

# CSR COMMUNICATION CONFERENCE 2019

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## PROCEEDINGS

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## EDITORIAL NOTE

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The 5th International CSR Communication Conference was hosted in Stockholm, by the Stockholm School of Economics in September 2019. Scholars and practitioners from all five continents were present at this great event. Alongside with around 60 academic presentations included in the proceedings, the program was set to introduce and discuss various trending topics in CSR and sustainability. The list of keynote and panel guests included several renowned authors in CSR and sustainability research, such as: Mats Alvesson, Anna von Bergen, Nils Brunsson, Itziar Castello, Michael Etter, Mikkel Flyverbom, Jean-Pascal Gond, Ellen Quigley, Dennis Schoeneborn, and Laura J. Spence. This 'all-star cast', together with a number of young scholars and established researchers in CSR who continue to express their loyalty to this conference, have once again confirmed the importance of the event for the CSR communication research community.

Five conferences later, studying communicational aspects of CSR has become firmly institutionalized and the field of CSR communication has been established. From the start of this biannual event, the conference has produced more than 300 papers on various CSR communication-related topics. An overview of the past conferences reflects the changing agenda of CSR communication research with several new themes and research approaches emerging. Starting with the instrumental perspective that was focused on strategic management of CSR communication, the research topics moved towards more relational views featuring engagement, relationships, digital environments and internal, employee-focused aspects. And lately, a graduate emergence of communicative constitutive perspectives, the role of talk and performativity in CSR is evident.

Development of CSR communication field and scholars' participation over time has certainly been dynamic, with several voices driving the change from within, searching new paths to study CSR, stimulating participation of scholars and inviting alternative interpretations. This (positive) dynamic seems to be critical for moving the field forward (Verk, Golob, & Podnar, 2019).

Proceedings of the 5th International CSR Communication Conference reflect some of the dynamics. They are divided into several sections that cover such topics as CSR engagement, talk and dialog; CSR reporting, perceptions and internal CSR perspectives; digital media and organizing, CSR across industries, NGO engagement, corporate irresponsibility; CSR and educational organizations, and communicative aspects of sustainability.

Thank you to all conference keynote speakers and panelists, as well as to all reviewers, presenters, discussants and participants from academia and practice for sharing new thoughts and ideas and yet again contributing to the enrichment of CSR communication debate.

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# 1. CSR ENGAGEMENT

## Motivations and barriers to employee engagement in corporate social responsibility (CSR): A case study

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### Structured Research Summary

#### Introduction

With few exceptions, an extensive part of extant CSR scholarship focuses on external stakeholders, particularly customers, and how consumer-focused CSR can result in tangible business benefits ranging from enhanced brand reputation (Minor & Morgan, 2011), customer loyalty and advocacy (Du, Bhattacharya, & Sen, 2007), financial performance (Nelling & Webb, 2009), and positive attitudes towards the organization (Bhattacharya & Sen, 2004). In comparison, however, academic focus on the relationship between CSR efforts and internal stakeholders, i.e. employees, is rather limited (Brunton, Eweje, & Taskin, 2015; Rodrigo & Arenas, 2008). As explained by Aguilera et al (2007), “employees as the unit of analysis have received scant attention in the CSR literature” (Aguilera, Rupp, Williams, & Ganapathi, 2007, p. 839). Although research on CSR communication is steadily growing (Golob et al, 2013), empirical research on employee engagement in CSR yet nascent (Karanges, Johnston, Beatson, & Lings, 2014).

Employee engagement broadly refers to “the extent to which employees commit to something or someone in their organization and how hard they work and how long they stay as a result of that commitment” (Corporate Leadership Council, 2004). Some perceive it as a psychological state, for which the employees connect their sense of self to their position and to the organization for which they work (Kahn, 1990). For others, it is a behavioral outcome such as volunteering (Mirvis, 2012) or an attitude such as a “high internal motivational state” (Colbert, Mount, Harter, Witt & Barrick, 2004, p. 603).

Nonetheless, employee engagement is purported to yield positive benefits for firms. In particular, employee engagement in CSR is posited to reduce cynicism among workers (Cartwright & Holmes, 2006), increase job satisfaction, talent attraction and retention, and employee advocacy (Robertson-Smith & Markwick, 2009), and even improve innovation, productivity and bottom-line performance and ultimately customer satisfaction. In an age of fast disappearing loyalty, employee engagement is especially critical. A study by Deloitte (2016) finds that two in three Millennials aim to leave their employer by 2020. Considering that companies with a highly engaged workforce have been found to outperform competitors by 147% in earning per share (Gallup, 2016) makes employee engagement a desirable objective for a company.

Guided by the need to further knowledge of employee engagement in CSR, this study focuses on one organization’s efforts to engage employees in the efforts of its CSR Foundation. Specifically, we examine ***what motivates employees to be engaged in the CSR Foundation, and what are the obstacles that hinder such participation?***

### **Employee Engagement in CSR**

This short review of literature delineates the relevance of employee engagement for businesses, highlighting the reasons that employees might engage in CSR, and the barriers for such engagement.

Regarding employee motivations, workers can have specific and different reasons that bring them to express interest in CSR. For instance, Aguilera et al (2007) identify three main justifications for employee engagement in CSR: Instrumental, Relational, and Morality-based motives. The former refers to a need for control that is satisfied by CSR, because it gives employees a sense of care and concern from their employer. Relational motives imply that employees' need for a sense of belonging is met by CSR, since CSR endeavours are likely to encourage relationship between different stakeholders, such as the organization, employees, and other external members of society. Morality-related motives relate to the felt need for leading a meaningful existence, in this case through the association with a company that does what the employee considers to be the right thing (Aguilera et al, 2007).

Further, by showcasing the company's identity and values, CSR can improve the employee value proposition (EVP) thus making the organization feel closer to the employee on an individual level (Bhattacharya, Sen, & Korschun, 2008). According to a Nielsen study, 67% of respondents reportedly prefer to work for socially responsible companies (Nielsen, 2014) and this dynamic is often more accentuated among young people. Millennials in particular tend to feel empowered through CSR, particularly when it is performed on a local level, which allows them to increasingly perceive their impact (Deloitte, 2017). This is also due to the idea that, by appearing as an upstanding member of society, companies are able to enhance their internal legitimacy in the eyes of its employees', thus promoting productivity, innovation, teamwork and, as aforementioned, talent recruitment and retention (Liu, Liston-Heyes & Ko, 2009). Moreover, participation in the company's CSR efforts can stimulate employee-company identification. This refers to the idea that, if employees can see their own values reflected in their employer's behavior and specifically in their CSR strategy, they will identify with the organization and consequently feel more committed to it (Kim et al, 2010).

### ***Obstacles and Paradoxes in Employee Engagement***

Scholars caution against the universal optimism accompanying employee engagement in CSR. While some employees might be promptly enthusiastic of a company's CSR initiatives, others might be reluctant or even recalcitrant, thus undermining the expected positive outcomes of their efforts.

In relation to the response CSR might generate, Costas & Kärreman (2013) outline three sections of employees: believers, straddlers, and cynics. These classifications are built on the different idealized images of employees' corporate self, which revolve around moral concern, receptivity, personal interest, and care, and interlace with the concept of employee-company identification. As the term suggests, 'Believers' includes employees who are quick to believe in CSR and embrace it; the second sees the potential and desirability in CSR, but articulates ambivalence regarding the company's motives and ethics behind them, while the 'Cynics' express suspicion regarding the company and the employees' motives. Their study confirms the findings of Rodrigo & Arenas (2008) who found that owing to differential attitudes toward CSR, employees may range from being committed, to indifferent, and even dissident. These profiles are thought to differ on their level of acceptance of the new role, their degree of identification with the company, their sense of importance of their job and of social justice, and are built on attitudes towards the company and society as a whole (Rodrigo & Arenas, 2008).

What the few studies confirm are the differences among employees to which employers must be mindful. While these classification, by themselves, are not fixed or stable, they offer a reminder to corporations who erroneously adopt a top-down approach in implementing CSR programs, thus potentially neglecting the needs, interests, and/or attitudes of employees (Bhattacharya, Sen, & Korschun, 2008). Moreover, employee scepticism and hesitation could generate repercussions if not carefully pondered: as illustrated by Du et al (2010), "corporate social responsibility communication can have a backlash effect if stakeholders become suspicious and perceive predominantly extrinsic motives in companies' social initiatives" (Du et al, 2010, p. 17), i.e. self-interested driven reasons behind choosing to undertake CSR endeavors, such as improving the organization's reputation or its revenue.

## Method

The study follows an in-depth case study approach of CSR engagement in a 'Big Four' consulting firm. Sixteen semi-structured interviews were conducted with a sub-section of employees involved in the activities of the firm's CSR Foundation in the Netherlands. Interviewees represented the Project Management team or PMO, Corporate Communication Team, Ambassadors, and Project Initiators (see Table 1). The interview guide was adapted for each group. A total of 16 employees across the four groups were interviewed. The interviews then served as a basis for a company-wide short survey, aimed at painting a broader picture of the case and investigating whether interview data were applicable to a wider range of employees.

The survey was circulated via the organization's enterprise social network, Yammer, with a goal to reach a wide cross-section of employees. Given that the interviews had been conducted with members of the organizations already aware and active in the CSR Foundation, it was important to gather the perspectives of other members of the organization, particularly those that were inactive or even disengaged. We received 179 responses to the questionnaire, of which 87% or 156 were complete and included in the analysis.

Table 1: Interviewee profile

	Interviewee Group	Role in the CSR Foundation	Business Unit
1	PMO	Contact with NGOs, Event organization	Support
2	Corporate Communication	No role with the DIF	Support
3	PMO	Manager of the Ambassadors Network	Consulting
4	PMO/Corporate Communication	Temporary Co-Manager of the PMO	Support
5	PMO	Community Management, Various Tasks	Support
6	Corporate Communication	No role with the DIF	Support
7	PMO/Corporate Communication	Community Management, Strategy, Process Optimization	Support
8	PMO/Corporate Communication	Co-Manager of the PMO	Support
9	Project Initiator	Project Initiator	Support
10	Project Initiator	Project Initiator	FAS
11	Ambassador	Ambassador	Enterprise Risk Services
12	Ambassador	Ambassador	FAS
13	Project Initiator	Project Initiator	Consulting
14	Ambassador	Ambassador	Consulting
15	Project Initiator	Project Initiator	Tax & Legal
16	Ambassador	Ambassador	Consulting

## Key findings: What motivates employees to engage in CSR?

Interviewees highlighted a range of motivations, most of which were confirmed in the survey response as well. Intrinsic motivation dominated with 50% of interviewees indicated it as the prime reason to be involved with the Foundation. Personal reasons were intertwined with a sense of well-being, satisfaction, and 'making a difference.' Further, interviewees indicated age and longevity in the company as a factor in participation. About one third of interviewees report that there is a higher tendency among younger employees to be involved in the Foundation. Notably, for nearly half the interviewees, being engaged in the Foundation inculcated a sense of pride in the employer specifically, the work of the organization (via the CSR Foundation to "contribute to a better society or better world."

From a purely pragmatic perspective, one third of interviewees indicated networking as a positive outcome of participating in projects. The chance to meet and interact both with people outside the company and fellow employees from other department was a big draw. Finally, the prospect of using one's expertise for another purpose than one's daily job, was a clear driver. For instance, an interviewee who had submitted a project to the Foundation via its CSR platform affirmed, "Normally I would work for corporate clients, and now to use the things I learned with a project, the way we build presentations, tell stories, do analysis, that's—that's super exciting."

These findings are echoed in the survey results as well. Intrinsic motivation outweigh other motivations, due to an internal drive and sense of duty, even though reasons such as pride in the company and feeling good about participating ("To feel good about helping others") were still quite prominent in the survey.

### **What prevents engagement in CSR?**

The second, related, goal was to understand the barriers or obstacles to participation in the CSR Foundation. Four key factors surfaced: lack of awareness or understanding, skepticism, lack of interest, and lack of time. Lack of awareness related to the existence of the CSR Foundation but also ambiguity about its tagline and purpose. Some employees simply did not understand the benefits of volunteering or were sceptical about the goals of the Foundation, seeing it purely as a marketing stunt or a PR activity. Last but not least, the lack of time was the most recurring obstacle: One Ambassador, for instance, describes her own struggles by saying, "They give me billable hours, but I cannot tell my client, 'Yeah, sorry, I need to work one day, two days [for the Foundation].'"

An important barrier relates to leadership support (or lack thereof) and the difference in culture across functional/practice areas. One Project Initiator described his involvement in the Foundation as "atypical" and "uncommon" in his department and noted that it was due to the Partner's enthusiasm and positivity that he was able to volunteer his time. This dynamic is quite pervasive in the interviews, with 9 interviewees indicating leadership as either not collaborating with the Foundation or being unaccepting towards their subordinates' interest in it. Another interviewee, a Director of the company, explained that, in some departments, employees who volunteer for the Foundation are allowed to do so only if they have "nothing else to do", which is seen as being "incapable of getting work," and mentions encountering negative attitudes from a "management level." A related factor pertains to the corporate culture and differences across functional areas. Several interviewees described corporate culture as innovative and people-focused, whereas others viewed it as quality-driven, competitive, and demanding. Given these differences, participants noted how the CSR Foundation might be a good fit with certain business units and departments, e.g., Support with its people-centred approach, as opposed to a result-oriented practice such as Financial Advisory Services (FAS) or Audit.

As with the motivations, the responses were tested using a questionnaire. Time was the key deterrent followed by a lack of awareness ("I did not know about it") and lack of interest ("I am simply not interested"). Skepticism in the Foundation was not a very prevalent choice nor was lack of support from leadership (owing largely to the uneven distribution of responses from some functional areas than others). In addition, many respondents provided 'Other' reasons to explain their lack of engagement, including already giving to charity, personal reasons and/or lack of interesting projects.

### **Conclusion**

In sum, the study contributes to an understanding of employee engagement in CSR, with a particular focus on motivations and barriers. Pragmatic and conceptual implications, as well as limitations, will be outlined.

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# The Value of CSR Engagement for Start-ups: Lessons from a German Case Study

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## Structured Research Summary

### Introduction

In the previous years, the concept of corporate social responsibility (CSR) has gained increasing attention by organizations (Jeffrey, Rosenberg & McCabe, 2018). Ideally, CSR engagement is expected to improve the corporate image (Chung et al., 2015) and help a company to achieve a favorable reputation (Nyarku & Ayekple, 2018). The benefit of corporate CSR engagement by the means of positively affecting the affirmative mind-set of customers as well as generating a competitive advantage has been highlighted in various studies (e.g., Beckmann, 2007; Weber, 2008).

These insights are also relevant for start-up companies. In Germany, for example, over 32% of the existing start-ups identify themselves as part of the green economy and/or the social entrepreneurship sector (KPMG, 2018). Especially during the start-up phase, the business model should be designed in a way that is as environmentally and socially compatible as possible – there is no better time for this (Stavridou & Zafeiropoulou, 2014).

In the academic fields of management, marketing and business ethics, a large amount of studies has analyzed CSR from various perspectives. However, there is a notable lack of research regarding the significance of CSR activities for start-up owners. This study is devoted to the question of whether and to what extent there is an awareness among start-up founders and if they already carry out CSR measures.

### Literature Review

#### *The German Start-up Industry*

According to Gabler's encyclopedia (2019), a start-up is "a foundation of an enterprise with an innovative business idea and high growth potential." Following a definition by KPMG (2018), start-ups are usually less than ten years old; they have or are planning employee/business growth; and they are (highly) innovative in their products/services, business models and/or technologies.

There are five different stages of development that each start-up typically goes through: In the "seed stage" the start-up is still in concept development and is not yet realizing any sales; in Germany, 22.2% of start-ups currently operate in this phase. About half of all German start-ups (48.9%) are working on the completion of a market-ready offer and are already achieving their first sales and/or customer benefits within the "start-up stage". In the "growth stage" sales are rising exponentially; one out of four German start-ups (25%) currently carries out its business in this stage. Start-ups within the "later stage", in which they have already matured into established players and have planned or carried out a trade sale/stock exchange, make up a very small proportion (1.5%). 2.4% of the German start-ups are in the "steady stage" and thus have no intentionally or unintentionally strong sales and/or user growth. In general, it can be observed that start-ups are increasingly performing in an earlier stage of corporate development, which is also reflected in their comparably low average age (KPMG, 2018).

## **CSR**

Corporate social responsibility (CSR) refers to an integrated corporate concept that includes the entirety of all social, ecological and economic voluntary contributions of a company, beyond compliance with legal provisions (Meffert & Münstermann, 2005). CSR activities are beneficial for every business and applicable in all industries globally (Wollenhaupt, 2014), due to the fact that society increasingly expects organizations to be not only an economic institution, but also act in line with social and environmental transformations (Schmidt, 2016).

The origins of the CSR concept can be traced back to the works of Bowen (1953), who stated that entrepreneurs are accountable for adjusting their businesses towards the expectations, goals and values of a society (Bassen, Jastram & Meyer, 2005). Since then, the definitions of CSR have multiplied rapidly and represent various interpretations, priorities and approaches. Consequently, CSR is considered as an “umbrella term” for the numerous forms and expressions of social obligations and responsibilities attributed to an organization. Nevertheless, all definitions interpret organizations as an element of society – and their contribution should advance the maximization of profits and relate to the social and environmental implications of their actions (Schmidt, 2016).

CSR has been divided into three concentric circles of corporate responsibility, namely inner, middle and outer responsibility. While the inner area of responsibility relates to CSR activities that concern internal procedures and the employees of a company, the middle area concerns voluntary activities of the companies that are related to the core business throughout the value chain, and the outer area relates to the voluntary activities outside of the core business and value chain (Hiß, 2006).

### ***Motives for CSR Activities***

In the start-up scene, founders are much less limited in their business activities than in large corporations, and the decision-making process is largely unimpeded. As a result, the implementation of CSR activities is more amenable than in large enterprises, due to less bureaucratic obstacles (Wollenhaupt, 2014). Today's competitive business environment in combination with the social transformation towards a society acknowledging as well as valuing common-goods efforts is imposing the necessity to integrate CSR activities as part of a start-up business strategy (Stavridou & Zafeiropoulou, 2014).

The motives for such a decision are not only industry-specific, but also individually dependent on the founder and his/her personal attitude towards society. In research, a distinction has been made between two categories of motives, namely moral and strategic motivations that drive both companies and founders to engage in CSR activities (Brønn & Vidaver-Cohen, 2009). Strategic motives mainly comprise economic aspects, which in turn can be subdivided into instrumental activities with direct impact on the company's success and institutional activities that are carried out as institutions exert pressure on the respective company (van de Ven & Graafland, 2006). In practice, strategic motives often predominate, but moral motives also have a significant impact on the decision for CSR measures. These include non-performance aspects that reflect the ethical commitment to society. The objective goes beyond pure profit growth (Brønn & Vidaver-Cohen, 2009).

## **Method**

### ***Hypotheses***

Until recently, CSR initiatives by German start-ups have hardly been investigated, although they have gained enormously in importance in recent years. Consequently, the research-guiding question is: What significance does CSR have for German start-ups? On the basis of CSR studies from other industries, three specific research questions and ten hypotheses were determined, which promise to provide more detailed insights into the significance of CSR activities in the German start-up scene.

- RQ1: Which CSR activities are performed by German start-ups?
  - H1a: Start-ups intensify their CSR activities when they are in an advanced growth stage.
  - H1b: Start-ups focus above all on CSR activities in the inner area of responsibility.

- RQ2: What are the reasons for German start-ups to invest in CSR activities?
  - H2a: Start-ups attach a greater importance to CSR when direct competitors implement CSR activities.
  - H2b: The claims of investors have no impact on the application of CSR activities for start-ups.
  - H2c: Start-ups consider CSR activities as more valuable if they can thereby expect advantages in terms of improved relationships with their customers.
  - H2d: For start-ups, strategic motives for CSR activities predominate.
  - H2e: If start-ups are using CSR activities, they expect positive effects on the employees' motivation.
  - H2f: Personal beliefs of the start-up founders influence the implementation of CSR activities.
- RQ3: To what extent are CSR activities (strategically) anchored in German start-ups?
  - H3a: The extent of CSR activities is increasing when the start-up employs specialized CSR staff.
  - H3b: The more deeply the CSR topic is strategically anchored, the more pronounced the CSR activities.

### **Research Design**

In order to shed light on the CSR activities of German start-ups, a quantitative research design in the form of an online survey among start-up founders and managing directors was chosen. To select the sample for this research project, various target group-specific channels (Bundesverband Deutsche Start-ups, Gründerszene etc.) were utilized to carry out a multi-level selection procedure. The survey was conducted during late spring 2018 and included a total of 34 participants.<sup>1</sup>

The average age of the participants is 36.7 years; about one third of them were female, two thirds were male. The sample represents a uniform distribution in terms of growth phase, origin as well as industry sectors.

### **Results**

#### ***Which CSR activities are performed by German start-ups?***

Regarding hypothesis 1a, the assignment of the already small number of sub-samples from  $n = 34$  valid cases to the respective start-up phases resulted in very low case numbers within the individual phases (seed:  $n = 8$ , start-up:  $n = 13$ , growth:  $n = 11$ ). Consequently, no statistically significant conclusions can be drawn for this hypothesis. However, some tendencies are recognizable. In the growth phase, CSR activities are most likely to be performed compared to the other two phases ( $M = -0.12$ ,  $SD = 0.94$ ). In the seed phase, slightly fewer total CSR activities are performed ( $M = -0.18$ ,  $SD = 1.15$ ), and in the start-up phase, the least total activity is discernable ( $M = -0.29$ ,  $SD = 1.19$ ).

Hypothesis 1b compares the extent to which the individual areas of responsibility can be demonstrated in the implementation of CSR activities and assumed that start-ups carry out CSR activities, in particular with a focus on the area of inner responsibility. However, hypothesis 1b can only partially be confirmed after statistical evaluation. The correlation between the inner and the middle area of responsibility was  $r(28) = 0.54$ ,  $p < 0.01$ , the inner and outer area of responsibility correlate with  $r(28) = 0.42$ ,  $p < 0.05$ , and answers from the inner and middle area of responsibility correlate with  $r(28) = 0.54$ ,  $p < 0.01$ . The paired sample t-test found a significant mean deviation between the inner and middle area of responsibility compared to the outer area:  $t(29) = 3.29$ ,  $p < 0.01$ , with the outer area having a lower average than the other two areas. This means that start-ups are only marginally engaged in the participation or implementation of CSR activities outside of their internal and medium range. If the company's core business is not affected, its involvement in social engagement is very low.

<sup>1</sup> The empirical study was realized in the context of a research seminar within the Media Management program at Hamburg Media School. The authors would like to thank Julia Empelmann, David Hänssler, Ramona Jaeckle, Kristina Junge, Sabrina Kassebaum, Lorraine Larbig, Yannick Pieper, Benjamin Scotti, Laura Sollinger, Jörn Weber and Georg Weiss for their contributions.

***What are the reasons for German start-ups to invest in CSR activities?***

For the evaluation of hypothesis 2a, a correlation analysis between direct competitors and the activity index determined a slightly negative but statistically insignificant correlation ( $r = -0.07$ ,  $p = 0.76$ ,  $n = 20$ ). However, considering only the absolute frequencies of responses to direct competitors, it can be concluded that 95.7 percent of companies are not influenced by direct competition when implementing CSR activities. Accordingly, hypothesis 2a must be rejected.

Hypothesis 2b examined the relationship between CSR activities carried out and individual investor requirements. Due to the small number of cases ( $n = 24$  for investor expectation), the hypothesis test also led to statistically insignificant results ( $p > 0.05$ , because  $p = 0.09$ ). Looking at the frequency of replies to investor expectation, 10 out of 24 respondents say that investor interests have no relevant impact on CSR activities.

To analyze hypothesis 2c, an index has been formed. It consists of the elements "Impact on corporate image", "Positive media reporting" and "Stakeholder expectation". However, a correlation analysis between this index and the activity super index did not lead to any significant results ( $r = -0.04$ ,  $p = 0.8$ ,  $n = 24$ ).

Hypothesis 2d was examined by means of a t-test of strategic and moral motives. In total there were  $n = 23$  usable answers to the moral motives and  $n = 21$  usable answers to the questions of strategic motives. By looking at the frequencies of all the motives questioned, it is noticeable that moral motives are mentioned more frequently than strategic motives. A significant mean difference in the answers of the two motives was found with  $t(23) = -5.4$ ,  $p < 0.001$ , whereby moral motives predominate.

The question "Our company is committed to social, environmental and societal goals because it increases employee loyalty and motivation" was answered by 75% of respondents with "agree" or "strongly agree". However, a correlation analysis could not provide statistically significant results: CSR activities therefore have no statistically significant influence on the motivation of the employees ( $r(24) = -2.44$ ,  $p = 0.25$ ).

The final hypothesis concerning CSR motives deals with the personal beliefs of the founders. Out of 24 respondents, 91.7 percent agreed that CSR activities were created or implemented for the personal concerns of the founder. However, no statistically significant correlation of the two variables CSR activities and founder concerns can be demonstrated ( $r(24) = -0.06$ ,  $p = 0.79$ ). Hypothesis 2f is therefore to be rejected from a statistical point of view.

***To what extent are CSR activities (strategically) anchored in German start-ups?***

To test hypothesis 3a, a t-test for independent samples was performed. This revealed that the mean value for CSR activities of start-ups with in-house CSR staff is higher ( $M = 0.23$ ,  $SD = 0.61$ ) than for start-ups without in-house CSR staff ( $M = 0.11$ ,  $SD = 0.65$ ). However, the difference is not statistically significant ( $t(19) = -0.36$ ,  $p = 0.72$ ).

Hypothesis 3b examines the correlation between strategic anchoring and CSR activities. Only 14 valuable answers for this hypothesis were gathered, and due to the resulting small number of answers, no statistically relevant results can be presented.

**Discussion and Implications**

Recent publications in the field of CSR research have focused mainly on large companies and corporations to find out which CSR activities are being undertaken and why. In particular, start-ups have hardly been examined from the perspective of social responsibility, possibly on the assumption that organizations cannot have any interest in CSR at such an early stage of their lives due to a lack of resources. The present study examined this assumption and analyzed whether the different corporate culture and market situation of start-ups influence the implementation of CSR activities. For this purpose, a standardized survey was conducted among 32 start-ups with the purpose of identifying what significance CSR has for the German start-up scene. The focus was on the question of whether CSR is worthwhile in such an early stage of the company and, if so, what CSR activities are being carried out. For the empirical study, three research questions were determined and answered with the help of several hypotheses.

Research question 1 offers insights into the CSR activities that are currently being implemented by German start-ups. The activities take place primarily in the inner and medium area of responsibility of the start-ups. Comparing the activities in the first three start-up phases, a tendency for start-ups in the growth phase to carry out more CSR activities than in the earlier start-up or seed phases is evident. It is therefore reasonable to assume that the marketability of a company and its increasing resources have an influence on the implementation of CSR activities.

Research question 2 deals with the motives for carrying out CSR activities. Neither the direct competitors nor the customer relationship improvement are cited as relevant reasons to carry out CSR activities. The motivation of the employees is a frequently mentioned reason on the basis of the highly competitive personnel market in the start-up scene. In German start-ups, it is primarily moral motives that underlie the implementation of CSR activities. A special role is played by the personal inspiration of the founders – this can be explained by the fact that many start-ups are owner-managed and the founders have a correspondingly large influence on the strategic and operational business of the company.

Research question 3 examines the effects of the strategic anchoring of CSR on the implementation of CSR activities. Most of the surveyed start-ups have positioned themselves internally for social engagement, and half of them communicate their CSR commitment externally. However, very few start-ups publish a sustainability report or have a CSR employee in the organization. However, once a specialized staff is present, the corresponding start-ups carry out an above-average number of CSR activities. To answer the research question, it can be summarized that CSR already has a high importance in the everyday life for many start-ups, despite the low resources. This is less a matter of strategic considerations, but above all of moral persuasion.

The results of the study provide insights into the social responsibility of German start-ups. It therefore offers a first contribution to a topic that can be expected to continue to gain importance in the future. The start-up scene in Germany continues to record high growth rates – and CSR will increasingly be a focus of their activities.

Even if not all hypothesis tests have statistical significance, certain tendencies can still be recognized and corresponding conclusions drawn. However, due to the small number of cases, caution is required when interpreting the results. More extensive investigations are needed to confirm the data. In order to increase the number of cases and the practical benefits of the study, an integration of CSR and social responsibility issues in large-scale studies such as the German Start-up Monitor seems reasonable.

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# Engaging happy employee: from the perspectives of CSR organizational culture, Volunteer work motivation, and Corporate volunteering

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## Abstract

### Purpose

The main objective of this study is to investigate the influence of CSR organizational culture, volunteer work motivation, and corporate volunteering on employee engagement.

### Design

An employee survey (n= 364) was analyzed using Structural Equation Modeling.

### Findings

It was found that corporate social responsibility (CSR) as an organizational culture, volunteer work motivation, and corporate volunteering has a direct effect on employee engagement. Moreover, CSR's organizational culture also has an indirect effect on employee engagement where volunteer work motivation, and corporate volunteering are the mediators.

### Practical implication

Building a strong CSR culture can be achieved by supporting a corporate sponsored volunteering scheme. It paves a path for an organization to show their social responsibility where employees are the center of the activity. Corporate volunteering does not only create employee engagement, but also gives happiness to employees.

### Originality

This paper looks at employee engagement antecedents from macro (CSR as an organizational culture) to micro perspectives (volunteer work motivation and corporate volunteering) to provide insights of how to engage employees.

**Keywords:** Corporate Social Responsibility (CSR), Volunteer Work Motivation, Volunteer, Employee engagement

## Structured Research Summary

### Introduction

The heart of corporate social responsibility (CSR) is to connect corporate with both the internal and external stakeholders. One of the foremost stakeholders the company shall focus on is "employees". According to Werther Jr and Chandler (2010), employees are the cornerstone and business key drivers.

The importance of employees has urged academics from multidiscipline to study employee engagement methods. A study from Saks (2006) found that engaged staffs have positive thinking, attitude, and behavior toward the company. Cataldo (2011) also found similar findings. Therefore, the need is manifest to build engagement, which is about providing a serious involvement in all levels of activities with the company (Morsing and Schultz, 2006).

Higher employees' expectation is the main challenge in creating engagement. They wish to work for a socially responsible company where they earn the paycheck as well as being a good citizen (Özçelik, 2015). Hence, the first milestone of the organization is to implant a CSR into the corporate culture which demands requiring strong determination and attention from top management. Polonsky and Jevons (2009) point out how world-class organizations build their culture. They all shed light on building CSR culture by having staff work responsibly on a daily basis. The approach helps familiarize employees with CSR practice and therefore gradually become everyone's normality.

One of the strategies widely used to build CSR organizational culture is corporate-sponsored volunteering (CSV). It helps organization show their good corporate citizenship and concurrently engages employees. Persuading employees to join volunteering activities starts with understanding their psychological factors. Studying employee motivation is then an answer. Although people do the same thing they may have different reasons for doing so. Some people work for money (Finkelstein et al., 2005) while some wish to gratify their altruistic needs (Mirvis, 2012b), or to be accepted by others (Bhattacharya et al., 2008). Hence, understanding motivation opens a door to engaging employees through volunteering.

The purpose of this paper is to explore the influence of CSR corporate culture, volunteering and work motivation on employee engagement.

## Literature review

### CSR Organizational Culture, Volunteer work motivation, Employee Engagement

CSR Organizational culture refers to the format and the approach that an organization runs a business based on combining commercial and social benefits. This foundation directs the way a company deals with stakeholders (Duarte, 2010).

Many organizations are concerned about creating engagement with stakeholders through CSR programs (Jaakson et al., 2009), but a shallow change in CSR practice is inevitable. Corporates have to concretely shift themselves (Linnenluecke and Griffiths, 2010) making the first priority to attain full support from organization leader as Post and Altma (1994) suggested. That is consistent with Tohidi and Jabbari (2012), the company leaders act as the CSR values innovators; then managers turn such values into daily practice and pass them on to all members. This is how CSR organizational culture is maintained and transmitted. Once the employees perceive that their company concentrates on assisting community and take CSR culture intensively, they become more engaged (Glavas and Piderit, 2009).

