came directly to the field to see and it was their right to decide. We just revise the sentences that do not quite fit. Kompas has the control but still asks for inputs from DJARUM. Some photos are sometimes changed by DJARUM. The package should benefit the readers and the media as it relates to the reputation of the media (BD, DJARUM foundation).
The use of the word event gallery indeed makes this advertorial very vague. Common people who read will surely think that Kompas publishes the pictures and news of CSR program because of its worthiness. Kompas is a newspaper publisher with good credibility in Indonesia. No one could have thought that the event gallery is on request.

The activities are recorded and put into the journalistic language. We admit that it is a request. We use the event gallery because we want to highlight the activities in our event (BD, DJARUM foundation).

“Request” is the important keyword. Control is not on Kompas but DJARUM foundation. DJARUM intervention is actually very clear because almost all the coaches in the event gallery photos are the former athletes who were cultivated by DJARUM and became the high achievers at the international level who are currently coaches in PB DJARUM.

Those athletes with high achievement are the legends and they have value, the media is happy for that. They make news and it is very important and part of the communication strategy. They also can contribute in propagating our value and attract people because they have admirers and this has become their trademark. This also interests the media (BD, DJARUM foundation).

Outstanding athletes are chosen because they have news value, admirers and become trademark. It becomes an interesting topic for the media and public. What does DJARUM foundation from the society after they look at the photos of the legendary athletes?

Expectation of the reader is the image, the value for readers; they can see the consistent actions and consistency means perfect. We want people to see that we do have the attention to the Indonesian badminton; we would like the Indonesian badminton triumphs again at the international level. We did choose them as having news value. What is CSR? Even 51 years ago we did not think of the CSR. We had performed this program even before CSR is famous in Indonesia. We’ve been supporting each other with the citizens, doing mutual assistance, etc. It has been part of DJARUM. The athletes we’ve coached are successful and reach high achievements at the global level. It’s also our achievement. So if now they help us to spread our values, that is good (BD, DJARUM foundation).

Image formed by DJARUM foundation Bakti Olahraga has a commitment to put the Indonesian badminton in the international supremacy. However, looking at the word DJARUM in the event gallery, it is not impossible that the event gallery also advertises cigarettes because of the same brand. When referring to DJARUM foundation, people will also remember DJARUM cigarettes. The expert of communication ethics, Aloisius A. Nugroho strictly argued that the event gallery of DJARUM has violated the ethical foundation of communication.

This ad has directly or indirectly something to do with the tobacco products because of their same identity. Thus, there are ethical problems as follow: 1. It is a lie to state that it does not promote cigarettes. It is like a hoax. 2. It always becomes a positive sentiment towards the cigarettes because they contribute big money. 3. The cigarette industry, in the societal marketing, is always questionable. Accordingly, DJARUM foundation can be considered violating the ethics of communication because the cigarette advertising should not encourage non-smokers to smoke. Instead, it just attracts people to move from one cigarette’s brand to another (interview with Aloisius A. Nugroho).

Associated with tobacco products, it is worth to put a concern for 9 -12 year old children who are trained by DJARUM badminton which its photos are exhibited in the event gallery in Kompas. Cigarettes should be kept away from children and should not be advertised.

They are trained since their childhood. We develop them to look for new generation. All the former great athletes used to be treated similarly. In the past, our peers in DJARUM were very fond of badminton and that’s why they formed PB DJARUM. The organization produced some famous badminton athletes such as Ivana Lie, Alan Budi Kusuma, Tontowi Ahmad and Mohammad Aksa, who were trained at their young ages. Our mission and vision is making Indonesia as a powerful country in badminton.

To put that mission and vision into realization, besides giving training to the athletes, DJARUM foundation also provides assistance to improve the facilities at the PBSI. DJARUM foundation touches all aspects related to the performance improvement of the badminton athletes.

We involve the athletes and PBSI in our program because it would be better if it involves many parties. It will be stronger if all synergize. If only one party involves, there will be no support. So if there is stigma about smoking, it really doesn’t matter. We want to be democratic. At the end, it is not really a problem whether you smoke or not. It is given up to the public. DJARUM foundation
separates itself from the cigarettes. We accept the opinion that the cigarettes and DJARUM foundation cannot be separated.

Therefore, DJARUM constructs its identity by using the outstanding athletes who have become the legends. Athletes become the communication strategy because they have news value. Additionally, DJARUM foundation claims its commitment to bring back the Indonesian’s supremacy in badminton. DJARUM foundation also strongly affirms its efforts to find and develop new athletes to be the world champions. DJARUM foundation uses the event gallery and highlights the photographs of activities to disguise its advertisements.

5. Discussion
Through denotative and connotative analysis it is found that there are ten photos in the event gallery of DJARUM foundation that consistently tell the actions to save the Indonesian badminton to revive it from its downturn and restore the world champion position through CSR programs.

The first seven photos are the former badminton world champion athletes who are the representatives of the DJARUM foundation DJARUM. They are doing the training and game. Four of them are photos 2, 3, 5 and 6 representing the Indonesian’s world badminton champions under the supervision of PB DJARUM and currently serve as coaches at the club. They give training seriously and patiently like father educating his son. In spite of that, those world champions are also willing to share their hit specialty, namely jumping smash. In the game, those world champions are also able to entertain the audiences with their actions.

Photos 4 and 7 also show the Indonesian badminton world champions, the legend ones, who are training, directing and encouraging. Lius Pongoh and Christian Hadinata are currently active as coaches and administrators in PB DJARUM. Meanwhile, photo 1 is the Indonesian world champions of double in the 1996 Olympics who were able to entertain the audiences with their game.

Photos 8 and 9 suggest DJARUM foundation as a savior, contributing in all aspects to affect the athletes’ performance by training the coaches and improving the facilities. Those two photos also hint that PBSI is in fact sponsored by DJARUM foundation or in other words, the government gets sponsored by Djarum cigarettes. Photo 10 signals the excitement of and entertainment for young children who have obtained training from DJARUM foundation. DJARUM foundation fosters the children to become the world champion athletes. This suggests that DJARUM foundation does its best efforts to bring the Indonesian badminton legends and champions to foster the mental and spirit of being champion to the children at the early age.

DJARUM foundation that is trying to save Indonesian badminton has the same brand for the cigarette products produced by the company consisting of 11 products. That is what Wheller categorized as monolithic brand. Therefore, the term of DJARUM foundation is only intended to differentiate it with the products and company. The font and the use of capital letters in the word DJARUM reflect no difference between the foundation and the products. Despite having the same identity, the DJARUM foundation declines to equate the foundation with the products.

DJARUM has made CSR as its culture that can be seen through its advertising. DJARUM foundation sees CSR advertising functions as to create its image. CSR advertising is carried out through the mass media in a creative way, one of them is in the form of advertorials. DJARUM camouflages its advertising using the event gallery. Photo gallery is deliberately multiplied in order to be more attractive.

DJARUM foundation constructs its identity through advertising CSR program devoted to promote its action in trying to save the Indonesian badminton, producing badminton champions, educating the Indonesian children to become the new world champions, encouraging, entertaining and supporting the government which prohibits cigarette advertising. Educating the children to become the world champions is done by the former champions who used to be trained by DJARUM foundation. This implies a commitment to regenerate the Indonesian badminton world champions.

6. Conclusion
The event gallery CSR DJARUM foundation is a kind of disguised advertorial. Advertorial is a form of advertising which its functions are to inform and influence. The brand of DJARUM existing in the event gallery DJARUM foundation is the same as the brand of tobacco products and the company. The same identity signals that DJARUM as corporation, foundation and products is one and the same. Therefore, advertising the DJARUM foundation also means advertising the products at the same time. The advertising of CSR DJARUM foundation is intended to improve the overall DJARUM image,
including the image of its cigarettes. Construction of identity through advertising CSR DJARUM is done by (1) describing DJARUM as rescuers of badminton world that is committed for Indonesia to restore its position as the world champion, (2) producing Indonesian badminton heroes, (3) gathering the badminton heroes to train, encourage and entertain the new generation of Indonesian badminton players to be future champions and finally (4) making partnership with the government to save the Indonesian badminton.

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The Effects of Consumer Perceptions of CSR Activities on Loyalty

Alexandra Obrist
Lucerne University of Applied Sciences

Matthes Fleck
Lucerne University of Applied Sciences

Background and hypotheses
Companies are challenged by their customers’ expectations that they should not only make products and provide services but also act as responsible members of society. Recently, these activities have been described by the term corporate social responsibility (CSR) and widely investigated in academia. Many marketing executives now must ask: What are the effects of consumer perceptions of CSR activities on consumer loyalty?

Based on a model developed by Lee et al. (2012), this paper investigates the effects of CSR communications on consumer loyalty among the clients of an outdoor apparel manufacturer. In essence, the model explains that consumer perceptions of CSR activities are influenced by both the perceived fit between their lifestyles and company CSR activities and the perceived fit between their values and company CSR activities. We suggest that consumer perceptions of CSR influence consumer loyalty both directly and, by influencing consumer-company identification, indirectly (see Figure 1).

Fit is broadly understood as the amount of congruence customers perceive between their personal traits and a company’s character (Sen and Bhattacharya, 2001).

Lifestyle is defined as the way in which people conduct their lives and is composed of people’s activities, interests and beliefs (Peter and Olson, 1994). De Young (1985) has suggested that a rationally oriented lifestyle has a positive effect on conservation behavior. We thus hypothesize the following:

H1. The perceived fit between consumers’ lifestyles and company CSR activities has a positive effect on consumer perceptions of CSR activities.

According to Schwartz (1992), values can be described as “desirable trans-situational goals, varying in importance, that serve as guiding principles in people’s lives.” Values are a motivational construct (Schwartz, online). The findings of Basil and Weber (2006) show that individual values are determinants for perceptions of CSR. Moreover, values provide the basis from which to evaluate the appropriateness of CSR activities (Siltaoja, 2006). Thus, we hypothesize the following:

H2. The perceived fit between consumers’ values and company CSR activities has a positive effect on consumer perceptions of CSR activities.

Consumer-organization identification is broadly defined as “the primary psychological substrate for the kind of deep, committed, and meaningful relationships that marketers are increasingly seeking to build with their customers” (Bhattacharya and Sen, 2003). When people see similarities between their own norms and values and those of a company, that perceived commonality with the organization improves their self-esteem (Scott and Lane, 2000). We thus hypothesize the following:

H3. Consumer perceptions of CSR activities have a positive effect on consumer-company identification.

Loyalty is the “deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior” (Oliver, 1999, p. 34). Maignan et al. (1999) have found that a customer’s esteem of company’s CSR activities finds its expression in loyal behavior toward the company. We hypothesize the following:

H4. Consumers’ perceptions of a company’s CSR activities have a positive effect on their loyalty to the company.
Consumers’ identification with a company can lead to loyalty (Bhattacharya and Sen, 2003) results in loyal behavior and positive word of mouth. The combination of an increase in consumer-company identification and consumer loyalty leads us to expect the following effect:

H5. Consumer-company identification has a positive effect on consumer loyalty to a company.

The hypotheses are summarized in Figure 1.

**FIGURE 1. CONCEPTUAL MODEL ACCORDING TO LEE ET AL. (2012)**

**Methods**

**Data analysis**

Structural modeling techniques are able to analyze the relationships and interplay of latent variables. Latent variables such as loyalty and satisfaction can be measured indirectly but not directly (Weiber and Mühlhaus, 2010). PLS modeling allows for the investigation of complex models and provides explicit estimations of latent variable scores (Henseler et al., 2009).

**Sample**

Customers of a Switzerland-based outdoor textile manufacturer were asked to answer an electronic survey. In total, 779 customers completed the survey.

**Survey**

The survey’s scales were taken from Lee et al. (2012). The perceived consumers’ value fit was adapted from Darley and Lim (1992), the perceived consumers’ lifestyle fit was adapted from Jain and Srinivasan (1990), consumer perceptions of CSR activities were adapted from Maignan (2001) and Lichtenstein et al. (2004), C-C (consumer–company) identification was adapted from (Mael and Ashforth, 1992), and consumer loyalty was measured according to Chaudhuri and Holbrook (2001), Oliver (1999) and Coelho and Henseler (2012).

**Data presentation**

The reliability and validity measures for the model are assessed in Table 1.
TABLE 1. SUMMARY OF VALIDITY MEASURES

<table>
<thead>
<tr>
<th></th>
<th>AVE</th>
<th>Composite Reliability</th>
<th>R-Square</th>
<th>Cronbach’s Alpha</th>
<th>Communality</th>
</tr>
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<tr>
<td>Identification</td>
<td>0.73</td>
<td>0.91</td>
<td>0.25</td>
<td>0.88</td>
<td>0.73</td>
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<tr>
<td>Perceived fit between consumers’ lifestyles and company CSR activities</td>
<td>0.61</td>
<td>0.89</td>
<td>0.84</td>
<td>0.61</td>
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<tr>
<td>Loyalty</td>
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<td>0.24</td>
<td>0.92</td>
<td>0.76</td>
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<td>Consumers’ perceptions of a company’s CSR activities</td>
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<td>0.40</td>
<td>0.94</td>
<td>0.80</td>
</tr>
<tr>
<td>Perceived fit between consumers’ values and company CSR activities</td>
<td>0.69</td>
<td>0.93</td>
<td>0.89</td>
<td>0.69</td>
<td></td>
</tr>
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</table>

TABLE 2. DISCRIMINANT VALIDITY BASED ON AVE

<table>
<thead>
<tr>
<th></th>
<th>Identification</th>
<th>Lifestyle CSR-FIT</th>
<th>Loyalty</th>
<th>Perception</th>
<th>Values &amp; CSR</th>
</tr>
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<tbody>
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<td>Consumer-company identification</td>
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<td></td>
<td></td>
<td></td>
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<td>Perceived fit between consumers’ lifestyles and company CSR activities</td>
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<td>0.78</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Loyalty</td>
<td>0.41</td>
<td>0.35</td>
<td>0.87</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumers’ perceptions of a company’s CSR activities</td>
<td>0.50</td>
<td>0.59</td>
<td>0.44</td>
<td>0.89</td>
<td></td>
</tr>
<tr>
<td>Perceived fit between consumers’ values and company CSR activities</td>
<td>0.31</td>
<td>0.48</td>
<td>0.39</td>
<td>0.49</td>
<td>0.83</td>
</tr>
</tbody>
</table>

Discriminant validity is assessed to determine whether each latent variable shares more variance with its own measurement variables or with other constructs (Fornell and Larcker, 1981). Therefore, we compared the square root of the AVE for each construct with the correlations with all other constructs in the model (Table 2).