CSR culture can be emphasized by employees participating in the development of community. Knowing that one's work contributes to improving others' life quality can boost work motivation (Weiser and Zadek, 2000). In other words, meaningful work influences higher work motivation (Zappalà, 2004). This is especially true when the organization opens up for the members to freely volunteer in CSR activity (Sørensen, 2002).

*H1: CSR organizational culture has an influence on employee engagement*

*H2: CSR organizational culture has an influence on volunteer work motivation*

### Volunteer Work Motivation, Corporate Volunteering, and Employee Engagement

Self-determination theory by Ryan and Deci (2000) explains that people do something in order to gratify their needs and such actions are driven by motivation: 1) Intrinsic motivation refers to having a source of motivation from oneself because doing a particular action is interesting, and fun per se. 2) Extrinsic motivation involves having an external drive to do something; for instance, to build self-esteem or avoid being criticized.

Intrinsic motivation grows when work satisfies employees' autonomy, competence, and relatedness needs. In this case, corporate volunteering is the answer because it gives opportunity for employees to work voluntarily, apply skills to help others, and being recognized by social groups (Tremblay et al., 2009, Skudiene and Auruskeviciene, 2012). The research from Haivas et al. (2013) found that having autonomy over a volunteering choice has a positive relationship with engagement. Therefore, it is wise for a company to use CSV as a way to create participation and gratify employee's needs.

Moreover, volunteering motivation and employee engagement are related. Employees volunteer because they wish to create a positive self-image and perceive engagement with the company so they feel secure (Bhattacharya et al., 2008). Furthermore, when employees realize that a company is being responsible, they return a favor by working more effectively and willing to join the CSV program (Mirvis, 2012b), especially if they have authority to make a decision, they feel even more engaged (Özçelik, 2015).

*H3: Volunteer work motivation influences corporate volunteering*

*H4: Volunteer work motivation influences employee engagement*

### **Corporate Volunteering and Employee Engagement**

There are ways for a corporate to show its social responsibility. One of the popular approaches is to encourage and support employees to volunteer (Kotler and Lee, 2005). Company offers funding, time, and facilities for employees to volunteer and help the community under the company's name through CSV (Peloza and Hassay, 2006). Besides giving back to society, CSV is a tool to build employee engagement. The employee survey from Meistner (2012) shows that being a part of CSV program helps increase employee engagement. Similarly, Gross and Holland (2011) also found that engagement, pride and retention level were increased among more than 1,000 employees after they attended CSV scheme. It can be concluded that there is a relationship between employee engagement and CSV.

*H5: Corporate volunteering influences employee engagement*

### **Research Methodology**

#### ***Sample and procedure***

The sample is drawn from the company listed in the globally accepted standard, Dow Jones Sustainability Indices (DJSI) 2016 (Davies, 2013) where organizations are evaluated in three main areas: economic, society, and environment. The company is chosen by purposive sampling method with two criteria 1) Have a branch in Thailand 2) Launched a CSV program in Thailand and published the related content in the Annual report 2016, or corporate website. The content analysis is conducted afterwards. 14 out of 316 companies passed these 2 criteria. They are from 4 countries: France, Japan, USA, and Thailand. The 2nd content analysis is taken to elect the 4 most outstanding companies from each country based on recognition and intensity of CSV programs. However, only 3 companies grant access for quantitative research data collection.

This research contains 4 latent variables with a subset of at least 3 observable variables. According to Hair et al. (2010), the proper sample size for SEM should be more than 100. 364 completed sets of questionnaires were returned. The questionnaires were proportionately distributed to each company based on the total numbers of employee. All respondents are employees who have voluntarily been a corporate volunteer at 1 time within 12 months.

Table 1: Company details

<b>Company Name</b>	<b>Industry</b>	<b>Country of origin</b>	<b>No. of Employees</b>	<b>No. of Questionnaires</b>
Sodexo SA	Consumer services	France	2,500	46
Panasonic Corp	Consumer Durables & Apparel	Japan	14,000	156
Siam Cement PCL	Materials	Thailand	53,000	163

### Measurement instrument

The questionnaire was composed of 5 items. Likert scale (1 = totally disagree, 5 = totally agree) and is translated into Thai language and validated by the expert. CSR organizational culture perception was measured with 11 questions from Toliver (2016), for example, *"I think my organization encourages employees to volunteer"*. ( $\alpha = 0.964$ ). Whereas 20 volunteer work motivation items are from Motivation at Work Scale–R by Haivas et al. (2013), an example item is: *"I put my effort in my volunteering activities because the work I do is a lot of fun"*. ( $\alpha = 0.799$ ). Corporate volunteering was examined by 11 questions by Rodell (2010), for example, *"I give my time to help in a volunteer program"*. ( $\alpha = 0.871$ ). In addition, employee engagement was assessed with 12 questions from Robinson et al. (2004), for instance, *"I try to help others in this organization whenever I can"*. ( $\alpha = 0.868$ ).

### Primary measurement model

To verify the validity of the instrument (questionnaire), the first step is the confirmatory factor analysis (CFA) of the primary samples conducted on AMOS. There are 4 latent variables: firstly, CSR organizational culture with 11 indicators, corporate volunteering with 11 indicators followed by volunteer work motivation with 20 indicators and lastly, employee engagement with 12 indicators.

CFA identifies the unfit between model and existing empirical principles. Therefore, the model has to be modified by removing the items that carry less than .6 factor loading (Hair Jr. et al., 2009). In addition, modification index (MI) is also considered. The path is drawn to correlate variables that contain high MI value and the correlated items should be within the same construct to maintain unidimensionality (Hair et al., 2010). The adjustment indicates the model fit as shown in Table 2.

Table 2: Goodness-of-Fit Measures

Fit indices		Structural model	Meaning
CMIN	-	1580.58	-
DF	-	606	-
P Value	<0.05	0.00	√
CMIN/DF	< 5	2.608	√
CFI	≥ 0.90	0.913	√
TLI	≥ 0.90	0.904	√
RMSEA	< 0.07	0.067	√
RMR	< 0.08	0.058	√

## Research findings

### General information of respondents

Table 3: Respondents demographics

Details		Respondents no.	%
Gender	Female	231	63.5
Age	28-32 Years old	155	42.6
Education	Bachelor degree	205	56.3
Tenure	1-5 Years	190	52.2
Volunteering time/Year	3-5 times	317	87.1

**Variable analysis**

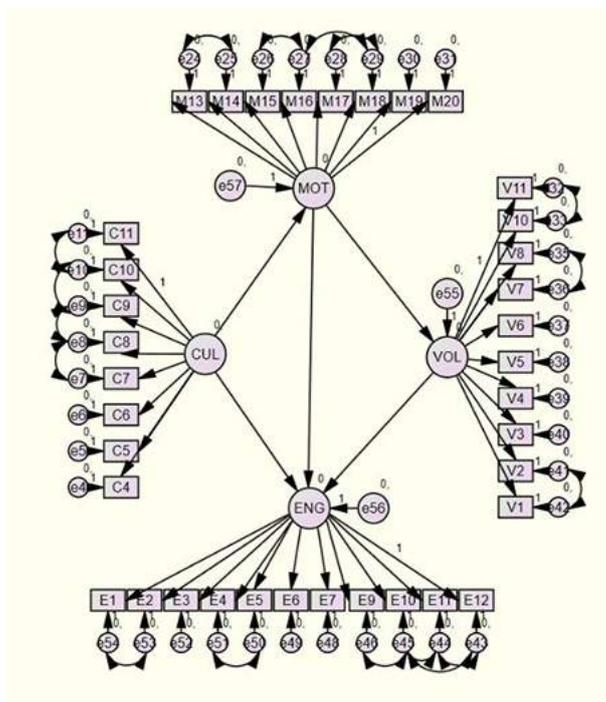
Table 4: The mean score and S.D. of each variable

Latent variables	( X )	(S.D.)	Indication
CSR organizational culture	3.96	.679	High
Volunteer work motivation	3.11	.664	Medium
Corporate volunteering	3.58	.648	High
Employee Engagement	3.86	.631	High

**Structural Equation Modeling**

After the model is drawn (figure 1 shows remaining items after a modification), the model congruency is checked with the following indices:

Figure 1: Structural Model



**Model fitness**

The analysis indicates model fitness as shown in the table.

Table 5: Goodness-of-Fit Measures

Fit indices		Structural model	Meaning
CMIN	-	1627.07	-
DF	-	607	-
P Value	<0.05	0.00	√
CMIN/DF	< 5	2.681	√
CFI	≥ 0.90	0.909	√
TLI	≥ 0.90	0.900	√
RMSEA	< 0.07	0.068	√
RMR	< 0.08	0.076	√

**Hypothesis testing**

The hypothesis was tested by considering the following indices: regression weights and standardized regression weights.

Table 6: Regression Weights and hypothesis testing

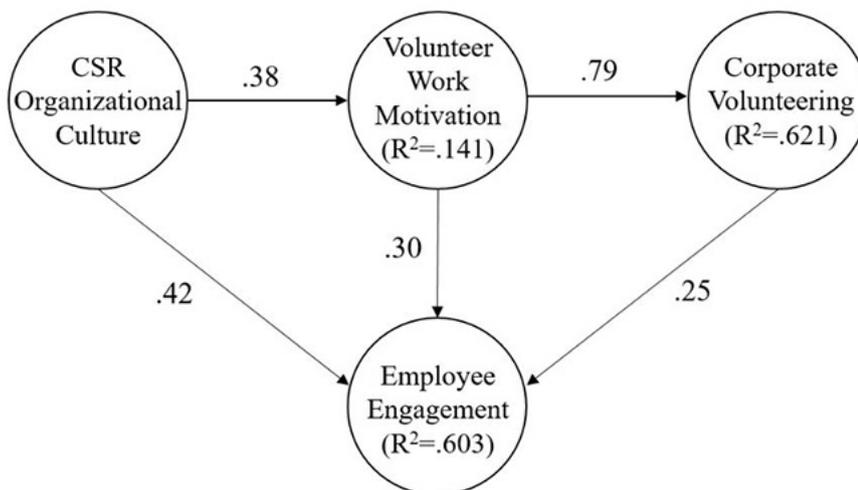
	Estimate	S.E.	C.R.	P-Value	Reject H0
MOT <--- CUL	0.427	0.065	6.527	***	√
VOL <--- MOT	0.661	0.049	13.472	***	√
ENG <--- CUL	0.355	0.045	7.904	***	√
ENG <--- VOL	0.219	0.066	3.336	***	√
ENG <--- MOT	0.225	0.058	3.898	***	√

P-Value \*\*\* 0.05 ( $\alpha$ )

Table 7: Standardized Regression Weights

	Estimate
MOT <--- CUL	0.375
VOL <--- MOT	0.788
ENG <--- CUL	0.42
ENG <--- VOL	0.247
ENG <--- MOT	0.303

The tested hypothesis shows that all hypotheses are accepted at 0.05 significant level.



## Discussion

### ***Direct effect***

The hypothesis was tested by SEM and found that employee engagement was influenced by CSR organizational culture, volunteer work motivation, and volunteering.

### **CSR organizational culture and Employee engagement**

It is shown that CSR organizational culture has a direct effect on employee engagement. The result is consistent with the findings from Glavas and Piderit (2009). In addition, this research result is also supported by Gross and Holland (2011). Their 88,600 employees survey shows that CSR reputation makes organizational members think positively towards the company because they feel that their values match with the organization which consequently leads to having higher employee engagement. Similarly, Turner (2010) reports that a CSV program helps boost good intellectual and emotional buy-in as well as engagement.

Hence, this current study reflects that CSR as an organizational culture plays a critical role in employee perception. When employees realize that a company lays their importance on social responsibility and takes CSR as a foundation of their business practice, this perception influences the way employees think, behave, and finally expands to being engaged with the company.

### **Volunteer work motivation and Employee Engagement**

The finding indicates that volunteer work motivation has a direct effect on employee engagement. Volunteering gratifies employee's needs; for instance, it makes them feel happy helping others or realizing the meaning of life. These things motivate staff to volunteer. In addition, employees appreciate resources sponsored by the organization and return the favor by being engaged. This outcome is consistent with the work from Cheese and Cantrell (2005), Skudiene and Auruskeviciene (2012), and Tremblay et al. (2009) which points out that volunteer work motivation influences employee engagement.

The model shows that intrinsic motivation is more congruent with the collected data than the extrinsic motivation. This can be explained as volunteering is enjoyable in itself. Intrinsic motivation is significantly vital because it drives people to do something simply because such action brings joy.

Therefore, the finding reflects that the intrinsic reward can be strengthened by being a corporate volunteer. It gives what employees look for, money and happiness. This can make intrinsic motivation become even stronger.

### **Corporate Volunteering and Employee Engagement**

The tested hypothesis reports a direct influence of volunteering on employee engagement. Volunteering helps employees realize the goal of the company more. Moreover, it opens a door for employees to play a different work role or to use skills that perhaps are unlikely in the performance of the routine job. A volunteer participation escalates company-employee identification and engagement. This finding is matched with what Mirvis (2012a) explains, volunteering can be a tool to generate higher engagement among employees and also is consistent with the research result from De Gilder et al. (2005). They claim that employees who volunteer yield a greater engagement level than those who did not volunteer.

Thus, the research outcome reveals that corporate volunteering is a concrete CSR approach where employees get to have hands-on experience by sacrificing time, energy and skills together with company resources. This practical combination creates a stronger bond between organization and its members. It is especially true when volunteering resolves the social problems and can lead to a big change. All in all, volunteering with colleagues and management to make the world a better place is a source of employees' pride and also a stronger engagement with the company.

### Indirect effect

The model indicates that CSR organizational culture influences employee engagement where volunteer work motivation and volunteering are the mediator. CSR organizational culture influences volunteer work motivation. This result is consistent with the work from Bhattacharya et al. (2008). In addition, volunteer work motivation also has an effect on volunteering, which is like the claims from Graafland and Van de Ven (2006), and research findings from Clary et al. (1998) and Pelozo et al. (2009). Finally, volunteering influences employee engagement which is similar to what Gross and Holland (2011) report.

### Total effect

Although the model shows that CSR organizational culture has the highest effect on employee engagement, considering an indirect effect can be interesting. Notice that when an employee perceives CSR organizational culture, the engagement can already be built. However, the model points out that CSR organizational culture also influences engagement through volunteer work motivation and corporate volunteering as well. This indicates that employee engagement does not stop at perception, but can be elevated by pushing employees to use their potential to have freedom of choice to help others and to be recognized. All these are achievable by simply volunteering themselves. The company and employees relationship will be deeply connected and the engagement will be robust. Other than that, CSV not only gives happiness and a meaningful life to employees, but also benefits company. The company will have more manpower to solve social issues both in terms of cultivating the most out of labor volume and employees expertise to express responsibility and give back to society.

### Conclusion

The findings indicate empirical results that organization should highlight the importance of CSR as a strong organizational culture starting with creating a clear value and practicality to be transmitted to employees. The company should also motivate and support employees to volunteer because it does not only help generate employee engagement, but also gives happiness to employees and helps create a concrete change in the society.

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# Corporate Social Responsibility (CSR) as a Professional Field: Employer Responses to Institutional Pressures for CSR

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## Structured Research Summary

### Purpose and Research Questions

Corporate stakeholders increasingly pursue, directly or indirectly, the institutionalization of corporate social responsibility (CSR). As “Institutional entrepreneurs” (DiMaggio, 1988) they are at the root of the shift of the major source of legitimacy for corporations from national regulatory frameworks to what has been labeled “the global discourse on CSR” (Richter, 2011). This shift has put pressure on employers to ensure that they have the right people in place to foster the discourse on CSR. This paper investigates employer responses to institutional pressures for CSR through their recruitment practice, specifically the recruitment of CSR professionals. We argue that this practice is manifested in CSR job advertisements and that an analysis of these advertisements over the last decade will give useful information on the discourse on CSR and how it has developed over time. Importantly, we argue in an institutional perspective that this will contribute to existing knowledge on the institutionalization of CSR.

The body of literature that relates CSR to institutional theory is extensive, e.g. Matten and Moon (2008). The authors theorized the difference between “explicit” and “implicit” CSR practiced by MNCs, depending on the degree of institutionalization of CSR in national regulatory frameworks. The body of literature that relates the body of institutional theory on CSR to managerial and discursive practice, however, is limited. One example is a study by Richter (2011), who analyzes the perceived importance of seven categories of institutional entrepreneurs (civil society actors, media, governments, discursive arenas such as standards and guidelines, ethical investment, customers and suppliers and consumers) for the CSR discourse of three multinational companies. The author identifies different coping behaviors or strategies among the participating companies, i.e. agenda setting, opinion shaping, law making, arena setting, financing, bargaining and consuming. He finds that these strategies aim at improving the business case for CSR and increasing legitimacy, resulting in converging CSR perceptions, and fostering an institutionalization of CSR. At a more overall level, research has generally demonstrated that CSR strategies are pursued through corporate social initiatives, such as corporate cause promotion, cause-related marketing, corporate social marketing, corporate philanthropy, community volunteering and socially responsible business practices (e.g. Kotler & Lee, 2005). Examples of responsible business practices are corporate social reporting and cross-sector social partnerships. Thus, the above-mentioned coping behaviors aim at improving the business case for CSR and increasing legitimacy through various corporate social initiatives.

The body of literature that relates the body of institutional theory on CSR to employer practices and discourses, such as recruitment and job advertisements, is scarce. An example is Puncheva-Michelotti et al.'s (2018) work on employer branding and CSR communication in online recruitment advertising. This scarcity is surprising, since research within this field can contribute useful knowledge on the development and institutionalization of CSR. It is perhaps even more surprising insofar as job portals increasingly seem to offer a big variety of CSR jobs.

Based on this, we have formulated the following three research questions:

1. How are CSR jobs articulated in job advertisements?
2. How has the discourse on CSR in the job advertisements developed over the last decade?
3. How can we explain the development in a CSR theoretical perspective?

We draw on CSR theory and content analysis of a sample of CSR job advertisements from the past decade to conduct a study on the development of CSR as a professional field. As CSR is a contextual concept (Matten & Moon, 2008), we limit our investigation to a specific context, i.e. corporations in a welfare society, in our case Denmark.

### **Theoretical Framework**

Below, we outline our theoretical framework, which will enable us to examine the articulation and discourse on CSR in our job advertisements in relation to e.g. drivers or rationales, initiatives and activities.

### **Theoretical Approaches to CSR**

Businesses' concern for social issues and CSR has been central to research during the past 60-70 years. Bowens' (1953) work from the 1950s on "Corporate social responsibility and the businessman" constituted an important contribution to the driving force in understanding and developing the field of CSR. According to Frederick (2006), CSR took off as a result of corporate paternalism with corporate managers as public trustees connected to the economic power and influence on the local, state and national government. In order to comply with stakeholders' expectations, businesses were expected to establish a fair line between drawing and gaining on societal resources for business purposes.

While CSR was first and foremost identified as corporate philanthropy, as it emphasizes the corporate act of giving something back to society, businesses' approaches to and drivers for CSR today are increasingly addressed from a more dynamic and multi-stakeholder perspective. The increasing societal pressure on corporations has paved the way for the strategic management approach with the business case as a formalized practice for developing, organizing and developing CSR strategies and policies (Crane et al., 2008). However, in spite of the generally accepted idea of CSR as a strategic management practice and performance instrument, different approaches, positions and drivers of CSR still seem to compete and create resistance amongst stakeholders.

Garriga and Melé's (2004) seminal article on CSR theories and approaches helps us map CSR according to central theoretical rationales, depending on which perspective, goals and stakeholders are implicated in the key CSR concepts, milestones and activities.

CSR may be addressed as a resource-based strategy driven by social investment and the urge to gain a competitive advantage (Porter & Kramer, 2002). CSR activities are hence seen in relation to how much shareholder value they can maximize based on short-term profit orientation. Considered from this perspective of *instrumental theories*, CSR is articulated as a strategy of win-win aiming at enhancing businesses' competitive advantage by extending marketing opportunities in third world countries at the bottom of the pyramid. For existing and future employees, however, the instrumental approach seems to collide with most other approaches to CSR inspired by political, moral and relational theories, in which individuals, such as employees, are considered a more important stakeholder as active participants or beneficiaries of corporate CSR activities.

Hence, *the political approach* to CSR takes its point of departure in corporate citizenship, drawing on accountability and deliberation as a way to consolidate business participation in society as good citizens who actively contribute to solving societal problems (Melé, 2008). The political approach to CSR increases with the businesses' increasing engagement in areas and activities that were formerly reserved for governmental, regulating and financial public services, thereby constituting an alternative to the instrumental approach.

*The integrative approach* focuses on businesses' integration of social demands motivated by their dependence on society for their existence, continuity and growth (Garriga & Melé, 2004). This approach to CSR draws on stakeholder management as well as on issues management and corporate social performance theory. What they have in common is their reflection on how businesses integrate and respond to social demands and values, considering the engagement of constituents through stakeholder dialogue. While stakeholder management is concerned with integrating stakeholders into their decisions and decision-making collaboration processes, issues management allows companies to identify, evaluate and respond to social and political issues, and corporate social performance to pay attention to the social impact and effectiveness of CSR (Melé, 2008; Nielsen & Andersen, 2018).

Lastly, *the ethical approach* is based on the principles of doing the right thing, drawing on normative stakeholder theory (Freeman, 1984), human rights (UN Global Compact) and sustainable development (World Commission on Environment and Development, 1987). Following this, CSR is addressed as doing good in its own right and draws on the common good approach, which leaves CSR as a natural part of the corporation (Garriga & Melé, 2004). However, even though there are not necessarily clear-cut boundaries between these approaches, the approaches above contribute with theoretical frames and rationales, which may anchor CSR in different conceptual patterns, thereby increasing our understanding of its fields and key issues.

#### **A Practice View on CSR Approaches**

If we turn the CSR approaches above into potential configurations of socially oriented mindsets and frames, we may conceptualize them as organizational practices allowing us to gain insights into how businesses have managed, organized and developed CSR into an established profession. Accordingly, if businesses chose to consider CSR from a resource-based perspective and as a driver for gaining a competitive advantage, they are inclined to develop socially responsible projects either by implementing resource-efficient solutions or by supporting social causes that are likely to outmatch the image and reputation of their competitors. The practical adoption of the political approach to CSR is for example articulated, since businesses as a result of de-regulation try to compensate for the lack of governmental power by engaging in political and social agendas through processes of self-regulatory practices (Scherer & Palazzo, 2010). They hence participate in establishing frameworks in collaboration with other businesses, NGOs and governmental institutions, thereby co-developing constitutive new roles for businesses as political actors, which affects the field and reach of CSR as a profession. The practical manifestation of the integrative approach is articulated in businesses' explicit responses to stakeholders' expectations in terms of e.g. climate change, poverty, or modern slavery.

Along with an increasing insistence on and business concern for these agendas, CSR innovation and organizational task development are consequently becoming increasingly important practices and determinants for how CSR is operated in large but also small and medium-sized businesses (e.g. Jenkins, 2006; Morsing & Perrini, 2009). The ethical approach to CSR is typically reconceptualized as social practices of philanthropic character oriented towards concrete social causes and related beneficiaries, in which businesses engage for intrinsic rather than extrinsic reasons (e.g. Bhattacharya et al., 2009). Ethical practices may range from enactment of CSR activities responding to grand challenges of the globe to local community problems as well as employee working conditions and engagement. The common driver for these practices is their value-based rather than strategic origin, the argument from stakeholders being that ethical decision-making is absolutely essential and morally indifferent business practices are totally unacceptable. In terms of the professionalization of CSR, ethics seems to draw on more fundamental and universal human behaviors than the practices above and can therefore best be described within a normative stakeholder approach, in which the common good is expected not only to be an inherent part of business practices, but also a question of how they are organized and managed. Corporate governance, due diligence and good leadership, all of which are typically addressed in businesses' CSR strategies, policies, and codes of ethics, can thus be seen as key configurations of the ethical approach to CSR.

### Research Method and Data

To understand the development of CSR as a professional field, we conduct a longitudinal analysis of CSR job ads. For this purpose, we collected job ads from the Danish job-search site jobindex.dk, which brings together job postings from various job portals in Denmark and has a publicly accessible archive of jobs ads, starting in 2007. We collected job ads from the beginning of the archive (2007-2008), a period in the middle (2013-2014), and the last full year in the archive (2018). We narrowed our search down by selecting only job categories pertaining to managerial jobs (in a broad sense) from a list of pre-defined job categories: *Employees and HR; Top management and board of directors; Management; Freelance consultant; Project management; Sales management; Business development; Communication and journalism; Marketing; Sales; Procurement; Office; Academic and political work*. This means that we excluded engineering and environmental management jobs, even though they may carry out tasks related to CSR. However, we view CSR as a management field and therefore have limited our search to jobs that include managerial tasks, including among others HR, communication, and marketing.

To identify relevant job postings, we searched for jobs that included the term "CSR" in the full text of the job ads. We also considered alternatives (*sustainability, bæredygtighed* [Engl.: sustainability], *compliance*), but found that this resulted in a large number of jobs ads that contained the term "CSR" only in the company description, but not in the job description, or where the job description did not have CSR as its main focus. We therefore limited our search to "CSR". Even when using only "CSR" as a search term, there was still a considerable amount of job ads that had to be eliminated manually, as they did not advertise managerial CSR positions. We eliminated jobs in the public and non-profit sectors as well as student jobs and internships, as our paper focuses only on managerial jobs in the corporate sector. These selection criteria resulted in a sample of 55 Danish job ads, including 13 from 2007/2008, 19 from 2013-2014, and 23 from 2018. This is a fairly unique dataset, as job search portals typically do not make expired job ads publicly available.

To understand the development of CSR as a professional field holistically, we conduct a content analysis of job ads, combining a quantitative content analysis (cf. Neuendorf, 2002; Krippendorff, 2004) with a qualitative content analysis. The purpose of quantitative content analysis is to systematically condense the job ads into pre-defined content categories in order to characterize them. The codes pertain to the departmental placement of the job, the job composition (CSR only or CSR combined with other functions). To compensate for the shortcomings of this meaning condensation, a qualitative content analysis was added with open coding categories (Mayring, 2000). This qualitative analysis examines the tasks included in the jobs, the desired key qualifications, and the companies' visions with these positions or with their CSR engagement in the first place. We developed all our coding categories inductively from the data.

### Preliminary Findings

This summary of preliminary findings focuses on the departmental placement of CSR jobs and the tasks described in the job ads.

In 2007/2008, none of the jobs advertised was placed in a communication department, while both the 2013/2014 sample and the 2018 sample have CSR jobs placed in communication or marketing/branding departments and include CSR communication as the main task. In the two earlier periods, we find CSR positions in CSR departments as well as in Legal, Quality or HR departments. In 2018, meanwhile, those CSR jobs that are not placed in a CSR department are placed in Marketing or Communication departments. Thus, communication plays an increasing role in CSR as a professional field when it comes to the departmental placement of CSR jobs.

The task descriptions in 2007/2008 are characterized by words like "start", "draw up", and "formulate" in relation to goals, initiatives, standards, and strategies. In the period 2013/2014, we can see a new focus on tools, risks, compliance, and reporting, which was not found in 2007/2008. In 2018, the tasks described become more specific, and specialists are required for specific CSR areas, such as the sustainable development goals, whistleblowing, human rights, forced labor, certifications, and the supply chain in general. Thus, when examining the tasks described in the ads, we can trace the development of CSR from a start-up phase (2007/2008) to a phase of professionalization (2013/2014) and on to a phase of specialization (2018).

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# From Talking to Walking: A Discursive Institutional Perspective on Corporate Engagements with the Sustainable Development Goals

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## Structured Research Summary

The UN Sustainable Development Goals (SDGs)<sup>1</sup> have become the new global framework for sustainable development. They constitute a political agenda and, hence, reflect the trajectory of the international community and Nation States. As such, they have been addressed by governments, international organizations, non-governmental organizations and, more interestingly, business. In their report 'SDG Reporting Challenge 2018' PwC find that within their sample of 729 firms 72 percent mentioned the SDGs in their sustainability reporting. Furthermore, half of companies have identified priority SDGs and of which 54 percent mention the goals in their business strategy.

Business engagements with the SDGs have been led by global sustainability initiatives, such as the UN Global Compact, the Global Reporting Initiative (GRI) and the World Business Council for Sustainability (WBCS). For example, the UN Global Compact has launched various SDG action platforms that encourage businesses to act through innovation, reporting and financing on issues as health, humanitarian conflict, decarbonization and water management. As a result, the SDGs are expected to shape Corporate Social Responsibility (CSR)<sup>2</sup> practices (Teng, 2017) by providing a common language. Ultimately, this level of harmonization can be used as a reference point for inter-company-comparisons.

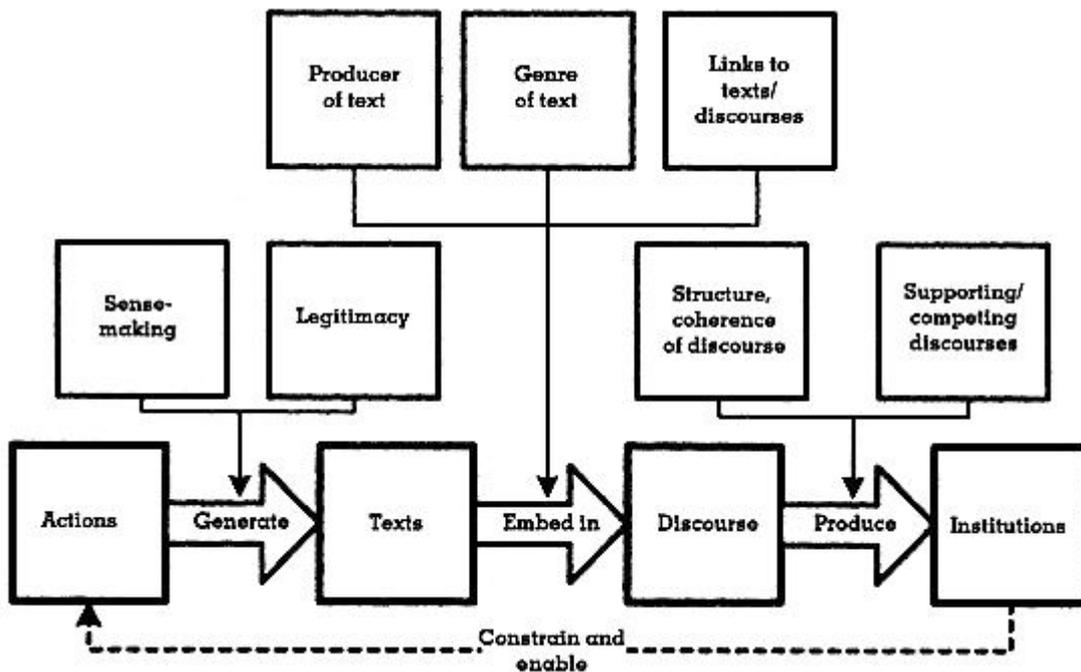
However, there are wide differences in how companies engage with the SDGs ranging from a welcome statement on their website to the full alignment of their overall business strategy (Teng 2017; Scheyvens et al. 2016; PwC 2019). A study by Van den Broek and Robin (2018) shows that a clear majority of the companies communicate on the SDGs in a symbolic manner. This implies that companies interpret existing practises within the SDG framework without changing their behaviour. Concerning voices argue that the SDG are used purely in a superficial way and therefore run risk of being a propaganda exercise by business (Pogge & Sengupta 2015; Langford 2016). Hereof, the term "blue-washing" was introduced (Fortanier et al., 2011): firms use the UN logo, and more specifically the SDG logo, as a public relationship tool to appear responsible instead of implementing actual responsible practices.

This paper challenges the assumption that businesses' initial symbolic engagements with the SDGs is per definition an undesirable feature. We ask the question: When and how can symbolic adoption of SDG language result in more substantive action, if at all? We draw from discursive institutionalism in arguing that the adoption of new business language, regardless its symbolic nature, can potentially become embedded in an organizational discourse. Subsequently, this new discourse can produce informal institutions that will expect firms to behave in accordance to their initial symbolic language. We use three UK multinational enterprises as illustrative examples to showcase the seminal role of language through a process of path-dependency. This paper contributes to the inclusion of institutional, discourse and legitimacy theories in organizational studies in a complementary manner.

**Theoretical framework: Discursive Institutionalism**

The discursive model of institutionalization originates from Phillips, Lawrence and Hardy (2004), who argue that language is fundamental to the process of institutionalization. Through linguistic interaction actors come to accepted shared definitions of social reality. The new associated discourse will, in turn, constitute new institutions. More precisely, "discourses make certain ways of thinking and acting possible, and other impossible or costly. When sanctions are sufficiently robust, an institution exists" (2004: 638).<sup>3</sup> Figure 2 gives an overview of this process and introduces seven variables that increase the likelihood of every process to be concluded. First, actions are being observed and interpreted by which they generate symbolic expressions ('texts'). Second, these texts are transformed into facts and general meaning ('discourse'). Third, the cost of not adopting increases which creates boundaries for future action ('institutions').

Figure 1. Discursive model of Institutionalization (Phillips et al. 2004)



Within this context, the initial adoption of SDG language can best be explained by institutional isomorphism. Following DiMaggio and Powell's (1983) classification, we can identify all three forms of isomorphism. Firstly, coercive pressures stem from the expectation of States and the international community that firms contribute to and do 'their part' in reaching the sustainable agenda. The SDGs are value-based and were internationally agreed to become the new 'hyper norm' regarding sustainable development. As such, not only governmental actors pressure firms, there is a clear cultural expectation as well.

Secondly, mimetic pressures stem from the uncertainty of how the SDGs, which were designed for States, could be translated and adopted at an organizational level. This uncertainty, coupled with its novelty, inclined companies to model after successful first-movers. Lastly, normative pressures stem from the relatively small number of key actors that 'help' companies engage with the SDGs. Global initiatives, such as the UN Global Compact, push companies to harmonize their sustainable practises in the SDG framework. The growing membership of these initiatives, particularly reporting initiatives, deepens further harmonization.

Dimaggio and Powell (1983) argue that in competition for institutional legitimacy, adopting certain actions can provide companies this desired legitimacy. Social legitimation suggests that practices are adopted because of their growing taken-for-grantedness improving qualities which makes adoption socially expected (Aguilera and Cuervo-Cazurra 2004: 150).<sup>4</sup> Legitimacy can be sought through a substantive or symbolic approach; where the former entails changes in action and behaviour, the later entails changes in language and presentation (Ashforth & Gibbs 1990). The symbolic approach is often negatively perceived. O'Sullivan & O'Dwyer (2008) emphasize that to garner societal support, firms instrumentally manipulate their stakeholders by deploying evocative symbols. In their argument they assume a high level of managerial control (Pfeffer, 1981: 5; Suchman, 1988), in which firms purposively and calculated employ symbols and rituals in their aim to gain legitimacy.

However, this negative connotation does not necessarily uphold in every situation since "the fact that these changes may be largely ceremonial does not mean that they are inconsequential" (Dimaggio and Powell 1983: 150). In line with discursive institutionalism, a symbolic action does not have to be in competition with more substantive action; alternatively, it can be steppingstone or work in synergy. Symbols are reflective and constitutive attributes of a social reality. Legitimacy is a function of the expression of value-standards and is therefore dependent upon its context (Richardson 1985: 142-43; Richardson 1987). The creation of new social norms can influence individual behaviour. Ultimately symbols can change the boundaries of perceived legitimate actions and change specific operations and procedures (Hopwood 1984). Dowling and Pfeffer indicate that: "organizations can attempt, through communication, to alter the definition of social legitimacy so that it conforms to the organizations' present, practices, output and values" (1975: 127). Hence, a symbolic approach can create a sense of significance by providing a rhetoric and vocabulary for motives of actions.

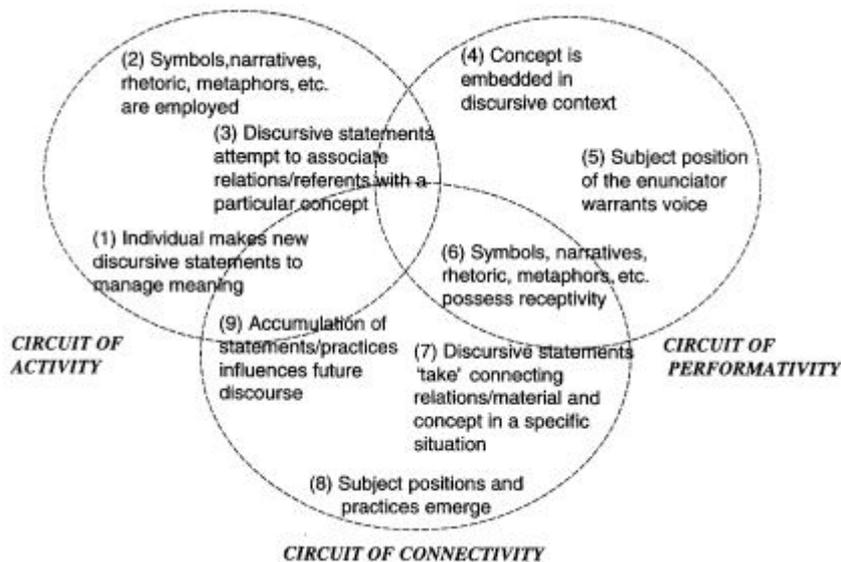
The research by Merelman (1966) and Clark (1956) illustrate the constructive link between symbolic and substantive approaches. First, Merelman focusses on public policy legitimacy by linking legitimacy to the process of communication and learning. He argues that citizens first need to be introduced to the benefits of a policy before the government can associate themselves with it. Subsequently, the government can introduce the policy and expect a change in the expectations and behaviours of citizens (1966: 551-55). Clark, on the other hand, shows that adult education in California attributed to a change in social values. He argues that business strategies that responded to prevailing values in a society, may turn out to reshape these values. As such, these studies underline the importance of timing varies strategies and the domino-effect of organizational behaviour and societal norms.

### **Method and Framework for Analysis**

In this paper, we are interested in how language can shape social reality and produce institution on an organizational level. In examining this process, the original study by Phillips et al. (2004) introduces variables that indicate the predictability of various steps; in other words, how likely is language to shape institutions in certain situations. This provides relevant tools to study the strength of certain texts and answers the question whether a language will be pick-up. However, it leaves part of our initial question unanswered as it does not address how we can observe when the three identified processes have been completed. In other words, when has action generated texts? And, when are texts embedded in discourse? And, when has discourse produced an institution?

To answer these questions, we combine an earlier model of the three authors (Hardy, Phillips and Lawrence 2001) on 'discourse as a strategic resource' with their newer model. Although we are not interested in the agency of individual employees, we argue that this model provides us with the necessary tools to observe change. The model of discourse as a strategic resource consists out of three circuits: activity, performativity and connectivity (Figure 2). Each circle includes three observable action points. Although overlapping and interacting, these steps are presented in a vertical and ordered way. Important to note is that we have a different underlying assumption than Hardy et al. (2001) as we argue that linguistic effects can be both intended and *unintended*. Language around the SDGs can, for example, be initially purely symbolic and out of instrumental motives. However, as the language gets embedded into discourse and ultimately alters informal institutions, this can unintentionally set the boundaries for future behaviour. Therefore, we slightly adjust the model from strategic and individual language to general and organizational language.

Figure 2. A model of discourse as a strategic resource (Hardy et al. 2001: 1242)



We argue that the above circles can be linked to the three processes of discursive institutionalism by Philips et al. (2004). Firstly, the circuit of activity aligns with the process of action generating texts as both deal with the production of texts. Secondly, the circuit of performativity aligns the process of text becoming embedded in discourse as both deal with the production of discourse. Thirdly, the circuit of connectivity aligns with the process of discourse producing institutions as both deal with the production of institutions. Hence, we integrate the two individual models in which the 'discursive institutionalism' model provides us tools for the likelihood of the institutionalization process to take place and the 'strategic resource' model provides us tools for observable characteristics of change. Table 1 shows this framework for holistic empirical analysis of organization adoption of the SDGs.

To illustrate the discursive instrumentalization of SDG adoption, we use three case examples from the UK. The UK has a longstanding CSR tradition and is characterized by an 'explicit' form of CSR (Matten and Moon 2008). We argue that this makes observing change in language more reliable. Furthermore, the three selected case studies present most-likely-scenarios, in other words we expect the described processes to be most likely to take off here. All three companies are large multinationals who have been engaged with the SDGs from its very early stage, both individually as through their UN Global Compact network. *Kindly note that we are currently at the negotiation stage with these companies and are therefore currently not at liberty to share any more information.*

We started by analysing all organizations' available written, audio and video material that specifically refer to the SDGs. For this, we use both the current websites, including the archive sections and social media, as well as material supplied by the companies, which included e-mail exchanges and other internal communication such as newsletters. In the second stage we will hold various interviews with employees responsible for SDG engagement. Most of these employees are part of the 'Corporate Social Responsibility' team. Together with the employees we aim to construct a timeline of SDG related communication and activities, including internal and external interactions. The analytical framework in Table 1 will function as a foundation for both the content analysis and employee interviews.

Table 1. Combined Framework for Analysis (Hardy et al. 2001; Philips et al. 2004)

Processes	Characteristics	Preconditions
1. Action generates texts	<ul style="list-style-type: none"> <li>▪ New discursive statements;</li> <li>▪ Employment of symbols, narratives, rhetoric and metaphors;</li> <li>▪ The new statement connects a new concept to the organization.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Actors have to make sense of a new concept;</li> <li>▪ The new concept affects the organization's legitimacy.</li> </ul>
2. Texts are embedded in discourse	<ul style="list-style-type: none"> <li>▪ The texts are embedded in the organizational discursive context;</li> <li>▪ The producers of the texts warrant voice as the text is reproduced;</li> <li>▪ Other employees start to take over the symbols, narratives, rhetoric and metaphors.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Producers of the texts are legitimate, an authority or centrally located;</li> <li>▪ The texts fit within a genre;</li> <li>▪ The texts draw upon other texts.</li> </ul>
3. Discourse produces institutions	<ul style="list-style-type: none"> <li>▪ The cost of acting in discordance with the discourse are perceived high;</li> <li>▪ Other employees start to connect the discourse to their own work;</li> <li>▪ The new discourse is connected to the core of the organization</li> </ul>	<ul style="list-style-type: none"> <li>▪ Discourse is coherent and structured;</li> <li>▪ Discourse is supported, and not contested, by other discourses.</li> </ul>

Kindly note that we have just finished the content analysis and the interviews are currently executed. As such, we are not able to present our findings or draw any conclusions at this stage. We expect to finish the data collection process mid-May 2019 and have a first draft available end-June 2019.

### Notes

- (1) The SDGs contain 17 goals, 169 targets and numerous indicators that aims to achieve economic, social and environmental development in a balanced and integrated manner. They are the results of more than two years of public consultation and engagement with civil society and other stakeholders around the world and stipulate action over the course of fifteen years in areas deemed of critical importance for humanity and the planet. For more information visit: [www.sustainabledevelopment.un.org/sdg](http://www.sustainabledevelopment.un.org/sdg)
- (2) The concept of CSR is notoriously difficult to define (see Campbell 2007, p.950). We follow the ISO 26000, a standardized guidance of social responsibility, which defines CSR as: "the responsibility of an organisation for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour".
- (3) A discourse "rules in certain ways of talking about a topic, defining an actable and intelligible way to talk, write and conduct oneself and also rules out, limits and restricts other ways of talking" (Hall 2001 in Phillips et al. 2004: 636). An institution, on the other hand, are "historical accretions of past practises and understandings that set conditions on action through the way in which they gradually acquire the moral and ontological status of taken-for-granted facts which, in turn, shape future interactions and negotiations (Barley and Tolbert 1997 in Philips et al. 2004: 637)
- (4) Suchman's definition of legitimacy as 'a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions' (1995: 574).

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## 2. CSR REPORTING

# Public Procurement Tenders as CSR Communication worth 9.5 Trillion USD? Seizing opportunities to advance the 'market' of corporate communication by a typological analysis based on CSR reporting indicators

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### Abstract

#### Purpose

Corporations increasingly communicate corporate social responsibility (CSR) by responding to public procurement tenders, which under the WTO's Government Procurement Agreement (GPA) have to include CSR information (Arrowsmith and Anderson, 2011; Knebel et al., 2019). We argue, that procurement tenders are to be seen as part of a corporation's communication management, particularly when aligned with CSR reporting and performance indicators of CSR reporting as proposed e.g. by the Global Reporting Initiative (GRI). Therefore, this paper aims to support scholars and professionals alike with a derived typology along the example of translating CSR indicators to sustainable public procurement (SPP) indicators to standardise and tailor CSR communication to public procurement tender processes.

Recently the WTO announced to foster sustainability in public procurement with the revised GPA. With this announcement the WTO wants to make public procurers leading examples of responsible actors in a global society (Knebel et al., 2019; WTO, 1994, 2012). As a result, the WTO leverages sustainability with the aim of a global supply chain effect. The effect reveals itself as an intensified challenge for businesses to justify, explain and monitor their role in society since public entities represent a crucial part of ultimate global buyers (WTO, 1994, 2012). On average government procurement accounts for 12% or more of a countries GDP (OECD, 2015). Government purchasing of goods, services and construction work is valued at 9.5 trillion US dollar annually (The World Bank, 2016). In several industry-sectors public authorities are principle buyers thus making public procurement a key economic activity of governments. The announcement pushes corporate public tender participants into the need for social and environmental measurements of corporates' impacts and corporates' sustainability performance to compete in public tenders. That means without CSR communication corporations cannot participate in public procurement tenders anymore.

The need of CSR communication to participate in public tender challenges professionals to tailor existent CSR communication to procurement processes. To our best knowledge this has never been done before, therefore we could not rely on previous literature and pioneered our own way. The translation of sustainable indicators (SIs) into Sustainable Public Procurement Indicators (SPPIs) leads through the minefield between quants and poets in corporate communication and their favoured methodological approaches especially concerning the measurement and evaluation of communication, as well as the measurement and evaluation of corporate sustainability with indicators. We outline the debate and take it as lead in the performed typological analysis in this proposed paper.

### **Design/methodology/approach**

We performed a typological analysis (Given, 2008; Kluge, 2000; Suziedelis and Lorr, 1973; Thomas, 2006) to translate sustainable indicators (SIs) into sustainable public procurement indicators (SPPIs) which led to the creation of an indicator framework for SPP and a typology of SIs. We collected 249 sustainability indicators from four common sustainability reporting guidelines and sustainability frameworks as raw data, in a convenience sample. These were indicators from the global reporting initiative (GRI), Global Compact (GC), Monet, and Sustainable Development Goals (SDGs). In a first step, as organising framework, we collected and listed schematic all sustainability indicators in one data pool. In a second step we identified possible sources of communality and variation. We found them in the three dimensions of sustainability, the social, economic and environmental dimension. In a third step we looked for communalities and variation and removed all indicators with no relevance for public procurement e.g. indicators named like "debt of public households". Further we grouped the remaining indicators and ended up with ten groups. We gave each group a summarizing name. The groups were Human Rights, Corruption, Gender, Supply Chain, Resources, Waste, Environment Protection, Governance, Law, Labour Practice. At this point of our research in the third step we looked for patterns and found them crucial for the further translation of sustainability indicator into public procurement. Some groups like "law" and "environment" contained solely indicators with underlying quantitative methods other groups contained indicators with either quantitative or qualitative methods, some indicators contained parameters with underlying qualitative and quantitative methods. While translating and refining the groups further into public procurement indicators in three more steps we called translation in to public procurement context, operationalisation and refining, we derived a typology for indicator-based CSR communication.

### **Findings**

The findings consist of an indicator framework for SPP and a typology of SIs in combination with a SPP tailored decision tree.

The typology reveals three indicator types. The first indicator type bases on purely quantitative methods, the second on purely qualitative methods, and the third type combines qualitative and quantitative methods and can be applied with a SPP tailored decision tree.

The first two indicator types, the pure qualitative and the pure quantitative, show up in many variations and topics. The Monet framework for example works exclusively with type 1 indicators while the GRI framework contains all three identified indicator types.

Type 1 indicator use solely quantitative measures and consist of quantitative language. Their quantitative approach results in clean clear-cut numbers. They allure because of their numerical precision and comparability but they proof to be numb to contextuality and depth. Tender processes aim for comparison of corporations and their offers. This fact increases the temptation to rely solely on mathematical language. But thereby the indicators run the risk of overvaluation. For example, the number of training hours in measures against corruption cannot communicate anything about the quality of the training or the depth of it. Also depending on the size of competing corporations in tenders such pure numbers distort the actual performance. Type 2 indicators use solely qualitative measures and consist of contextual explications. The sample contained several of these type 2 indicators. Their qualitative approach results in summaries, synopses, descriptions or references in form of text. Type 2 indicators provide a contextual image of the actual sustainability performance but they leave room for buzzwords and greenwashing. Additionally, they increase the needed efforts for comparison.

Type 3 indicators with a proposed decision tree enable adaptive filtering in a variational open system beyond factional thinking of quants and poets. They provide an adaptive combination of precision and adaptation with the option to use simultaneously numerical precision and flexible contextuality. We developed a decision tree for type 3 indicator in order to obtain their usability. We did not need to start from scratch but could transform "the decision tree for boundary setting" from the GRI guidelines version 3.1 for this purpose (Global Reporting Initiative, 2011, p. 18). The decision tree looks and performs similar to a simple algorithm. In a first step the professional has to decide whether the corporation has control over the entity the indicator points to and in the following steps if it has significant influence and impacts.

Depending on each decision led by the tree, indicators and parameters get either excluded or included in the tender communication. Depending on the situation and the informational demands the decision tree allows always the inclusion of a whole indicator and individual parameters in a narrative form in order to give important additional information or to explain why a parameter or whole indicator was not comprehensively and completely included.

Public procurement tenders vary heavily depending on the procuring entity and the procured good and service. On one side type 3 indicator in combination with the proposed decision tree set the frame and give procurers the possibility to tailor and adopt the CSR communication to the situational need of each individual public procurement tender process. On the other side, this tailoring freedom comes along with additional efforts and requires additional capabilities of involved professionals, which calls for the counselling and coaching role of communication management.

### **Research limitations/implications**

The limitations of the study lie within the legal and country specific contextuality of public procurement tender processes, as well as in the current uncertainty of how governments introduce the WTO's GPA into existing laws.

### **Originality/value**

To our best knowledge this is the first contribution to introduce procurement tenders (public procurement alone sums up to 9.5 trillion USD p.a.) as part of an organization's communication. In addition, we translate SIs into SPPIs and the derived typology contributes to the debate between quants and poets a new approach of combining qualitative and quantitative methods as called for by scholars (Bell and Morse, 2018; Macnamara, 2015; Morse, 2004, 2015). It provides professionals with a way to standardise and prepare CSR communication for the usage in different areas of the organization. Additionally, it might serve as a blue print for all sorts of standardized corporate communication.

**Keywords:** Corporate Social Responsibility, Sustainability Indicators, Public Procurement, Communication Management, Typology, CSR Reporting

**Paper type:** Research paper

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# Discreditable Organizations and the Formation of Stigma

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## Structured Research Summary

### Objective of the study

Financial institutions are suffering from a tarnished negative affect (Roulet, 2015) and a lack of trust (Edelman, 2014) without precedents. "Liars", "Frauders", "Criminals" are some of the labels that have been ascribed by citizens to banks during the recent years after the booming of the subprime and financial crisis (Ferguson, 2012). These labels indicate that banks have the potential to be ascribed an inherent stigma among the public opinion that de-individuates them. Despite this, reality shows us, however, that most financial institutions have not started to operate hidden as other stigmatized organizations. The key question is: why some organizations have the potential to be ascribed a strong inherent stigma but at the end they do not? To answer this question, we develop a study that explores through big data modelling what is the process of stigmatization and social evaluations that these organizations are subject to.

### Theoretical framework

Stigma is a label that audience members ascribe to an organization through a socio-political process (Pozner, 2008) that evokes a group-specific, collective perception that the organization "possesses a fundamental flaw that de-individuates and discredits the organization" (Devers et al., 2009, p. 157). Stigmas often result from "discrete, anomalous, episodic" events (Hudson, 2008, p. 253) or derive from "core attributes such as outputs, routines, customers [...] that are in perceived violation of social norms" (Hudson and Okhuysen, 2009:134). Stigma differs from other social evaluations such as reputation, celebrity, legitimacy and status because once stigmatized, it is the whole organization and every aspect of it that is perceived as deeply flawed (for complete review refer to Devers et al., 2009). The organization is no longer viewed as having "merely behaved in a problematic manner", but seen as "a dangerous deviant" that is "the embodiment of everything that the stakeholder group considers wrong" (Devers et al., 2009, p. 162). As a consequence of this, a stakeholder group does not see the organization any more uniquely along many dimensions, but rather primarily in terms of a stereotype that makes this company similar to a larger, stigmatized category.

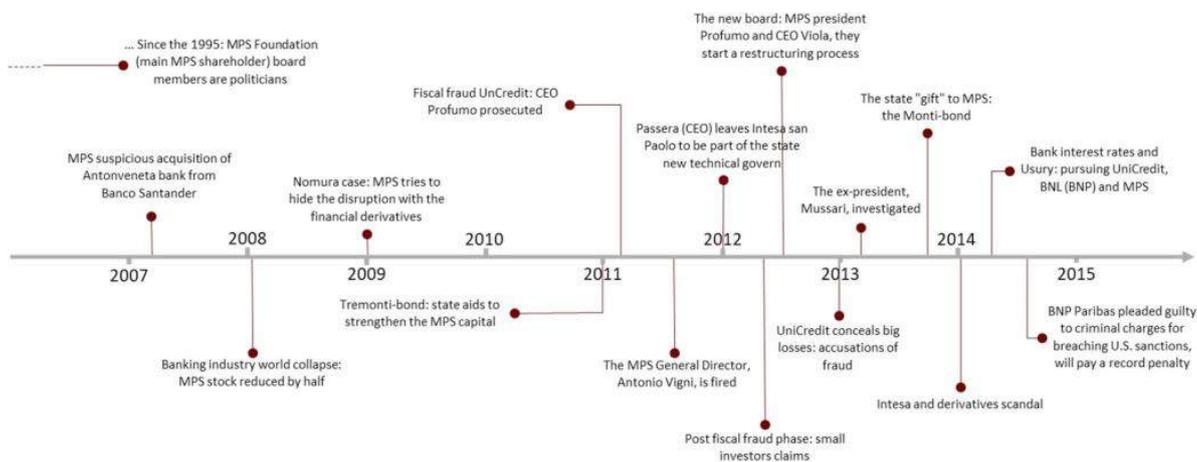
Much of existing stigma research has focused on the consequences of stigma (e.g. Mishina & Devers, 2012; Sremadini et al., 2008), such as sanctions, low license to operate (i.e. operate hidden), de-individuation (i.e. the mechanism by which an organization is not seen any more for its unique traits, but rather the ascribed label), or extension of the stigma to core - stakeholders such as customers (e.g. Hudson, 2008). Also, prior research has focused on analyzing the management of an organizational stigma (e.g. Hudson and Okhuysen, 2009) (e.g. Hudson and Okhuysen, 2009; Hudson 2008, Piazza and Perretti, 2015), such as the impression and relationship management that allow organizations to dilute their stigma and therefore survive and operate despite the stigma. Finally, studies have focused on enlightening the process of stigmatization itself that brings organizations to operate hidden and encounter financial issues due to their stigma (e.g. Devers et al., 2009; Mishina & Devers, 2012). In particular, so far, this process gives birth to two types of stigma, the core stigma and the event-based stigma. The former is inherent and comes from physical characteristic "who it is, what it does, and whom it serves" (Hudson, 2008: 253), while the latter becomes inherent and comes from social membership discredited group-category a company belongs to (Vegne, 2012; Piazza and Peretti, 2015).

While studies have widely studied *discredited* organizations, i.e., organizations that have to hide because of the high disapproval whose stigma is clearly known and visible (Hudson 2008; Mishina and Devers, 2012), recently scholars have been called upon the study of *discreditable organizations*, i.e., organizations that do not hide despite the high disapproval they receive. While the former are subject to a classification scheme from stakeholders who express only high disapproval, the latter are subject to a classification scheme that simultaneously relates to high approval and disapproval (Vegne, 2012). The key question is what is the process of stigmatization by which deviant labels become sticky and are ascribed to organizations that receive both approval and disapproval.

### Research design

We study four years of Twitter conversations about four major banks in the Italian context - i.e. Monte de Paschi di Siena (MPS), UniCredit (UC), Intesa San Paolo (ISP) and BNP (BNP). Figure 1 presents the chain of crisis events involving these banks.

Figure 1: Chain of critical events for the four banks in our study



We collected about 250'000 tweets employing the API of Twitter. These data included tweets in Italian that named any of the four banks anywhere in their body. We analyzed data through a big data modelling (Walker, 2014; McAfee & Erik Brynjolfsson, 2012), which is concerned with the collection and analysis of data sources that come in the form of unstructured information and cannot be analysed using traditional data analysis tools and techniques due to their magnitude. Specifically we followed a three step procedure.

In a *first step* of analysis we assessed whether a stigma had actually occurred. In order to leave out marginal conversations we prepared the dataset into 208 weekly sets of tweets - from week 7th of January 2011 (week n° 2150) to 28th of December 2014 (week n° 2350) - that include those tweets whose hashtags were having a central position in the network of tweets. This resulted in a dataset of 23528 tweets, 6601 for UC, 14321 for MPS, 2114 for ISP and 492 for BNP. We computed the sentiment associated to each tweet, using an R package called Textwiller (Finos, 2017), and measured the level of negative judgment using a supervised learning technique (Caserta and Reiners, 2016) with the lexicon designed by Hu and Liu (2004). After this we: 1) tested the non-stationarity of our data (Dickey and Fuller, 1981); and 2) identified the structural changes in our data (indicating if and where stigma occurred) by using the algorithm presented in Bai and Perron (2003), which is based on dynamic programming. Basically we identified the breakpoints in the time series that minimize the Residuals Sum of Squares (RSS) - or, alternatively, the Bayesian Information Criterion (BIC). In a *second step*, we analysed how the stigma diffused. We used the R package RStudio and developed a Structural Topic Modeling (STM) (Roberts, Steward, Tingley, 2016a, 2016b). Also, we checked correlations between stigmatizing conversations, and analyzed their causality over time with Granger Causality (Granger 1969; Sims, 1972) to identify which discrediting discourses are origin/core to early stigma formation. Finally, in a *third step*, we analyzed what determines that labels become sticky. Specifically, we analyzed labels within tweets with Vector Space Modeling VSM (Mikolov et al. 2013a), taking into consideration how hashtags are used in context (in the tweets) and among which users.

**Results (preliminary)**

Our analysis indicates that **two breakpoints** minimize RSS and the BIC with a confidence interval of 95%: a breakpoint at week 10th of January 2013 (= week 2245) and a breakpoint at week 15 of August 2013 (=week 2275). We therefore broke down the time series into three segments: **period 1 (i.e. pre-stigma phase), period 2 (i.e. stigma formation phase), and period 3 (i.e. post-stigma phase)**. Table 1 provides evidence that sentiment in period 2 is significantly lower than period 1 (-.5,84 ; p=.001), and that sentiment in period 3 is significantly lower than period 1 (-2.28; p= .001), but not significantly lower than period 2 . This allows to claim that a permanent effect is in place, in particular that stigma is created in the second period and maintained in the third period.

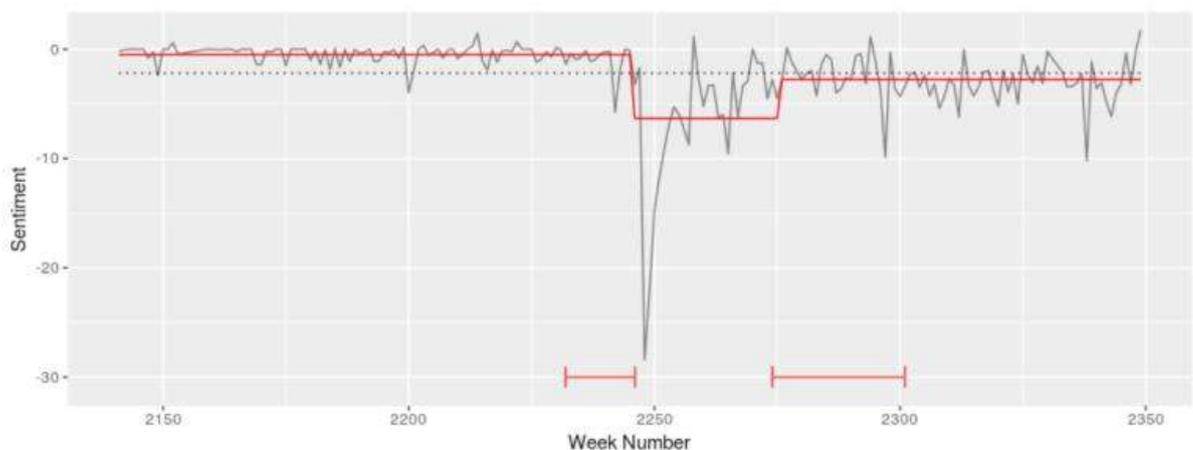
Table 1: Time Series for Sentiment with Structural Changes

	Estimate	Std. Error	t value	Pr(> t)	
Intercept	-0.4874	0.2790	-1.747	0.0822 .	
Period 2	-5.8381	0.5763	-10.130	<2e-16	***
Period 3	-2.2754	0.4254	-5.349	2.41e-07	***

Note: F = 53:84 with df1 = 2; df2 = 199, Adjusted R2 = 0:35.

Figure 2 provides a visualization of these significant differences with details of sentiment’s global trend for the four years. The dotted line in Figure 1 represents a hypothetically stationary time series where no breakpoints are considered. The Dicker fuller test of this model, however, indicates that our data are non-stationary (1.78; p= 0.05) and therefore that it is worth to explore the existence of breaking points in our data. The continuous line in red instead represents the model including the two breakpoints. Dicker-Fuller test of this model indicates that only period 2 is non-stationary (0.33; p=.02). This is in line with the aforementioned observation that sentiment score in period 3 is less negative than the one is period 2. In order words a shock at the beginning of period 2 (week 2245) radically worsened the sentiment. During subsequent weeks, the score displayed a positive trend and improved up until week 2275. After this, during period 3, the score stabilized again, but to a level that is lower than the stationary value of segment 1. We define such three-step movement the creation of a sticky stigma in Twitter.

Figure 2: Structural changes of sentiment in the time series



Note: *pre-stigma phase* is from week 7th of January 2011 (week 2150) to week 3rd of January 2013); *stigma formation phase* is from week 10th of January 2013 to week 1st of august 2013; *post-stigma phase* is from week 8th of August to 28th of December 2013.

Figure 3 shows that our corpus of tweets containing disapproval and approval social evaluations as well as stigmatizing labels is best explained with a STM of 14 topics, because this solution has a high exclusivity of labels and a high semantic coherence for each topic.