Descriptive data are presented in Table 3.
Table 3 provides the R² results. We conclude that the R² value is moderate for perceptions of CSR activities and weak for loyalty to and identification with the company.

Table 4 also shows the explanatory power of the equations regarding the endogenous constructs. Based on statistical power analysis (Cohen, 1998), strong effects (higher than 0.35) cannot be observed in the model. Moderate effects (higher than 0.15) can be observed for the effect of the perceived fit between lifestyle and CSR activities on the perception of CSR activities and for the effect of the perception of CSR activities on identification with the company. Weak effects (higher than 0.02) can be observed for the effect of the perceived fit between consumer values and CSR activities on the perception of CSR activities, the effect of the perception of CSR activities on consumer loyalty and the effect of the perception of consumer-company identification on loyalty.

Given the significant path coefficients (compared in Table 4, significant at the <0.001 level (two-tailed test)), we confirm our initial hypotheses. However, on a cautionary note, we emphasize that the observed effects and R² are rather small and are on either a weak or a moderate level.

### Table 3. Indicators - Mean, St. D. and Loading

<table>
<thead>
<tr>
<th>Construct</th>
<th>Indicator</th>
<th>Mean</th>
<th>St. D.</th>
<th>Loading</th>
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</thead>
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<tr>
<td>Perceived fit between consumers' lifestyles and company CSR activities</td>
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<td>5.63</td>
<td>1.45</td>
<td>0.70***</td>
</tr>
<tr>
<td></td>
<td>LF2</td>
<td>3.90</td>
<td>1.70</td>
<td>0.81***</td>
</tr>
<tr>
<td></td>
<td>LF3</td>
<td>4.45</td>
<td>1.66</td>
<td>0.74***</td>
</tr>
<tr>
<td></td>
<td>LF4</td>
<td>3.69</td>
<td>1.80</td>
<td>0.84***</td>
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<td></td>
<td>LF5</td>
<td>4.47</td>
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<td>0.81***</td>
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<tr>
<td>Perceived fit between consumers' values and company CSR activities</td>
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<td>5.73</td>
<td>1.29</td>
<td>0.90***</td>
</tr>
<tr>
<td></td>
<td>V2</td>
<td>5.37</td>
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</tr>
<tr>
<td></td>
<td>V3</td>
<td>5.68</td>
<td>1.28</td>
<td>0.91***</td>
</tr>
<tr>
<td></td>
<td>V4</td>
<td>5.74</td>
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</tr>
<tr>
<td></td>
<td>V5</td>
<td>5.22</td>
<td>1.38</td>
<td>0.82***</td>
</tr>
<tr>
<td></td>
<td>V6</td>
<td>3.45</td>
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<tr>
<td>Consumer perceptions of CSR activities</td>
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<td>4.48</td>
<td>1.44</td>
<td>0.87***</td>
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<tr>
<td></td>
<td>P2</td>
<td>5.08</td>
<td>1.39</td>
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<td></td>
<td>P3</td>
<td>5.09</td>
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</tr>
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<td>1.42</td>
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<td></td>
<td>P5</td>
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<tr>
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<td></td>
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</tr>
<tr>
<td></td>
<td>L2</td>
<td>5.25</td>
<td>1.59</td>
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<td></td>
<td>L3</td>
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<td></td>
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<td>L5</td>
<td>6.27</td>
<td>1.09</td>
<td>0.92***</td>
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</table>

Note: *** significant at <0.001 level (two-tailed test)
<table>
<thead>
<tr>
<th>Criterion</th>
<th>Predictor</th>
<th>$R^2$</th>
<th>Path coefficient</th>
<th>$F^2$</th>
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<td>0.265***</td>
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</tr>
<tr>
<td>Consumer-company identification</td>
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<td>0.251</td>
<td>0.501***</td>
<td>0.34</td>
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<tr>
<td>Loyalty</td>
<td>Consumers’ perceptions of a company’s CSR activities</td>
<td>0.244</td>
<td>0.312***</td>
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<td></td>
<td>Consumer-company identification</td>
<td></td>
<td>0.257***</td>
<td>0.10</td>
</tr>
</tbody>
</table>

**Note:** *** significant at <0.001 level (two tailed test)

Figure 2 provides an overview of the structural model, including $R^2$ values and path coefficients.

**FIGURE 2. STRUCTURAL MODEL**

**Discussion**

**Theoretical implications**

With regard to our initial question, we conclude that perceptions of communications of CSR-related activities have an effect on consumer loyalty. The results also confirm the model developed by Lee et al. (2012), which states that consumer perceptions of CSR activities are influenced by the perceived fit between consumers’ lifestyles and CSR activities and by the perceived fit between consumer values and CSR activities. Consumer perceptions of CSR are suggested to influence consumer loyalty both directly and, by influencing consumer-company identification, indirectly. However, the effects observed in this study of CSR communications on customer loyalty are rather small.

**Practical Implications**

Perceptions of CSR communications influence the degree to which customers identify with a company. According to
our results, an overlap between the values of consumers and those of a company is decisive for the perceptions of CSR activities.

References

1. Introduction
How an ethical issue should be understood – what the problem is, who is responsible and what should be done – is always a matter of more or less explicit discursive negotiation and, oftentimes, struggle in a public discourse between different actors, such as corporations, NGOs, and mass media (e.g. Dahan and Gittens, 2010). Recently, it has been argued that technological developments subsumed under the term “web 2.0” have endowed members of civil society to actively participate in the public discourse (e.g. Antony and Thomas, 2010). By arguing that social media have transformed a part of the general public from a passive audience to a publicly participating actor, we investigate how an ethical issue is framed in social media in comparison to other actors, such as news media, NGOs and corporations. Furthermore, by arguing that the rise of social media has questioned the notion of all-powerful news media we look at the framing dynamics between social media and news media, and ask if social media follow the framing of news media or vice versa.

In order to answer these research questions, the study investigates the framing of the Kit Kat palm oil crisis of Nestlé.

2. Theoretical background
Frames are often understood as cognitive structures, which organize issues and objects in particular ways and set them in relation to each other (Benford and Snow, 2000; Entman, 2007). Framing, on the other hand, is the process of cognitive structure building (e.g. Gamson and Modigliani, 1989), hence deals with the influence of how to think about certain issues (Snow and Benford, 2000). Frames and framing have been studied over the last decades in several research fields, such as social movement (e.g. Benford and Snow, 2000), and with particular frame concepts, such as “injustice frames” (Gamson et al., 1992) or “victim frames” (White, 1999). More recently in media studies, scholars have introduced the concept of associative frames, which allow a more general approach to study frames and framing (e.g. Ruigrok and van Atteveldt, 2007; Schultz et al., 2012). Associative frames build on the cognitive perspective (D’Angelo, 2002) and can be understood as the associations or co-occurrences between different concepts, whereby a concept is a term that can denote actors, issues, and attributes, such as causes, consequences and solutions (Ruigrok and van Atteveldt, 2007).

In recent years scholars have argued that the rise of participatory media – particularly internet-based and wireless technologies – has enabled an unprecedented level of creation of media content and online participation (e.g. Antony and Thomas, 2010; Meyers, 2012). Technological developments, subsumed under the term “Web 2.0” (Reilly, 2005) and the rise of social media have empowered individuals to raise their voices publicly and allowed better visibility for alternative frames, especially in crisis situations (e.g. Valentini and Romenti, 2011). As a result it has been argued participatory media put into question traditional notions of all-powerful news media that define and restrict a largely passive audience (e.g. Antony and Thomas, 2010; Meyers, 2010). Increasingly stakeholders, such as consumers, raise voice online if they are unsatisfied with particular business practices, with consequences for companies, such as the loss of legitimacy (e.g. Veil et al., 2011). In sum, previous literature has argued that framing of an ethical issue through social media has become relevant for the social construction of a crisis, whereby social media framing challenges the dominant frames by news media.

3. Methodology
To investigate the frames and framing of the Nestlé Kit Kat crisis, we base our analysis on the disseminated texts by the four different actors. We coded totally 5185 sentences manually with the software Nvivo for actors, issues, and attributions. To define the concepts we read a sample of texts from each source that covered the investigated time span, and developed a chronology of the key events of the crisis. According to previous research on diagnostic and prognostic framing, we clustered the issues in the attribution categories “cause”, “solution” and “consequences” (Benford and Snow, 2000) and as the main issue “problem” (Schultz et al., 2012). With the aim to detect how the different actors framed the
crisis, associative frames were measured, using the marginal reading chance (frequency) of concepts as a measure for visibility, and conditional reading chance as association measure. The association measure bases on simple occurrence and co-occurrence between the predefined concepts. The combination of visibility and associative links constitute associative frames. To analyze the associations we applied the asymmetric conditional probability approach, which has been used in prior research on associative framing (Ruigrok and van Attevelt, 2007; Schultz et al., 2012). In order to systematically assess the relationship between social media framing and news media framing over time, the data was analyzed using a cross-correlational analysis (McCleary and Hay, 1980) with SPSS. In applying the method to asymmetric conditional probabilities of co-occurrences of news articles and Facebook posts, this study measures if and how strong certain conditional probabilities, such as the association of an actor (e.g., “Nestlé”) with a specific issue (e.g., “problem”), in one media, for example social media, follows the other media, for example news media. The cross-correlation test allows the data to be analyzed with several different time lags (see Gonzenbach and McGavin, 1997; Wallsten, 2007). Under the assumption that individuals will discuss an ethical issue within just a few days of reading news in the media or vice versa, our analysis includes a seven-day lag period in each direction for the cross-lagged correlations.

4. Findings and discussion
The study confirms prior findings that news media and social media frame the same ethical issue differently (e.g. Kim and Lee, 2010; Valenti and Romenti, 2011) and extends this finding to other sources, such as NGOs and corporate communication. The analysis shows that news media frames the crisis in a more balanced way by reporting about different industry actors and political actors, whereas the NGOs and corporate communication mostly focused on Nestlé and the subcontractors, and social media almost exclusively on Nestlé. Similarly, the associations of cause, consequences, problem and remedy with the different actors varied significantly among the different actors. Furthermore, with the results of the cross-lag-correlation that showed a complex bi-directional relationship between news media and social media, we contribute to the body of literature arguing that social media not only mirror the opinion of individual members of the public, but might shape public discourse more widely through an interplay with news media (e.g. Wright and Hinson, 2009; Antony and Thomas, 2010). Nevertheless, with the strong evidence of news media framing preceding social media framing, our results also show that news media remain a strong influencer of the public discourse. Our analysis shows that social media frames followed especially the news framing of periphery actors, such as politics or subcontractors, indicating that the elaborated news coverage of the crisis nurtured the simplified framing in social media.

Because crises threaten high priority goals of organizations (Seeger et al., 1998) the analysis of frames in the crisis case of Nestlé provides valuable management implications. By adding a new actor, consisting of the collective voices of a geographically dispersed public, with a distinct framing of an ethical issue, social media impact the social construction of a crisis with consequences for corporate communication. First, the different framings of social media, NGOs and the news media, indicates that organizations need to tailor their crisis response strategies according to the different framings of an ethical issue, and respond in the respective medium to restore and maintain legitimacy (Veil et al., 2011). Organizations have to consider that the blaming-discourse in social media observed in this study requires a different crisis respond strategy than the more balanced framing in the news media (Coombs, 2011). Furthermore, by appropriately responding in social media, an organization can actively participate in the construction of meanings in the interaction with members of the general public online (Valenti and Romenti, 2011). Second, public relation practitioners have to bear in mind that, even though the framing of the news media and social media might differ, the influence of news media on the framing by social media detected in this study indicates that a response to the news media might indirectly affect the framing by social media.

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The Legitimization of Ethically Questionable Business Practices via Self-Disclosure in Social Media

Dennis Schoeneborn
Copenhagen Business School

Roland Stettler
University of Zurich

Fabian Homberg
Bournemouth University

Structured Abstract

Purpose
In recent years, there has been a growing interest in studying the interplay between corporations and their stakeholders via social media (e.g., weblogs, Twitter, or Facebook; see Capriotti, 2011). In most cases, however, scholars have been interested in how societal constituents (like non-governmental organizations; NGOs) have facilitated social media to critically address ethically questionable business practices – and how corporations, in turn, have reacted with communication practices aimed at retaining their legitimacy (e.g. Etter and Fieseler, 2010; Rybalko and Seltzer, 2010; Schultz et al., 2011). Accordingly, previous research has been primarily focused on the external dimension of corporate communication activities in response to stakeholder demands via social media. In contrast to this, Schoeneborn and Trittin (2013) argue that communication is not only a means for corporations to achieve certain ends. Instead, more fundamentally, communication constitutes the organization as a legitimate collective entity. This view on orga-nizations has also come to be called “communication constitutes organizations” or “CCO” (e.g. Cooren et al., 2011). The CCO view implies to look how external and internal communication practices interact to jointly constitute the organization). Seen from this perspective, the question arises how social media by giving communicative visibility to certain organizational practices can foster the existence and perpetuation of such practices. In order to de-monstra-te the CCO perspective’s usefulness in illuminating the constitutive effects of com-mu-nica¬tion via social media, we examine a particular case where a specific social media platform can actual-ly be conducive of the very existence of an ethically business practice across various organizations.

Design/methodology/approach
In this paper, we study the website ‘Frontdesktip.com’ by investigating its capability to foster the institutionalization of an ethically questionable practice known as the “20$ Sandwich Trick” among hotels in Las Vegas. Frontdesktip.com is a social media website where users share experiences about how and where you can get an expensive hotel upgrade in Las Vegas for a comparably small ‘tip’. This money is paid at the front desk during the hotel check-in procedure. The idea is that guests put a 20$ bill between their ID or passport and their driving license. The guest hands over to the receptionist this “sandwich” and asks for a complementary upgrade. If the receptionist sees the money and understands its hidden meaning, he or she will typically try to give such an upgrade and/or will provide the guest with other valuable complementarities. Since this trick does not always work, users can write reviews about their attempts on this website and share information and tips, about where it is possible to get valuable room upgrades by applying the “Trick”. In order to empirically examine this case of “petty corruption” (Zweighaft, 2004), we have compiled a dataset of self-reports and success rates per hotel on the social media site Frontdesktip.com. These reports allow for rare insights into the recurrent performance of an ethically questionable business practice. Our study is guided by two questions: (1) which variables can best explain the “success” of the 20$ Trick; and (2) to what we can observe an increasing institutionalization of the “Trick”, as indicated by users’ narrative accounts which tend to legitimize the practice as a new ‘way of doing things’.

Findings/contributions
This empirical research is currently ongoing. Our study aims at contributing to two main strands of literature: First, by drawing on the CCO view, we add to existing works on CSR communication and social media by looking not only on the external dimension of communication but the interplay between (external) communicative visibility via social media and...
the institutionalization of (internal) business practices. Second, we contribute to research on the institutionalization of ethically questionable business practices and small-scale corruption, thus highlighting the co-constitutive effects of social media sites in this context.

**Keywords**
Business ethics, “Communication constitute organizations” (CCO) perspective, Corporate social responsibility, Petty corruption, Social media

**Acknowledgements**
This study benefits from the first author’s involvement in a research project on Corporate Legitimacy and Corporate Communication at the Universities of Zurich and Lausanne, funded by the Swiss National Science Foundation (SNSF; grant no. 129995), as well as a research project on CSR and Social Media at Copenhagen Business School, funded by the Danish Council for Strategic Research (DCSR; project “Responsible Business in the Blogosphere”).

**Extended Abstract**

**Introduction**
In recent years, there has been a growing scholarly interest in studying the interplay between corporations and their stakeholders via social media (e.g., Weblogs, Twitter, or Facebook; for an overview, see Capriotti, 2011). However, in this emerging stream of literature, we observe two main asymmetries: First, in most cases, scholars have been interested in how societal constituents (like non-governmental organizations; NGOs) have facilitated social media to critically address ethically questionable business practices – and how corporations, in turn, have reacted in order to restore their legitimacy (e.g. Etter and Fieseler, 2010; Rybalko and Seltzer, 2010; Schultz et al., 2011). In other words, these works have been primarily centered on the opportunities and potentially positive effects that social media may provide for improving the moral legitimacy of organizational practices (e.g. Fieseler et al., 2000). However, in turn, the given literature seems to neglect that communication via social media under certain conditions can also foster the institutionalization of ethically questionable practices. One example is the public calumny and hate campaigns against individuals and corporations via social media (so-called “shitstorms”) which are oftentimes initiated despite lacking sufficient evidence for accusations (Trittin, 2013). Second, extant research has been mainly focused on the external side of social media use, i.e. to what extent corporations publicly interact in social media with their external constituents. This, in turn, neglects that external communication (e.g., via social media) can be co-constitutive of internal organizational practices and identity formation, as well (cf. Kjærgaard et al., 2011).

Therefore, in this paper, we suggest turning to a theoretical perspective that can be helpful in balancing out the two asymmetries in the given literature, as identified above. In a recent paper, Schoeneborn and Trittin (2013) argue that communication is not only a means for corporations to achieve certain ends (as implied by a “transmission view” of communication; cf. Axley, 1984). Instead, more fundamentally, communication constitutes the organization as a (more or less) legitimate social entity. This theoretical approach has also come to be called “communication as constitutive of organizations” or “CCO” perspective (e.g. Cooren et al., 2011). The CCO view implies to look how both external and internal communication practices interact to jointly constitute organizational phenomena (Schoeneborn and Trittin, 2013). Seen from this view, the question arises how social media by giving communicative visibility to certain organizational practices can foster the existence and perpetuation of these practices. Similarly to the work by Kjærgaard et al. (2011), the CCO perspective implies to look at how external communication practices (e.g., in publicly accessible media) tend to shape the organization as a communicative entity also internally.

**The “20$ Sandwich Trick” Case**
In order to demonstrate the CCO perspective’s usefulness in illuminating the constitutive effects of communication via social media, we examine a particular case where a specific social media platform may actually be conducive of the very existence of an ethically business practice across various organizations. Specifically, we study the social media website “Frontdesktrip.com” by investigating its capability to foster the institutionalization of a practice known as the “20$ Sandwich Trick” among hotels in Las Vegas, Nevada. Frontdesktrip.com is a social media platform where users share experiences about how and where you can get an expensive hotel upgrade in Las Vegas for a comparably small ‘tip’. This money is paid at the front desk during the hotel check-in procedure. The idea is that guests pay a 20$ bill between their credit card and their ID or driver’s license. The guest hands over to the receptionist this “sandwich” and asks for a complementary upgrade. If the receptionist sees the money and understands its hidden meaning, he will typically pocket the money and will try to give an upgrade and/or will provide the guest with other valuable complementarities. Since
this trick does not always work, users can write reviews about their attempts on this website and share information and recommendations, about where it is possible to get valuable room upgrades by applying the “Trick”. It is furthermore notable that while the list on Frontdesktip.com contains only examples of Las Vegas hotels, it seems that this particular practice has gained on importance and is now also often successfully used in other cities’ hotels and can often also be used for getting an upgrade when renting a car (see website Thetwentydollartrick.com).

Tip or bribe?
While the “20$ Sandwich Trick” could be seen as a normal form of tipping, which is legally and socially accepted, there are several indications that it rather represents a practice of “petty corruption”, i.e. everyday forms of corruption that typically involve only small amounts of money (Zweighaft, 2004). There are three main indications: (1) The fact that (in contrast to tips) it is paid before receiving the service or upgrade. In a recent paper, Torfason, Flynn and Kupor (forthcoming) argue that retrospective payments that are intended to reward good service ought to be considered an acceptable form of tipping. Prospective tipping practices, in turn, i.e. where the tip is given beforehand, instead can be regarded as a form of bribery. (2) Most users report that hotel receptionists tend to put the money in their own pockets and hence can be presumed to redirect this form of income away from their employers and potential taxation. This case can be seen as a violation of the relationship between the principals (i.e. the hotel owners) and the agents that act on their behalf (i.e. the receptionist and managers) (Azar, 2007). (3) The practice of handing over the money is usually performed in a hidden way (hence, the “sandwich”). Further evidence for the ethically questionable character of the practice are provided from the statements that users share via Frontdesktip.com (cf. Stettler, 2013; own emphases added):

The clerk spotted the cash immediately and promptly removed it and stuck it in plain view on top of the counter (...) I got the distinct feeling that her deliberate placement of the bill in such plain view and in such a quick fashion was her way of telling me “this is not going to happen and I want nothing to do with this money”.

It’s better to start a conversation that will make the worker comfortable with helping you (...); the $20 sandwich can give the wrong idea (bribe?) and blow any chance of an upgrade.

My friends, who were standing right next to me, noticed that anything was amiss. Anyone who said that there is no sleight of hand involved has not seen this woman! This was clearly a well-practiced move.

We believe that the “20$ Sandwich Trick Case” is particularly well-suited to study the institutionalization of an ethically questionable practice that is potentially facilitated by social media: First of all, the “Trick” represents a case of “petty corruption” as the most mundane but nevertheless widespread form of bribery (Zweighaft, 2004). In the pertinent literature (for an overview, see Ashforth et al., 2008), these small forms of bribery tend to be largely overlooked because this literature primarily focuses on large-scale cases of corruption (e.g., the Enron or the Siemens scandals). Nevertheless, one can argue that institutionalization of large-scale corruption typically starts with its smallest and most routinesque occurrences, as it “entrenches the perception of lawlessness” (Mitsopoulos and Pelagidis 2012, p. 11).

Empirical study
For our currently ongoing research project on the “20$ Sandwich Trick” case, we have compiled a dataset of self-reports and success rates per hotel on the social media site Frontdesktip.com. This involved the collection of basic data per interaction (e.g., the date of arrival, booked room category, success/non-success of upgrade, gender of hotel employee, estimated age of hotel employee, etc.), but also including in our dataset the more detailed textual description of the Trick’s success or non-success, as expressed by users on Frontdesktip.com. Typically these texts allowed us to distill further information such as duration of stay, amount of the tip, method of tipping, question asked during tipping, etc.

In an initial analysis of this data, Stettler (2013) has examined what variables can best explain the Trick’s success. For this purpose, he investigated the explanatory power of various variables (e.g., geographical location, hotel ownership, existence of a code of conduct, etc.) in a logistic regression model regarding their effects on the dichotomous variable success/non-success of the Trick (as reported on the social media platform Frontdesktip.com). His study yielded indicative evidence that, for instance, the existence of a code of conduct had a positive influence on the Trick’s probability of success – a counter-intuitive finding which renders the effectiveness of codes of conduct to ensure ethically legitimate business practices rather doubtful (cf. Cleek and Leonard, 1998).

In our further development of our currently ongoing research project, we have moved our research interest to the institutionalization of the practice over time and its communicative legitimation. The study combines quantitative-descriptive
with qualitative forms of analysis. Specifically, we are investigating two main research questions: (1) We ask whether the success rate of the “20$ Sandwich Trick” is increasing over time. The answer to this question can serve as an indication for the practice’s further institutionalization. (2) We ask whether this presumed increase co-occurs with narrative accounts by users which tend to legitimize the practice as a new ‘way of doing things’ (cf. Green, 2004). The increasing occurrence and potential change in such narratives (cf. Haack et al., 2012) could then be interpreted as an indication for an increasing taken-for-grantedness of the (corrupt) practice through the sensemaking of the actors involved, what ultimately spurs institutionalization.

Concluding remarks
Taken together, our study aims at contributing to two main strands of literature: First, by being grounded in the CCO view (Cooren et al., 2011), we add to existing works on corporate communication and social media by looking not only on the external dimension of communication but the interplay between (external) communicative visibility via social media and the institutionalization of (internal) business practices. In this regard, our study allows us to extend previous works (e.g. Kjærgaard et al., 2011) that have studied the interplay of traditional mass media and organizations also to the new setting of social media (i.e. where the executors of a practice can become themselves public broadcasters of the practice). Second, we contribute to research on the institutionalization of ethically questionable business practices and small-scale corruption (Ashforth et al., 2008; Zweighaft, 2004), thus high-lighting the crucial role of communication and the potentially co-constitutive impact of social media in this context.

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Abstract

Purpose
The purpose of this research paper is to analyse the Italian approach to CSR online communication strategies. The present paper investigates the more effective corporate communication strategies in diminishing of the traditional Stakeholders scepticism around CSR communication.

Design/methodology/approach
The study adopts an empirical method. A content analysis was carried out to study CSR online communication in some Italian companies through the recognition of core CSR themes published on the most common social networks (i.e. Twitter). The sample consists of the 30 companies analysed in “Lundquist social media awards 2011, Italy”.

Findings
Empirical findings show that Social Media Communication allows the redefining of Stakeholder role in line with a growing emphasis on participation, interaction and co-creation. Finally, the analysis indicates that contents published on Twitter are rarely oriented to sustainable issues, because corporate approach to social media communication is much more oriented to main competitors emulation, than to a strategic vision or a real interest to achieve a better CSR communication.

Research limitations/implication
As this paper shows, “Stakeholder engagement” can be an interesting way to increase their awareness of and diminish the scepticism about CSR activities. A limitation to the present study is the absence of a qualitative analysis to better understand the real companies and user perception of CSR online communication.

Originality/value
This paper shows an original evaluation of what CSR initiatives are being communicated on main Italian companies’ Twitter corporate pages using a quantitative content analysis. In fact, there have been few researches on CSR online communication that use content analysis to examine how Italian companies communicate their CSR initiatives on social media. Consequently, this study could be considered a first step in a stream of research on different aspects of CSR online communication.

Keywords
Social Media, Social Media CSR Communication, Sustainability, Stakeholder Engagement

Paper type
Research paper

1. Introduction
In the last decade, the Internet represents one of the most popular business communication channel, because it facilitates the interaction between parts and information dissemination, based on a specific feedback system, that involves a wide audience (Esrock and Leichty, 1998). The online communication is the foundation of a faster and cheaper corporate communication, considered even more reliable than the institutional one (Dawkins, 2004).
Socially responsible online communication has a “creative potential”, for the reason that it allows the creation and the publishing of personal contents (User Generated Content or UGC). This process enables users to participate in communicative dynamics and competitive business, identifying their demands. Thanks to web communication protocol and social media, organizations are able to interact with and obtain reliable information about their stakeholders (Branco and Rodrigues, 2006).

The present paper is based on the analysis of CSR Communication and its recent evolution due to the rise of Web 2.0 (Murugesan, 2007; O’Reilly, 2007, 2009) and social networking application (Boyd and Ellison, 2007; Knobloch and Lankshear, 2008; Romm-Livermore and Setzekorn, 2008; Livingstone and Brake, 2010). These events have led the transition from traditional one-to-many communicative paradigm (Jakobson, 1966; Camaioni, 1993; Matterlat, 1997) to a multidirectional many-to-many paradigm (Riva and Galimberti, 1997; Thompson, 1998). Consequently, the multidirectional communication process (two-way communication), typical of social media communication, contributes to the development of CSR communication “credibility, accessibility and democracy” (Morsing, 2006, p. 325). In literature, several studies have analysed the online CSR communications, but the main contributions are based on the Web 2.0 analysis (Wynn and Katz, 1997; Dillon and Gushrowski, 1999) and on the investigation of business websites and “social” platforms role in CSR communication strategies. Starting from these considerations this study aims to investigate the more effective corporate communication strategies in diminishing of the traditional Stakeholders scepticism around CSR communication.