Figure 3: Diagnostic (stigmatizing) conversations extraction

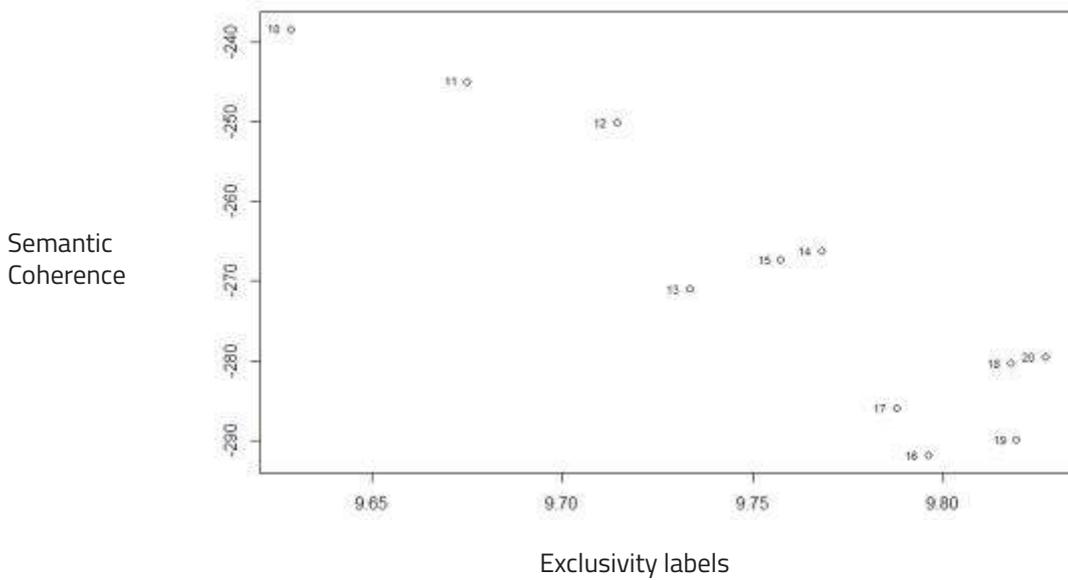
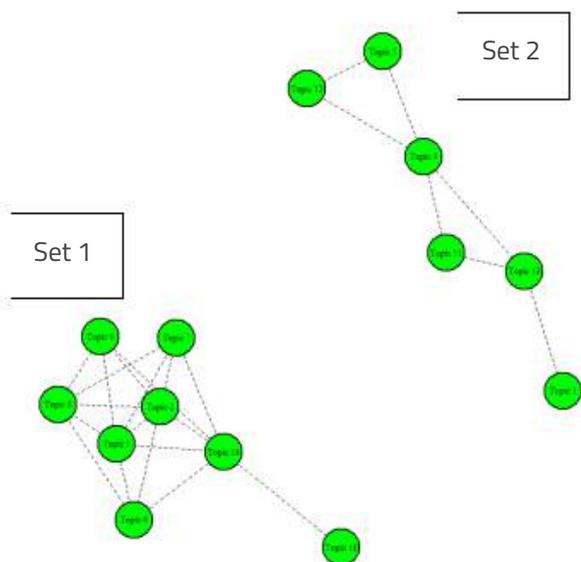


Figure 4 indicate that there are two sets of conversations. Set 1 is the stigmatizing one.

Figure 4: Correlation between (stigmatizing) conversations



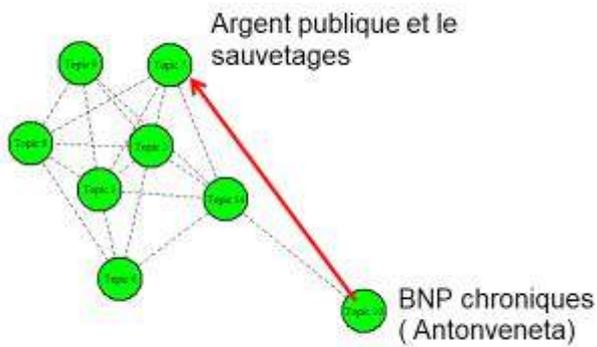
Set 1: Period 1 (1), sentiment highly negative (neutral), Bank: MPS and BNP

Set 2: Period 1 & 3, sentiment positive, bank: UniCredit, Intesa, BNP

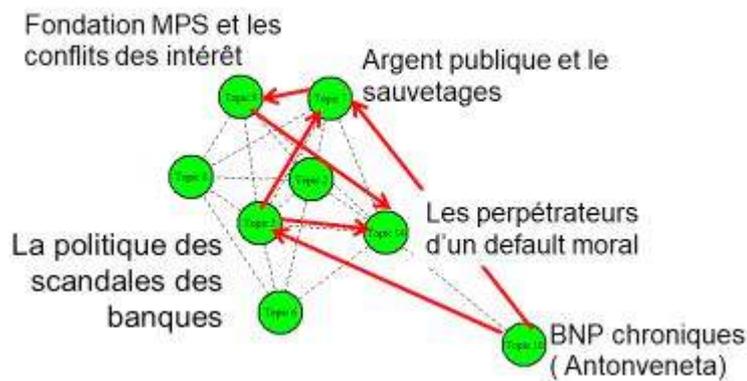
Causality between conversations that are stigmatizing is detailed in figure 5.

Figure 5: Diffusion of Stigmatization

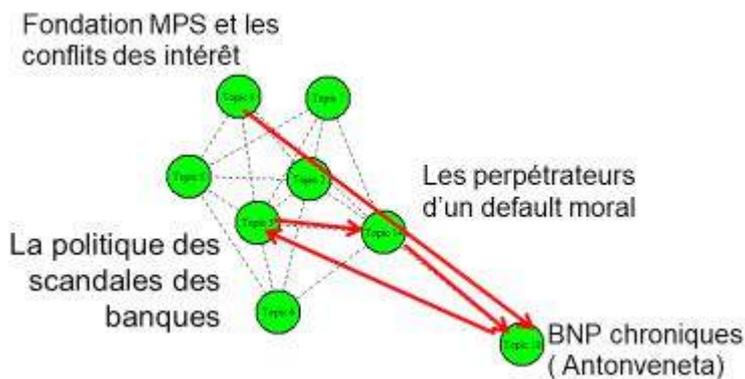
Lag 1 (1 week)



Lag 3 (3 weeks)



Lag 6 (6 weeks)



Results of phase 3 are still in a work in progress phase.

### Expected contributions

By studying discreditable organizations when they start to be discredited (i.e. in an early stigmatization phase), we will be able to study how labels are created and spread across-stakeholders in an early stigmatization phase. Our contribution is to show what creates stickiness of labels cross-stakeholders, even if labels (i.e. social evaluations) do not create an inherent physical or social stigma yet. Thereby we contribute to understand how stigmatizing labels, rather than creating sanctions, “are” sanctions, therefore part of the process of stigmatization. We also show a case of event-based stigma that has the potential to become core but at the end does not, and we explain why it does not. Organizations that have a core stigma are those that are marginalized and operate “hidden” (e.g. pedo-porno org., weapons, etc.). Our banks do not get such stage of stigmatization typical of organizations that are discredited, and the main reason is that they are “under” a different process of stigma creation that does not start from inherently “own” stigma, but from stigma expressed through shame-labels that diffuse cross-stakeholder groups. Our contribution is to show what characterizes this process of stigma formation, that is, labels that express disapproval through moralizing, political and energizing labels.

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# Comparing Carbon Emission Disclosure in Sustainability Reports: An Analysis of the Global Automotive Industry with Production Lines in Turkey

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Akdeniz University

**Seçil Deren Van Het Hof**  
Akdeniz University

## Abstract

### Purpose

This study examines the disclosure of carbon emissions in the sustainability reports of the automotive industry both from global headquarters and from Turkish overseas subsidiaries.

### Design/methodology/approach

The study focuses on sustainability reports of global automotive manufacturers with production lines in Turkey. Companies that do not provide a local sustainability report are excluded. Finally, global and local reports of Fiat, Ford, Honda, Hyundai, and Mercedes made up the sample of the research. Qualitative content analysis is applied to determine the nature and quality of disclosure for emissions. The framework of GRI 305: Emissions, which sets the requirements on emissions were used to identify the commonly reported emissions issues disclosed by corporations.

### Findings

Findings point to significant differences in disclosures between global headquarters and Turkish subsidiaries. All of the headquarters used the GRI guidelines to produce their sustainability reports, whereas only two subsidiaries referred to these guidelines. All agreed upon documenting CO2 emissions, but differences were found in the amount and detail of disclosure. According to frequencies, the headquarters pay more attention to the issue of "emissions" than their subsidiaries. Turkish subsidiaries report on emissions (the word emission is used on average 26 times) lower than their global headquarters (average 161 times). This might explain the low level of concrete emissions disclosures by subsidiaries and the more detailed, visualized and specified classification by headquarters.

### Originality/value

It is well known that in industries like electronics or textiles, local subsidiaries in Asia usually dismiss the basic principles despite the consistent sensitivity global headquarters express for human rights. Here, we question if a similar discrepancy between the global and local policies on carbon emissions exists in the automotive sector.

# A credibility analysis of Austrian Award winning CSR Reports

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Center for Responsible Management

## Structured Research Summary

**Keywords:** Sustainability Reporting, CSR Reporting, Credibility, Materiality

### Introduction

The EU Commission has defined CSR as „the responsibility of enterprises for their impact on society“<sup>1</sup>. The question, whether companies really do talk about their impacts on society, was the trigger for a 2 year investigation of Austrian award winning sustainability reports.

### Purpose

Sustainability reports are a mirror of a company's (CSR) strategy. The development in reporting standards towards a more strategic approach as well as stronger legal requirements and enforcement mechanisms in Europe has created new dynamics when it comes to reporting.

However, despite this rise in standards and legal requirements, there is serious doubt about the credibility of the reports that are being published. Based on research on credibility and its preconditions, the author has defined already in 2013 – shortly before GRI G4 was published - the so-called „Ethical Reporting Principles“ (ERP). These are: 1. Balanced information, 2. Self-reflection, 3. Ethics as Basis, 4. Discourse orientation (Faber-Wiener, 2013)<sup>2</sup>.

Amongst other indicators and dimensions, these four Ethical Reporting Principles were used as basis for an investigation of 43 Austrian Sustainability Reports. All of them have either applied for or received the Austrian Sustainability Award (ASRA) in 2017 and 2018.

The aim was to find out whether the companies

- a) did take on board the EU definition and did talk about their impact on society in their reports
- b) did follow the 4 Ethical Reporting Principles for credible reporting, meaning balanced information, self-reflection, ethics as basis and discourse orientation.

### Design / Methodology / Approach

The research project was carried out with student groups in two Austrian universities over a period of 2 years. Each student resp. student group analysed one report, focussing on three elements of the report: The CEO statement, the materiality matrix and the stakeholder interaction.

Each student was given one Sustainability Report to investigate, plus a set of indicators. These indicators were:

a) Indicators for analysis of the CEO statement (i.e. Ethical Reporting Principle 1 + 2: balanced information and self-reflection):

- Detectability of self-reflection
- Transparency of motivation
- Mention of strategy
- Mention of challenges, problems, dilemmas
- Summary of Report (rather than statement)

b) Indicators for analysis of the materiality matrix (i.e. Ethical Reporting Principle 3: Ethics as basis):

- Existence of matrix
- Wording of x-axis and y-axis
- Content of matrix: Issues, goals or impacts described (or a mix)

c) Indicators for analysis of the stakeholder interaction3: (i.e. Ethical Reporting Principle 4: Discourse orientation):

- Identification: stakeholder interaction identifiable
- Description: Clear description of stakeholder interaction
- Strategy: Stakeholder information strategy, stakeholder feedback strategy, stakeholder involvement strategy or stakeholder discourse strategy (or mix)
- Questions: open questions, closed questions, or not identifiable
- Issues: Impacts discussed with stakeholders, issues discussed with stakeholders, or not identifiable
- Dialogue elements IN the report: Stakeholder statements used, request for reader's feedback included

These indicators were put together in an (excel) spread sheet, compared and analysed.

## Findings

The Findings were astonishing (and disillusioning) – here only a few of them:

The wording used in the labelling of the x -axes is hugely different. Despite of terms clearly defined in GRI G4, which was the basic standard for all reports, companies chose their own labelling. This raises a series of quality issues and makes comparison of the reports nearly impossible.

Hardly any company bases its report on impacts on society. Companies rather put a mix of issues, visions, strategies and goals into their materiality matrix. This is particularly serious, as the words and terms used in the materiality matrix define the whole content of the report, so if the basis is weak (or misleading), by nature the whole report is weak (or misleading).

The level of Stakeholder interaction is hard to recognize, since most companies do not describe their stakeholder process as detailed as is supposed to be, such as a description of questions raised and methods used. Most stakeholder interactions seem to be based on stakeholder information and stakeholder response strategies, only a few are based on stakeholder involvement, and basically none on stakeholder discourse.

When it comes to the Ethical Reporting Principles, self reflection in the CEO Statement is rather rare. There is hardly any transparency of motivations of a company for dealing with sustainability and CSR, despite the fact that motivations define strategy. Most CEO statements are rather written as an executive summary of the report than a personal, reflective statement that shows the attitude and stance of a company in relation to their responsibility.

**Research limitations and implications**

This research project was based on and limited to Austrian companies and their sustainability reports (or Austrian branches of international companies). It is definitely possible to transfer it to other countries, however one would have to take the differences in values, interpretation of CSR and language into consideration. One particular problem would probably not arise in other countries: Correct translation of GRI G4 into German, especially when it comes to the materiality matrix and the description of its axes. Therefore one could assume that the materiality matrices in English speaking countries would be more accurate and comparable, with less different interpretations.

**Originality/value of this concept**

This research project is based both on practical experience, based on working with companies and therefore knowing how they act, as well as on scientific theories and concepts. Therefore its value goes in both directions: It has the potential to give practitioners insights how to be more credible in their reporting, it gives them a set of issues and indicators where to focus on, it helps to realize what a credible CSR report is supposed to include. For the scientific community, it shows how even very high-level standards such as GRI G4 (which is used in basically all reports investigated) do give leeway to own interpretation and cherry picking for their own advantage. It proves further that standards cannot replace a more in-depth approach that is based on reflection, i.e. it needs a business ethics approach rather than the existing compliance approach in companies when it comes to CSR and CSR reporting.

# Corporate Social Responsibility, Integrated Thinking, and Financial Firms

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## Abstract

### Purpose

The aim of the paper is to develop new ideas and improve transparency and communication about value creation and CSR issues in financial firms.

### Approach/Methodology

The paper argues that a coherent and integrated approach to corporate social responsibility (CSR) issues is required for the financial firm. This is required in areas such as; understanding CSR issues in finance, managing value creation in the financial firm to reflect CSR concerns, and developing coherent public communications and reporting on such matters.

The paper notes problems for internal and external agents in understanding financial firms such as banks, insurance firms and fund managers (Chen et al 2014, 2018, Holland, 2010, 2017b, 2019a,b) during ongoing periods of gradual and rapid change. The problems have played a role in problems of managing value creation in financial firms (Holland, 2010, 2019a), and in implementing CSR and climate change policies (Thompson and Cowton, 2004; Scholtens, 2009; Wu and Shen, 2013; Tran, 2014; Avery, 2016). This has contributed to problems of communication by financial firms when reporting on these issues (Gray et al, 2001; Avery, 2016; Michelon et al, 2015). These are all related problems and based on underlying problems of understanding financial firms.

### Findings

The paper explores these issues by using a newly developed conceptual framework about financial firms in the form of a 'behavioural theory of the financial firm' (BTFF) (Holland, 2017b, 2019a,c). The BTFF is based on insights from empirical research about banks and other financial institutions, the intellectual capital (IC) debate, and from literature and theory on social structure in firms and networks. The BTFF seeks to explain connections, interactions, and dynamics in the creation and use of resources in financial firms. The BTFF focuses on knowledge intensive intangibles in the financial firm and their integrated use in value creation and financial intermediation in the firm. This reflects their central role in transforming financial resources and their risks to achieve a wide set of aims including financial aims and CSR aims.

### Originality

The paper uses the BTFF to develop the concept of 'integrated thinking' (IIRC, 2013; Adams, 2017; Torre et al (2018) and to promote its use in the financial firm. The paper argues that the BTFF and 'integrated thinking' together show much potential to develop a coherent and holistic approach to, management of value creation, and implementation of corporate social responsibility policies throughout the financial firm. They are a new source for developing an integrated value creation and CSR narrative (or 'non financial information' or NFI). The latter is a new basis for financial firms to conduct CSR communications using integrated reporting (<IR>). This response is essential to address problems of value creation management and of implementation of CSR policies in financial firms.

**Research implications**

The combined BTFF, CSR and <IR> analysis can clarify what 'non financial information' (EU, 2014) and 'soft information' is for financial firms and how this can be linked with 'hard' financial information in integrated reporting. This creates potential for improving <IR> transparency for financial firms on financial and CSR issues. The combined use of BTFF and 'Integrated thinking' frames, and CSR literature, illustrate a dynamic investigative tool to develop research on CSR in value creation activities in financial firms and their CSR reporting to stakeholders.

## 3. COMMUNICATING SUSTAINABILITY

# Communicating success for sustainability. An action-research approach aimed at developing a method to provide information on sustainability successes

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University of Erlangen-Nürnberg

### Structured Research Summary

#### Purpose of the paper

This paper aims to present the development of a method for providing information for internal and external communication of successful outcomes for sustainability (by interorganizational projects). The research project offers great opportunities by working closely with a German food retailer to fill a need for an information providing method. The project is especially interesting as the retailer is cooperating with an NGO, which offers competences and support for optimization to the sustainability communication method of the retailer.

At the same time, competition in sustainable product markets has gone up. In particular, the highly competitive German food retail market registered an increase in sustainable products (Statista, 2018). The growing range of products also resulted in an increased need for customer-oriented communication about sustainable products (Buerke, 2016). Many firms developed sustainability-oriented projects and strategies, but are not perceived as sustainable as they are in the eyes of the consumer (Pelozo, Loock, Cerruti, & Muyot, 2012). In conclusion, there is a growing need for information on many two stakeholder levels: internal (what to report?) and external (what to tell the customers?). This has called for a need to decide how to communicate aspects of sustainability to address different kinds of stakeholders in a successful way.

However, the overarching theoretical purpose of the paper is to contribute to the ongoing scientific discussion about CSR communication. It is vital for reaching a more sustainable way of business to inform stakeholders about the ongoing efforts for sustainability. By giving information about which products are more sustainable to the customer, sales volumes can go up and lead to a shift towards more sustainable product offers by the company. At the partner organisation of this project a higher sales volume would e.g. lead to an enlarging of the sustainable purchasing team and more projects for sustainable products in sale. Therefore, sustainability communication research has set its focus on the development of consistent strategies for communicating on CSR, especially in terms of efficiency and addressed stakeholders.

The paper is directly motivated by a practitioner need for a transparent and sustainable method to provide success-updates. The practitioner, a team of sustainable purchasing at a big German food retailer, has achieved results in terms of self-set sustainability goals. Nevertheless, the company must be able to communicate this information annually in a transparent, tangible way in order to continue to be successful. The optimal preparation is decisive to address the recipient appropriately, e.g. the CEO or a customer, in order to better understand the sustainability successes.

The resulting communication therefore must meet three different criteria, named by the practitioner: Transparency, reproductivity and tangibility. Thereby the focus of our work is on answering the question:

*How should a successful, transparent, long-term feasible method to provide internal and external stakeholders with tangible information's about sustainability efforts look like?*

This research question implies several assumptions, which will be addressed in the theoretical framework.

### **Theoretical framework**

The theoretical framework of this paper consists of theories and literature on CSR- and stakeholder-oriented communication. The research question implies several assumptions. At first it is implied that transparency, tangibility and successful communication can be achieved all together and thereby these criteria are not mutually exclusive. To ensure that this follows an inherent logic, it is important to define the termini. Therefore, one needs to address the following derived questions:

Q1) What does "successful communication" mean in terms of sustainability communication?

Q2) What does "transparency and tangibility" mean in terms of communication methods?

Q3) How to reach external and internal stakeholders with the same method of providing information's?

Since this work has a strong focus on practice, I will try not to lose sight of feasibility. To ensure this key factor for practitioners, there is another sub-question to add:

Q4) How can the method ensure long-term feasibility?

Q1: Communicating sustainability successfully can be achieved in two ways: increase the target audiences' awareness about the desired products aspects while including CSR aspects about the product. Moreover, enable stakeholder dialogue about the company as a whole (Belz & Peattie, 2012).

As the awareness about the importance of sustainability grows alongside with public pressure on firms to be sustainable, communication about sustainable product aspects becomes ubiquitous. Many firms are viewed as somewhat moderate in their sustainability activity in the eyes of stakeholders, though it would be vital to appear sustainable in order to regain the investments put into sustainable projects (Peloza et al., 2012). Communicating sustainability is crucial for firms, because of the high financial expenditure of sustainable projects. Practitioners need their stakeholders to understand the sustainable efforts taken, hopefully followed by an increase in sales to get revenue on the firm's initial input (Kahle & Gurel-Atay, 2013). In CSR communication the preparation of information is one of the biggest obstacles for practitioners. Problems of understanding by marketeers on how to communicate sustainability successfully, and by sustainability professionals on how to market it are still omnipresent (Belz & Peattie, 2012; Crane, 2000). Villarino and Font (2015) highlight the significance to be persuasive and thereby successful when one is aiming to inform others about their sustainability efforts. They argue that appealing directly to the addressed stakeholder by underlining explicit benefits for the stakeholder, the society, and the environment contribute to the persuasiveness.

Q2: Furthermore, I want to look into the ways of providing the information so there is a high degree of transparency and tangibility (Q2). These criteria are grouped together because there is a high correlation of how transparent information is seen and how tangible, therefore comprehensible, it seems. How lack of transparency leads to lack of tangibility is e.g. described by (Chen & Chang, 2013) as "Green Consumer Confusion": The customer feels uninformed (intangibility) due to a lack of detailed information about product aspects. A transparent way of communicating is seen in this work as a way of communication where all references and units are published or explained in a for everyone traceable way.

Transparency is needed to ensure the reliability of information about sustainable efforts, too. Especially in the sector of the practice partner, food retail, there is a high degree of distrust among customers. In this paper transparency is seen as a condition for tangibility, as it is needed to ensure that the addressed stakeholders know the information, the success narratives, is true. Let us illustrate this with a practical example: The practitioner partner of this research project told us in the first meeting, how they put effort in their yearly report and send it to the supervisor, a purchasing department CEO, for approval. The intention was to include the report in the general yearly report of the company, as the team achieved big successes the last year. The result was, that the supervisor excluded everything because, as they said, he himself could not comprehend what they actually did. Disappointed they sought the conversation with him just to realise, that even in personal dialog they could not present their results without self-set degrees of target achievement. The supervisor asked them to come up with a method on how to deliver information in a comprehensible manner. The aspiration should be to provide information which is easy to understand from every point of involvement in their work, as e.g. other supervisors, shareholders and customers.

The example shows, there is a yearly, or even constant need for a method to provide transparent, comprehensible information. On the same time, the information is expected to fulfil transparency criteria. Since the late 90s, marketing practices changed towards more sustainability by adoption of the sustainability perspective. In product marketing this development brings changes to traditional marketing practices as a greater focus is set on how products are made, distributed, and sold (Bridges & Wilhelm, 2008).

To further clarify what transparency and tangibility mean in terms of communication methods (Q2), I am going to look into case -study based research to investigate how "transparent" is mostly interpreted (Wei-Skillern, 2004). A more comprehensive answer to Q2 will be presented comparing the criteria of transparency set by the practitioner, legislation and stakeholder conditions.

Q3: However, the observed level of transparency is always defined by the receiver of the offered information. Based on our practice partner, I focus on internal and external stakeholders as receivers of information offered by the method. It will be a challenge and an expected contribution of this work to find the overlap between both stakeholder groups and to determine a solution for the way of communication that will reach both stakeholder groups equally (Q3). This theoretical background is examined in more detail in the paper.

Q4: The feasibility of sustainability promoting projects is highly interconnected with the expected revenue of the project. The paper will provide an overview of the criteria developed by research and compare those with the practical example of the practitioner.

### **Research method**

This research project is based on the theoretical framework of sustainability communication research, sustainability reports and CSR communication approaches. It serves as a background to develop a new information providing method for a practitioner. The research method can be framed as an action research approach.

This approach involves engagement through taking part in team meetings, the inclusion of corporate needs for an information providing method and the provision of feedback on the process by the researchers (Adams & McNicholas, 2007; Wehnert, Kollwitz, Daiberl, Dinter, & Beckmann, 2018). The method could also be described as a live case study (Elam & Spotts, 2004). This would be suitable in terms of using one case of business approach in detail to seek answers for an overarching theoretical problem, following the concept of an explanatory case study (Yin, 1994). But the concept in all its depths does not fully represent the level of the present researcher-practitioners interconnection, which the action research approach does.

Accordingly, action research inherits specific characteristics, that distinguish it from high involvement types of case study research. First of all, action research is participative. The practitioner partner-organization is not just an object to observe, but is engaged in an open and reflective research process. Therefore the other key-characteristic is the cyclical four-step process of: planning, taking action, evaluating that action, leading to further planning and so on (Rock & Levin, 2002). It is also described as a five-step process, if you dissect evaluation and learning in two separate steps (Wehnert et al., 2018). But this work will focus on four steps as the learning process is taking place separately: Scientific and practical implications will be analysed on the one hand by the research team and on the other hand by the communications and sustainable supply team at the practitioner.

In conclusion, the research will be temporarily considered as action research. On the same time the termination of the methodological approach is open to the development of the project process. I would be happy to get more insights from experienced researchers on this issue of "method framing and naming", too.

### Expected results

The results will probably be presented in September in a state open for discussion. They are expected to contain the developed method as well as findings to the overarching question:

*How should a successful, transparent, long-term feasible (reproducible) method to provide internal and external stakeholders with tangible information's about sustainability efforts look like?*

From the present state of knowledge, hypotheses can already be formulated. During the process the practitioners themselves already mentioned ideas to shape the needed information. It was discussed to create an easy-to-understand unit, as it is already done by the corporation to account for CO<sub>2</sub>. This greenhouse-effect related gas, is made tangible for all kinds of stakeholders by counting in "Output of a Porsche Cayenne/year" confirm this approach of simplifying information's. It has been e.g. suggested to use reporting as a "cooperate communication tool" and focus on whom to address in order to report consistently (Ellerup Nielsen & Thomsen, 2007). Likewise, one could interpret the format of the aimed at information as narratives. The results of the developed method may lie in between those two extremes of hard and soft data types. Those ideas could be developed further to gather answer to Q2 and Q3.

The first attempts to the method process, having Q1 (successful communication) and Q4 (feasibility) in mind, are intended from the product point of view. It is here important to mention that all products involved in sustainability projects of the firm are already certified in the most suitable certification in regard to their product group. E.g. paper/tissue and barbecue -coal are certified by FSC (Forest stewardship certification). Therefore, to find out the most comprehensible, tangible way one could try to use the already gathered knowledge of the certification about the sustainability benefits of the products, s. fig.1. In the next step, a first possible unit of sustainability benefit shall be developed. All steps are internally planned according to the reoccurring cyclic steps of the action research approach.

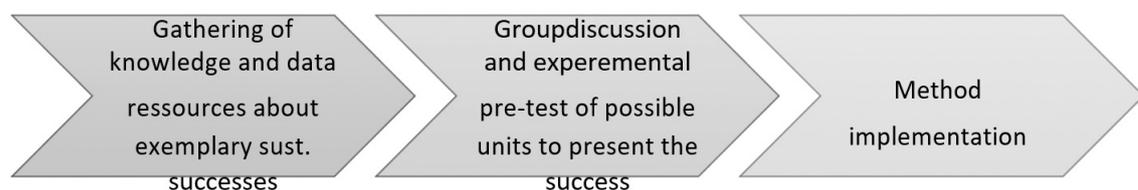


Figure 1: Overview of the planned steps

It is planned to present the preliminary results of this research in September. I am looking forward to high-level discussion of the method and the underlying scientific approach.

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# Modeling Interlinkages between Sustainable Development Goals Using Network Analysis

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## Abstract

Universal, ambitious, and arguably ambiguous, the Sustainable Development Goals (SDG) have complex interlinkages and tradeoffs which traditional, silo-based monitoring cannot capture. In addition, there are regional and country-based differences in priorities, which dictate policy outcomes, and hence the success of the SDG initiative. In this paper, we address these problems by proposing a network analysis-based approach to identify the inter-linkages and potential tradeoffs. Using IAEG- SDG data, we identify targets within SDGs 5-7, 9 and SDGs 15-17 that could potentially be targeted for efficient achievement of the proposed SDGs. We find positive and negative feedbacks (reinforcing and balancing feedbacks) between the different SDGs. The trade-offs, however, are much weaker than the synergies. Our method addresses regional differences by constructing different network structures for different regions, which in turn suggests that benchmarking needs to take the regional context into account. This allows us to recommend policies and prioritize SDGs that work effectively at different level of analysis, and benchmark the goals to their respective context, while retaining the universality of the SDGs in principle.

**Keywords:** Sustainable Development Goals (SDGs), system analysis, network analysis, sustainable development indicators

# 'Convenient' corporate sustainability frames: A part of the solution or the problem?

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## Structured Research Summary

### Purpose

Whilst sustainability is becoming increasingly integrated in the everyday business processes, its critiques are gaining prominence as well. They focus mainly on questioning whether sustainable development is truly sustainable when founded on the traditional notions of development by growth and other neo-liberal values. They also believe that social actors should acknowledge the complexity of sustainability in order to be able to collaboratively bring about better solutions (Waddock, 2013). Hence, sustainability is marked as a "wicked" problem or even as a "super wicked problem" as it is characterised by four distinct features: first, short time horizon for finding solutions; second, all social actors are involved in this issue in various ways; third, problem creators also try to be problem solvers, and fourth, the actors often irrationally discount the future and what is needed to preserve the resources for the future (Waddock, 2013).

In that vain, *corporate* sustainability is a reflection of how firms struggle to recognise and address complexities related to sustainability and practically deal with big social and environmental challenges. In the management literature, corporate sustainability is often portrayed as a business case; a win-win paradigm aimed at meeting the expectations of company's stakeholders while simultaneously focusing on economic growth and profits (Hahn et al., 2010). However, following the idea of wickedness, critics argue that in order to enhance their contribution to sustainable development, firms should move beyond this win-win idea where economic, social and environmental factors are supposedly mutually reinforcing, and embrace a paradox perspective towards sustainability (Hahn et al., 2018). The paradox perspective regards environmental and social aspects of sustainable development as important in themselves without being related to corporate growth or profit maximization and is thus much more focused on the future. It proposes that facing and accepting the tensions around sustainability instead of focusing on the 'safe' win-win options enables change toward sustainable development (Hahn et al., 2018).

But are companies, reputed to be the forerunners in CSR and sustainability, prepared to make a step in this direction and recognise corporate sustainability as full with tensions between its dimensions (Hahn et al., 2015)? As argued by the same authors, these tensions tend to arise at different levels. One such level or context that should be considered is industries, which are themselves marked by the diverse and competing findings regarding the balance between their sustainable and unsustainable practices or outcomes.

The focus of our study is thus to address the above question through uncovering the underlying logics of framing corporate sustainability, bearing in mind the consequences of specific corporate sustainability meanings for sustainability in challenged industries. More specifically, we illustrate how sustainability issues are framed and possibly aligned with either dominant business discourses on corporate sustainability or tensions and competing demands of sustainable development.

### **Design/methodology/approach**

Our study is focused on a Danish multinational company; a forerunner in CSR and sustainability and a part of the dairy industry. Recent studies show, that agri-food industries, particularly those related to protein production, such as meat and dairy products, are among the biggest influencers on the natural systems, on which social and economic aspects also depend (de Boer & Aiking, 2019). The dairy industry is thus constantly facing environmental sustainability pressures related not only to the ways it uses the land, water and energy resources (Augustin et al., 2013), but also to its volume and growth. Aiking and de Boer (2018) found that the volume of industrial production of dairy and meat products substantially contributes to the three biggest global environmental issues, namely biodiversity loss, nitrogen cycle disruption, and climate change. Despite these alarming facts and increasingly salient calls for sustainable change in global protein diets (e.g. Willet et al., 2019 – EAT–Lancet Commission on healthy diets), the dairy industry sustainability is still mainly focused on aspects related to health issues, and organic production while at the same time not sacrificing the industry growth and profits (Thongplew et al., 2016).

In our study, we look at how the concept of sustainability is framed in the case of a dairy company. To build our qualitative case study we use framing analysis along with the framing matrix (Gamson & Modigliani, 1989; Van Gorp & Vercruyse, 2012; Ban, 2016) to examine the company's webpage disclosures and available online documentation (e.g. annual and CSR reports, press releases and codes of conduct) on the topic between the 2010-2017 period, which amounts to more than 100 texts for analysis. We approach the research analysis from a social constructivist perspective and aim to uncover which sustainability meanings are being integrated into and which omitted from sustainability communication. The process of framing analysis leans on a set of reasoning devices (problem definition, causal interpretation, recommendations with regard to sustainability behaviour, and appeals to principle) and framing devices (metaphors), which then guide the multi-level coding process (Gioia et al., 2012) and enable the researcher to reveal the "intentions of frame construction and usage" (Ban, 2016, p. 297).