In particular, this paper has this research agenda:

- A literature review to study the contributions about CSR online communication and CSR social media communication made by Scholars and Practitioners;
- An empirical analysis to understand the Italian approach to CSR online communication strategies through the recognition of core CSR themes published on one of the most common social networks: Twitter.

The empirical study has been based on Content Analysis techniques, that allow not only the definition of the most common social, ethic, and economic issues, but also the recognition of the most discussed topics on Twitter both by companies and stakeholders (Viney, 1983; Judd et al., 1991). Thanks to this peculiar analysis, it has been possible define the Italian answer to traditional stakeholder scepticism around CSR communication.

2. Research Issues

2.1 CSR online communication: the impact of social media tools

In recent time, the importance of CSR online communication has significantly grown. In fact, it is considered by Researchers and Practitioners a proper, clear and “open” communication useful to defeat the typical stakeholders scepticism (APCO, 2004). A proficient Social Responsible Communication is generally founded on five important factors, such as (Du et al., 2007): 1) CSR commitment – based on the corporate support to a specific social or ethic issue; 2) CSR Impact – based on organizations’ social commitment impact on society and on social benefits; 3) CSR Motives – that show the different corporate motives for different CSR initiatives; 4) CSR fit – based on the real and perceived fit between social and commercial issues.

It’s clear that “communication [...] is still the missing link in corporate responsibility practice” (Dawkins, 2004, p. 109), because despite the commitment of a great number of organizations, many others do not show this responsibility to general public, contributing to stakeholder scepticism growth (Lewis, 2003). Furthermore, the spread of the multimedia communication channels (i.e. online forums, social network sites, micro blogging applications, crowd sourcing platform) affects the actual communicative context and contributes to a better and much more democratic companies-stakeholders dialogue. Global organizations can not/ cannot ignore the basis of net economy, which has changed not only business strategies, but also the business process and the value creation (Evans and Wurster, 1999; Tapscott et al., 2000; Sawhney and Zabin, 2001). Moreover, the changes that have affected the international markets have, finally, made organizations aware of the compliance with international ethical standards, as well as the enhancement of intangible drivers such as reputation, image and brand (Brondoni, 2004). The Web 2.0 and multimedia platforms are so much important in giving credibility in CSR communication, thanks to their transparency and independence from corporate control, fostering the participation of the various stakeholders (i.e. government institutions, NGOs, etc.). These tools, including social networks, blogs, forums and dedicated e-mail, (Azevedo, 2004) are based on: open communication protocols, free information dissemination, and cooperation between parties, which positively affect corporate credibility (Wicks and Freeman, 1998; Swanson, 1999; Carlton and Payne, 2003) and corporate reputation (Zimmerman and Zeitz, 2002). In particular, the success of “social” applications, such as Facebook, MySpace and Twitter (Lipsman, 2007; Pempek et al., 2009), is due to multimedia and cooperative technologies, that facilitate the interaction among users and between user and firms. These processes have contributed to the rise of virtual communities that affect on public opinion and on its socio-economic influence (Kane et al., 2009; Pfeil et al., 2009). Social Media are generally considered reliable sources
of CSR information, because they act as agenda-setting and avoid the traditional mass media gatekeeping (Esrock and Leichty, 1998). The CSR communication strategies are recently associate to the massive use of social media, that are, by this time, fundamental elements of organizations and people daily life (Powell, 2009; Correa et al., 2010).

2.2 CSR Social media communication

The recent “digital revolution” and the rise of social media seem to led to the so called “collective intelligence” (Lévy, 1996, p. 34), that refers to the ability of virtual communities in skills leverage and in knowledge combining. According to some Scholars, the shift from Web 1.0 to Web 2.0 has helped the raise of a great social networking, characterized by the typical structure in which contents are generated from the social conversations and interactions (Levine et al., 2001; Laurent, 2008). A concrete example of the collective intelligence application is users’ massive participation in online activities, even if they are geographically, and culturally different, and involved in different roles (i.e. designer and manufacturer of multimedia content, etc.) or identities (user and/or director of online platforms, etc.). In literature, some Researchers assume that the spread of digital technologies (i.e. podcast, blog, wiki, file sharing etc.) has contributed in returning to the idea of market as open and free conversation. The investigation of “conversational” markets (Levine et al., 2001) has highlighted the role of the so called micro-media (i.e. blog, social networks etc.), that allow organizations to listen and speak with an authentic voice, thus because communication effectiveness is not assigned by traditional marketing and public relation department, but by all employees, perceived by the web audience as much more reliable than the traditional sender (Levine et al., 2001).

Several scholars treat the web as a pull media, because of its disposition to interaction and receivers participation. In fact, users are able to gain an increasing control on communicative objects (Pollach, 2005), contributing to unbind it from the influence of potential and real “filters” such as communication agencies, mass media, external editors, etc. Thanks to the typical CRM process and to a high level of participation, Social media enable people to share contents, information and experience through text messages, images and videos published on blogs, podcast web sites, wikis and social networks (i.e. Facebook and Twitter). By this time, these platforms are daily used by a large amount of people that accessed them even to buy or evaluate products and services. On the other hand, Social media enable organizations to improve their relationship with stakeholders (Tapscott, 2008; Powell, 2009; Correa et al., 2010) and audience to publish User Generated Contents (UGC) (Boccia Artieri, 2004). These contents are fundamental because they influence corporate communication, marketing strategies, and metrics used to evaluate the users’ engagement as presented in Table 1.

<table>
<thead>
<tr>
<th>TABLE 1. METRICS FOR SOCIAL MEDIA EVALUATION (SOURCE: ADAPTED FROM FABERNOVEL ANALYSES, 03.01.2007, IN SKAGEBY, 2009)</th>
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<tbody>
<tr>
<td><strong>New metrics for social media evaluation</strong></td>
</tr>
<tr>
<td><strong>Activation</strong></td>
</tr>
<tr>
<td>Number of installed applications (i.e. Facebook) and comments (i.e. like).</td>
</tr>
<tr>
<td><strong>Engagement</strong></td>
</tr>
<tr>
<td>Number of visits, posts, active users’ rate or total.</td>
</tr>
<tr>
<td><strong>Virality</strong></td>
</tr>
<tr>
<td>Groups or application growth rate, time to have the widest dissemination (Gauss curve).</td>
</tr>
<tr>
<td><strong>“Conversational index”</strong></td>
</tr>
<tr>
<td>Pull and push actions’ scale, sending and receiving scale.</td>
</tr>
<tr>
<td><strong>Influence</strong></td>
</tr>
<tr>
<td>Number of published links, scale between links’ number, related posts, “friends’ number” and send or received connection requests.</td>
</tr>
<tr>
<td><strong>Fidelization</strong></td>
</tr>
<tr>
<td>Hours’ of profile visit rate, post rate (i.e. photos).</td>
</tr>
<tr>
<td><strong>Connections</strong></td>
</tr>
<tr>
<td>Average number of friends, groups, blocked or lost (inactive) connections.</td>
</tr>
<tr>
<td><strong>Relevance</strong></td>
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<tr>
<td>Advertisement rate of appearance in the daily feed.</td>
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Analysing the online conversations, it is possible to gain relevant information about market segmentation and one-to-one communication, that support companies in gaining a better knowledge about stakeholder opinions, expectations and relationship network (Rappaport, 2010).

Social media activities are based on five different sources: 1) Contents - that are analysed as a group of key words, opinions and arguments; 2) Metadata - that provide information about authors, arguments and opinions; 3) Profiles
data (i.e. e-mails; telephone numbers; hobbies etc.); 4) Metadata related to online profiles (i.e. information about friends, activities, preferences and other profiles); 5) Link between announces and profiles, that provide information about role, influence or relationships of every single user (Weiss et al., 2005).

The rise and spread of social media represent for corporate communication a real turning point, because these platforms contribute to the enforcement of company–stakeholder relationship. This phenomenon is due to the internal nature of social media, that publishes a lot of information created, implemented and accessed by consumers in order to facilitate their access to the knowledge and to gain the right expertise about “brands, products, services, people and problems” (Blackshaw and Nazzaro, 2004, p. 2). Consequently, also marketing communication has changed, assuming a “dialogic” structure, focused on customers’ demand and on consumer-to-consumer dialogue development.

3. Methodology and sample
In literature, social, politic and economic events have been analysed according different perspectives and methodologies, including linguistic and Content Analysis, that allows the study of verbal and symbolic behaviour which is the substrate of professional, personal or ludic activities (Cartwright, 1953, p. 422). Content Analysis is based on the evaluation of message (written or spoken) and its meanings that facilitate not only different transactions, but also the corporate values dissemination. This analysis is based on Lasswell (1948) mass communication model (Titscher et al., 2000), on Shannon and Weaver model (1948, 1963) and also on traditional analysis and comparison techniques.

In mass communication, the spread of Content Analysis seems to be due to the massive use of multimedia and conversational media (i.e. social network, blogs, wikii etc.) (Lombard et al., 2002). This peculiar analysis is generally objective, systematic and often quantitative (Berelson, 1952; Kassarjian, 1977), moreover it is not purely descriptive, because it also guarantees message interpretation (Krippendorff, 1983; Ahuivia, 2001) and the analysis of both manifest and latent contents. Content Analysis is based on two main activities: document selection and result technique presentation (Milne and Adler, 1999).

In literature, results’ presentation and dissemination have been deeply investigated, but Scholars have not been successful in identifying a widely accepted method. Consequently, contributions are generally focused on traditional documents (i.e. social report, sustainability report, etc.) and not on which are used in CSR online communication.

The present analysis is based on the collection, classification and exploration of online CSR discussions, possible because content analysis allows the documents and messages breakdown in simple items or categories, quantified in order to make inference about: the message meaning, the message effect on receiver’s interests, strategies and issuers values. The research aims to analyse online CSR communication strategies of some Italian companies. To reach this goal, it has been detected the main topics discussed in online CSR communication, in order to identify the elements that are positively perceived by sample (30 Italian companies listed in FTSE MI) and/or by stakeholder. Thus, it can effectively help companies to win the traditional stakeholders’ scepticism and avoid the greenwashing.

The following research questions and the relative hypothesis have been defined thanks to an in-deep analysis, based on the investigation of social media influence on CSR online communication and on general CSR strategies:

- **RQ1.** Are the analysed companies listed in FTSE MI?
- **RQ2.** How many Italian companies are rated in Lundquist “CSR online Awards Europe”?
- **RQ3.** Do CSR communication strategies and online content change according to selected medium or “social” platform?
- **RQ4.** In CSR communication, do the social media usage enforced the company–stakeholder relationship and facilitated their engagement in sustainable actions?

Defining targeted and well-thought research questions contribute to research hypotheses development that refers to the relationship between two variables (Creswell, 2009). Research hypotheses can be defined as the conceptual statements relating to “certain aspects of the study object and its connections” (Agnoli, 1994, p. 24).

**Hypothesis 1**

- **H1.0** There is/isn’t a direct relationship between company size and the social media usage in CSR communication.
- **H.1.1** Good financial performances in FTSE MI affects/not affects the corporate approach to CSR and its online communication.
Hypothesis 2
H2.0 Exist/not exist a direct relationship between business activity areas and the spread of online CSR initiatives.
H2.1 Italian companies that are classified in the top ten of the national Lunquist award, have/don’t have a good ranking in the European classification.

Hypothesis 3
H3.0 Communication strategies and published content depend/not depend on used social media (i.e. Facebook, Twitter, Linkedin, etc.).

Hypothesis 4
H4.0 Stakeholder are/not are involved in online discussions and in ethic and social issues.

Defining the “target population” is a fundamental step in empirical research (Palumbo and Garbarino, 2008, p. 260), because it enables the exact definition of research units and its extension. This activity is very important also for Content Analysis, because restricting the analysis to a part or to a representative sample of target population offers much more generalizable results. In the present research, the analysed population is made up of CSR communicative documents (publications and multimedia, movies, presentations, etc.) of 30 Italian companies present in Lundquist CSR online award 2012.

4. Discussion
The application of Content Analysis techniques has enabled the research hypothesis validation. In fact, the first of them (H1.0 There is/there isn’t a direct relationship between company size and the social media usage in CSR communication; H1.1 Good financial performances in FTSI MIB affects/not affects the corporate approach to CSR and its online communication) has been checked because all companies have a medium or large size and a strong commitment to internationalization. These trends are confirmed by: 1) the presence of branches in foreign countries; 2) products and services designed for global markets; 3) online and offline communication strategies dedicated to a wide and international audience; 4) online communication strategies, focused on proactive vision and on interaction between company and stakeholders (i.e. Telecom Italia, Fiat, Fiat Industrial, Enel, Pirelli).

Almost all analysed companies include social media in corporate and CSR communication, as presented in Table 2. These tools are often considered just as information spaces (i.e. Hera, Snam Rete Gas, Unicredit, Edison, MPS), but sometimes they are used as collaborative platforms dedicated to companies stakeholders interaction (Enel, Fiat, Eni, Telecom Italia, Terna).

<table>
<thead>
<tr>
<th></th>
<th>Facebook</th>
<th>Twitter</th>
<th>Linkedin</th>
<th>Flickr</th>
<th>Slideshare</th>
<th>Youtube</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hera</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telecom Italia</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eni</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fiat</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unicredit</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Snam</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fiat Industrial</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Terna</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Enel</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Edison</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Intesa Sanpaolo</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pirelli &amp; C.</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assicurazioni Generali</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Banca MPS</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ERG</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Almost all analysed companies are listed in FSTE Mib, while the best financial performances are achieved by much more involved in sustainability and in stakeholders’ cooperation companies (i.e. FIAT, Telecom Italy, Eni, Enel, Fiat Industrial). In some cases, the analysis of Twitter’s posts has shown a good stakeholder involvement (Fiat, Telecom Italia, Enel, Pirelli, Unicredit, Barilla), revealed by posts, spontaneous requests and user generated resources (i.e. text, audio, and video files). Finally, it has also emerged that financial issues are not so present in corporate social media communication, because of the most common argument are social, ethical, personal, or commercial ones, except for companies that operate in banking industry (i.e. MPS, Unicredit, Intesa Sanpaolo, UBI Bank). The results of Content Analysis have also confirmed the second research hypothesis (H2.1 Exist/not exist a direct relationship between business activity areas and the spread of online CSR initiatives; H2.1: Italian companies that are classified in the top ten of the national Lunquist award, have/don’t have a good ranking in the European classification). In fact, the most of analysed companies belong to some specific areas or to hot sectors such as energy (oil, fuel, gas and electricity), finance and bank, and utilities. These companies are generally more involved in sustainability, because they are oriented to: 1) improve their reputation; 2) face and overcome environmental, financial and image crises; 3) improve relationship with society and in particular with NGOs, 4) achieve consensus. The increasing involvement of energy and utilities companies against ethical and social issues is due to their own activities that are perceived as negative by consumers and general audience. Thus, because companies are often considered as focused on economic and financial incomes. In particular, it is further accused the energy industry of opportunism and greenwashing, because of the desire to achieve a respectful corporate image regardless their concrete conduct (i.e. ENI).

The analysis also shows that the banking industry (i.e. Unicredit, Intesa Sanpaolo, MPS, UBI Bank) give little attention to sustainability issues (social, environmental and economic) and, therefore, to CSR Social Media Communication, as presented in Table 3. This situation is due to their conservative attitude, which does not support innovation also in organizational and communicative fields.

**Table 3. Word occurrence on Twitter posts (source: our elaboration)**

<table>
<thead>
<tr>
<th>Word occurrence on Twitter</th>
<th>Telecom</th>
<th>Eni</th>
<th>Fiat</th>
<th>Unicredit</th>
<th>Snam</th>
<th>Fiat industrial</th>
<th>Terna</th>
<th>Enel</th>
<th>Edison</th>
<th>Pirelli &amp;C.</th>
<th>STM</th>
<th>GSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ambiente</td>
<td>7</td>
<td>1</td>
<td>1</td>
<td>26</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>80</td>
<td>19</td>
<td>0</td>
<td>0</td>
<td>41</td>
</tr>
<tr>
<td>Azionisti</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>7</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>21</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Clienti</td>
<td>7</td>
<td>1</td>
<td>4</td>
<td>14</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>30</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>CSR</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>15</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Dipendenti</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Diritti</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Energia</td>
<td>7</td>
<td>4</td>
<td>1</td>
<td>6</td>
<td>11</td>
<td>0</td>
<td>8</td>
<td>303</td>
<td>45</td>
<td>0</td>
<td>0</td>
<td>103</td>
</tr>
</tbody>
</table>
Some companies do not exploit the real potential of social media communication, because they are not really involved in sustainable strategies, green economy, or even in shared value creation. Consequently, a great number of companies look to social media as an additional tool, used just in informative and commercial campaigns. The Content Analysis results have partially checked the research hypothesis according to which the best Italian companies have equally gained good performances in Lundquist European Award (i.e. Telecom Italia, Eni, Unicredit, Enel, Intesa Sanpaolo), as showed in Table 4. In fact, the number of Italian companies ranked by Lundquist is just 7 on 100, three of these (Telecom Italia, Eni, Unicredit) are positioned in the top ten, while Enel and Intesa Sanpaolo gained the eleventh and the thirteenth position. The last two companies are positioned in the middle and at the lower end of Lundquist ranking (Generali, 33; Tenaris, 96).

### Table 4. Word Occurrence on Twitter Posts (Source: Our Elaboration)

<table>
<thead>
<tr>
<th>Word occurrence on Twitter</th>
<th>ERG</th>
<th>Mondadori</th>
<th>Autogrill</th>
<th>Italcementi</th>
<th>Barilla</th>
<th>Piaggio</th>
<th>Ansaldo</th>
<th>A2A</th>
<th>Ilmeccanica</th>
<th>Acea</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
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<td>0</td>
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<td>13</td>
<td>0</td>
<td>0</td>
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<td>42</td>
<td>3</td>
<td>16</td>
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<td>1</td>
<td>3</td>
<td>40</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>13</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Google</td>
<td>51</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>21</td>
<td>9</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Green</td>
<td>20</td>
<td>15</td>
<td>0</td>
<td>10</td>
<td>0</td>
<td>0</td>
<td>240</td>
<td>18</td>
<td>12</td>
<td>3</td>
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<tr>
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<td>0</td>
<td>15</td>
<td>0</td>
<td>0</td>
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<td>2</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Risparmio</td>
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<td>0</td>
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<td>0</td>
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<td>0</td>
<td>43</td>
<td>1</td>
<td>1</td>
<td>3</td>
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<td>0</td>
<td>6</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>7</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Sostegno</td>
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<td>0</td>
<td>6</td>
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<td>0</td>
<td>0</td>
<td>8</td>
<td>1</td>
<td>0</td>
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<tr>
<td>Sostenibile</td>
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<td>2</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>79</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Sostenibilità</td>
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<td>2</td>
<td>1</td>
<td>14</td>
<td>0</td>
<td>2</td>
<td>40</td>
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<td>1</td>
</tr>
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<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
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<td>159</td>
<td>11</td>
<td>0</td>
<td>0</td>
<td>510</td>
<td>9</td>
<td>35</td>
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<tr>
<td>Web</td>
<td>99</td>
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<td>962*</td>
<td>32</td>
<td>0</td>
<td>27</td>
<td>12</td>
<td>529</td>
<td>17</td>
<td>29</td>
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<td>Youtube</td>
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<td>11</td>
<td>4</td>
<td>0</td>
<td>2</td>
<td>18</td>
<td>15</td>
<td>8</td>
</tr>
</tbody>
</table>

---

*Web data obtained from Twitter API using Python libraries.*
### Table 5. Lundquist CSR Online Awards 2012 – Europe 100 (Source: Adapted from Lundquist CSR Online Awards 2012, Europe, P. 21)

<table>
<thead>
<tr>
<th>Position 2012</th>
<th>Company Name</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Centrica GB</td>
<td>GB</td>
</tr>
<tr>
<td>2</td>
<td>Telecom It. IT</td>
<td>IT</td>
</tr>
<tr>
<td>3</td>
<td>Unilever BG/NL</td>
<td>BG/NL</td>
</tr>
<tr>
<td>4</td>
<td>Eni IT</td>
<td>IT</td>
</tr>
<tr>
<td>5</td>
<td>SABMiller GB</td>
<td>GB</td>
</tr>
<tr>
<td>5</td>
<td>Nestlé CH</td>
<td>CH</td>
</tr>
<tr>
<td>7</td>
<td>Unicredit IT</td>
<td>IT</td>
</tr>
<tr>
<td>8</td>
<td>BBVA ES</td>
<td>ES</td>
</tr>
<tr>
<td>8</td>
<td>Allianz DE</td>
<td>DE</td>
</tr>
<tr>
<td>10</td>
<td>Credit suisse CH</td>
<td>CH</td>
</tr>
<tr>
<td>11</td>
<td>Enel IT</td>
<td>IT</td>
</tr>
<tr>
<td>12</td>
<td>E.ON DE</td>
<td>DE</td>
</tr>
<tr>
<td>13</td>
<td>Intesa Sanpaolo IT</td>
<td>IT</td>
</tr>
<tr>
<td>14</td>
<td>Repsol ES</td>
<td>ES</td>
</tr>
<tr>
<td>15</td>
<td>Royal Dutch Shell GB/NL</td>
<td>GB/NL</td>
</tr>
<tr>
<td>16</td>
<td>Bayer DE</td>
<td>DE</td>
</tr>
<tr>
<td>17</td>
<td>BASF DE</td>
<td>DE</td>
</tr>
<tr>
<td>17</td>
<td>Royal Bank of Scotland GB</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>UBS CH</td>
<td>CH</td>
</tr>
<tr>
<td>20</td>
<td>Deutsche Bank DE</td>
<td>DE</td>
</tr>
<tr>
<td>21</td>
<td>Ericsson SE</td>
<td>SE</td>
</tr>
<tr>
<td>21</td>
<td>Vodafone GB</td>
<td>GB</td>
</tr>
<tr>
<td>23</td>
<td>Imperial Tobacco GB</td>
<td>GB</td>
</tr>
<tr>
<td>24</td>
<td>Siemens DE</td>
<td>DE</td>
</tr>
<tr>
<td>25</td>
<td>Roche CH</td>
<td>CH</td>
</tr>
<tr>
<td>25</td>
<td>Telefonica ES</td>
<td>ES</td>
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<td>27</td>
<td>Fortum FI</td>
<td>FI</td>
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<td>28</td>
<td>Holcim CH</td>
<td>CH</td>
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<td>29</td>
<td>Munich Re DE</td>
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</tr>
<tr>
<td>29</td>
<td>RWE DE</td>
<td>DE</td>
</tr>
</tbody>
</table>

The third hypothesis (H3.0 Communication strategies and published content depend/not depend on used social media, i.e. Facebook, Twitter, LinkedIn, etc.) has been validated comparing content, language (formal/informal) and author of Twitter corporate page posts. This medium is one of the most formal and professional social networks, used in fast and short (140 characters) information sharing. Indeed, Twitter is considered a "news medium" that offers real time information and comment about public and private events. Consequently, this medium offers a free discussion area, oriented to a public, open and transparent debate on social and business issues. This evidence is also demonstrated by the extensive use of Twitter in top management, especially CEOs (i.e. Enel, Fiat, Terna, Telecom Italia), and some important stakeholders (i.e. Shareholders, Suppliers, Institutions) communication, as emerges from its role in recent political, economic or social events (i.e. Arab Spring, U.S. presidential elections, etc.).

According to our results, almost all analysed companies use this social network and all of them comply with its communicative “rules”, adapting their style to the specific medium form, which is considered an Interest Graph and Information network, oriented to a public and formal communication that involve a specific audience.
Finally, also the fourth hypothesis (H4.0 Stakeholders participate/do not participate in online discussion, and in particular in ethical and social issues published on social media) has been confirmed, as shown in the following table (Table 6).

### TABLE 6. SOCIAL MEDIA AND STAKEHOLDER ENGAGEMENT (SOURCE: OUR ELABORATION)

<table>
<thead>
<tr>
<th>Company</th>
<th>Informative Strategy</th>
<th>Response Strategy</th>
<th>Involvement Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telecom</td>
<td>Web site</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>Blog</td>
<td>X</td>
<td></td>
</tr>
<tr>
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In fact, most of analysed companies use Twitter to provide information (information strategies) on different topics and, therefore, also on social, environmental and economic issues. A smaller number of them are also able to apply cooperative strategies that aim to a strong collaboration with stakeholders (engagement strategies).

In stakeholder engagement the most used social media are Twitter and Facebook, which have the highest number of posts both by companies and stakeholders.

The best performances are gained by: Telecom Italy, Fiat, MPS and Enel, while Eni provides a negative example of company-stakeholder relationship, because of the great online users’ participation in comment corporate performances, initiatives and behaviour (i.e. cost of gasoline, promotions, and energy supplies accounting). In this case, company prefers not to implement any response strategy, ignoring critics and the potential negative influence on corporate reputation.

6. Conclusion

The present research has identified the online most popular ethical and social issues, and checked the real involvement, attitude and participation of stakeholders in CSR. It was also detected the influence of the globalization and the development of social networking technologies on the traditional value creation, that has become a process oriented to “shared value” creation (Porter and Kramer, 2006, 2011). As the analysis shows, stakeholders’ scepticism can be defeated through the so-called stakeholders engagement strategies, that are based on: a direct relationship and partnership with the users; initiatives of “active listening” aimed to users’ involvement and “choral” projects open to users’ participation and support.

The research has also revealed that larger and international companies are more attentive to online CSR communication, because of their interaction with a global audience. Moreover, Italian leading companies are, generally, focused on new standards and communication needs, especially regarding CSR communication, which makes them highly competitive in Europe, in fact they have an excellent positioning in the Lundquist CSR Online Awards Europe 2012. Despite this, our companies do not always have a conscious approach to social media communication, because sometimes they prefer to “exploit” communication and address topics to their own interest, also if users consider them unattractive. However, others companies seem to be not so interested in “detachment” between their communication strategies, the principles of social commitment and the real approach to online CSR communication. This happens because social media communication generally aims to business initiatives broadcasting and corporate, legal, and financial issues solution, even though these arguments are not so interesting for general audience. Some companies have finally revealed a proactive approach in respect of ethical and social issues, which led to the implementation of specific initiatives and campaigns based on support, participation, and direct involvement of one or more stakeholders’ groups.

Concluding, the content analysis showed that: users’ participation and interaction is influenced by: companies’ communication strategies and monitoring techniques, and corporate contents and social initiatives that influence users’ corporate perception and the viral spread of “judgments” through non-institutional communication channels (i.e. blogs, communities etc.). This happens because companies are not always conscious of feedback system power and its influence on stakeholders’ opinions. A quantitative content analysis has given an original evaluation of main Italian companies’ CSR initiatives communicated on Twitter corporate pages. In fact, there have been few researches on CSR online communication that use content analysis to examine how Italian companies communicate their CSR involvement on social media. Consequently, this study could be considered a first step in a stream of research on different aspects of CSR online communication.

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Abstract
With the rise of new communication technologies and the mediatization of organizations, today’s societies are undergoing a fundamental transformation towards globally networked societies (Castells, 2000). This paper contributes to overcome biases of instrumental and political-normative views and shed new light on the communicative dynamics around CSR and legitimacy in network societies. As alternative to the instrumental and the political-normative view on CSR, the communicative view emphasizes the polyphonic and aspirational character of CSR. We extend this communicative view with a specific media theoretical angle to shed more light on the specific conditions (actors interpretations, institutional conditions etc.) that co-determine and foster how new media change dynamics around CSR and hereby constitute or disrupt legitimacy - control and uncontrol, consensus and dissens, and consistency and inconsistency. Based on this conceptualization we draw conclusions on future research.