### **Findings**

The results of our analysis indicate that, on the one hand, sustainability is being framed as a process of using a company's core products or resources for 'a greater good' embracing an overly positive perspective. According to this, the 'sustainable potential' – as captured by the SDGs (i.e. sustainable development goals) – is depicted as being embedded in the industry's core business and tied to its positive externalities. In line with this approach, dairy products are proclaimed to act as an important part of a sustainable diet, which allows for a low environmental impact and healthy diet choices. Accordingly, the foundation of sustainability at the analysed company is communicated as the desire to contribute to consumers' healthy diet choices since "milk naturally contains one of the richest combinations of nutrients you can find in a single food source" (Dairy Company, 2017, p. 9). Therefore, the recommended solutions attached to this objective include steps toward developing 'natural products' (including organic products) and sharing awareness about the 'origin of food'.

Simultaneously, however, sustainability is being framed as a process of limiting the negative externalities of a specific industry (e.g. reduction of the carbon footprint of the dairy farming or the minimalisation of its impact on the biodiversity decline), which are also traditionally tied to its core business. This rests upon the awareness of the existing "risk of negative impact on environment and climate" throughout the entire company's value chain (Dairy Company, 2017, p. 24). Therefore, the prescribed actions to respond to and resolve such negative impact revolve around 'greening' the company's operations (from production to transport) and consequentially offering consumers "more nutrition for less emissions" (Dairy Company, 2017).

Sustainability in general is thus rhetorically constructed as a 'balancing act' between promoting or advancing the 'good' and eliminating or reducing 'the bad' of an industry. This is achieved by setting the 'win-win' effect, the idea of becoming/being 'a part of the solution' to the global challenges, and the 'growth for all' as the imperative of sustainability processes.

Framing sustainability in terms of 'business as usual' (Wright & Nyberg, 2017) is however, also powered by discounting the possible tensions between the SDGs or trade-offs between the two ends of the spectrum ('the good' and 'the bad'). The omission of such blind spots from sustainability discourse might be especially convenient in industries – such as dairy industry – in which the trade-offs between their impact on society and environment are commonly questioned but rarely agreed upon by the industry experts. For example, in opposition to the notion of dairy as a part of a sustainable diet, in studies on the climate footprint of the dairy industry the latter is often referred to as one of the biggest global polluters, whose negative environmental impact can, for illustration, even rival the one of oil industry (GRAIN & IATP, 2018). Also, such omissions are indicative of the industry's efforts to divert the attention from talking about or embracing the possible alternative routes to a sustainable corporate existence, such as following a degrowth strategy (Fournier, 2008) or demarketing strategy (Soule & Reich, 2015). It seems that the rhetorical construction of sustainability focuses on activities "safeguarding" (Feix & Philippe, 2018, p. 1) sustainability that builds upon the strong tie between profit and societal goals "from calls for alternative institutional arrangements" (Feix & Philippe, 2018, p. 1) since – from the company's perspective – "sustainability and profitability go hand in hand" (Dairy Company, 2017, p. 1). In other words, the sustainability is being framed in a way that at least partially neutralises the opposing 'expert' frames, which defend the notion that in order "to avert climate catastrophe, we must reduce production and consumption of meat and dairy in overproducing and overconsuming countries" (GRAIN & IATP, 2018). Developing certain sustainability meanings and following one set of sustainability strategies, thus, sets the company back in following the others and conforming to the dominant short-term market assumptions.

### **Social and practical implications**

Waddock (2013) argues that there are two imperatives that make the wicked problem of sustainability difficult to address. The first is the premise of constant growth (e.g. in wealth, consumption of goods, resource efficiency ...) which is hardly possible in a world where resources are constrained. And the second are short-term considerations that drive the current economic system that focus on "now" instead of on the long-term future which is too alien and often hard to imagine. Our case shows that these imperatives represent the constraints in which the firm is caught when considering its contribution to sustainability solutions. This implies that firms, although important social actors, might be unable (and unwilling?) to find the solutions to wicked problems by themselves. Furthermore, by framing the solutions in this way and presenting them through their sustainability communication, they are reproducing and reaffirming the meanings of corporate sustainability as win-win situations which provide no assurance that those contributions that are the most beneficial to sustainable development will be realised at all (Hahn et al., 2010).

A path to solving the wicked problem of sustainability requires a shift of the above-mentioned imperatives in a systemic way and through collaborative problem solving where firms can take part. However, in order to be able to take part, the firms need to embrace another way to frame (and enact) this issue without discounting the activities that might threaten their business growth.

### **Research implications, originality/value**

Currently, little attention is given to the effects of sustainability communication on favoring one notion or framing of corporate sustainability over another and even less to how corporate sustainability meanings are discursively constructed in companies belonging to 'problematic' industries. Our study fills this gap in the literature by focusing on sustainability communication of a firm in the dairy industry. Through the empirical analysis of how corporate sustainability is rhetorically constructed it shows that, similarly to the case of climate change (Wright & Nyberg, 2017), the issue of sustainability is presented as a 'safe' option of value creation, far removed from the opposing discourses.

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# Re-imagining the sustainable consumer

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## Structured Research Summary

### Purpose (Introduction)

In the recent years, the concept of 'sustainable consumption' has been introduced in public discourse. It has been supported by the acceptance of the UN Sustainable Goals where Goal No. 12, Sustainable consumption and production, focuses also on "educating consumers on sustainable consumption and lifestyles, providing them with adequate information through standards and labels ..." (UN Sustainable Development Goals, n.d.). Indisputably, the pressing issues of sustainable consumption are globally recognized, and policy and social marketing attempts to address them are being developed both at global, transnational and national levels. Mostly, these activities are aimed to address and induce change in individual attitudes and behaviors thus presuming that the burden of responsibility should fall on the shoulders of individual consumers. They have the power to meet climate change related challenges and achieve a transformation of the society through the choices they make and thus become responsible citizens-consumers (Barr et al., 2011). So far, most scholarly endeavors to explain behavior were focused on individual reasons for such behavior while neglecting wider factors that may also influence sustainable behavior and explain the reasons behind the attitudes-behavior gap (Johnstone & Hooper, 2016). Accordingly, scholars increasingly argue that the reason is their overly narrow view of social change that does not acknowledge the many aspects and complexities of daily life (Hargreaves, 2011). Thus, not only the interpretations of responsible consumer behavior are important; one must also take into account everyday actions and practices in which sustainable consumption has its place, and how they are embedded in social-political and cultural systems and related moral frameworks. The embeddedness in these systems needs to be acknowledged in order to understand sustainably relevant actions in a comprehensive way (Dolan, 2002).

Thus, researchers suggest that in order to achieve change on an individual level, we need to turn to other perspectives that individualize human action such as theories of social representations and social practice (Bateal et al., 2016). Following this line of thought, the aim of this paper is to empirically apply these perspectives by examining the issue of *sustainable consumption representations*. Moreover, relying on social representations and narrative theories, our study will attempt to interpret sustainable consumption within the particular social and cultural contexts. This will allow us to understand representations and answer the question why people perceive sustainable consumption the way they do and how and why they differ in this regard (Bauer & Gaskell, 1999; Flick, 2000).

Thus, the focus of our study will be qualitative inquiries into social representations of sustainability that emerge through associations and represented narratives. We will compare them across two countries with different socio-political and cultural contexts and show how sustainable consumption representations are influenced by the actual contexts in which they are made explicit. Contextualization of representations in actual circumstances – instead of their decontextualization in abstract cognitive models – can better help to understand the nature and possibilities of change towards increased sustainable development (Dolan, 2002).

### **Design/methodology/approach**

*Theoretical underpinnings* of our study are anchored in both, the theory of social representations and narrative theory. Theory of social representations was introduced by Moscovici (1988). It has been proposed as an appropriate framework for studying the issues of sustainability and understanding pro-environmental actions (Batel et al., 2016; Castro, 2015). Social representations correspond to “processes of collective meaning-making resulting in common cognitions” (Höijer, 2011, p. 3), usually about such contested phenomena as sustainable consumption, that challenge the everyday lives and practices. Social representations theory assumes that the culture and a given context are necessary for meaning-making and that social representation has a cultural and a contextual component (Castro, 2012). Furthermore, social representations as sense-making of a certain phenomenon or object can have different relations to actions; they can act as the guidelines for action by contributing to processes that guide both communication and practices (Guimelli, 1993, p. 88). In turn, they can also just exist for or in the “practices for which they are relevant, or be immanent to them, being brought to life in actions and only then eventually transforming ideas and meanings about them” (Batel et al., 2016, p. 734).

The other part of our framework is the narrative perspective. Previous research on other similar topics such as climate change shows that at a more general level social representations are often negative, psychologically distant, and rarely include personally relevant impacts and solutions (Smith & Joffe, 2012). Representations become relevant or intrinsic to practices/actions through narratives and stories, which act as the expressive vehicle of common-sense thinking (Laszlo, 2008; Smith & Joffe, 2012). Laszlo (2008) pointed out that people create stories in order to better understand the world and they share the stories with others. Hence, narratives are seen as a public carrier of human experience and exists as discourse in various social settings; it is “the organizing principle of how people give sense of the world” (Laszlo, 2008, p. 103). Furthermore, the constructivist character of narrative leads us to understand our lives, social representations and interpretations as a circular mimetic process. In other words: narrative mimics life and life mimics narrative (Laszlo, 1997, p. 159), which implies that narrative can act as both, the means to construct social representations and the framework to study them (ibid, p. 164).

Just recently, the first attempts to study narratives of sustainability are published, exploring and explaining stories of sustainability or storied versions of conceptual frameworks of sustainability (Frank, 2017). The author explains, based on Lyotard (1984) and Polkinghorne (1988) that the narrative as a mode of knowing is concrete contextualized, specific and personally convincing as well as imaginistic, interpersonal and emotive (Frank, 2017, p. 312; Epstein 1983, 1990). The examples show, that narratives offer more useful answers to complex, often disturbing and, therefore, challenging problems (O’Riordan, 2004) – like sustainability. A story or a narrative a process of knowledge construction and expresses the subjective, value-laden and very a-rational experiences (Bruner, 1986) and make sense of life and how we act in it. By studying associations, we aim to identify narratives of (un)sustainable consumer behavior that serve as *moral compass* in our world (Frank, 2017, p. 312).

Our *methodology* is qualitative. The data are taken from the online focus groups being open for seven days and including individuals from different social backgrounds and drawn from both urban and rural regions in Austria and Slovenia. One focus group for each country will around 30 participants. The focus group that was already conducted in one country, had an average age around 41 years and about equal proportion of men and women informants and this structure will be mirrored in Austrian focus group. The discussions followed a series of broader topics on sustainable consumption and also included the questions that will provide the immediate (consumption and everyday) context for participants. For this study we will focus on two main parts of discussions: firstly, on the question asking about participants’ definition and understanding of sustainable consumption (and buying), and secondly on encouraging participants to consider their personal experiences related to aspects of sustainable consumption. As far as we can tell from the data drawn from the first focus group, related issues emerged in different parts of the discussions. In terms of the analysis, a basic coding scheme will be developed as a basis of a broad classification of all the transcripts. We will then read and re-read the sections that will be identified as being related to sustainable consumption and buying. After this phase, a more detailed coding scheme will be developed for a more in-depth examination of similarities and differences in both countries, taking into the account the cultural and contextual aspects.

## Findings

Thus far, the study has been conducted in one country only and is still in the process in the other two countries. The results of the first study indicate, that participants do not have a common understanding of sustainable consumption (and buying) and use multi-dimensional definitions. Some of the main dimensions that appeared in the discussion are related to such meanings as: concerns about how to consume, buying higher quality of products, support for local production, fair trade, environmental consciousness, recycling.

The study takes in account the broader *context* in each country as social representations are argued to be multidimensional phenomena. As far as the analysis of the data set from Slovenia shows, social representations are bound to culture, institutions, immediate context and relationship, and at the end, they are also highly individual (Batel & Dewine-Wright, 2015). From this perspective, we can relate our findings to existing studies on sustainable consumption behavior in the sense of that it is responsive to spatio-temporal context in which it emerges and is shaped (Bauer & Gaskell, 1999). This might be supported by the comparative data gained at the moment.

## Research limitations/implications

One of the limitations of our study was that the participants were selected from only a few areas and regions; as well, the limited number of participants in the focus groups is a limitation that has to be considered. However, the innovative method of identification of associations and communicative links to narratives of sustainability offered a substantive and theoretical contribution through the analysis and interpretation of the social construction of sustainability as well as a critical reflection on the use of focus groups as a method in sustainability communication research in general and in consumer behavior research in particular. We suggest further studies generating quantitative data as well as comparative data from countries with various discourses on sustainability and sustainable development.

## Social and practical implications

The results of our research will inform the public communications professionals on social representations around sustainability. They will help them how to best convey complex scientific information by using narratives in ways that are engaging, understandable, and above all personally relevant while being sensible to specifics of a certain cultural context.

## Originality/value

Sustainability itself is a normative idea, as it refers to the "possibility that human and other life will flourish on the planet forever" (Ehrenfeld, 2008) and to fundamental principles of inter- and intragenerational justice (Haughton, 1999), institutionalized in the sustainable development goals. To be sustainable, research needs to lead to outcomes that are conducive to sustainable development. Here, our paper fills some research gaps in sustainable consumption research. Firstly, our study adds to the calls to examine the sustainable consumption through a more complex lens with combining the two proposed empirical frameworks for empirically studying this phenomenon. Secondly, it also adds to a specific CSR communication aspect. It has implications both for CSR/sustainability and communication aspects of CSR/sustainability. On one hand, authors have noted that sustainable consumption and consumer responsibility can act as a catalyst for CSR, and on the other, CSR communication, together with social marketing interventions, can have an impact on how social representations of sustainable consumption are formed and how consumption practices are adjusted to contribute toward greater sustainability (Caruana & Chatzidakis, 2014; Quazi et al., 2016). The value of the study is the insight into heterogeneous conceptualizations of sustainability as well as different individual concepts of "being responsible" in the sense of sustainable consumer behaviour.

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# Matter of time - Temporal dimensions and psychological distance of material corporate sustainability topics in the Nordic forest industry

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## Abstract

The aim of our paper is to address the issue of 'time' and what it means in corporate sustainability discourse by analysing the language used to describe time-frames of key sustainability topics in the sustainability reports and NGO documents within the forest industry. Through the theoretical lens of 'psychological distance' we further analyse the dynamics of different time-frames and how they relate to other forms of psychological distance, such as spatial or social distance. Finally, we discuss and connect the findings to 'critical dialogic accounting' perspective by looking at the implications and potential consequences temporal framings and the distances they create have on which stakeholder voices are heard, which ones are silenced. Our findings highlight the multiplicity of time-frames showing various ideologies, values and opinions that are deemed significant and how these interact and overlap in the current sustainability discourse.

## Structured Research Summary

### Introduction

In the current era of Anthropocene, human activity is deemed to be the dominant influence on the Earth's climate and natural environment. The ways of looking at the concept of time and the sense of urgency in particular have consequences for the planet as a whole. The effects of climate change are realized every moment as the world unfolds in front of us. Whole nations are disappearing under water and in parallel, forests are falling at an alarming rate. Despite these current events, the sustainability discourse has been focusing on emphasizing the future over the present, long-term goals over immediate actions.

"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs" For more than three decades this definition of sustainable development published in 1987 by the World Commission on Environment and Development (WCED) report Our Common Future also known as *Brundtland Report* has been widely used and is among the most commonly cited definition. However, questions that still remain are what is to be sustained, for whom and who decides (Brown & Dillard 2014, 1123-1124). The notion of 'time' is at the centre of this definition and implies a temporal distance between 'now' and 'then'. This definition addresses the intergenerational questions of equality and places the objective of sustaining 'something' into the future for the good of 'future generations'. How do we understand 'time' within this context, is it something that is static in nature or more dynamic and in constant flow? Who are the 'future generations'? Are they indeed in the distant future, perhaps unborn generations or are they amongst us? And how does the future orientation affect attending to immediate problems?

### Corporate sustainability and time horizons

When applying the concept of sustainable development to the organizational level, these questions change in their nature. There is a lot of criticism about how the concept has been used on the organizational level and in corporate speech. The published information and reporting about sustainability related topics, is questioned of having little or anything to do with sustainable development as such (Gray 2010; Milne et al. 2006, 2009; Tregidga & Milne 2006). Much of the criticism has been directed towards the weak consideration of long-term goals in corporate reports, and instead focus on the short-term immediate benefits (Lavery 1996, March 1999 as cited in Slawinski and Bansal 2015). This leads inevitably to an intertemporal tension as stated by Smith and Lewis (2011, p. 389): "The demands of today differ from the needs for tomorrow." Furthermore, short-termism has been commonly seen as the opposite of corporate sustainability. It has been defined as "a preference for actions in the near term that have detrimental consequences for the long term" (Marginson and McAulay 2008, p. 274). The preference for action in the near term has been found to root in a bias by individuals, organizations, and institutions for the prioritization of the present over the future (Slawinski and Bansal 2015). Next, societal concerns are often treated as having longer time horizons, whereas business concerns emphasize short-term thinking (ibid). Thus, attempts to meet financial quarterly objectives can cause negative environmental and social consequences. Longer time horizons and long-termism though could enable the decisions and actions of the present to compromise financial value of today in the interest of environmental and social causes. Often in the sustainability discussions the long-term thinking is prevalently seen in positive light and has been applied in all corporate sustainability discussions reaching beyond the economic objectives to set up the social and environmental objectives.

When deciding upon the key focus areas of corporate sustainability and the content of sustainability reporting, the current sustainability reporting practice relies on the assessment of materiality. It enables explicit discussions and dialogue on what is considered relevant sustainability information. The process of assessing materiality requires making judgements on what sustainability topics to include and what to exclude from reporting (Rose et al., 1970; Edgley, 2014; Jones et al., 2016; Eccles and Youmans, 2016). This assessment process with engagement with stakeholders is both emphasized by reporting standards (e.g. GRI, IR, AccountAbility) and widely implemented in the corporate reports. The process of materiality assessment legitimizes the report content which affects our understanding of what consists sustainable development topics in corporate contexts. This, moreover has broader societal consequences in the corporate and policy-level transition towards sustainable development. The concept of 'time' plays a crucial role in the assessment processes, both related to the complex nature of the sustainability information and to the constantly changing nature of the outcome of the assessment 'the set of material topics' of that particular company is question. Complex sustainability topics included in the assessment processes are different in nature and have different time-frames. How the outcome of the assessment guides operational and strategic decisions over time are crucial questions. Ignorance of the different time-frames or level of urgency related to these topics might have unintended serious consequences (Puroila & Mäkelä *forthcoming*). This is what this paper intends to address in detail. By exploring the different time-frames of sustainability topics we further analyze how the differences in the time horizons of various sustainability topics affect to the urgency of addressing the problems of today and which perspectives are then prioritized and which ones neglected.

Despite its importance, the research focusing on the dimension of time is not well addressed in the corporate sustainability literature (Slawinski and Bansal 2015). Slawinski and Bansal (2015) have provided insights on organizational responses on climate change by looking at tensions between short-term and long-term and how these are reflected in present day decisions and actions. They find that firms either polarize or juxtapose this temporal tension and this effects on their ability to address business-society tension as well. However, the critical analysis on the future orientation on the organisational level of analysis within corporate sustainability has not been addressed sufficiently in previous literature. Yet, there is research available providing strong arguments on how the 'psychological distance' - temporal, social and geographical related to everyday experience on climate change can potentially affect reducing support for mitigating actions or even adaptive behaviour on an individual level (Lorenzoni & Pidgeon, 2006; Milfont, 2010; Newell, McDonald, Brewer & Hayes, 2014; Rayer and Malone, 1997; Swim et al. 2009; Weber, 2006, 2010 as cited in McDonald et al. 2015). Our intention is to apply the theoretical lens of psychological distance to the organizational level as well as to key sustainability topics in the forest industry.

### **Psychological distance**

The different time-frames of sustainability topics can have implications to the extent the intended goals and planned actions are treated as distant phenomena. Historically, the construct of psychological distance was used to measure to what degree objects or events are removed from the self (Trope & Liberman 2010). In this paper though, we propose that the construct of psychological distance to be relevant for the field of sustainability reporting; these are in their essence a physical appearance of communication strategies for addressing issues of sustainable development at organisations. Thus, the content provided in sustainability reports can be thought of a mirror of the perceived psychological distance between the organisation and issues of sustainable development.

Previous research distinguishes between four core categories that constitute psychological distance: hypothetical, temporal, spatial and social (e.g. Liberman, Trope & Stephan, 2007). Hypothetical distance refers to "the perceived certainty association with a future event" (McDonald et al. 2015, p. 112). Given the variety of sustainability topics, hypothetical distance might occur in many ways: As the article from McDonald, Chai and Newell (2015) showcased, related to the topic of climate change hypothetical distance might mirror the perceptions of an individual whether climate change is considered as a real threat to the survival of the planet. Next, on the example of climate change, temporal distance relates to the reflection of the degree of how far in the future - or in the past - the individual perceives climate change to occur. Applied to the organizational level, if an organisation perceives climate change to be effective in the distant future, then need for immediate action might be neglected. Third, spatial distance refers to the perceived geographic distance of impacts of particular sustainability challenge to take place. For instance, if an organisation perceives adverse impacts due to corporate sustainability topic such as climate change in geographically close areas, the effects might be underestimated, while the effects in geographically distant areas might be overestimated (Spence et al., 2012). Lastly, social distance alludes to the situation when negative impacts are perceived to either affect socially similar groups, people like 'us' or to affect 'them', groups that are dissimilar to oneself. (Liberman, Trope & Stephan, 2007). Depending on these perceived psychological distances, the organisational communication through corporate reporting to address sustainable development might play out in different ways. We propose that such research sheds light on the hidden inconsistencies in implementing sustainable development goals.

### **Dialogic accounting**

Dialogic accounting theorizes users of reported information as being various with different information needs and "seeks to enable them to assess accountability from diverse socio-political perspectives" (Brown and Dillard 2015). In the materiality assessment processes deciding upon the content of the report through participatory processes with inclusion of stakeholder views, there are potentially various and conflicting views that lead to ultimately different constructions of corporate sustainability (Brown, 2009; Brown and Dillard, 2013, Brown and Tregidga, 2017, Calabrese et al., 2016; Eccles and Youmans, 2016; Maniora, 2018; de Villiers et al., 2014). In a similar manner, the time-frames of different topics may be different depending on the different conceptions of time and the relevance to different stakeholders.

### **Purpose and methodology**

The aim of this research is to critically analyze through qualitative content analysis (Hsieh and Shannon 2005, Denzin and Lincoln, 1994; Gephart and Wolfe, 1989) how the language used in corporate sustainability reports and policy and other documents constructs different time-frames of selected material sustainability topics. Furthermore, we analyze how the temporal distance between 'now' and 'then' affects to the dynamics between the other dimensions of psychological distance spatial distance between 'here' and 'there' and social distance between 'us' and 'them'.

Empirically, we focus on the forest industry. We selected this industry due to the longer time-scales as opposed to the short-term thinking that is dominating other more fast-pace industries. Firstly, we analyse the topics that the leading Nordic forest companies world-wide have interpreted as being material and then we looked at how those topics are discussed in corporate reports and policy documents related to sustainable development and business impacts from the perspective of time-dimension. Then we discuss our findings through the lens of psychological distance (hypothetical, temporal, spatial, social) as well as evaluate the potential of those time frames to advance dialogic accounting practice.

### Empirical data

The data set consists of eight corporate sustainability reports (Stora Enso, BillerudKorsnäs, SCA, Södra, Holmen, Martinson's Trä, Sveaskog, Metsä Group) from forest industry as well as documents from four industry initiatives and NGOs (e.g. UN documents about sustainable development, Rainforest Alliance, GRI, Forest Stewardship Council). The eight sustainability reports are collected from Swedish and Finnish forest companies. Nordic countries are among the largest forestry and forest industries producing pulp, paper and wood products worldwide. Forests cover 70-80 percent of the land with majority of the forests being actively used in the forest industry. The development of the forestry and forest industry has been fairly similar and the amount of wood growing in the forest has more than doubled during the last century (Finnish Forest Association, 2019; Skogs Industrierna, 2019). However, the critique from environmental NGOs report a declination in biodiversity due to the intensive use of the forests (Greenpeace, 2019).

### Contributions

The preliminary findings indicate that the sustainability topics have multiple time-frames within the spectrum of either emphasizing the long-term thinking or urgency of the issue. In addition to intergenerational inequality the time-frames can create spatial and social inequality causing the adverse impacts to the marginal groups.

The article contributes to the growing literature on dialogic approaches in sustainability reporting by studying the time horizons used in sustainability reporting and the effect this have in bringing light the conflicting views related to these topics. Indeed, different time-frames, i.e. long-termism and short-termism, are (mis)used depending on the specific goal for sustainable development (biodiversity, etc.). Using the analytical lens of psychological distance, the study provides novel insights into how future orientation in sustainability reporting can be an indicator for spatial and social distances. This is insofar relevant as these distances have been found to offer explanatory value for organisational efforts towards the achievement of sustainable development. Lastly, the article offers a critical perspective on corporate sustainability talk (Slawinski and Bansal, 2015) by integrating the analysis of future orientation into corporate sustainability reporting research.

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## 4. CSR PERCEPTIONS

# Exploring Impact of Time of Exposure to CSR In-Process Experience on Satisfaction and Brand Equity

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### Abstract

#### Purpose

In process Corporate Social Responsibility (CSR) can contribute to ethical perception of the organization driving satisfaction and brand equity moderated by the duration of exposure to the CSR.

#### Design

To examine this research question, a quantitative research used the survey methodology of randomly selected customers from the list provided resulting in 208 respondents. To further explain the findings a qualitative study was conducted using the in-depth interview methodology.

#### Findings

There is support for difference between customers, who have different duration of exposure, in satisfaction and brand equity but not ethical perception. Also there is support for correlation between ethical perception and satisfaction as well as support for correlation between satisfaction and brand equity. However, there is no support for correlation between ethical perception and brand equity. In-depth interview revealed that ethical perception is a result of in process CSR within organization through work of employees. Respondents also explained that in addition to duration of exposure frequency should be explored in future studies.

#### Research limitations/implications

The findings from financial service requiring constant contact between the organization and its customers may not apply to other type of businesses.

#### Practical implications

Organizations often engage in philanthropic activities however, it is suggested that CSR activities should resonate with the needs and values of the customers.

#### Originality and Value

This paper explores the impact of duration of exposure to CSR on satisfaction and brand equity.

**Keywords:** In process CSR, Brand equity, Satisfaction, Ethical perception

**Paper Category:** Research Paper

## Structured Research Summary

### Background of the Study

Over the years Corporate Social Responsibility (CSR) has come to be considered as part of the value creation for companies providing long-term financial benefits (Bhattacharya and Sen, 2009; Piercy and Lane, 2009). It is envisioned that businesses should generate net positive contribution to society (Kim, Taylor, Kim, & Lee, 2015). It does so by creating meaningful delivery of relevant initiatives that resonate with the values of consumers (Bhattacharya and Sen, 2009). Sen and Bhattacharya (2001) explained that the relationship a consumer has with a company can be the result of identification through the CSR campaign. This is further explained by Du, Bhattacharya, and Sen (2007) that identification is hence defined as the intense psychological link aligning behavior of the consumers with the company objectives. According to Kristof (1996) consumers can relate to the company through shared values, personality and characteristics, common objectives, and satisfaction of individual needs.

Identification is thus the result of the perceived overlap between the values, traits, and characteristics (Bergami and Bagozzi, 2001). Consequently, it leads to the achievement of personal definition needs in individuals (Bhattacharya and Sen, 2003). Hence the relationship with the firm is reinforced as a consequence of congruence between personal goals and company objectives (Ashforth and Mael, 1989).

Du, Bhattacharya, and Sen (2007) explained that the involvement in what is defined as the process of enacting in the CSR programs affects the identification level with the organization. In response to the trend of CSR the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) encouraged listed companies to operate in accordance of best practices in good corporate governance (Rajanakorn, 2012). Hence using qualitative data from the existing business activities, SET broadly defined two types of CSR. The first is the in-process type, which integrates CSR into every process and activity that is conducted by the firm to make a profit. The second is after-process type, which is how the firm chooses to use the profit to benefit society (Srisuphaolarn, 2013). CSR in Thailand is usually after-process CSR associated to charitable acts and volunteerism (Prayukwong and Olsen, 2008), which is a fundamental Buddhist practice (Rajanakorn, 2012). However, there has no research that examines the impact of in-process CSR over time on satisfaction and brand equity.

### Literature Review

Carroll (1979) defined CSR as "The social responsibility of the business encompasses, the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time." In this definition Carroll defined four domains of CSR as the economic, legal, ethical, and discretionary or philanthropic. Later definitions of CSR have been developed. This includes the definition by Kotler and Lee (2005) as the "commitment to improve community well-being through discretionary business practices and contributions of corporate resources". While Bhattacharya, Korschun, and Sen (2009) defined CSR as the important part of the dialogue that goes on between the firm and its stakeholders.

CSR has come to be considered as an integral part of the value creation through the provision of long-term financial benefits (Bhattacharya and Sen, 2009; Piercy and Lane, 2009). CSR creates meaningful delivery of relevant initiatives that resonate with the values of consumers (Bhattacharya and Sen, 2009). Bhattacharya, Korschun, and Sen (2009) created a CSR model based on the benefits of functional, psychosocial, and values using the means end chain to explore the relationship marketing concepts. Du, Bhattacharya, and Sen (2007) explained that involvement in what is defined as the process of enacting in the CSR programs affects the identification with the organization. The impact of CSR perception is influenced by the congruence of the values of the consumer and the company's goals (Park, Kim, & Kwon, 2017).

Furthermore, Luo and Bhattacharya (2006) and Sen and Bhattacharya (2001) explained that CSR creates a favorable context improves the customer evaluations and consequent attitude towards the brand. Therefore, Luo and Bhattacharya (2006) posited that satisfaction mediated the effects of CSR on the market value of the firm using secondary data. Lai, Chiu, Yang and Pai (2010) found that the perception towards the firm's social responsibility activities had an impact on brand equity. This is reiterated in the study of Hur, Kim, and Wu (2014), which found that CSR has an impact on brand equity.

### Research Hypotheses

Mano and Oliver (1993) found that functional or utilitarian attributes and hedonic or relationship aspects had an impact on satisfaction. The authors explained that it is the result of the comparison from the expected standard and experience. Satisfaction includes the customer relations with the brand. In addition Crosby, Evans, & Cowles (1990) explained that satisfaction is derived from the experience and communication, which in this case can be explained by the in process CSR activity.

Lee, Huang, and Hsu (2007) explained that satisfaction creates bonds with the brand. From previous studies of Lai et al. (2010) and Hur et al. (2014), it is found that CSR activities that create ethical perception have an impact on brand equity. Lou and Bhattacharya (2006) also found that CSR initiatives further enhanced satisfaction. Sen and Bhattacharya (2001) found that CSR initiatives enhance the evaluation of the firm. Perez & Rodriguez del Bosque (2015) explained that satisfaction is increased when CSR activities demonstrate corporate equity through its actions. CSR perception has an effect on satisfaction and brand equity (Poolthong & Mandhachitara, 2009; Lou & Bhattacharya, 2006; Bloemer, Ruyter, & Peeters, 1998). CSR perceptions create a favorable evaluation for the company (Brown & Dacin, 1997). Therefore, the study makes the following proposition:

H1: There is a positive correlation between satisfaction and ethical perception.

H2: There is a positive correlation between ethical perception and brand equity.

H3: There is a positive correlation between satisfaction and brand equity.

H4: There is a difference between those who have spent different length of time for experiencing the in process CSR.

H4A: There is a difference in ethical perception between those who have less than one year of experience and those who have more than one-year experience.

H4B: There is a difference in satisfaction between those who have less than one year of experience and those who have more than one-year experience.

H4C: There is a difference in brand equity between those who have less than one year of experience and those who have more than one-year experience.

### Research Methodology

The research was conducted on customers defined by a financial service organization, wherein the ethical perception is important (Fatma, Rahman, & Khan, 2015; Perez & Rodriguez del Bosque, 2015; Lai et al., 2010). Previous research by Perez & Rodriguez del Bosque (2015) indicated that different types of banks might garner different consumer behavior. The researchers suggested that commercial banks and banks operated by governments for specific financial functions such as savings or refinancing might elicit differences from consumers. Thus, this study examines a bank developed by the government to assist in refinancing bad loans. The items were rated on a 5-point Likert scale. The items ethical perceptions have been developed from Kim, Taylor, Kim, and Lee (2015). The brand equity items were developed from Holehonnur, Raymond, Hopkins, and Fine (2009). The satisfaction was developed from the requirements of the organization used in the study.

The organization used in the study pursues the in-process type of CSR. Therefore, the ethical perception is a part of the service provided. The sampling design is a simple random drawn from the list provided by the organization resulting in 208 respondents.

### Research Findings

The respondents were 41.5% male and 58.5% female ranging in age from 40 – 50 years (68.3%). The respondents can be classified as those having less than 1 year experience using the organization's service (44.4%) while the rest had 1 – 5 years experience.

### Summary of Hypotheses Testing

Hypothesis	Results
H1: There is a positive correlation between satisfaction and ethical perception.	Supported Pearson Correlation .466
H2: There is a positive correlation between ethical perception and brand equity.	Not Supported Pearson Correlation
H3: There is a positive correlation between satisfaction and brand equity.	Supported Pearson Correlation .442
H4A: There is a difference in ethical perception between those who have less than one year of experience and those who have more than one-year experience.	Not Supported F-Value 1.267
H4B: There is a difference in satisfaction between those who have less than one year of experience and those who have more than one-year experience.	Supported F-Value 17.67
H4C: There is a difference in brand equity between those who have less than one year of experience and those who have more than one-year experience.	Supported F-Value 9.903

Ethical perception is not different between the groups with different exposure duration (less than 1 year and more than 1 year). However, difference is significant in satisfaction and brand equity. Ethical perception does not have correlation with brand equity. Satisfaction is correlated with ethical perception and brand equity.

With two of the hypotheses not being supported, the researcher decided to conduct a qualitative study to better explain the findings. The aim is to explore what confounding factors, which were not addressed in the quantitative study, may have affected the model.

The respondents were randomly selected from the list provided by the organization in the same way the respondents were drawn for the quantitative study. A total of 5 respondents were interviewed using the in-depth interview due to the sensitive nature of loan refinancing. Based on convergent interviewing the selection of new respondents stopped once there was no new addition to the information derived from the respondents (Rao & Perry, 2003).

The respondents explained that ethical perception is a result of the in process CSR within organization operations protocol. The main channel of communicating CSR activities and organizations' values is employees. Respondents explained that the in process CSR was evident in the way the employees provide assistance and facilitated the process for refinancing. They felt that this was inherent in the mission and values of the organization. However, as for other CSR activities they felt that it should be aligned with what they valued. This included knowledge sharing about managing finances, helping the children of those who have financial problems, and contributing to the community.

In terms of duration of exposure to organization CSR, the respondents said since it was in process and part of the organizations mission, therefore the ethical perception did not differ. However, they explained that the frequency of contact especially during the initial stages of the relationship with the organization played an important role in the ethical perception. Also it is found that the differences in satisfaction were derived from results of the solution in conjunction with the trust derived from ethical perception. Therefore, it took time to affect the satisfaction level thus the differences seen between the groups of those who had different levels of experience.

### Theoretical and Managerial Contributions

There are factors that have been identified including ethical perception derived from congruence with consumers' needs and values. This leads to trust which consequently drives satisfaction, taking time of exposure and frequency. Ethical perception on its own is not sufficient to create brand equity. However, it has a moderating effect because of the difference in the satisfaction observed. It is posited that the stronger the ethical activity is related to the consumers' needs and values it would lead to stronger brand equity. Satisfaction leads to brand equity, however it might differ based on industry. Other researchers have identified similar factors but few have explored the aspect of frequency of exposure and duration of exposure.

In terms of managerial contribution, it recommended that businesses should implement CSR activities that resonate with the needs and values of the customers. This is beyond merely engaging in philanthropic activities as traditionally done in the Thai market. For instance the financial organization examined conducts knowledge sharing and caring for the community that is in line with the needs of the customers. Also it engages in supporting education, which is in line with the values of consumers.

### Limitations and Recommendations for Future Research

The nature of the service wherein there is constant contact between the organization and its customers may not apply to other type of businesses. Therefore examination of the frequency of contacts as another factor that impacts evaluation of ethical perception and consequently the brand equity.

The results of the in-depth interview suggested that frequency and period of exposure to the ethical perception has an impact on ethical perception, satisfaction, and brand equity. In addition congruency of consumers' values with CSR activities and affects of trust needs to be further explored within the context of this model. Future studies may build on the use of Structural Equation Modeling (SEM) used to explain similar models by researchers such as Park, Kim, & Kwon, 2017 and Perez & Rodriguez del Bosque (2015).

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# Do Consumers Perceive CSR Communication Differently Across Countries? Insights from a Four-Country Comparison

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## Abstract

### Purpose

The purpose of this article is twofold: First, this paper examines whether Germans, compared with US-Americans, Australians and Chinese, assign different credibility scores and attribute different motives to a company's CSR communication. Second, the article seeks to investigate whether the different levels of credibility perception can be explained by the different motives attributed to CSR communication.

### Method

To test the differences in consumer perceptions, three studies were conducted using cause-related marketing campaigns as a specific form of CSR communication.

### Findings

The findings reveal that US-Americans, Australians and Chinese assign a higher degree of credibility to CSR communication than Germans. Furthermore, US-Americans and Chinese attribute other-centered motives more strongly to CSR communication than Germans. In contrast, no significant differences between Germans and Australians were found regarding motive attribution. Furthermore, the results confirm the role of motive attribution as a mediator of the relationship between nationality and credibility perception.

### Originality

By focusing on consumers' perceptions of CSR communication across different countries, this study contributes to comparative CSR literature and offers recommendations for companies operating in an international context.

### Limitations

The present study focused on cause-related marketing campaigns as an example for CSR communication and on four specific countries. The Australian sample was very small compared with the German sample. The impact of possible moderating variable was neglected.

**Track:** Cause related marketing and other communication practices to consumers

**Keywords:** Credibility, CSR, Motives

## Structured Research Summary

### Introduction

A large body of literature dealing with the topic of CSR has evolved in marketing research over recent years. Within this research stream, several studies place the emphasis on CSR communication and its impact on consumers (e.g., Schmeltz, 2012; Lauritsen and Perks, 2015). There is empirical evidence that CSR communication can exert a positive influence on consumer behavior (Du et al, 2007, 2010). In this regard, credibility has turned out to be a critical success factor of CSR communication. If consumers question the credibility of a company's CSR communication and if they have the impression that a company follows its own egoistic interest instead of having a true desire to contribute to society, CSR communication does not have a positive influence on them (Yoon et al., 2006; Jahdi and Acikdilli, 2009).

While the importance of the credibility of CSR communication is known, there is little empirical evidence with regard to national differences in the perception of CSR communication. The majority of the existing studies focus on a single country, specifically on a Western country, such as the United Kingdom or the United States of America (e.g., Lauritsen and Perks, 2015). However, we argue that, as a result of a country's different political and cultural history, a company's CSR communication is perceived differently depending on the country the consumers belong to. Based on the few existing comparative CSR studies considering differences among countries (e.g., Maignan, 2001; Mueller Loose and Remaud, 2013), we further argue that there are differences between Western and Eastern countries, but, that there are, due to the differences in terms of their political and cultural background, differences between Western countries as well.

Against this background, this paper seeks to identify differences in the perception of CSR communication between Germany, the US and Australia, as representative countries of the Western world, and China, as a representative country of the Eastern world. More specifically, the paper examines whether Germans, compared with US-Americans, Australians and Chinese, assign different credibility scores and attribute different motives to a company's CSR communication and whether the different levels of credibility perception can be explained by the different motives attributed to CSR communication.

### Theoretical Assumptions

We define credibility as the degree to which the consumer perceives the CSR communication of a company to be truthful and believable (Eberle et al., 2013). Given the stronger societal engagement of the German government compared with the US government, CSR practices of businesses are not considered equally important in Germany than in the US (Fifka, 2013). As a consequence, Germans tend to question the credibility of such business practices more than US-Americans. Therefore, we hypothesize:

*H1a: US-Americans assign a higher degree of credibility to CSR communication than Germans.*

We argue that Australia is somewhere between Germany and US when it comes to CSR activities and consumer reactions. The government does not play such an important role compared to Germany, but it has a more powerful role compared to the US (Chen and Bouvain, 2009). Similarly to the US, Australian consumers have very high CSR expectations of businesses (Pomering and Dolnicar, 2009). Thus, we hypothesize:

*H1b: Australians assign a higher degree of credibility to CSR communication than Germans.*

Consumers' awareness of CSR is less pronounced in China than in Germany. This leads, in turn, to a comparatively lower level of CSR sensitivity of Chinese consumers (Tian et al., 2011). Additionally, there is empirical evidence that a high level of CSR involvement is related to a high level of CSR skepticism and, hence, a lower level of trust in CSR activities (Bögel, 2015). Taken this together, we hypothesize:

*H1c: Chinese assign a higher degree of credibility to CSR communication than Germans.*

Drawing on the attribution theory framework created by Heider (1944) and on the distinction made by Ellen et al. (2006), we differentiate between two corporate motives consumers attribute to CSR activities of companies. Other-centered motives (intrinsic motives) relate to the attribution of altruistic intentions from inside the actor, whereas self-centered motives (extrinsic motives) refer to attributions to external circumstances and a selfish goal pursued by the actor. Germans are highly skeptical towards CSR practices and want the credibility of a company's CSR information to be confirmed by others. This led us to assume that Germans tend to perceive self-centered motives behind a company's CSR activity. By contrast, as a result of the lesser role of government with regard to societal involvement in the US, we assume that US-Americans are likely to infer a true societal consciousness by a company's CSR engagement. Thus, we hypothesize:

*H2a\_a: US-Americans attribute other-centered motives more strongly than Germans.*

*H2a\_b: Germans attribute self-centered motives more strongly than US-Americans.*

Referring to our argumentation regarding CSR in Australia, we also hypothesize:

*H2b\_a: Australians attribute other-centered motives more strongly than Germans.*

*H2b\_b: Germans attribute self-centered motives more strongly than Australians.*

In contrast to German consumers and due to their high level of trust and favorable opinion of companies, Chinese consumers are likely to attribute other-centered motives to a company's CSR practices (Bonini et al., 2007). Thus, we hypothesize:

*H2c\_a: Chinese attribute other-centered motives more strongly than Germans.*

*H2c\_b: Germans attribute self-centered motives more strongly than Chinese.*

Furthermore, studies suggest that the attribution of other-centered motives lead to a higher degree of CSR communication credibility than self-centered motives (Bigné-Alcañiz et al., 2009). This finding, together with the assumed influence of nationality on the attribution of specific motives, leads to the following hypothesis:

*H3: The motives attributed to the company's CSR engagement mediate the relationship between "Nationality" and "CSR Communication Credibility".*

## **Methodology & Results**

To test the hypotheses, we conducted three studies. In every study, a cause-related marketing (CRM) campaign as a specific form of CSR communication was used.

### **Study 1 (Germany vs. US):**

We conducted an online survey with students in Germany and in the US, resulting in a sample size of 169 students (Germans:  $n = 111$ , 79 % female; US-Americans:  $n = 58$ , 63 % female). To test our hypotheses, we chose a CRM campaign of the dog food producer Pedigree. Participants were randomly assigned, either to a CRM campaign with a high fit between the mission of the cause and the company's core business (the donation is for a dog shelter) or a low fit (the donation is for rain forest protection). We included the different levels of company-cause fit drawing on Ellen et al. (2006), in order to identify whether differences in the credibility perception can also be traced back to the level of fit. We drew on the scales developed by Obermiller and Spangenberg (1998) to assess perceived CRM campaign credibility. Motive attribution has been measured by drawing on Ellen et al.'s (2006) differentiation between egoistic motives, stakeholder-driven motives, strategic motives, and altruistic motives. The former two motives relate to self-centered, extrinsic motives, the latter one refers to other-centered, intrinsic motives. We do not consider the strategic motives, because they are neither clearly extrinsic nor intrinsic motives. A seven-point Likert scale from 1 = disagree strongly to 7 = agree strongly was used.

We analyzed the data according to a 2 (nationality: German vs. US-American)  $\times$  2 (company-cause fit: high vs. low) between-subjects design. The results show that US-Americans assign a higher level of credibility to the CRM campaign than Germans (MUS= 4.49; MGermans = 4.14,  $F(1,136) = 4.05$ ,  $p < .05$ ). Furthermore, US-Americans attribute altruistic motives, which relate to other-centered motives, more strongly to the CRM campaign than Germans (MUS = 5.29; MD = 3.73,  $F(1,151) = 65.31$ ,  $p < .001$ ). In contrast, Germans assign more self-centered motives (egoistic and stakeholder-driven motives) to the CRM campaign than US-Americans (Megoist\_US = 4.46; Megoist\_D = 5.41,  $F(1,153) = 40.04$ ,  $p < .001$ ; Mstakeh\_US = 4.34; Mstakeh\_D = 5.17,  $F(1,154) = 46.74$ ,  $p < .001$ ). Overall, hypotheses H1a, H2a\_a and 2a\_b are supported.

### **Study 2 (Germany vs. Australia):**

In our second study, we had a sample size of 150 students (Germans:  $n = 118$ , 60 % female; Australians:  $n = 32$ , 69 % female). CRM campaigns of two fictitious companies were shown to the participants. Participants were randomly assigned, either to a CRM campaign with a high fit between CRM and the company's core business (the company is a milk producer) or a low fit (the company is a cigarette producer). The questionnaire and the measurements were similarly to Study 1. However, instead of using different variables, we drew on the scale developed by Becker-Olsen and Hill (2006), and we considered only one single variable for motive attribution. Hereby, semantic differentials representing bipolar items with self-centered motives on the left, and other-centered motives on the right, were used.

We analyzed the data according to a 2 (nationality: German vs. Australian)  $\times$  2 (CRM-product fit: high vs. low) between-subjects design. The results show that Australians assign a higher level of credibility to the CRM campaign than Germans (MAUS= 4.41; MGermans = 4.04,  $F(1,148) = 4.37$ ,  $p < .05$ ). Hence, hypothesis H1b is supported. However, there is no empirical support for the hypotheses 2b\_a, 2b\_b and H3: no significant differences in motive attribution ( $F(1,148) = 2.03$ ,  $p > .1$ ) between Germans and Australians were found, and, thus, also no mediation effect.

### **Study 3 (Germany vs. China):**

In our third study, we had a sample size of 189 students (Germans:  $n = 98$ , 84 % female; Han-Chinese: 91, 54 % female). In this study, we considered a CRM campaign of the fashion clothing company Hennes & Mauritz (H&M). The questionnaire and the measurements were similarly to the other studies. However, we refrained from considering different levels of fit.

A series of t-tests reveal that Chinese assign a higher level of credibility to the CRM campaign than Germans (MChinese = 4.38; MGermans = 3.17,  $t(168) = -9.846$ ,  $p < .001$ ), which gives support to hypothesis 1c. There is also empirical support for the hypotheses 2c\_a and 2c\_b: Chinese attribute other-centered motives more strongly to the CRM campaign (MMotiveAttribution\_Chinese = 4.68), whereas Germans assign more self-centered motives to the CRM campaign (MMotiveAttribution\_Germans = 3.11;  $t(178) = -10.9$ ,  $p < .001$ ). The results also support hypothesis 3: the relationship between nationality and credibility of the CRM campaign reduces from 0.782 to 0.321 when motive attribution is included. As the relationship remains significant ( $p < .05$ ), motive attribution exerts a partial mediating effect on this relationship.

### **Conclusion**

The findings reveal that there are not only differences between Western and Eastern countries, but also between Western countries. US-Americans, Australians and Chinese assign a higher degree of credibility to CSR communication than Germans. Furthermore, US-Americans and Chinese attribute other-centered motives more strongly to CSR communication than Germans. In addition, the results of Study 3 disclose that motive attribution has a partially mediating effect on the relationship between nationality and perceived credibility of CSR communication. However, we found no significant differences between Germans and Australians in motive attribution.

The contribution of this paper is threefold: First, given the outlined research gap, this paper answers the call to move towards comparative CSR studies by considering differences in the perception of CSR communication across nationalities. Second, this paper contributes to comparative CSR and attribution theory literature by providing empirical evidence that different levels of perceived CSR communication credibility occur through different motives that people from different countries attribute to a company's CSR communication. Third, this paper may hold practical implications for devising CSR communication strategies in the growing number of multinational companies. Given the differences found across nationalities, managers are well advised to apply a culture-specific CSR communication.

This research is not without limitations. First, we tested consumers' perceptions of CSR communication using cause-related marketing campaigns. To validate the results, future studies should test the hypotheses using other types of CSR communication. Second, we focused on Germany, the US and Australia as representative countries of the Western world and on China as a representative country of the Eastern world. Consequently, we encourage research to validate the results considering other countries. Third, the Australian sample was too small compared with the sample with German consumers. Hence, the results of Study 2 have to be interpreted with caution as the sample sizes were not comparable. Future research should seek to replicate this study with comparable sample sizes. Fourth, we neglected to consider moderating variables in our model, although they might have an impact on the influence of nationality on perceived credibility of CSR communication and motive attribution.

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# Consumers' evaluations of CSR advertising: The role of three executional elements

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## Structured Research Summary

Companies increasingly communicate about their corporate social responsibility (CSR) activities, which exemplify their “commitment to minimizing or eliminating any harmful effects and maximizing [their] long-run beneficial impact on society” (Mohr, et al. 2001, p. 47). A key motivator for such communication efforts is that consumers demand to know more about companies' CSR activities (Cone Communications and Ebiquty 2015). At the same time, consumers tend to be skeptical toward companies' CSR claims (Leonidou and Skarmeas, 2017). Many consumers consider that companies engage in CSR communication mainly for self-serving reasons—a practice often referred to as *greenwashing* (Parguel et al. 2011). In the broad context of consumer skepticism, finding ways to enhance the credibility of CSR communication is thus a question of critical importance for companies making genuine CSR efforts.

Literature highlights an array of factors that companies can leverage to increase the credibility of their CSR communication (Du et al. 2010) including content-specific factors (e.g., the congruence between CSR issues and the company's core business), company-specific factors (e.g., reputation), and consumer-specific factors (e.g., CSR support). However, prior research has seldom examined the ways in which executional elements of CSR messages might affect credibility perceptions and consumer responses toward the brand (for an exception, see Parguel et al. 2015).

This research investigates, across three experimental studies, whether and how (1) the presence (*vs* absence) of an ethical label in a CSR advertisement, and (2) the use of specific (*vs* vague) claims in a CSR advertisement, affect consumer evaluations of the ad and the brand, as well as their perceptions of greenwashing. We also investigate the role of three potential moderators of ethical label effects: the company's prior CSR record (Study 1); the consumers' dispositional skepticism (Study 2) and the consumers' perception about the brand warmth and competence (Study 3).

### Study 1

As consumers often don't have the expertise or ability to verify CSR claims, message endorsement and/or seals of approval by expert third parties may enhance the credibility of CSR messages (Carpenter and Larceneux 2008; Ottman et al. 2006). Ethical labels are believed to be an effective means to influence consumer attitudes and product choice (Hoek et al. 2013; Thøgersen 2010; Vanclay et al. 2011), if consumers notice the label and understand its meaning (Thøgersen 2000). Yet, the current proliferation of third-party and company self-declared labels causes confusion in consumers' mind (D'Souza 2004). Furthermore, consumers often have difficulties understanding what these labels intend to communicate; uncertainty about the meaning of a label is often accompanied by mistrust (Thøgersen 2002).

The perceived believability of an advertisement bearing a seal of approval is generally higher than that of an advertisement without any seals (Beltramini and Stafford 1993; Miyazaki and Krishnamurty 2002). This increased believability of the ad might be explained by consumers' beliefs that labels provide them with some insurance that the claims made have been verified. In the context of CSR communication, consumers might perceive ethical labels as a means to verify the CSR claims and accordingly perceive CSR ads with ethical labels to be more believable and truthful. According to Carpenter and Larceneux (2008), however, the capacity of a label to generate positive associations largely depends on its perceived credibility, which in turn depends on the credibility of its source. Most consumers expect more credible information to come from third-party sources, and tend to be critical and skeptical of messages from company-controlled sources (Mohr et al. 2001; Obermiller and Spangenberg 2000). Thus, all else equal, a third-party ethical label in an ad should be more effective than a company self-declared ethical label in terms of enhancing consumer perceptions of ad credibility.

In addition to perceptions of ad credibility, it would be worthwhile to examine whether the presence and type of ethical label used in an ad might affect consumers' perceptions of greenwashing. While some research endeavors have tried to identify the drivers of companies' greenwashing activities (Delmas and Burbano 2011) and the conditions necessary for it to be successful (Pope and Waeraas, 2016), or investigate consumer responses to companies' greenwashing behaviors (e.g., Chen and Chang 2013; Parguel *et al.* 2011), existing literature provides little information about the factors that influence consumers' own perceptions of greenwashing. Considering that greenwashing entails the idea that a company misleads consumers about its socially responsible character and/or the properties of its advertised product, factors that enhance the perceived credibility of a CSR communication, such as the presence of a third-party ethical label, are also likely to lower consumers' perceptions of greenwashing. However, the relationship between perceived ad credibility and perceived greenwashing has never been empirically tested. Accordingly, we expect that the presence (versus absence) of a third-party ethical label in an ad would lower consumers' greenwashing perceptions.

The ability of ethical labels to enhance ad credibility and reduce greenwashing perceptions may vary depending on company-specific and consumer-specific factors. A company's existing or prior CSR record, in particular, is likely to be perceived by consumers as a particularly diagnostic cue for evaluating its CSR communication (Du et al. 2010). A company's prior CSR record is a specific aspect of the company's reputation (Brammer and Pavelin 2006), defined as "collective representation of a firm's past actions and results that describes the firm's ability to deliver valued outcomes to multiple stakeholders" (Gardberg and Fombrun 2002, p. 304). Prior CSR record may serve as a pre-existing schema upon which consumer can rely to interpret new information they receive about the company (Fombrun and Shanley 1990), and its CSR activities.

According to research on person perception and information integration, an impression is often disproportionately influenced by negative information (Leyens and Yzerbyt 1992); and this negativity effect is particularly strong in the domain of morality or ethicality (Martijn et al. 1992). When a company with a negative CSR record communicates about its (positive) CSR activities, it is likely to generate perceptions of corporate hypocrisy (Wagner et al. 2009) and consumers might consider the negative information (i.e., a negative CSR record) about the company more diagnostic and discount the positive CSR information. In this case, it is unlikely that the presence of ethical labels, whether a third-party label or company self-declared label, will be sufficient to counter consumers' initial negative perceptions and reactions. On the other hand, when a company with a positive CSR record communicates about its CSR activities, consumers do not confront inconsistent information. The presence of ethical labels, in this case, might come to reinforce the credibility of the claim made. As a company's CSR record shapes consumers' expectations about how the company will behave in the future with respect to social and ethical matters, even company self-declared labels might be perceived positively by consumers for a company with a positive CSR record. Accordingly, we formulate the following hypothesis:

**H1:** *The presence of an ethical label (third-party or self-declared) in a CSR advertisement is likely to (a) increase ad credibility, and (b) decrease greenwashing perceptions for companies with a positive CSR record, but not for companies with a negative CSR record.*

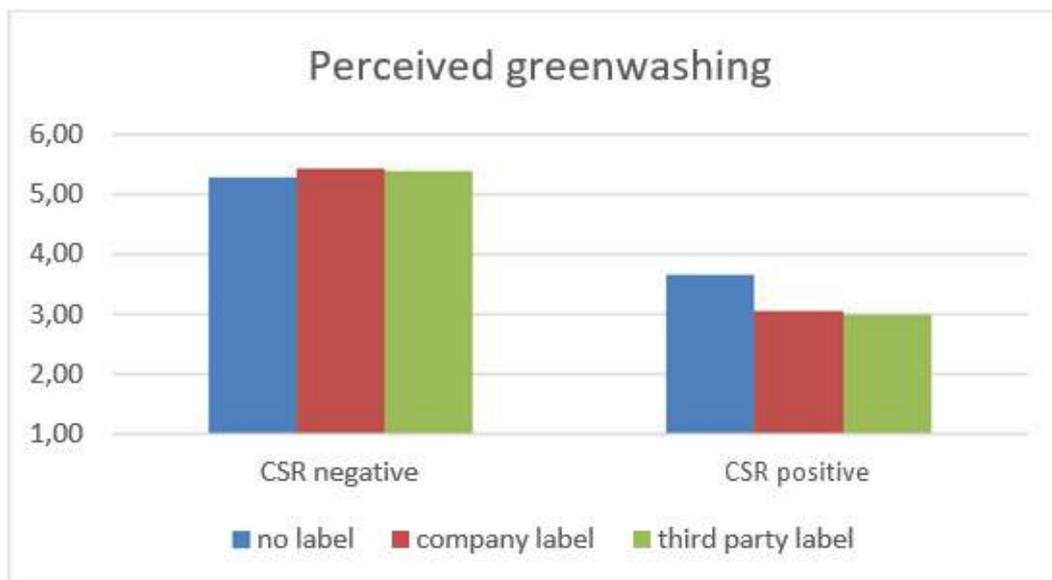
To test H1, we employed a 2 (CSR record: positive vs. negative) x 3 (no label, company label, third-party label) x 2 (product category: cotton swab vs. chocolate) factorial between-subjects experimental design. 360 respondents participated in the study, and were randomly assigned to one of the experimental conditions. Respondents first read about a fictitious brand and information about its CSR record that was either positive or negative. Afterwards, they viewed a product advertisement describing the use of fair trade ingredients. The ad has three conditions: no fair trade label, a company fair trade label, and an official, third-party fair trade label. In addition, we developed stimuli for two product categories. Depending on the experimental condition, respondents either saw an advertisement for cotton swab or for chocolate.

After seeing the ad, participants completed items measuring perceived greenwashing, ad credibility, and perceived CSR reputation on 7-point scales. Greenwashing perceptions are measured by seven items (sample items: "this ad misleads the consumer about the fair trade features of the product," and "the ad makes a fair trade claim that is vague or seemingly un-provable," adapted from Parguel et al. 2011). We also use one item pertaining to the perceived verifiability of the claim made (i.e., "the claims made in the ad can be verified even by a non-expert consumer") as an indicator of ad credibility (see Jain and Posavac, 2001). Since we did not find any specific effects linked to the product category considered, below we report results based on data from both product categories combined.

Regarding label manipulation, 5 respondents stated that they have seen a label in the no label condition, and 54 stated that they did not see the label in the two Label conditions. Thus we deleted these 59 respondents from our sample, resulting in a sample of 301. All other manipulations were successful.

As illustrated in figure 1, CSR condition has a significant main effect on perceived greenwashing ( $F=240.90$ ,  $p<.01$ ), and that there is a significant interaction between Label and CSR condition ( $F=3.40$ ,  $p<.05$ ). When in negative CSR condition, perceived greenwashing is 5.36; in positive CSR condition, perceived greenwashing is 3.23. There is no main effect of label on perceived greenwashing ( $F=1.40$ , NS).

Figure 1. Roles of ethical labels and prior CSR record on perceived greenwashing

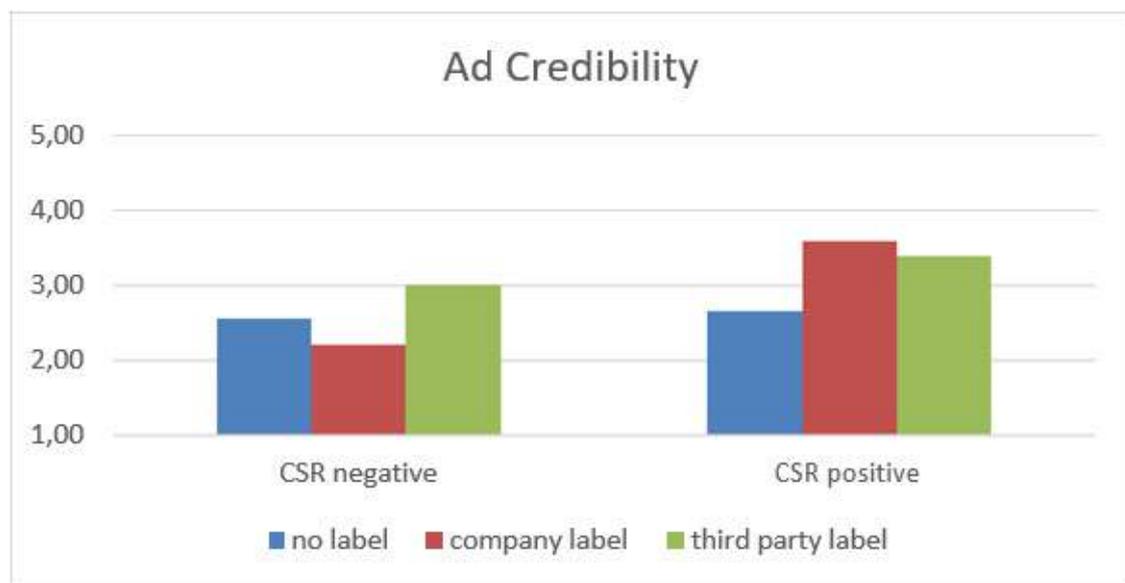


Further, for negative CSR condition, there is no difference in perceived greenwashing across the three Label conditions. For the positive CSR condition, perceived greenwashing is significantly lower in both company label (mean GW=3.05) and third-party label (mean GW=2.99) as compared to no label condition (mean GW=3.64,  $p<.05$ ). There is no difference in perceived greenwashing between the company label and third-party label. Taken together, these results suggest that, when the prior CSR record is negative, neither company ethical label nor third-party ethical label could reduce greenwashing perceptions. However, when the prior CSR record is positive, both company ethical label and third-party label are equally effective in reducing greenwashing perceptions.

ANOVA with ad credibility as DV (see figure 2) shows that label has a main effect ( $F=3.35, p<.05$ ), that CSR condition has a significant effect ( $F=10.29, p<.01$ ), and that there is a significant Label X CSR interaction ( $F=3.79, p<.05$ ). Ad credibility is higher in third-party label condition (mean=3.20) relative to no label condition (mean=2.61,  $p<.01$ ). Ad credibility is 2.59 in the negative CSR condition, but is significantly higher (mean=3.22) in the positive CSR condition ( $p<.01$ ).

Furthermore, in the negative CSR condition, ad credibility is higher in third-party label condition (mean=3.00) as compared to the company label condition (mean=2.21,  $p<.05$ ). In the positive CSR condition, ad credibility is higher in both company label and third-party label condition (mean=3.60 and 3.39, respectively) as compared to no label condition (mean=2.66,  $p<.05$ ). This result is very interesting, suggesting that, in the negative CSR condition, only a third-party ethical label could enhance perceived ad credibility, whereas in the positive CSR condition, both company label and third-party label could enhance perceptions of ad credibility. Taken together, H1 is largely supported.

Figure 2. Roles of ethical labels and prior CSR record on ad credibility



## Study 2

Some consumer-specific factors, such as their dispositional skepticism, will likely affect the extent to which labels can increase the effectiveness of CSR communication. Dispositional skepticism is a personality trait that predisposes people to generally distrust or disbelieve various forms of corporate communication (Obermiller and Spangenberg 1998), and is, in part, the result of consumers' past experiences with and understanding of marketers' persuasive tactics (Boush et al. 1994; Obermiller and Spangenberg 2000). Such dispositional skepticism has been shown to affect ad effectiveness. Specifically, highly skeptical consumers are more likely to resist misleading ads, are more aware of the persuasive nature of ads, and more critical in processing ad messages (Obermiller et al. 2005). In their investigation of the skeptical green consumer, Matthes and Wonneberger (2014) have found a significant positive relationship between consumers' general ad skepticism and skepticism toward green ads. These findings suggest that highly skeptical consumers will generally tend to perceive CSR advertisements as less credible than less skeptical consumers.