Introduction
With the rise of new communication technologies and the mediatization of organizations, today’s societies are undergoing a fundamental transformation towards globally networked societies (Castells, 2000). As media provide the basis for these communicative constitutions of expectations on corporations, their role and responsibilities in society, and the norms for evaluating their activities, the spatiotemporal expansion of interactive communication through new media such as blogs and social media platforms challenges the constitution of corporate social responsibility and its legitimizing effects. Scholars have presented the ‘mediatisation’ of businesses (Hjarvard, 2004), the digitalization of corporate organizations and the rise of ‘networked’ corporate politics (Bennett, 2003) as examples of the transformation of the internet and new media communications.

In general, social media have the technological potential to fasten communication composed of massive amounts of data (Liu, 2006; Gupta, 2011) and to increase direct interaction, dialogue and participation across organizations and publics (Schultz et al., 2011; Colleoni, 2013). This article discusses how new and especially social media due to these changed technological conditions transform the communicative dynamics within organizations and between organizations and their social contexts, and how this changes also the constitution of corporate legitimacy and the emergence of responsible business – here referred to as CSR. Although it remains unquestioned that communication dynamics change in network societies, there are different and partially opposing visions and assumptions on the quality of these changes. In especially instrumental oriented writings organizations are often assumed to better engage with multiple stakeholders and maintain legitimacy based on these technological potentials, although empirical studies often document a lack of dialogic use of social media by corporations (Fieseler, 2010; Capriotti, 2011; Bortree, 2009). Coming from a more political-normative perspective, authors in turn emphasize that organizations are confronted with multiple and critical voices, due to which they lose some power and control over their corporate social agendas (Benkler, 2006; Jenkins, 2006; Jeppesen and Molin, 2003; Tapscott and Williams, 2006) (Chouliaraki and Morsing, 2010). Coming from a more political-normative perspective, authors in turn emphasize that organizations are confronted with multiple and critical voices, due to which they lose some power and control over their corporate social agendas (Benkler, 2006; Jenkins, 2006; Jeppesen and Molin, 2003; Tapscott and Williams, 2006) (Chouliaraki and Morsing, 2010). These observations are based on the idea that social media erode “the authority and agenda-setting power of the traditional media” (Friedland et al., 2006, p. 18) and hereby pluralize and democratize the relations between business and society (Papacharissi, 2004). However, also the political-normative view is challenged by other studies, that point to an only limited influence of social media such as counter public weblogs on the agenda-setting process, due to for example journalists dependence on traditional media content (Schmidt, 2006; Eisenegger, 2008) and corporate sources and a replication of power structures of traditional news media in new media (Friedland et al., 2006).
As visions about these changes are polarized, more fundamental research is needed to sufficiently conceptualize and describe the role of new media for CSR and corporate legitimacy with the help of different academic disciplines dealing with CSR (management studies, communication science, organization science). Although generally new medias’ effect on publics perceptions of and reactions to organizations has been discussed in research (Schultz et al., 2011; Vieira da Cunha and Orlikowski, 2008; e.g. Nielsen, 2011; Teliwall et al., 2010), only little attention has been paid within the overall CSR research field to the specific role of traditional media (Siltaoja and Vehkaperä, 2010; Lee and Carroll, 2012) and social media (e.g. Fieseler et al., 2010). CSR research in general follows primarily the realm of the two dominant lines of CSR research: An instrumental view, that regards CSR mainly as instrument or strategic tool (Porter and Kramer, 2006; Porter and Kramer, 2011) to foster the business case of CSR, e.g. to improve corporate reputation (e.g. Bhattacharyya and Sen, 2004; Orlitzky, 2003), the loyalty and motivation of employees (Turban and Greening, 1997), the brand awareness and purchases by consumers (Kotler and Lee, 2005) and herewith the corporate financial performance (indicated by Gond and Matten, 2007). As pointed out, also new media are in this view seen as fruitful channels for an improved relating to these different stakeholders. Research in a second view, the political-normative view, builds on epistemology representing ideals of consensus, moral legitimacy and communicative ethics as its basis. CSR is in this view often seen as instrument to contribute to the “common wealth” of and improve participation in society, and accordingly also new media are, as presented above, implicitly regarded as moderator for increasing participation and legitimacy and establishing a better society.

To shed more light on the emerging new forms of interactions and the challenging dynamics between organizations, publics, and the institutionalization of CSR, this paper contributes to theorize on the changed conditions and implications of new media environments for business responsibility and legitimacy. It contains a compiled set of articles that explore the indeterminate and conflictive character of corporate social communications in the new media environment. This paper set out to serve as an extension of a recently conceptualized third view on CSR, a communicative view (Schultz et al., 2013, building on Golob et al., 2013; Schoeneborn and Trittin, 2013; Schultz and Wehmeier, 2010), which focuses on the complex communication dynamics underlying the configuration of CSR in modern societies as they remained so far invisible in instrumental and politico-normative views (Schultz et al., 2013). This extension also contributes to the recently developed frameworks such as the CCO-framework (e.g. van Every and Taylor, 1998), which provides an understanding of how reality is constituted through communication, but it does not highlight the importance of media and the dynamics generated by political influences and moralizations of communication.

We theoretically enfold in this paper the conditions of legitimacy constitutions and CSR in network societies, by extending specifically the communicative view of CSR building on media and communication theories (e.g. news value theory, agenda setting, framing theory). Departing from the idea that communication constitutes organizations (CCO) and building on media theories such as news value, agenda setting and framing theory, we briefly expose the role of media in the societal constitution of reality, and refer to the complexities involved in this dynamic process. We claim that these theories provide theoretical lenses that can illuminate the explanation of CSR complexities beyond the symbolic constitution of reality introducing the importance of influence and power relations in the construction of realities and legitimacy. Furthermore, we argue that these theories not only provide a better understanding of the relation between corporations and their stakeholder in the networked society but also the interplay between the traditional forms of media and the new media in corporate legitimacy and the collective constitution of corporate responsibilities.

After a more detailed elaboration on social media and definition of media in general, this paper unfolds characteristics of the communicative view on CSR and contributes to extend it accordingly. We argue that under the extended communicative view CSR can be presented in its dynamic, networked, aspirational and polyphonic character. We then theorize on the conditions and implications of new media dynamics for the constitution of legitimacy and responsible business. We argue that social media provides the technological infrastructure for communication networks, in which based on other conditions such as interpretations of the media, the communications and awareness in other media organizational and societal values are exchanged, challenged and negotiated and via which legitimacy and CSR are co-constituted. We argue, that especially ‘communicative legitimacy’ plays a crucial role for how a social acknowledgment of “responsible business” emerges in networked society. Based on that we present a new research agenda exploring the challenging organizational dynamics and new forms of interactions between business and society, on their conditions and effects in social media and the complexities of current media context.
Introduction
The awareness of social responsibility is on the rise. Firms have to cope with stakeholders’, and especially customers’, expectations. Thus, communicating an organization’s social responsibility is getting crucial in consumer markets.

Haddock (2005), Morhardt (2009) and Haddock-Fraser et al. (2010) showed that companies selling their goods directly to consumers are more likely to communicate CSR. Haddock (2005) called these companies Close-to-Customer (C2C) companies. Moreover, she showed that brand named companies are more likely to communicate CSR (Haddock-Fraser et al., 2010; Haddock, 2005). Both results indicate that consumers are an important target audience for CSR communication.

Contrary to this Grosbois (2012) showed for the hospitality sector that often CSR information is hardly to be found on the single plant level, even though this is the point of contact to the consumer. Rather, most companies primarily focus their CSR communication on the company level. Furthermore, Frostenson et al. (2011) showed for the retail sector that even if the brand owner is the subsidiary, CSR communication mainly takes place on the level of the parent company.

However, the research mentioned above analyzed CSR communication on the level of the firm or the single plant. Up to now no research known to the authors has analyzed the differences in CSR communication on brand and firm level. Our research aims to fill this gap by comparing CSR communication on 39 websites both on the brand level and on the firm level.

Methodology
In our study we analyzed company websites and brand websites of the 20 largest fruit juice processors in Germany using dictionary based content analysis. We focused on one, narrowly defined sector to control for industry as well as country effects (Lattemann et al., 2009; Wanderley et al., 2008).

The list of companies was taken from Kelch (2012). The respective corporate and brand websites were gathered through internet research. The sample consisted of 20 websites on the company level and 19 websites at the brand level. All websites have been archived using the software AutoMap 3.0.10.18 in spring 2013. Webpages identical to more than 80% have been removed.

For the analysis we only encompassed websites of companies which have both: a firm level and at least one brand level website. As contract manufacturers share different communication habits (Haddock, 2005), we excluded the websites of three contract manufacturers. Three websites on the brand level could not be downloaded due to software restrictions (two) or as they were offline (one). Thus only 23 websites (7 on firm-level, 16 on brand-level) were included.

For the analysis we used dictionary based content analysis. This method uses predefined dictionaries to code texts automatically. A dictionary consists of categories and the respective concepts. The frequencies of the concepts occurring in the text are summed up within each category. This method has previously been used by Pollach (2013), Pollach et al. (2009) and Gill et al. (2008) to analyze CSR communication. Unlike these authors we developed the concepts of the dictionary inductively out of the analyzed websites (Brosius et al., 2009). Doing so, we tried to minimize the risk to miss important concepts. The categories have been developed according to the seven core subjects of IS0 26000 (ISO, 2010). The relative frequency of each category in the texts was measured using the software TextPack 7.5. The significance of differences between brand-level and firm-level communication was calculated using non-parametric Mann-Whitney-U-Test.
Results and Discussion
When setting up the dictionary we could only find concepts for the six categories: 1) organizational governance, 2) labor practices, 3) the environment, 4) fair operating practices, 5) consumer issues and 6) community involvement and development. We could not find direct reference to human rights.

The resulting dictionary (11,974 concepts) is relatively large compared to the ones of Pollach (2013), Pollach et al. (2009) and Gill et al. (2008) with 25, 311 and 543 concepts, respectively. The larger dictionary might indicate that developing the dictionary from external sources like CSR standards or scientific literature leads to missing most of the relevant concepts. However, developing the dictionary out of the analyzed texts is time-consuming. Thus, researchers have to make the decision, whether the additional accuracy is needed when analyzing large amounts of texts.

No significant difference in the relative frequency of overall CSR communication could be found between firm level and brand level. Regarding single categories things are different. The category consumer issues (category 5) has a significantly higher frequency on the brand level. However, this is solely caused by concepts from the field of nutritional value and ingredients. When we excluded these directly product related concepts from our analysis, no significant difference was found. In none of the other categories could we identify significantly more CSR related concepts on brand level websites than on firm level websites.

Regarding organizational governance (category 1), labor practices (category 2) and fair operating practices (category 4) relative frequencies are higher on firm level websites. No significant differences can be found for the environment (category 3) and community involvement and development (category 6).

Conclusions and Limitations
We have analyzed the differences in online CSR communication on firm level and brand level using dictionary based content analysis. Although it is well known that C2C companies and brand owners differ in their CSR communication from other companies, the differences between online CSR communication on firm level and brand level have not yet been analyzed. Our results indicate that firm level and brand level do not differ in respect to the overall amount of CSR communication, but with respect to the content. On the brand websites consumer issues, especially directly product related nutritional concepts and ingredients, are overrepresented. This might be due to the target audience of brand websites: consumers. Consumers are not aware of the firm standing behind a brand and thereof search for the brand website when looking for information about a product. Interestingly in three out of six categories the proportion of CSR related concepts is higher on firm level websites than on brand level websites. Organizational governance, labor practices and fair operating practices are all about firm conduct in general and not related to specific brands. Our results indicate that this is reflected in the level (firm/brand) of online communication.

Our research is not free from limitations. Attached documents, like pdf-files, were not analyzed. This is in line with previous research (Capriotti and Moreno, 2007), as we aimed to analyze website disclosure. However, important pieces of information could be missed. Moreover, the underlying sample is quite small. Whether German fruit juice processors are representative for other industries cannot be said. Though, creating a dictionary inductively from a larger sample is quite labor intensive, further research with larger samples from different sectors might be fruitful.

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• ISO (2010), “Guidance on social responsibility”.
6. CULTURAL APPROACHES TO CSR COMMUNICATION

Cultural Sensitivity in Transnational Corporate Social Responsibility

Candace White
University of Tennessee

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Keywords
Intercultural communication, Cultural adaptation, Transnational CSR

Article classification
Research paper

Purpose of the Study
The purpose of this study is to explore how U.S. international corporations adjust their communication and corporate social responsibility (CSR) practices to operate in cultures outside the United States. It looks at intercultural sensitivity and cultural adaptation in transnational CSR, examined within theoretical frameworks of intercultural communication. Stakeholder theory advances the notion that employees, customers, and a broad range of community groups have legitimate stakes in organizations (Freeman, 1984; Donaldson and Preston, 1995; Phillips, 1997). True CSR goes beyond legal requirements and profit-driven motives to sincere concern for the relationship between businesses and the communities in which they operate, which implies a concern for cultural values in host communities.

Schwab (2008) believes that because many different activities fall under the umbrella of CSR, it is important to distinguish among them so that the work companies do to engage in society is recognized and appreciated. Garriga and Melé (2004) categorize four theoretical approaches to the study of corporate social responsibility: instrumental theories that are based on profits and economic results; ethical theories based on the values of corporations and responsibility to society; integrative theories that posit that businesses act in response to social demands; and political theories that recognize the power of corporations in society and the responsible use of power in the political arena. Political theories of CSR include the concept of corporate citizenship. Corporate citizenship, a concept explored in the current study, implies that businesses are citizens in the communities in which they operate, and like individual citizens, have a responsibility to be involved. Schwab (2008) describes global corporate citizenship as the conviction that companies not only must be engaged with their stakeholders, but are themselves stakeholders alongside governments and civil society.