Furthermore, ethical labels may not play an important role in convincing less skeptical consumers about the CSR claims made in an advertisement; these consumers are less skeptical, therefore the presence of a label might not affect their ad credibility perceptions. In contrast, as highly skeptical consumers examine the claims made in advertisements in a critical way and do not accept them at face value (Mangleburg and Bristol 1998), ethical labels, particularly third-party labels, likely play an important role in convincing skeptical consumers about the truthfulness and verifiability of the CSR claims.

Previous research suggests that when consumers perceive an advertisement as credible, they are more likely to react positively to the ad and hold positive attitudes toward the brand (Cotte et al. 2005; MacKenzie and Lutz 1989). Therefore, we expect that the presence of an ethical label will have the similar differential effects on highly skeptical versus less skeptical consumers, in terms of their reactions to the ad and the brand. Thus, we formulate the following hypothesis:

**H2:** *For highly skeptical consumers, a CSR advertisement with an ethical label, as compared to one without an ethical label, will (a) have greater perceived ad credibility, and (b) generate more favorable responses toward the ad and the brand; for less skeptical consumers, CSR advertisements with or without an ethical label are likely to have similar perceived ad credibility, and generate similar responses toward the ad and the brand.*

**H3:** *Perceived ad credibility mediates the joint effects of ethical label and skepticism on consumer responses toward the ad and the brand.*

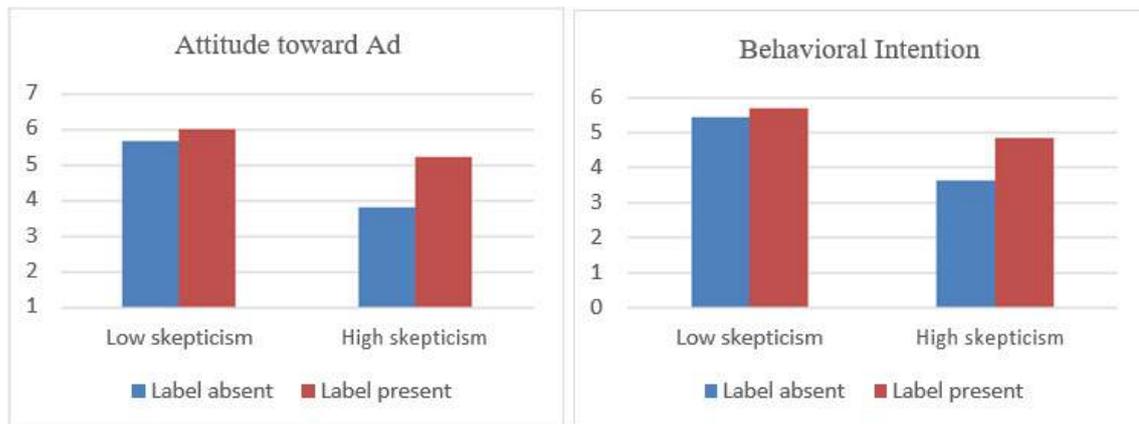
We ran a second study with a 2 (third-party label vs. no label) x 2 (skepticism: high vs. low) x 2 (product category: chocolate and paper towel) factorial between-subjects experimental design. Since we did not find any category specific results, we lump the data together across the product categories and present the results based on the combined data. 154 respondents participated in the study. Participants were recruited through emails sent by a graduate master's student at a large European university to members of his social networks and invited to participate in our online survey. All participants were randomly assigned to one of the experimental conditions.

Respondents viewed a product advertisement that describes its use of organic ingredients and environmental stewardship. The ad either has no label or a third-party label (EcoCert). After seeing the ad, participants completed items measuring ad attitude (4 items, MacKenzie and Lutz 1989); behavioral intentions (5 items, Zeithaml et al. 1996); message credibility (7 items, adapted from Boyer 2010 and MacKenzie and Lutz 1989) and perceived CSR reputation (3 items, Wagner et al. 2009). Consumer dispositional skepticism was measured using four items ("I often doubt about the truthfulness of promotions"; "I tend not to believe the promise made in the ad promotion"; "I am not convinced by the merits praised by promotions about a product/service"; "In general, promotions lie"; inspired by Obermiller and Spangenberg 1998) and split into high vs. low conditions based on the median split of skepticism.

We ran full factorial ANOVA with label and skepticism as the independent variables and message credibility, attitude toward the ad, perceived CSR reputation, and behavioral intentions as the dependent variables. For message credibility, presence of label has a positive effect ( $F=31.26$ ,  $p<.01$ ). Skepticism has a negative main effect ( $F=14.45$ ,  $p<.01$ ). The expected Label X skepticism interaction effect is significant ( $F=14.53$ ,  $p<.01$ ). Label increases message credibility for consumers with high skepticism ( $Mean_{no\ label}=3.87$ ,  $Mean_{label}=5.49$ ,  $p<.01$ ), but not for consumers with low skepticism ( $Mean_{no\ label}=5.18$ ,  $Mean_{label}=5.48$ , NS).

For attitude toward the ad, as shown in figure 3, presence of label has a positive effect ( $F=24.57$ ,  $p<.01$ ), skepticism has a negative main effect ( $F=55.97$ ,  $p<.01$ ). The expected Label X skepticism interaction is highly significant ( $F=9.35$ ,  $p<.01$ ). When skepticism is low, label does not affect attitude toward the ad (Mean<sub>label</sub>=5.67, Mean<sub>label</sub>=6.01, NS); however, when skepticism is high, presence of label significantly increases attitude toward the ad (Mean<sub>label</sub>=3.81, Mean<sub>label</sub>=5.23,  $p<.01$ ).

Figure 3. Roles of ethical labels and dispositional skepticism on ad attitude and behavioral intention



For behavioral intentions (see figure 3), label has a positive effect ( $F=16.52$ ,  $p<.01$ ), skepticism has a negative effect ( $F=53.27$ ,  $p<.01$ ). The label X skepticism interaction effect is significant ( $F=6.68$ ,  $p<.01$ ). Label increases behavioral intentions among consumers with high dispositional skepticism (Mean<sub>label</sub>=3.61, Mean<sub>label</sub>=4.83,  $p<.01$ ), but not for consumers with low dispositional skepticism (Mean<sub>label</sub>=5.42, Mean<sub>label</sub>=5.69, NS).

For perceived CSR reputation of the brand, label has a positive effect ( $F=26.78$ ,  $p<.01$ ), skepticism has a negative effect ( $F=9.56$ ,  $p<.01$ ). The label X skepticism interaction is significant ( $F=11.77$ ,  $p<.01$ ). Label increases perceived CSR reputation for consumers with high dispositional skepticism (Mean<sub>label</sub>=4.07, Mean<sub>label</sub>=5.59,  $p<.01$ ), but not for consumers with low dispositional skepticism (Mean<sub>label</sub>=5.22, Mean<sub>label</sub>=5.53, NS). Thus, we get full support for H2.

To test H3 pertaining to the mediating role of message credibility in the joint effects of ethical label and skepticism on consumer responses toward the ad and the brand, we ran several regression models. First, regression analysis with label, skepticism and labelXskepticism as the predictors of attitude toward ad, behavioral intention, and perceived CSR reputation, respectively, shows that labelXskepticism is highly significant in predicting all these three outcomes (all  $p<.01$ ). Second, when message credibility is included in the regression models, the coefficient of message credibility is significant, yet the interaction between label and skepticism ceases to be significant. Specifically, when regressing attitude toward ad on label, skepticism, labelXskepticism, and message credibility, the coefficient of message credibility is highly significant ( $b=.72$ ,  $p<.01$ ) but the coefficient of labelXskepticism is no longer significant ( $b=.13$ ,  $p=.62$ ). When regressing behavioral intention on the same four variables, the coefficient of message credibility is significant ( $b=.74$ ,  $p<.01$ ) but the coefficient of labelXskepticism is no longer significant ( $b=-.01$ ,  $p=.96$ ). In the case of perceived CSR reputation, when message credibility is included in the regression analysis, its coefficient is significant ( $b=.67$ ,  $p<.01$ ) but the interaction between label and skepticism is not ( $b=.33$ ,  $p=.24$ ). Taken together, the above analysis suggests that message credibility fully mediates the interactive effects of label and skepticism on attitude toward ad, behavioral intentions toward the brand, and perceived CSR reputation. Thus H3 is fully supported.

### Study 3 (in progress)

According to Connors et al. (2015), in order to reduce consumer skepticism towards CSR communication, it is necessary to provide consumers with specific information. In this third study, we will analyze the boundary condition of this positive influence of specific information on consumers' reactions, by considering the role of consumers' brand perception types. Based on the stereotype content model (Fiske et al., 2002), we wonder to what extent consumers' reactions to specific information depend on their perceptions about the brand's level of warmth and competence. Detailed theoretical background and findings of this third study will be ready at the time of the conference.

### Discussion

This research has timely and relevant managerial implications and contributes to extant CSR communication research in several ways. First, by highlighting the factors that influence consumers' greenwashing perceptions, this research contributes to existing literature focusing on greenwashing, which tends to define greenwashing as a voluntary act of a company, independent of consumers' perceptions of it (Parguel et al. 2011). It also provides relevant insights into the debate over "how" companies should communicate on CSR (Du et al. 2010). Given the widespread use of ethical labels, practitioners urgently need to understand the effects of ethical labels in CSR communication, a topic that has received scant attention. Our results suggest that, although ethical labels have an overall positive effect on the effectiveness of CSR advertisements, this effect is contingent on company-specific factors and consumer-specific factors.

Specifically, we show that the prior CSR record of the company influences the effectiveness of ethical labels on consumers' perceptions of greenwashing: for companies with a positive CSR record, even the use of company ethical label can help reduce greenwashing perceptions. On the other hand, for companies with a negative CSR record, the use of either company self-declared labels or third-party labels does little to reduce greenwashing perceptions. Overall, these results are quite encouraging for companies making genuine CSR efforts: it shows that consumers do not react in an automatic, positive way to the presence of an ethical label in an ad, without considering what they already know about the CSR record of the company/brand. A company that suffers from a negative CSR record should not hope that labels will be the magic solutions to make its CSR communication appear more credible; it should instead focus first on developing honest CSR activities to regain its consumers' confidence and trust in its CSR engagement before communicating about it with them.

In addition, we show that labels can play an important role in convincing consumers about the truthfulness and verifiability of companies' CSR claims. In particular, in the current context where many consumers tend to be skeptical toward companies' CSR claims, our research confirms that obtaining a third-party label could be a means to appear more credible in the eyes of highly skeptical consumers.

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## 5. CSR TALK

# Aspirational Talk, Philanthropy or Reputation Jeopardy. Typology of Celebrity's Social Responsibility and Moral Agency

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### Structured Research Summary

#### Introduction & purpose of the study

Today, sustainability has reached public discourses as a concept that builds on the requirements to satisfy human needs today and in the future. The future perspective of sustainable development is more than a reaction to climate change related problems. It is more than the sum of individual social and environmental issues as it takes into account their interrelatedness, and thus the interaction processes of natural and social systems (Clark & Dickson, 2003, p. 8059). However, the normativity of the decisions that ought to be made in this context on an organizational and individual level does not make sustainability issues an exclusive matter of science. Instead, many sustainability-related issues require social deliberation happening in the media. It is common sense (Weder, 2017) that society allocates responsibility for sustainable development to entities like organizations, corporations or political institutions for their roles in and impacts on society (Weder et al., 2018). In other words, corporations and organizations are (communicatively) challenged to take responsibility towards society (Carroll, 1999; Schwartz & Carroll, 2003; European Commission 2001/2011), which is taken and executed in various dimensions and by specific characteristics (Crane & Glozer, 2016; Matten & Moon, 2008). Hereby, sustainability acts as a normative framework for organizational or organized behaviour (Weder et al., 2019; Christensen et al., 2015) and is perceived as a challenge, particularly in crises (Coombs & Holladay, 2012).

The responsibility of organizations, mainly corporations, to act sustainable as well as to communicate about it, is the object of interest for CSR communication scholars. Nevertheless, in this field of research, rarely the question is asked of how individuals can be motivated to engage with sustainability issues and to navigate the related complexity. Few studies analysing green behaviour or how (much) individuals engage with global warming or react to climate change (Smith & Joffe, 2013, Barr et al., 2011; Hargreaves, 2011) with an interest in consumer behaviour mainly. Globally, half the CO<sub>2</sub> emissions are associated with individual lifestyles and related to the actions of the richest tenth of humanity.<sup>1</sup>

However, at the same time, there is an increasing number of rich and famous people, who take responsibility and are engaged in either social or environmental sustainability issues. Examples are actors Matt Damon (safe water and sanitation for communities) or Leonardo DiCaprio (eco-tourism) or model Amber Valetta (ethical fashion brand).<sup>2</sup>

1 <https://www.theguardian.com/environment/2015/dec/02/worlds-richest-10-produce-half-of-global-carbon-emissions-says-oxfam>, 11/2018

2 <https://www.causeartist.com/top-10-celebrities-making-impact-purpose-driven-business-founders/>, 11/2018

In our paper, we ask the question if there is something that can be called “Celebrity’s Social Responsibility” and, related to this, what is the potential and what are the barriers of celebrities communicating about their responsibility in terms of perceived credibility, proximity and engagement? In the background of this specific research question, we’re interested in the differences of individual and institutionalized forms and formats of engagement, comparing Celebrities taking their individual responsibility with those, being a driving force behind a foundation or NGO.

### **Theoretical concept of role related responsibility**

The communication of sustainability issues and related activities has never been more important than today, in an age of mediatisation (Krotz, 2007) and, more precisely, digitalization, leading to an increased complexity of CSR (Rasche et al., 2017, p. 279). However, as mentioned above, not only organizations and corporations communicate about their social responsibility and related activities (ibid.). Besides, celebrities as highly mediatized individuals take responsibility or are increasingly engaged with environmental or social sustainability issues.

Related to the effects of mediatisation on organizations, existing CSR communication literature debates the paradox of CSR communication. This concept describes the following phenomena: the more an organization communicates, the more it will be under observation and, the easier the same organization will be criticized. The idea is related to general organizational paradoxes (Putnam et al., 2016, Schad et al., 2016) and develops a specific dynamic in our globally networked and digitalized society (Castells, 2015). This paradox leads to reputation risks (Atkins et al., 2006; Schad et al., 2016). Thus, trying to understand celebrity’s role in taking social responsibility, we need to discuss various critical perspectives on celebrity’s responsibility, from aspirational talk (Christensen et al., 2015) to greenwashing an organization and the ‘ugly’ side (Elving et al., 2015) of intransparent communication with a lack of authenticity and high reputational risk.

To fill the mentioned research gap with regard to individual responsibility, we developed a three-dimensional framework to grasp celebrities and their “social responsibility” within a typology. With individual responsibility on the one end, and institutionalized forms of social responsibility (NGO, foundations and other forms of “business of fame”) at the other end, we focus on role-related responsibility which we conceptualize as moral agency. Here, we’re interested to understand, if moral agency is related to the individual perception of allocated responsibility or rather needs an organizational setting, a certain structure for its realization and consistency.

When conceptualizing moral agency from a CSR communication perspective, it seems to be consequent to draw on the German philosopher Immanuel Kant and his idea of ‘imputation’ in the sense of an attribution or assignment of responsibility (1968) from one individual to another or one person to a broader structural complex (i.e. group, team, organization, or ‘the society’). Following this concept, responsibility is not a moment of security or cognitive certainty (Keenan, 1997) but comes with the ‘removal of grounds’, and the withdrawal of rules or knowledge on which we rely to make our decisions (crisis, sustainability as a new normative framework etc.). This suggests that even though responsibility-relationships are stable, roles of responsibility are fluid (someone is in charge, but it is irrelevant who and which role this person holds).

Thus, secondly, we assume that responsibility is realized in different roles or within interactions between complementary roles (Goodin, 1986, p. 50; Wallace, 1994). Then, moral agency can be interpreted as ‘normative competence’, which involves the ability to grasp and apply moral reasoning, and to govern one’s behaviour by the light of such reason. Moral agency is directed towards improving the lives of others (Aaltola, 2014). This last argument fits the philosophical tradition beyond determinism and causal responsibilities, claiming, “responsible agents are not those agents whose actions are un-caused, but rather those agents who possess certain competences or capacities” (Vincent et al., 2011, p. 1f.). This implies again that responsibility-relations are stable and that the competences and functions of allocating and taking responsibility are clear. The more they are institutionalized, the easier they can be realized through interactions and communicative acts. In other words, the less structure or legal frameworks exist that allocate and define the agency for taking and allocating responsibility, the less attention is given to the constructive potential of communication when it comes to a moral framework, a common understanding and realization of role-related moral agency.

With this conceptualization of role-related responsibility as moral agency, we perceive celebrities' social responsibility as a 'role' holding conversational responsibility, therefore, they are our objects of interest as further described in the method section.

### **Methodology**

On the first stage, we tried to identify celebrities dealing with social or environmental issues or showing economic responsibility. We started to identify examples for individual responsibility and celebrities who act responsible embedded in organizational structures (foundation, UNICEF etc.), as well as examples that were different or critical in terms of negative or positive reputation transfer between the individual and organizational level. With the examples (n = 12), we were able to identify the "anchor" for a contribution from a CSR communication perspective.

For the empirical reflection of the examples and the related theoretical concept, 35 narrative interviews were conducted with journalists, PR people, consultants and political communicators in Europe, India and the US (2018), discussing the following question: *What is the potential and what are the barriers of celebrities communicating responsibility in terms of perceived credibility, proximity and engagement?*

We chose a snowball-system in finding partners for the interviews (Brodshöll, 2003). With regard to methodology, a qualitative approach was chosen, whereby specific interest is placed on discovering new aspects instead of confirming existing assumptions (Holliday, 2008). In order to allow for some flexibility, semi-structured interviews were employed (Bryman, 2016; Lindlof & Taylor, 2002; Silverman, 2011), which enable the discovery of and elaboration on information that may not have initially been considered by the research team (Carson et al., 2001; Stenbacka, 2001). Moreover, interviewees are encouraged to share their descriptions of phenomena while leaving the analysis and interpretation to the investigators.

Generally, interviewing is one of the most intimate and rewarding communication research methodologies (McCracken, 1988). The text corpus of the interviews was analysed with a qualitative text analysis developed by Philipp Mayring (Franzosi, 2007; Mayring, 2002, 2000). This type of summarizing content analysis enables the researcher to generalize the material, which means it can be analysed on a higher level of abstraction.

### **Results**

The interviews show, firstly, that celebrities have the potential to be successful CSR communicators on an individual level (MORAL AGENCY TYPE A). For that, the most important part is credibility – through experience, knowledge and involvement. According to Golik, only these qualities enable a celebrity to *communicate about CSR* (Golik 2018, 18; Newig et al., 2013). The interviews have shown that role-related responsibilities are always to some degree future-oriented: they impose constraints on moral agents which guide the performance of their private and public roles in society. The interviewees point out that it has to be distinguished between the beneficiary of a responsibility and the individual(s) to whom the responsibility is owed, that is, the object or addressee of one's obligation. Here, celebrities are different. In their professional role, they are responsible to their clients, colleagues and so forth. Thus, the agents who occupy these roles are obligated to perform in certain ways towards the individuals whom they serve. Here the beneficiary of the responsibility is the same individual to whom the responsibility is owed.

Secondly, the interviews have shown that moral agency is going beyond this individual concept of moral agency. This development can be supported by existing CSR communication studies, asking for the role of managers in taking responsibility that is allocated to them mainly by employees (Weder & Karmasin, 2013). With the increasing institutionalization of CSR communication in organizations over the past decade, intrinsic reflections on values and motives of managers are complemented by extrinsic motives (initiatives, labels, GRI etc.). Thus, with the interview data we can explain a second type of moral agency as context related and based on a certain structure. Embedded in an organizational structure or representing a certain organization, managers as well as the here thematised celebrities communicate not only about sustainability and social and environmental responsibilities but rather for sustainability. Then their experience, knowledge and involvement integrated in organizational structures leads to the abovementioned transfer of reputation which makes it more stable at the end as well. The reputation risk is rather low as well as the accusation of showing interest in social and environmental issues just for fame (MORAL AGENCY TYPE B). While TYPE A runs the risk of using sustainability "just for individual reputation", TYPE B uses fame for sustainability. A critical reflection of the two types and with organizational communication concepts in mind, we put the following insights up for discussion at the conference: the degree of distribution of responsibility can be related to the density of connectedness within an organization: the denser a relationship, the more an individual feels responsible for the collective. Or, the lack of structure and institutionalized ethical principles leads to a situation where the responsibility is allocated to the individual only. ON account of this, moral agency can be further conceptualized as communicative link between an environmental or social issue and a certain organization taking the responsibility for this issue (UNICEF, NGO, foundation etc.).

### **Conclusion, and Limitations**

We complement the existing CSR communication literature with our conceptualization of role-related moral agency coming from a CSR communication perspective by assuming that only if moral agency is institutionalized - meaning embedded in an organizational framework - it protects individuals (here: celebrities) against reputational risks. Even though, based on our example and the related interviews, we support the assumption that there is something that can be called "celebrity's social responsibility", mainly a form of responsibility as philanthropic "giving back" to the society and not connected to their own "(un)sustainable lifestyle" and footprints there off. However, there is an international trend that celebrities are no longer simply lending their names to causes, ad campaigns or charities. Instead, they are starting their own positive-impact business to help tackle some of today's biggest social and/or environmental problems. Rather than focusing on the business of fame, we conceptualized this engagement as role-related responsibility or moral agency. The CSR paradox of who says more can be easier criticized seems to be even more applicable for celebrities; the personal reputational risk is much higher compared to institutionalized forms of CSR communication. Therefore, we can support our assumption that the more responsibility-relationships are stable, meaning the more moral agency is taken within a structural, meaning organizational framework and not only as individual, the smaller is the reputational risk.

### **Practical and Social Implications**

In conclusion, it can be said that the debate on celebrity's social responsibility needs to be extended to and complemented with an individual-ethical perspective and corresponding concepts of moral agency respectively. Moral agency and the conceptual link to moral agents and the role of communication in realizing and organizing this agency will challenge business ethics, CSR communication, PR and organizational communication research in the future.

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# “Mobilizing talk” as CSR communication? Three examples of corporate activism

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## Structured Research Summary

### Introduction

According to recent global surveys, companies are increasingly expected to participate in societal debate and take stances on issues that do not relate to their core operations (Edelman, 2018; Weber Shandwick, 2018). Some examples of societal issues recently addressed by large international companies are sexual minority rights, Trump’s withdrawal from the Paris Agreement, and immigration (Dodd and Supa, 2014; Gaines-Ross, 2017). This global trend has been dubbed as corporate advocacy, CEO activism, brand activism, or corporate activism (Aronczyk, 2013; Chatterji and Toffel, 2017; Dodd and Supa, 2014; FIBS 2019; Miltton, 2017), hereafter referred to as *corporate activism* as such public stances are often taken as official opinions of the entire company.

As a phenomenon, corporate activism seems to challenge some of the established ways of communicating corporate social responsibility (CSR). First, it goes against a long development that has steered CSR toward initiatives that stay close to company’s core operations (e.g., Schrempf-Stirling and Palazzo, 2016), ensuring the “strategic fit” between CSR actions and communication (Schmeltz, 2017). Second, activism has been traditionally understood as a force influencing companies externally (Doh and Guay, 2006)—not as a form of practicing CSR. Third, the goal for CSR communication is usually to avoid controversy (e.g., Colleoni, 2013) rather than deliberately create it. Interestingly, corporate activism namely deals with controversial socio-political issues and can include vigorous and concrete actions, such as protesting—even disobedience—that is likely to raise both stakeholder opposition and support (Aronczyk, 2013; London, 2010; Moscato, 2016).

As a phenomenon, corporate activism seems to correspond with trends that stress emotionally appealing content and storytelling (cf. Kent, 2015) instead of official documents and factual documentation such as CSR reports (Morsing and Schultz, 2006). Corporate activism further connects with issue-focused stakeholder thinking (cf. Roloff, 2008) that challenges CSR communication especially by stressing focal issues instead of focal organizations, and the importance of joining causes and discussions that are already taking place on various areas (Luoma-aho and Vos, 2010).

The purpose of this paper is to explore the emerging phenomenon of corporate activism from a communication perspective. The paper presents three recent cases of corporate activism by Finnish companies: Women’s Euro campaign by Finlayson, Land of the Free Press campaign by Helsingin Sanomat, and Lovebot Blue by Fazer. The campaigns are analyzed for their content and framing with the help of rhetorical analysis. Namely, the main interest is in whether the companies actually frame their activist campaign messages with mobilizing elements of activist communication (diagnostic, prognostic and motivational), and whether, consequently, they engage in a form of “mobilizing talk” in their CSR communication.

### Theoretical framework

CSR communication research has come to host a variety of approaches, some focusing on the strategic aspects and what is “successful” CSR communication, while some have taken more interest in CSR communication as an action that shapes organizations and relationships (Elving et al., 2015; Christensen et al., 2013). This paper adopts mostly the latter perspective, viewing CSR as a reflection of social imperatives and the social and environmental consequences of business (Matten and Moon, 2008), and CSR communication as an on-going negotiation with companies and their stakeholders about the role of business in society (cf. Ihlen, 2008).

As this paper aims to study the communicative elements of corporate activism, the current conceptualizations of CSR communication strategies and frames serve as a point of departure. When looking at the communication strategies from the stakeholder perspective, CSR communication can either aim to avert or invite stakeholder responses. For informative CSR communication, stakeholders are mainly a passive audience of information (Morsing and Schultz, 2006), sometimes in conjunction with persuasive elements that are meant to appeal to the receiver and convince that the actions of a company are indeed responsible (Elving et al., 2015). The informative communication style does not typically invite engagement, as opposed to responsive communication that takes interest in stakeholders’ views and opinions (Morsing and Schultz, 2006). Engagement is further highlighted in involving CSR communication, where the focus is on dialogue and relationships with stakeholders, and mutual sensemaking (Morsing and Schultz, 2006). Involving CSR communication is closely related to participatory communication where the focus is on interaction, inclusion and search for a common understanding between the company and its stakeholders (Elving et al., 2015; Pedersen, 2006).

Besides external stakeholders, CSR communication scholars have taken interest in how communication can affect internal groups and the organization itself (Christensen et al. 2013; Morsing and Spence, 2019). For example, CSR communication that is directed at external stakeholders can serve as auto-communication to internal stakeholders (employees, managers), and influence how they identify with the organization (Morsing, 2006). CSR communication can also serve as a form of aspirational communication whereby companies articulate their visions and future intentions (Christensen et al., 2013; Elving et al. 2015). “Aspirational talk” refers to communication that “announces ideals rather than reflect actual behavior”, although aspirations can result in change of practices later on (Christensen et al., 2013, p. 373).

Activist communication strategies and frames have rarely been addressed in CSR communication research, as activists have traditionally been viewed as watchdogs for business actors (e.g., Doh and Guay, 2006). Activism, by definition, is a form of political activity aiming to influence societal agenda, defined by acts such as advocacy, conflict, and transgression against prevailing norms or laws, often motivated by perceived injustices (e.g., Atkinson, 2012; Isin, 2009). Typically, activists are actors such as NGOs, social movements and pressure groups. Snow and Benford (1988) have suggested that activist communication includes three main framing tasks: diagnostic, prognostic, and motivational. The purpose of *diagnostic* framing is to identify a problem and attribute responsibility for the problem, whereas *prognostic* framing is about articulating a proposed solution to the problem (Snow and Benford, 1988; Benford and Snow, 2000). The final component, *motivational* framing focuses on creating agency and rationale for engaging in action (Snow and Benford 1988; 2000). The ultimate purpose of the activist communication frames is to create *mobilization* for the advocated issue (Klandermans, 1984).

While both companies as well as activist organizations can be strategic in their communication and use different frames in their messages (e.g., Wood, *in press*), the main difference between activist communication and traditional conceptualizations of CSR communication seems to be the mobilizing element and the inclusion of protest and disobedience in the repertoire, which are distinctive only to activist actors (Sommerfeldt, 2013). Next, in the empirical part, the focus is turned more specifically to whether elements of activist communication are to be found in corporate activism campaigns.

### Methods & case descriptions

The empirical study was conducted with an interpretive and qualitative approach, focusing on three recent cases of corporate activism by Finnish companies: Women's Euro campaign by Finlayson, Land of the Free Press campaign by Helsingin Sanomat, and Lovebot Blue by Fazer. The campaign material, consisting of ads, press releases, social media material and websites, was analyzed with rhetorical analysis, focusing on how the messages aim to persuade and influence (Feldman and Almquist, 2012), and more specifically, how they aim to mobilize with frames of activist communication (diagnostic, prognostic and motivational, Snow and Benford 1988; Benford and Snow, 2000). We next briefly introduce the three campaigns.

Finlayson, a privately owned medium-sized textile company, launched the "Women's Euro" campaign in 2017. The core idea of the campaign was to offer women—or anyone identifying as a woman—a discount on all products to compensate for the average difference between the salaries of men and women: for every euro, women would pay only 83 cents (Finlayson, 2018). For any purchase made in full price, Finlayson donated the difference to a non-governmental organization that supports women's rights—yet the campaign was not a collaboration with the NGO. The campaign was widely covered in national media, including discussion on whether companies can break the law on gender-based pricing for a good cause (e.g. Yle 2017).

Helsingin Sanomat, the largest Finnish newspaper, launched a street campaign "Land of the Free Press" at the time of the meeting between President Donald Trump and President Vladimir Putin in Helsinki in 2018. The campaign included 300 billboards on the president's route in Helsinki, presenting headlines published earlier in Helsingin Sanomat such as "Trump calls media enemy of the people" and "Putin shuts down Russia's largest news agency". Each billboard further welcomed the presidents "to the land of free press" (Helsingin Sanomat, 2018). While supporting democracy and freedom of speech can be considered as natural for media houses (and part of their CSR, see Oikkonen, 2018), the street campaign was considered as an unorthodox way to take a stance, especially as the campaign was so directly targeted to criticize the two presidents (e.g., AdWeek, 2018; Fortune, 2018).

Fazer, a traditional, family-owned Finnish company operating in the food industry, launched an online campaign Lovebot Blue in 2018. Fazer is most well known for their confectionaries, bakeries and cafes, and The Lovebot Blue campaign namely connected with Fazer's most famous chocolate brand, the Fazer Blue. The idea of the campaign was to tackle hate speech online with a bot that utilizes artificial intelligence. The Lovebot Blue scanned conversations in social media (Twitter, YouTube and one of the largest online forum in Finland Suomi24) and generated responses that encourage respectful discussion. Any individual could also flag hate speech for the bot, serving as a tool for users—especially the younger generation—in online environments where they encounter hate speech (Fazer, 2018).