The global strength of large multinational companies fosters fear of economic imperialism that can trigger cultural or social resistance that can lead to government restrictions or customer resentment (Hormats, 1999). Therefore, to be successful business must respond to fears and cultural differences with adaptive behaviors and communication styles to accommodate the perceptions, context, and values of the cultures and societies in which they operate. To do so requires an understanding of local cultural values as well as theoretical understanding of intercultural communication and adaptation that leads to intercultural competence.

There is a rich extant literature about intercultural communication and adaptation (Gudykunst and Mody, 2001). Understanding theoretical frameworks of intercultural communication and interactions can help avoid the application of a Western perspective to international encounters and global public relations. For example, Hofstede (2001) points out that the highly-regarded Harvard Negotiation Model is fraught with hidden (Western) cultural assumptions. The model is based on four principles: separate people from the problem; focus on interests, not positions; invent options for mutual gain; use objective criteria. However, separating people from the problem assumes an
individualist value set. Focusing on interests rather than positions assumes low power distance as a cultural dimension. Inventing options assumes a high tolerance for ambiguity not found in high uncertainty avoidance cultures, and insisting on objective criteria assumes a shared definition of objectivity. In other words, the model assumes that both sides have Western cultural values and perspectives, which usually is not the case in intercultural exchanges.

Previous studies have found that cultural values based on Hofstede’s dimensions affect how CSR activities are perceived. Bae and Kim (2013) found in a survey conducted in South Korea, that companies should associate their CSR activities with collectivism, long-term orientation, and femininity dimensions when framing CSR messages in Asian cultures. Their results support similar findings reported earlier by Sen and Bhattacharya’s (2001). The implication is that cultural adaptation is necessary for CSR to be effective.

Methodology
Data for the study are a proprietary research report commissioned by a U.S. non-profit agency, Business for Diplomatic Action (BDA). The report was provided to the researcher by Keith Reinhard, founder of BDA, with permission to use and cite the data. Analysis was based on summaries of 45 qualitative (telephone) interviews with international business executives in the area of globalization and international strategic communication conducted by the U.S. research firm Zogby International. Table 1 lists the names of respondents who agreed to be identified. The elite status of the interviewees who are the decision-makers for CSR activities make the data valuable for analysis.

**TABLE 1. CEO’S AND CORPORATE LEADERS INTERVIEWED BY ZOGBY INTERNATIONAL**

<table>
<thead>
<tr>
<th>Company</th>
<th>Name</th>
<th>Title/Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Altria Group, Inc.</td>
<td>Mike Pfiel, VP Corporate Communications</td>
<td></td>
</tr>
<tr>
<td>Anheuser-Busch Companies, Inc.</td>
<td>Patrick Stokes, President &amp; CEO</td>
<td></td>
</tr>
<tr>
<td>Bell South Corp.</td>
<td>William Pate, VP Advertising and Public Relations</td>
<td></td>
</tr>
<tr>
<td>Boeing</td>
<td>Ambassador Thomas Pickering, Senior VP International Relations</td>
<td></td>
</tr>
<tr>
<td>The Clorox Company</td>
<td>Jerry Johnston, President &amp; CEO</td>
<td></td>
</tr>
<tr>
<td>Colgate Palmolive Company</td>
<td>Jim Figura, VP Consumer Research &amp; Insights</td>
<td></td>
</tr>
<tr>
<td>Countrywide Financial Corp.</td>
<td>Andrew Bielanski, Sr., Senior Director Marketing and PR</td>
<td></td>
</tr>
<tr>
<td>Deutsche Bank Securities</td>
<td>Wolfgang Winter, Managing Director</td>
<td></td>
</tr>
<tr>
<td>Discovery Communications, Inc.</td>
<td>Judith McHale, President &amp; CEO</td>
<td></td>
</tr>
<tr>
<td>Forbes, Inc.</td>
<td>Kip Forbes, Vice Chairman</td>
<td></td>
</tr>
<tr>
<td>General Mills, Inc.</td>
<td>Tom Forsythe, Director of Corporate Communications</td>
<td></td>
</tr>
<tr>
<td>General Motors Corp.</td>
<td>Orlando Padilla, Director of Public Policy</td>
<td></td>
</tr>
<tr>
<td>Hasbro</td>
<td>Alan Hassenfeld, Chairman of the Board &amp; Former CEO</td>
<td></td>
</tr>
<tr>
<td>HBO, Inc.</td>
<td>Richard Plepler, Executive VP</td>
<td></td>
</tr>
<tr>
<td>Intel Corp.</td>
<td>Hannes Schwaderer, Country Manager for Germany, Austria, &amp; Switzerland</td>
<td></td>
</tr>
<tr>
<td>InterGen</td>
<td>Robert Morris, VP Public Affairs</td>
<td></td>
</tr>
<tr>
<td>Levi Strauss &amp; Co.</td>
<td>Phil Marineau, President &amp; CEO</td>
<td></td>
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<tr>
<td>Mars, Inc.</td>
<td>Paul Michaels, President</td>
<td></td>
</tr>
<tr>
<td>McDonald’s Corp.</td>
<td>Jack Daly, Senior VP, Corporate Relations</td>
<td></td>
</tr>
<tr>
<td>Michelin North America</td>
<td>Michael Fanning, VP Corporate Affairs</td>
<td></td>
</tr>
<tr>
<td>Motorola, Inc.</td>
<td>Norman Sandler, Director of Global Strategic Issues</td>
<td></td>
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<tr>
<td>Pepsi Cola International</td>
<td>Salman Amin, CMO</td>
<td></td>
</tr>
<tr>
<td>Starbucks Corp.</td>
<td>Martin Coles, President</td>
<td></td>
</tr>
<tr>
<td>State Farm Insurance</td>
<td>Ed Rust, Chairman &amp; CEO</td>
<td></td>
</tr>
<tr>
<td>Travel Industry Association of America</td>
<td>Roger Dow, President and CEO</td>
<td></td>
</tr>
<tr>
<td>United Air Lines, Corp.</td>
<td>Jerry Dow, Director of Worldwide Communications</td>
<td></td>
</tr>
<tr>
<td>United Parcel Service of America, Inc.</td>
<td>Mike Eskew, Chairman &amp; CEO</td>
<td></td>
</tr>
<tr>
<td>United Parcel Service of America, Inc.</td>
<td>Ken Sternad, VP of Public Relations</td>
<td></td>
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<tr>
<td>US BanCorp.</td>
<td>Steve Dale, Public Relations</td>
<td></td>
</tr>
<tr>
<td>Wachovia Corp.</td>
<td>Jim Garrity, CMO</td>
<td></td>
</tr>
<tr>
<td>Wells Fargo</td>
<td>Chris Hammond, VP Business Development</td>
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</table>

The purpose of the original project was to see how anti-Americanism affects U.S. business and what solutions business might bring to the problem. Embedded in the responses to anti-Americanism and how it was dealt with were many examples of how it was minimized through cultural sensitivity and adaptation. The current analysis is a different map-
ping of the data. Rather than looking at the problem of anti-Americanism, it investigated how U.S. corporations use intercultural communication and adaptation strategies to adjust to cultural variations, and how they operate as global citizens in the global public sphere.

The study employed a qualitative, inductive analysis. Unlike deductive studies that derive specific hypotheses or research questions based on generalizations from previous studies, inductive reasoning takes events and makes generalizations (Denzin and Lincoln, 2008). Analysis was guided by a method for analyzing qualitative data developed by Strauss and Corbin (1990). The data were analyzed by the researcher. Afterward, a colleague independently analyzed the data as a peer check for credibility and dependability. Interpretations of the two investigators were then compared and discussed to construct the patterns and themes discussed below.

Findings: Themes Found in the Data

The central themes that emerged are discussed below, followed by direct quotes to provide illustration. Overall, U.S. business managers in the sample think and operate in a transnational sphere with a global mindset; they do not position their companies as American companies, but as global companies. They establish legitimacy in the countries in which they operate by demonstrating good intentions through socially responsible activities that are localized and often developed with local participation. With respect for different cultural values, CSR activities often are conducted without fanfare and publicity. U.S. corporate leaders were cognizant of the need to be corporate citizens, both globally in respect to global problems and locally through helping provide local solutions and working with foreign governments in diplomatic and partnership roles. There was evidence they were sensitive to cultural contexts, and adopted a long-term orientation to local initiatives.

Recognition of a the Global Public Sphere

Business leaders attempt to position their companies outside of any national boundary, primarily to brand their companies as global corporations, which they view as advantageous to international business, but also because they are sensitive to the fact that U.S. values and business practices are not viewed favorably in all parts of the world.

Consumers want to be associated with global brands, focusing on being American is a mistake. Setting a global standard is key.

We don’t want to be viewed as an American company abroad. We have approximately 40,000 global managers – 39,996 of which are non-U.S. citizens. We work hard to immerse ourselves in the local culture and habits in an effort to overshadow any foreign distinction.

Localizing Global Business Practices

The recognition of the vital link to local communities while operating in a global sphere was a theme throughout the interviews. Working with, and employing people locally was the primary strategy.

Companies should sit down with local company representatives and find out what matters in their community and figure out what can be done. CSR initiatives can be taken alone or in conjunction with local groups and organizations. Businesses should make it clear they are sincere for the long-term and avoid short-term initiatives which may not be seen as sincere.

Global Corporate Citizenship as a Component of CSR

Although there was evidence throughout the report to indicate mixed motives for engaging in CSR activities (to improve employee relations, influence government policy, enhance corporate image), there also was awareness of the need for businesses to be corporate citizens. Global corporate citizenship was viewed as an important component of social responsibility.

We do indeed implement these types of programs [CSR] with less a view of counteracting or preventing anti-Americanism than to simply be good corporate citizens. In fact, our approach is to ignore our U.S. roots completely when formulating such initiatives. It is irrelevant to our interests overseas.

Part of citizenship is active participation in government. Corporations as citizens interact directly with foreign governments to provide aid and cultural exchanges, as well as to negotiate favorable regulations and policies.

High profile American companies will always be seen as American, thus they must be sure to cooperate with the local government. They can be models for good Americans. It is all about good corporate citizenship.
The Importance of Intercultural Sensitivity

Intercultural sensitivity was closely linked to CSR, particularly corporate citizenship. Business and cultural exchanges as well as training were acknowledged as strategies to enhance cultural sensitivity.

All companies operating overseas should implement some kind of educational program that breeds sensitivity and awareness to a company’s international dealings. Such a program would cover topics ranging from globalization and its benefits to international protocol. We should develop local talent programs that require executives to work in unfamiliar markets, and exercise good corporate responsibility with regard to sensitivity training.

... while the U.S. has actual diplomats and ambassadors on the ground, I believe firmly that American business figures overseas constitute another important diplomatic contingency that can have a sizeable impact on countering anti-Americanism.

We also need to make sure that we are sending good corporate ambassadors overseas. There should be a screening process in the U.S. to check their suitability for specific international markets.

Practical and Social Implications

The study provides applied examples of intercultural sensitivity and adaptation that can expand the theoretical base of international communication and global public relations. U.S. business leaders in the sample practiced active listening and made efforts to learn local culture and habits, making adjustments for different cultures. While holding a global perspective, they strategically localized their global strategies to adapt to different cultures and worked to make their companies as indigenous as possible. They acknowledged that doing so is good for business because CSR programs as valuable tools for establishing legitimacy and credibility in other countries. Furthermore, there was the recognition that cultural shifts do not come naturally, and the need for sensitivity training was advocated.

In terms of Hofstede’s cultural dimensions, the United States differs from many other cultures most dramatically in the dimensions of individualism/collectivism and short-term/long-term orientation. U.S. business often is driven by short-term goals with the focus on the next quarterly report. However, the study showed evidence of awareness of acting for the collective good with long-term orientation.

Value of the Study

In addition to theory guiding practice, transnational CSR practices can offer applied examples that can expand the theoretical base of intercultural communication. It was evident throughout the interviews that one of the most important strategies for developing cross-cultural messages and CSR activities was partnerships with local individuals and governments in the communities in which U.S. companies operate. The recurring theme of local involvement addresses the important and thorny issue of how to adapt to a vast array of cultural differences around the globe. It simply is not possible to learn the nuances of every culture, or to fully understand even one different culture. The combination of understanding the processes of intercultural adaptation and the use of cultural natives to interpret deep layers of meaning can lead to successful intercultural communication and negotiations. Both parties are cultural mediators. A global perspective of corporate social responsibility places the process in a transnational public sphere in which international corporations seek legitimacy through responsible corporate citizenship and culturally-sensitive communication.

Limitations

Data for the study were limited to a U.S.-centric perspective. Future studies can examine how international companies from different countries adapt their corporate social responsibilities to the variety of cultures and countries in which they operate.

References


An Extended Abstract

It is not easy to judge the appropriateness of a CSR project launched by the same multinational corporation in different countries. The alcohol industry, though, is in a difficult position as while its products are legal, it can be dangerous to health as well as cause social problems.

This is just one of the activities that reflects the problems of CSR in a Thai context conducted by private corporations, particularly in this area “gray” business sector that is legal but dangerous.

This study examines the CSR activities of the alcohol industry over a 10-year period, from 1999 (one year before the opening of the Thai market for the production and sale of alcoholic beverages) to 2008 (one year after the enactment of the Alcohol Consumption Control Act).

CSR = Avoidance of alcohol consumption controls in Thailand?

Britton (2005) in his work shared the ideas of Paul Walsh, the former CEO of Diageo, who said, “We are proud of our different brands. We need to organize marketing and sales promotion activities that create the impression that we are the best in the world,” especially when, “our actions represent responsible marketing.”

At the same time, Coors (2005) showed in his research on alcohol companies’ CSR that 49% of the public felt that the companies that conducted CSR were, “just using another new channel for their marketing, particularly as Bristol (2005) said that the target in marketing is to build brand loyalty. In his book, Corporate Social Responsibility and Alcohol, he wrote “Every brand must produce and market products that meet the highest standards to be accepted by consumers, and they must demonstrate their social responsibility” (p. 140).

Due to the fact that CSR has been recognized as a way to increase the popularity of an alcohol brand or company in the West, it implies the reason why it is employed so many companies. Now, it has become even more important with the introduction of stricter controls and anti-drink campaigns. Therefore, it is worthwhile to see how the CSR activities of Alcohol companies were employed in Thailand.

Research Objectives

To study and better understand the CSR activities of Alcohol companies employed between 1999 and 2008.

Research Methodology

This research includes content analysis using the core types of CSR activities designated by Kotler and Lee (2005), which include: cause promotion (CP), cause related marketing (CRM), corporate social marketing (CSM), corporate philanthropy (CPh), community volunteering (CV) and socially responsible business practices (SRBP).

For this research, news reports and news photos of CSR activities, as well as related articles and interviews were studied to see how alcohol companies demonstrated their corporate social responsibilities. A total of 32 Thai and foreign language newspaper printed in Thailand as well alcohol beverage company websites and public relations websites during a 10-year period from 1999, or one year prior to the opening of the Thai alcohol beverage market to 2008, one year following the
enact of the Alcohol Control Act, were studied and analyzed.

**Research Results**

1. **Amounts and Ratios of CSR Activities of Thai and foreign alcohol beverage companies**

   During the 10 year period, from 1999 – 2008, there were a total of 434 CSR activities conducted by alcohol companies in Thailand. These can be divided into 290 (66.8%) activities of Thai companies and 144 (33.2%) activities of foreign companies.

2. **Amounts and Ratios of CSR Activities by Thai and foreign alcohol beverage brands**

   By classifying the CSR activities based on the origin of alcohol companies among these brands, the research results indicate that local Thai alcohol companies organized highest number of CSR activities: Chang, 148 (34.1%); and Singha, 104 (24.0%), then following by the foreign brand- Johnny Walker, 49 (11.3%).

<table>
<thead>
<tr>
<th>Brand</th>
<th>Total</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chang – Thai</td>
<td>148</td>
<td>34.1</td>
</tr>
<tr>
<td>Singha – Thai</td>
<td>104</td>
<td>24.0</td>
</tr>
<tr>
<td>Johnny Walker – Foreign</td>
<td>49</td>
<td>11.3</td>
</tr>
<tr>
<td>Saeng Som – Thai</td>
<td>35</td>
<td>8.1</td>
</tr>
<tr>
<td>Heineken – Foreign</td>
<td>28</td>
<td>6.4</td>
</tr>
<tr>
<td>Hundred Piper – Foreign</td>
<td>27</td>
<td>6.2</td>
</tr>
<tr>
<td>Chivas – Foreign</td>
<td>19</td>
<td>4.4</td>
</tr>
<tr>
<td>Tiger – Foreign</td>
<td>5</td>
<td>1.2</td>
</tr>
<tr>
<td>Federbrau – Thai</td>
<td>3</td>
<td>0.7</td>
</tr>
<tr>
<td>Others (like Baccardi) – Foreign</td>
<td>16</td>
<td>3.6</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>434</td>
<td>100.0</td>
</tr>
</tbody>
</table>

3. **Amounts and Ratios of CSR Activities of Thai and foreign alcohol beverage companies according to year**

   This chart shows that alcohol beverage companies in Thailand organized the highest number of CSR activities in 2008, a total of 171, or 39.4 percent. This was followed by 2006 with a total of 88 (20.3%) activities, 2007 with 53 (12.2%) and 2005 with 49 (11.3%) activities respectively.
Results for the other years showed that in 2004 there were 26 (6.0%) activities; 2003, 20 (4.6%) activities; 2002, 17 (3.9%) activities; 2001, five (1.2%) activities; 1999, three (0.6%) activities; and 2000 two (0.5%) activities respectively.

In addition, it demonstrates that CSR activities doubled between 2006 and 2008, and were 85 times more than in 2000, which had the lowest number of activities, just two.

(4) Types of CSR activities of alcohol brands in Thailand
Based on the six types of CSR activities designated by Kotler and Lee (2005), of the total 643 activities, the highest number, 401 (85.7%) fall under the category of corporate philanthropy, followed by cause promotion with 60 (12.8%), social responsible business practice with 4 (0.9%) and cause related with 3 (0.6%) activities respectively as shown in the chart below:

(5) Comparison of CSR Activities of Thai and Foreign Alcohol brands
Both Thai and international alcohol brands gave the greatest attention to corporate philanthropy (CPh), with Thai brands organizing a total of 284 activities and international brands organizing 117 activities. This was followed by cause promotion (CP) under which both Thai and international brands organized 30 activities. The number of CSR activities for Thai and
international brands was also very similar for social responsible business practice (SRBP) and cause related marketing (CRM) with each conducting just one social responsible business practice activity, while Thai brands were responsible for 2 cause related marketing activities and foreign brands just 1.

**Discussion**

Every country has a social framework based on different values that lead to the question, “To what extent can an action be called appropriate?” The above research results indicate that CSR is an alternative option, when the country has passed a new and stronger law and regulation. However, it is challenging in a country like Thailand, where the alcohol law is not so strictly enforced, on how the government will further the new regulation on CSR procedure. It is also challenging for alcohol industry in Thailand to self-regulate themselves on strictly acting in accordance to the law of the country where they operate the business. What must not be forgotten is the desired role of business as an important dimension of economics as stated by Carroll (1991) who says a company must want to act in accordance to the law as it is ethically important to be ‘a good corporate citizen’.

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pp. 122-126.

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How Firms and NGOs Talk about Supply Chain Responsibility in China

Dirk C. Moosmayer  
University of Nottingham Ningbo China

Susannah M. Davis  
University of Nottingham Ningbo China

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Keywords
MNCs, NGOs, Stakeholders, China, Supply chain, Cosmopolitanism, Corporate social responsibility

1. Introduction
In recent years, firms have faced growing demands to become more cosmopolitan, e.g. to respect human rights and to take responsibility for the entire life cycle of their products. Often claims on companies regarding such supply chain responsibilities (SCR) are made by nongovernmental organizations (NGOs) and may address issues over which firms have influence, but little or no direct control. Dominant perspectives such as the stakeholder approach (e.g. Freeman, 2004) do not fully explain why firms respond to NGOs, unless one extends the approach beyond its initial notion of a stakeholder as someone who is directly impacted by firm behavior or who affects a firm’s value. We thus take a cosmopolitan perspective to examine how firms and NGOs communicate about SCR. Taking China as an example, we focus on language use in the interactions of firms with Chinese and international environmental NGOs.

2. Cosmopolitanism and Supply Chain Responsibility
Cosmopolitanism bases citizenship in a community that is not limited by political borders but instead encompasses the entire world (Holton, 2009). While goals of building a single, global community are not new, recent economic, social, and political developments point to an increasingly cosmopolitan reality (Beck, 2006), which affects conceptions of citizenship (Delanty, 2000). Business activity has contributed to this (Crane et al., 2008), and through firms’ engagement with NGOs a global public domain is being co-created in which new issues are being raised and discussed (Ruggie, 2003). Although the deterritorialization of authority and governance may indicate cosmopolitanizing processes, current institutional arrangements nevertheless influence patterns of change (Sassen, 2006). For instance, while NGOs have similar aims and activities wherever they are based (Heins, 2008), national institutional context influences NGOs’ specific actions (Bloodgood, 2009); i.e., even ‘cosmopolitanizing’ changes are shaped in specific national contexts.

There are various conceptions of cosmopolitanism and two main trends can be discerned: Legal cosmopolitanism is concerned with the construction of institutional measures to ensure the protection of the human rights of all persons. By contrast, moral cosmopolitanism is based on positive notions of the worth of each human, a position which creates obligations to others that limit people’s actions (Hayden, 2005, p. 3). While legal cosmopolitanism creates responsibilities based on institutions and law, moral cosmopolitanism promotes conceptions of responsibility based on a sense of common humanity.

The idea that firms are responsible for the effects of the activities with which they are associated, but over which they do not have direct control, can be understood as a kind of cosmopolitan thinking. Many western firms have recently outsourced their production to suppliers in offshore locations and have been transformed from producers into brand managers. NGOs may nevertheless attribute responsibility to brands for practices and behaviors that are actually undertaken by other actors in the supply chain (Anderson and Skjoett-Larsen, 2009). Because cosmopolitan responsibility is based on a sense of common humanity, it is difficult to define the boundaries of a firm’s supply chain responsibility (SCR) (Scherer and Palazzo, 2011). These boundaries are often debated through public dialogue that occurs in various NGO and company reports on supply chain issues. In line with Basu and Palazzo (2008), we believe that language can indicate how organizations make sense of the world and may thus help to understand this discussion in more detail. We
therefore investigate the language used in such publications in two discourses about supply chain responsibility in China.

3. Material and methods

In order to understand how firms respond to NGO demands, we analyze two cases of NGO-firm engagement about SCR that have taken place recently in China.

First, we study the interactions between Apple and a group of Chinese NGOs starting in 2011. This discursive engagement occurred in part through Apple’s supplier responsibility progress reports (SRPRs) and two reports published by a coalition of Chinese environmental NGOs. After the release of these publications, Apple and the NGOs held a series of face-to-face meetings which resulted in new environmental auditing procedures overseen by the NGOs at some Chinese suppliers (FON et al., 2013; Apple, 2013). In 2013 the NGOs published a third report, Apple Opens Up, which documents the environmental improvements that were achieved through firm-NGO cooperation. We analyze Apple’s SRPRs from 2007–2013 and the NGO reports from 2011–2013.

Second, we examine Greenpeace’s campaign to eliminate the use of toxic chemicals in the apparel supply chain. This campaign was supported with the Dirty Laundry report, which focused on water pollution associated with two Chinese suppliers (Greenpeace, 2011). We examine the response of Adidas, one of 18 brands targeted. Adidas and several other brands responded by establishing an industry-led process for eliminating toxics (Roadmap to Zero, 2011). We examine the language used in the Adidas Group Sustainability Progress Report 2012.

We use corpus linguistic methods and the WordSmith Tools 5 software package to analyze twelve reports (eight company reports and four NGO reports totalling about 125,000 words), producing word counts, keywords analyses and concordances. While word counts indicate word frequency, keywords analyses indicate if a word is overrepresented compared to a reference corpus of similar texts. This provides evidence about the content and orientation of a text (Adolphs, 2006). Concordances display words in context and reveal semantic features of word use. To further contextualize our analyses, we collected international and Chinese media reports. We also interviewed representatives of Greenpeace and the Chinese NGOs involved in the campaigns, as well as other civil society organizations.

4. Findings

Legalistic cosmopolitanism. We characterize the language used by both Apple and the Chinese NGOs as ‘legalistic’. First, keywords analysis of Apple’s reports indicates a focus on standards, their violation and their enforcement. The words ‘supplier’ and ‘Apple’ are most prominent in the reports, and ‘violation,’ ‘conduct,’ ‘train,’ and ‘corrective’ are also highly ranked keywords, suggesting an orientation towards these concepts. Second, concordance analysis suggests that Apple plays the role of rule enforcer, applying the Apple Supplier Code of Conduct and requiring change at suppliers. We see this in the collocation, ‘we require’ which is frequently used to describe the requirements Apple places on suppliers. Third, while the NGOs appear to support their claims with reference to local law as well as Apple’s code, Apple frequently refers to its own code, as can be seen in the collocation ‘our code,’ which can establish a reference norm against which Apple judges supplier behavior.

In summary, the language used by Apple suggests that Apple’s responsibility involves enforcing rules – a type of governance function that seems characteristic of legalistic cosmopolitanism – and thus appears to represent a limited cosmopolitanization of supplier relationships. For Apple the limits of this governance responsibility are set by its own code, a position the NGOs appear to use strategically when they critique Apple on the basis of code violations.

Moralistic cosmopolitanism. The language used by both Greenpeace and Adidas seems to reflect a more moralistic cosmopolitan perspective. First, we find that there is less concern in these reports with rules and enforcement of standards than in the Apple and Chinese NGO reports – the relative absence of enforcement terminology is an indicator of this. Instead the focus is on goals of positive change with keywords such as ‘achieve,’ ‘targets,’ and ‘milestones’. Second, the relationship between Adidas and its suppliers is described in generally collaborative terms.

5. Discussion

We investigated the use of cosmopolitan language in SCR discourse. First, we found evidence of cosmopolitan conceptualizations of SCR in both company and NGO discourse. Significantly, different models of this discourse appear, and we found support for both ‘legal’ and ‘moral’ types of cosmopolitan language. In legalistic discourse, the focus is on codes of conduct and standards that are informed by cosmopolitan law. Firm’s responsibilities are limited to the obligations placed on it by ‘soft’ regulation as well as local ‘hard’ law. Further, there is a concern with violations of these rules, and
the emphasis is on stopping ‘bad’ behavior: the firm appears to adopt a cosmopolitan law enforcer role. By contrast, in moralistic discourse, the focus is on aspirational goals. The firm’s obligations are not clearly limited. Rather than a law enforcer, the firm resembles a moral global citizen.

Second, these different ‘vocabularies’ of SCR indicate distinct potential responses to NGO claims. Apple’s keywords seem to suggest a company that takes responsibility by enforcing its code and by requiring suppliers to meet cosmopolitan aspirations. By contrast, Adidas’s vocabulary suggests its status as a good corporate citizen that attempts to achieve positive change with regard to sustainability efforts and its supply chain relationships.

Third, the different vocabularies might suggest that despite cosmopolitanizing tendencies, a ‘rootedness’ of organizations persists. For the most part, firms and their stakeholders remain ‘rooted’ in their home countries and face challenges when trying to adopt a more cosmopolitan mindset (Ghemawat, 2011). For instance, the influence of national business systems on CSR practices has been identified, and a more collaborative form of interaction with other social actors may be related to the national business system of the company’s home base (Matten and Moon, 2008). Apple, as an American firm, is located in a context in which CSR is more voluntaristic and ‘explicit’. By contrast, Adidas (and Greenpeace) are based in European countries with more ‘implicit’ forms of CSR based on government regulation and formalized obligations between social actors. Perhaps the distinctions we observe between ‘legalistic’ and ‘moralistic’ discourses could be related to these different national business contexts.

References