### Results

The *diagnostic* elements—problem identification and attribution of responsibility—were present in all three campaigns, especially when the companies made sense of the issue that they had chosen to address:

"We have many reasons to celebrate, but unfortunately, equal pay is not one of them." (Finlayson's post on Facebook August 24, 2017)

"As we welcome the presidents to the summit in Finland, we want to remind them of the importance of free press. The media shouldn't be the lap dog of any president or regime." (Senior Editor-in-Chief Kaius Niemi, Helsingin Sanomat press release July 16, 2018)

"Freedom of speech is one of the fundamental rights of our society. Hate speech, however, deeply violates a person's human dignity. All of us are needed to change the aggressive discussion culture." (Fazer's campaign page 2018)

The *prognostic* elements—those pointing to a direction of possible solutions—were also present in each campaign:

“[W]e think it is important to make the issue visible over and over again, so it can be resolved someday” (CEO Jukka Kurttila in Finlayson’s press release October 24, 2017)

“We want to show our support to those colleagues who have to fight in ever toughening circumstances on a daily basis both in the US and Russia. Our goal is to raise the topic of the freedom of the press around the world.” (Senior Editor-in-Chief Kaius Niemi in Helsingin Sanomat’s press release July 16, 2018)

“We launched the #smallpieceoflove campaign to stop as much hate speech on the internet as possible. We developed learning artificial intelligence for the campaign to search and stop hate speech in public discussions on social media.” (Fazer’s campaign page 2018)

In terms of the *motivational* elements (providing rationale for engaging), the results were more diverse, as most of the actual campaign material rather focused on pointing out the problems and promoting their visibility, but did not give very detailed instructions on who should act and how. Finlayson stated that their main goal was to encourage public discussion on the issue and their material implicitly mobilized donations to the beneficiary NGO of the campaign. In a media interview, however, Finlayson’s CEO stated a more specific motivational target, namely other companies:

“Companies are a huge resource in responsibility issues. We have 250 000 companies in Finland and if they all begin to change things and act in a new way, this country will change pretty fast to a better place to live” (Finlayson’s CEO Jukka Kurttila in Yle News April 4, 2018)

Some similar motivational elements could be read in Helsingin Sanomat’s material, as they called for “harder work” to ensure press freedom (Helsingin Sanomat press release July 16, 2018). However, Finlayson and Fazer used motivational framing much more indirectly than Fazer, as the Lovebot Blue campaign material gave specific instructions to act:

“Unfortunately Lovebot does not work everywhere. For example, Facebook does not allow us to post messages in conversations. That is why your help is needed to prevent hate speech. If you encounter hate speech, act. Copy the url source of hate speech and report it to Lovebot in the space below.” (Fazer’s Lovebot Blue campaign page 2018)

To conclude, all three campaigns clearly advocated for a cause that was more or less outside the scope of their normal (CSR) activities and the campaigns included an element of protest. Yet, only the Women’s Euro campaign fitted the description of activism as disobedience, as Finlayson publicly stated to have deliberately broken the law on gender-based pricing for the campaign (CEO Jukka Kurttila in Helsingin Sanomat August 25, 2017). As a result, Finlayson received public notifications from the Equality Ombudsman and The Council of Ethics in Advertising (Yle, 2017), and the campaign was altered so that the discount was offered to everybody. Yet, Finlayson feverishly continued to defend the justification for their disobedience in national news:

“We are not giving up on the spirit of the campaign, we hold on to it very forcefully. We are sorry that the law is interpreted this strictly.” (CEO Jukka Kurttila in Yle News August 30, 2017)

## Conclusion

The three campaigns of corporate activism are about companies addressing different societal issues: gender inequality, press freedom, and online hate speech. According to the analysis, the companies do use activist framing in their public campaign communication, aiming to identify problems and attribute responsibility (diagnostic), offer possible solutions (prognostic) and encourage action (motivational). However, the motivational framing was less explicit in two of the campaigns, as it was not clear who the campaigns wished to motivate and how.

When compared to a traditional view to CSR communication, corporate activism can have some similarities especially to involving, participatory and aspirational communication, as it focuses on societal issues of public interest and aspirations to change their course. Yet, the involving and participation is not directed to the company itself and the “talk” deals with more than aspirations about the company’s future actions—it is rather *mobilizing* communication in the sense that the companies deliberately aim to put a spotlight on a debated societal issue, take a stand on it, and engage in some form of activist action such as protest. Therefore, corporate activists communicate CSR with “*mobilizing talk*” that invite discussion and action, and accept that this way of talking will invite also direct critique toward the company. As such, CSR communication as mobilizing talk is a form of communication that does not aim for the largest possible public support, but for strong support among those value-aligned audiences that respond positively to the mobilizing messages.

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## 6. CSR & DIGITAL MEDIA

# Beyond differences: The Use of Empty Signifiers as an Organizing Device with Fragmented Stakeholders

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### Structured Research Paper

#### Purpose of the paper

With the advent of social networks, there has been a growing interest about the impact of online global networks of communication on political and social change (Della Porta et al., 2005), political participation (Gil de Zúñiga et al., 2009) and political polarization (Colleoni et al., 2014). During the Middle East uprising, with the diffusion of real-time communication through online social networks, the world witnessed 'the capabilities of services such as Twitter in allowing dissidents communicate not only to the international audience and news services, but amongst themselves in order to protest and organize effectively' (Gaffney, 2010 2). Still, researchers are puzzled about how social movements can bring together and mobilize fragmented stakeholders (Zyglidopoulos, 2018), which for the purposes of this paper, we perceive as "fragmented, individualized populations that are hard to reach and even harder to induce to share personally transforming collective identities" (Bennett et al., 2012 751). In this paper, we focus on the largely ignored topic on how social movements or politicians have been able to organize and mobilize fragmented stakeholders through the creation of empty signifiers (e.g. "we are the 99%," or "make America great again"). What Bennett et al., (2012) identify as 'easy-to-personalize action frames' rest on the well-known properties of loosely signified concepts that allow multiple interpretations of the same word, and in so doing permit the re-composition of fragmented subjectivities. Existing studies mostly emphasize how social movements emerge, develop and achieve their goals by mobilizing resources, taking advantage of political opportunities and framing issues in useful ways (McAdam et al., 1996). Bennett et al. (2012) have recently argued that these traditional theories fail to account for new organizational logics that are emerging from the ways social movements make use of online social networks. As a remedy, they have proposed the concept of connective action to capture the constitutive role that digital media increasingly play in the processes of identity formation, engagement, coordination and organization in new social movements. In their investigation of 15M and Occupy, they observed how these movements present peculiar characteristics in contrast with many conventional social movements, such as the social media taking the role of established political organizations instead of the usual leading involvement from conventional organizations and the development of easy-to-personalize action themes instead of the creation of a shared identity.

### Theoretical framework

In order to provide an account of how social movements engage in the creation of empty signifiers we turn to well-established radical studies of political communication and hegemony theory by employing Laclau and Mouffe's discourse theory (Laclau, 1996; Laclau *et al.*, 1985). Drawing on a study of the US Occupy movement, this paper investigates how this movement found a way to create a global movement by using empty signifiers, signifiers with vague signified as organizing device that act as glue of very diverse situations and identities shared through online personal social networks. The US Occupy movement achieved this by employing two main processes: the creation of shared abstract 'nodal points' that take the form of universal affective communication aimed to establish a sense of shared identity among fragmented stakeholders and the development of floating signifiers or particular communication that allows articulating particular claims and practices, expression of the singular subjectivities at the stakeholder level.

### Research design

We carried out a discourse analysis on Data from the Occupy movement. In particular, we gathered data by querying the Twitter Search API with the terms 'occupy' and 'ows' during the period from the 7th and the 21st of October 2011, hence acquiring a representative picture of one week prior and after the global demonstration of October 15th. During this period, approximately 1 Million tweets were collected. From this initial sample, we filtered out Non-English tweets by applying a language filter and from this data set and randomly selected 3K of tweets for discourse analysis. We used discourse analysis because it involves the investigation of structured collections of texts, which are produced and distributed by actors in such a way to construct objects and subjects in the social world (Fairclough, 2013). There are several approaches to discourse analysis (van Dijk, 1997), but in order to follow the theoretical reasoning developed above, we used Laclauian discourse analysis. A Laclauian inspired discourse analysis seeks to understand how discourses are created first to provide a general understanding among subjects with different identities and interests and second to provide a temporary fixation to various social antagonisms (Van Bommel *et al.*, 2011). Analyzing discourses with this aim, involves tracing out the discourses which actors use to assign meaning to events. In particular, a Laclauian inspired discourse analysis aims to investigate the logics of universalism and particularism of the discourse and their interrelation as used by social movements to construct various aspects of social reality. In order to unveil the dynamics associated with the creation of universal and particular communication of a social movement trying to establish a common understanding of a particular struggle, the case of Occupy was chosen. This case was chosen as a prominent example of how new social movements appropriate new media technologies to create discourses with the goal of creating a sense of unity. All the content in the form of tweets was manually coded respectively by one of the authors and a student assistant, who was trained for this. All tweets were single-coded and, when required and coding categories were adjusted. Results were discussed among the coders until agreement was reached.

### Preliminary Findings

We are currently analyzing data. So far preliminary findings indicate that there are two main processes that detail how empty signifiers are used as organizing device by the Occupy movement on Twitter: the creation of nodal points in the form of universal communication that travel across groups mainly for identity building and the articulation of claims and practices.

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# Communicating CSR on corporate websites: An exploratory study on the UAE banking sector

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## Structured Research Summary

### Introduction

Corporate Social Responsibility is no longer an option for organizations; it has now become the norm. And as a reflection of the importance that CSR plays for modern organizations, the European Communication Monitor report (Zerfass et. al., 2011) ranked CSR communication as one of the top 3 tasks in communication management with 93% of the 250 world's largest organizations reporting on their CSR by 2016 (KPMG, 2017a).

The same report by KPMG points to an underlying trend of growth in most regions but a slight decline in reporting in the Middle East and Africa (KPMG, 2017a, p. 11). Research studies on online CSR communication and reporting in the banking sector in the Middle East and Africa, have also shown low levels of engagement in comparison to the rest of the world (Hetze & Winistöfer; 2015; Hinson et al., 2010).

The United Arab Emirates is an emerging economy (MSCI, 2018) located in the Middle East. Based on its GDP, it is also the second largest economy in the region- after Saudi Arabia - and the 6th worldwide in terms of GDP/capita (The World Bank, 2018). CSR was first prioritised in the UAE through the efforts of the Dubai Chamber of Commerce in 2004, and since then, CSR engagement and communication have steadily increased. In addition to 2017 being declared as the 'Year of Giving' by the UAE government (The Year of Giving, 2017), the UAE and its people are consistently ranked as one of the most philanthropic in the world (ranked 9th in CAF World Giving Index, 2017). Following worldwide trends in government regulations over mandatory CSR disclosure by organizations (KPMG, 2017a), the Ministry of Economy of the UAE (2017) recently introduced a law for mandatory disclosure of CSR by private companies . At the same time, KPMG (2017b) recorded a 22% rise in CSR reporting by the top 100 UAE-based corporations indicating an increased awareness of and commitment to sustainable and socially responsible practices. In short, the UAE government is now placing increasing importance on the evolution of the economy into a regional 'sustainability leader' (KPMG, 2017b, p.4) and at the same time, it is also encouraging local organizations to further align with CSR policies and procedures common in western and developed markets.

In spite of a few tumultuous years in the local oil and real-estate industries, the UAE banking sector has managed to remain stable, resilient and profitable (Central Bank of UAE, 2017). In the first half of 2018, the UAE banking sector surpassed its GCC peers in total assets with \$748 billion (Isaac, 2018). In addition, the UAE banking sector is characterized by high market fragmentation with 47 commercial banks serving a population of approximately 9 million (Central Intelligence Agency, 2017). In such a fragmented and competitive market in a sector with limited product and service diversity (Lopez et al., 2007), CSR and its efficient communication can play a role in creating a distinctive brand and building a positive reputation. Al Tamimi et. al. (2009), for instance, found that good reputation and image are important factors in the selection of a bank by UAE consumers.

Despite the steady increase in CSR engagement and reporting in the UAE (KPMG, 2017b), CSR remains under-researched in the UAE and the broader MENA region (Koleva, 2018). There have only been a handful of studies conducted exclusively on UAE organizations and their CSR since the introduction of CSR by the Dubai Chamber of Commerce in 2004 (Goby & Nickerson, 2016; Katsioloudes & Brodtkorb, 2007; Nickerson & Goby, 2016; Rettab et. al., 2009). With the exception of the KPMG report (2017b), no scholarly research has been conducted on the CSR communication by UAE organizations. Therefore, the present study focuses on CSR communication. More specifically, it explores online CSR communication and reporting within the banking sector and, at the same time, presents a comparative analysis between local and foreign banks operating in the country.

### **Literature Review**

The present study is founded on the broader view of CSR whereby organizations are expected to go beyond fulfilling their financial and legal obligations to considering their ethical and philanthropic responsibilities towards a wider range of stakeholders and the society at large (Carroll, 1998). Our contention is that effective communication of CSR -whether motivated by either normative or instrumental reasons or a convergence of both- can foster acceptance and goodwill on behalf of organizations by various stakeholders and the communities they operate within, and contribute to tangible and intangible outcomes for corporations.

Thus far there has been very limited research conducted on UAE organizations. This is partly due to the maturing market of the UAE and to CSR being a new concept for the local population and local organizations, i.e. the Dubai Chamber of Commerce started to promote CSR in 2004. To date, UAE-based studies have been limited to the implementation of CSR by Dubai-based medium and large corporations (Katsioloudes & Brodtkorb, 2007), management perceptions of the impact of CSR on organizational performance (Rettab et. al., 2009), and the interaction of the country's official religion (Islam) and consumer perceptions of CSR (Goby & Nickerson, 2016; Nickerson & Goby, 2016). It therefore lags behind the scholarly work on CSR that has been done in other emerging economies, especially in Asia and Africa.

In their exploratory 2007 study on how leading IT companies within the emerging Indian economy communicated their CSR on their corporate websites, Chaudhri & Wang looked at three aspects of online CSR communication: a) the prominence of the information; b) the extent of communication, and c) the style of presentation. The authors worked on the premise that IT companies would be the leading corporations in fully utilizing the Internet and their corporate websites as a tool for communication and stakeholder engagement in India, where there are a multitude of social and environmental issues to be tackled with the support of privately-owned corporations. Their analysis revealed that online CSR communication in the Indian IT industry was at a very early stage with only 30% of corporations including CSR information on the websites and only 1 local company publishing an annual CSR report. In addition, despite the information being found in a prominent place on the corporate websites, the majority of the companies included minimal information about their CSR. Finally, Indian IT companies' websites could be described as basic and lacking in creativity at that time as the vast majority did not include multimedia and interactivity features. Overall, Chaudri & Wang's (2007) findings regarding the IT industry and its CSR communication were bleak and further reinforced Dawkin's (2004) view that "communication still remains the 'missing link' in the practice of corporate social responsibility" (Chaudri & Wang, 2007, p. 233).

### **Methodology**

#### **Sample**

All commercial banks, local and foreign operating in the UAE (n=23 and n=24, respectively) were included in our initial sample. The list was retrieved from the UAE Central Bank's website (Aug.28, 2017). Subsequently, the corporate websites of all 47 banks were examined for their CSR information. Banks without a corporate website and banks without a CSR-dedicated section were excluded from further analysis. The final sample included 16 local banks and 13 foreign banks. The majority of the local banks are based in Abu Dhabi and Dubai while 15 of the 16 local banks were ranked in the 'Top 50 Companies in UAE' by Forbes Middle East (2017). The foreign banks were established in Europe (n=6), Asia (n=5), North America (n=1) and Africa (n=1) and were further classified as 'banks from developed markets'(n=7) and 'banks from emerging markets' (n=6).

### Analytical Framework

For the present study, communication of CSR on the banks' corporate websites was analyzed on an adaptation of Chaudhri & Wang's (2007) analytical framework consisting of a) prominence, b) extent and c) style of presentation.

In our adapted framework, prominence was evaluated based on a combination of three criteria:

(1) the number of clicks required to access the CSR information page; (2) the location of the primary link leading to the CSR information; and (3) the name used to refer to CSR. Following Chaudhri & Wang (2007), the extent of the information was operationalised as the number of printed (web)pages dedicated to CSR. Annual reports (PDF downloads), entirely or partially discussing CSR, were included in the count. Hyperlinks redirecting users to different pages within the same organisation (e.g. for foreign banks) were also considered. However, press releases and other news media coverage which could only be found with a keyword search on the bank's website was not included for two reasons. First, the information was not readily accessible and, second, it was not considered as an indication of a strategic and sustainable approach to CSR and its communication. In cases where links to CSR press releases were provided under a CSR-specific section of the website, these press releases were included in the page count. Within the extent of the information, we also included the element of 'report'. 'Report' in this study refers to online CSR reporting in PDF format, and it was operationalized as: a) a brief mention to CSR initiatives within the annual report (limited to one page); b) a more extended, integrated CSR report within the bank's annual report; or c) a stand-alone CSR report. Finally, style refers to the form of the presentation of the CSR information, i.e. the way in which the information is packaged. Namely, does the bank use primarily text, primarily visual aids (i.e. photos) or does it follow a balanced approach to the presentation (text & pictures) of its CSR information? Within this category, the use of multimedia and interactive features were also examined. The use of multimedia referred to the use of video clips embedded into the corporate website. In the present study, an interactive feature could be (a) a CSR-specific email address, (b) a CSR-specific live chat, (c) CSR-specific social media sharing buttons or (d) comment or feedback boxes on the bank's CSR page. Both authors evaluated 100% of the sample in October 2017 and interrater agreement reached 100%.

### Findings

Below we present only few of the main findings in terms of the three criteria of the analysis: prominence, extent of information and style of presentation. Comparisons are drawn between the local and foreign banks as well as between local banks versus banks from other emerging markets and developed economies.

#### Prominence of CSR communication

The analysis of prominence of the CSR information revealed that the majority of both local and foreign banks host the primary link to their CSR section in the 'About us' section within 2 clicks from accessing their homepage. Four out of the 13 foreign banks (30.8%, 2 emerging and 2 developed), however, display their CSR information only one click away as a primary tab on their homepage compared to only one local bank.

A content analysis of the terms used for their CSR sections showed that the majority of the local banks use 'CSR' or 'Corporate Social Responsibility' as well as few variations including the term 'CSR' (e.g. CSR Initiative). The term 'Corporate Social Responsibility' was used more frequently in the emerging banks' sample while banks from developed markets showed greater diversity in the terms used.

#### Extent of CSR information

The extent of the CSR information on the banks' corporate website was determined as the number of printed pages dedicated to CSR. To further examine the extent of the CSR information as an indication of a bank's continuing and strategic commitment to CSR, we also included the variable of 'Report'.

Our analysis shows that the majority of local banks (43.8%) devote only 1-2 pages to CSR (minimal coverage) while 5 banks (31.3%) have extensive coverage (10+ pages) of their CSR on their websites. Four out of these five banks have either a stand-alone or an integrated CSR report. Foreign banks fare much better in this regard as 10 out of 13 banks (76.9%) offer extensive coverage of their CSR initiatives with 9 out of 13 (69.3%) providing stakeholders with an individual or integrated CSR report.

### Style of presentation

Under style, we examined the form in which the CSR information is presented on the banks' corporate websites, the use of multimedia to enhance the message and the integration of interactivity through the presence of CSR-page-specific social media sharing buttons, an email address, feedback or comment boxes and other features, such as live chats. Both local and foreign banks present their CSR information predominantly as text although 25% of local banks adopt a balanced approach, combining text and visuals. Only one local bank (6.3%) incorporated videos to showcase their CSR initiatives while 5 foreign banks (38.5%) opted for this medium; 4 of these banks originated in developed economies. In contrast to the majority of the foreign banks (61.5%), fewer than half of the local banks (43.8%) had an interactive feature on their website.

### Conclusion

CSR has become an integral part of business practice. Although CSR action is not always congruent with CSR communication, there is increasing evidence that the two are becoming more aligned (Fukukawa & Moon, 2004). In a world where there is no shortage of social and environmental problems and in increasingly competitive markets, organizations have a great opportunity through CSR implementation and communication to do good while doing well. In emerging economies, the issue of earning legitimacy and creating a distinct brand further add to the importance of organizations engaging in and communicating on CSR.

The present study explored how local and foreign banks operating within the emerging market of the UAE communicate their CSR on their corporate websites. Based on Chaudhri and Wang's (2007) criteria, our analysis revealed that the local UAE banks recognize the strategic importance of CSR, as relevant information is generally prominent on their corporate websites. However, the quantity and quality of information appears to be lacking as the majority of the banks include only a minimal amount of information on their corporate websites while only 5 local banks have either an integrated or individual CSR report. The extent of the CSR communication along with the creativity and interactivity of the corporate websites are the two areas that local banks must work on improving.

This is the first study on CSR communication by UAE organizations. Therefore, there is great opportunity for further research in the area. Future studies can examine how the banking sector compares with other industries within the country on their online CSR communication as well as how conventional versus Islamic banks communicate with their stakeholders.

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# New Responsibilities for Digital Corporate Communication

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## Structured Research Summary

### Purpose

In recent years, corporations have permeated the narratives about the far-reaching promises of information and communication technologies (ICT) for beneficial societal outcomes (Codagnone, Abadie, & Biagi, 2016). Corporations, but also media, have hailed the rise of the digital economy through platform corporations, Big Data, automation, and algorithms for providing solutions for societal challenges, contributing to social welfare, and enhancing individuals' lives (Pasquale, 2016). These narratives, which are also prompting a rise in the use of ICT in corporate social responsibility (CSR), stand in stark contrast to recent scandals in the digital sector, such as Cambridge Analytica, which have drawn attention to new ethical challenges that corporations face in the digitized society.

While heated public debates highlight the need for a better understanding of CSR in a digital age, little research has so far addressed digital CSR, particularly through a communication lens. Indeed, despite the ubiquity of digital technologies that affect every aspect of our lives, scholars have only little explored corporate responsibilities with regard to new ICT (Flyverbom, Deibert, & Matten, 2017; Rasche, Morsing, & Wetter, 2019; Whelan, 2019) and even more rarely the particular role of corporate communication (Crane & Glozer, 2016; Stohl, Etter, Banghart, & Woo, 2017). In this article, we thus provide (a) a critical analysis of the role that corporate communication plays in the promotion of digital values, corporate-stakeholder-networks, and the datafication of communication processes and (b) an ethical reflection on the new responsibilities that arise for corporate communication from such promotion and its practical consequences.

### Theoretical Background and State of Research

Many scholars have highlighted the instrumental use of digital technologies, such as Big Data mining, for better decision making, targeted content distribution, accuracy of measurement and prediction, and particularly for effective corporate communication (Weiner & Kochar, 2016; Wiencierz & Röttger 2017; Wiesenberg, Zerfaß, & Moreno, 2017). The scholarly and public debate has often idealized the promises of new ICT on societal outcomes, for example by emphasizing how ICT allow for stronger service-oriented approaches that benefit users (Weiner & Kocher, 2016), how they foster public-organization-relationships (Kent & Saffer, 2014), and how user needs can be better served through greater user insights (Parks, 2014). However, advanced skills for the application of these technologies are in fact often lacking by corporate communication professionals (Wiesenberg et al, 2017). Even more so, new responsibilities of corporate communication that arise from new dependencies, new power asymmetries, and new forms of surveillance (Collister, 2015; Zuboff, 2015) in the digital sphere are hardly ever addressed.

Some scholars have started to discuss how corporate communication can contribute to these issues, for example through stronger regard for digital ethics in codes of conducts (Wiencierz, 2018) or through a contribution to “algorithmic accountability” of the corporation (Holtzhausen, 2016). With this article we expand this critical line of research at the intersection of digitization, CSR and communication (Glozer & Hibbert, 2018; Schultz, Castelló & Morsing, 2013), by directly addressing how recent corporate communication as practice provokes unintended consequences of digitization and how it can responsibly deal with these consequences. To do so, we first outline the predominant, affirmative view on digitization and new ICTs in corporate communication – in terms of user empowerment, networking, and integration. In a second step, we address seemingly unintended negative consequences of these corporate promises around new ICT – such as lack of deliberation (Valentini, 2016), self-enforcing network asymmetries (Holtzhausen, 2016), and decreasing user autonomy (Zuboff, 2015). In a third step, we argue that these consequences are not as “unintended” as they may seem. Rather, we point at the crucial role that corporate communications played in the emergence and enforcement of these consequences.

In particular, we highlight the contribution of corporate communication to an ill-reflected spin of hyper-liberal values of digitization (e.g. individual optimization, attention, influence), which, however, stand in harsh contrast to – and have led to a systematic erosion of – the ‘Web’ as deliberative public sphere (Couldry & van Dijck, 2017). Further, we scrutinize that corporate communication typically promotes an egalitarian view on new forms of networking between corporation and stakeholders, while systematically fading out asymmetries that accompany such networks in the context of co-creation, sharing, or community building (Winkler & Wehmeier, 2015). Ultimately, we challenge the ambiguous stance taken by corporate communication for the algorithmic side of digitization – as on the one hand it preaches sceptical containment, while on the other hand it represents a key supporter and demander of data capitalism (West, 2019). Based on these reflections we urge for a more self-critical agenda for responsible corporate communication, resting on the following three questions and their justification: Which digital values are proclaimed in the name of corporations? Which network dynamics are promoted? And, last but not least, what are the consequences of an increasing dependence on digital data?

### Contribution

Based on this conceptual analysis, we propose that responsible corporate communication has to address more critically the consequences that result from current affirmative narratives of user empowerment, networking and integration. We articulate these responsibilities with a view on recent calls for cautious approach to ICT in corporate communication (Collister, 2015) and recent research on communication professionals, which indicates a lack of practical skills and critical reflexivity how to engage with new technologies, such as Big Data (Wiesenberg et al, 2017). Overall, our article contributes to the nascent critical debate about digitization in corporate communication that highlights issues of power and control (Wiencierz & Röttger, 2017), and CSR research that is rapidly exploring how digitization shapes, facilitates and constrains more responsible forms of corporate communication (Glozer & Hibbert, 2018; Schultz, Castelló & Morsing, 2013).

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# Communicating CSR on Twitter: Impact on Rank and Reputation

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## Structured Research Summary

### Introduction

The emergence of social media has changed the role of stakeholders from being passive recipients of broadcasting or information dissemination to being active and engaged (Fieseler et al., 2009) and accelerated a culture of interactivity which can precipitate a positive evaluation of a company's reputation and rank. As an example, Twitter has been employed as an interactivity channel for corporate social responsibility (CSR) (Lyon & Montgomery, 2013). Etter (2014) found that almost a quarter of the companies were using Twitter to share their CSR efforts. This effort is a voluntary activity in terms of transparency and building trust (Kollat & Farache, 2017) which has reputational implications and fosters the belief "that CSR talk is in fact CSR action" (Golob et al., 2013, p. 179).

The purported benefits of open, transparent and two-way interactivity relate to enhanced morale and motivation of employees, cost savings, increase in revenues, lower CSR associated risks (Honeycutt & Herring, 2009) that positively impact the overall and CSR ranking (Weber, 2008), company image and reputation (Du et al., 2010). The ability of CSR to enhance reputation and accord competitive advantage to a company (Maqbool & Zameer, 2018) has motivated researchers to study the effect of CSR on the bottom-line of the company. While scholarship is divided on the positive and negative effects of CSR on the financial performance and rank of a company, most are in agreement that interactivity with stakeholders on the social media domain can be enhanced by digital CSR strategies (Etter, 2014).

Guided by this overarching purpose, our study aims to contribute to a growing body of scholarship on digital CSR communication by exploring the correlation between social-mediated communication strategies (i.e., *broadcasting, reacting and engaging*) on Twitter and reputation capital measured in terms of rank and financial performance (Araujo & Kollat, 2018).

### Literature Review

#### Online CSR Strategies across Industries

The advent of digital communication presents an opportunity for organizations to leverage the interactivity potential for CSR. However, extant research confirms that online communication largely takes the form of one-way information dissemination (Lovejoy et al., 2012) and is passive, with a propensity to react when directly addressed (Etter, 2013). Further, stakeholders are often skeptical and perceive this interactivity to be self-serving for the company with little concern for social welfare (Coombs & Holladay, 2012).

Twitter is being used only for "disseminating and not for dialogue" (Larsson & Moe, 2012, p. 741) and as a "vehicle of self-promotion" (Golbeck et al., 2010, p. 1620). Further, CSR tweets have been found to have lower interactivity than other tweets by companies, probably because of lack of specialization (Etter, 2013). As companies indulge in more of *broadcasting* tweets, research provides evidence of *reacting* and *engaging* tweets (Etter, 2014) which are two-way and provide room for building stakeholder connect. In sum, there exists still a wide gap in the body of knowledge on what strategies should companies adopt for online sharing of CSR effort.

Contrary to existing research that focuses on one way communication by companies we wish to explore the benefits, if any, of interactivity with consumers through Twitter which is more likely to improve ranking and financials than one-way communication (Etter, 2014). Hence, we hypothesize:

H1: There is a significant positive correlation between online CSR strategies and CSR Ranking.

H1a: There is a significant positive correlation between broadcasting and CSR Ranking than reacting and engaging tweets.

H1b: There is a significant positive correlation between reacting and CSR Ranking than broadcasting and engaging tweets.

H1c: There is a significant positive correlation between engaging and CSR Ranking than broadcasting and reacting tweets.

Further, research notes that CSR strategies and practices are contingent on institutional factors, i.e., are guided by the environment in the country of operations (Aguinis & Glavas, 2012), as well as the affected stakeholders (Beschoner et al., 2013 b) together with the industry in which they operate. Most research concurs that the type of industry clearly impacts the CSR activity. For instance, O'Connor and Shumate (2010) argue that organizations in the same industrial cluster employ similar approaches to influence their stakeholders. Guided by industry-led differences, we posit the following:

H2: There is a significant positive correlation between types of online CSR strategies within sectors and CSR ranking.

H2a: There is a significant positive correlation between broadcasting within sectors and CSR ranking than reacting and engaging tweets.

H2b: There is a significant positive correlation between reacting within sectors and CSR ranking than broadcasting and engaging tweets.

H2c: There is a significant positive correlation between engaging within sectors and CSR ranking than broadcasting and reacting tweets.

### **CSR Communication and Corporate Financial Performance (CFP)**

The relationship between CSR communication and CFP scholarship is, yet, inconclusive (Alexander & Buchholz, 1978) ranging from a positive to negative and/or a curvilinear relationship (Brammer, 2006). The difference of opinion among researchers is primarily due to the measurement criteria for both CSR and CFP. It is argued that there are few reporting standards for CSR (Tschopp & Nastanski, 2014) and there is lack of consensus concerning how CSR concept needs to be operationalized (Dahlsrud, 2008). Measurement of CFP is based on accounting and market based techniques. Though accounting-based measurement is a good indicator of organizational profitability it has been criticized for assigning undue importance to assessment of tangible and intangible indicators (Kapopoulos & Lazaretou, 2009). According to Brammer et al., (2006) profitability ratios are not true indicators of market position. The market-based measurement which reflects shareholder expectations concerning future performance of the organization basis previous or current performance (Wahla, ShahSyed & Hussain, 2012) has been referred to as a more credible measure. Based on the importance assigned to market based measurement (Market Value Added (MVA) and Dividend Yield (DY), we derive the following hypothesis:

H3: There is a significant positive correlation between types of CSR communication over social media and Financials (MVA & DY) which impacts the ranking of the company.

H3a: There is a significant positive correlation between broadcasting over social media and Financials (MVA & DY) than reacting and engaging which impacts the ranking of the company.

H3b: There is a significant positive correlation between reacting over social media and Financials (MVA & DY) than broadcasting and reacting which impacts the ranking of the company.

H3c: There is a significant positive correlation between engaging over social media and Financials (MVA & DY) broadcasting and reacting which impacts the ranking of the company.

## Method

We selected the top 50 Companies with a high CSR rank from a national ranking compiled by a premier management institute in India (IIM Udaipur). We selected the CSR ranking list for 2014-15 and 2015-16. The IIM Udaipur report studied 220 companies and ranked them on four parameters – governance, disclosures, stakeholders and sustainability – which were assigned different weights. Of the top 50 companies, 37 were ranked in both 2014-15 and 2015-16 and were included in the analysis. The companies were then grouped into nine sectoral clusters as Banking, Automobiles, Metal and Steel, IT, FMCG, Telecom, Chemical, Energy/Power and Pharma. However, under the categories of Pharma, Chemical and Telecom (PCT) there was only one company in each sector which had made it to the top 50 ranks in the list. Hence, we removed the three sectors (PCT) from the data set. The final data set includes 34 companies across six sectors.

Ours is a longitudinal study in which data set for three years is analyzed. It comprises two stages. In the first round we did a correlation study to find the directionality and linearity of our hypothesis. In the second round we will conduct a regression with control variables as year, sector, type of online CSR strategy and output variables as rank and financial variables.

The Twitter handle of these 34 companies was crawled using Python to collate company related tweets for CSR. Some of the key words used (including but not limited to) for the purpose of data collation were environment, cleanliness, awareness, women empowerment, child protection, female foeticide, right to education, green and CSR. A few of the keywords as *responsi*, *social*, *climate*, *sustainab*, *brightfuture*, *environment*, *nature*, *renewab* were kept with incomplete spellings on purpose to capture the tweets in various forms. Through these tweets, manually categorised as *broadcasting*, *reacting* and *engaging*, we attempted to test the correlation between the tweets and ranks. As the study was exploratory in nature, our attempt was not to find causality between the variables but identify linearity and directionality for which we used the Pearson and Spearman correlation method. This was done basis sector and type of CSR strategy (B, R, and E). The overall number of tweets for the period under analysis (2014-2016) added up to 4091.

Sector wise analysis was done by calculating the tweet and rank trends. The tweet trend was calculated as follows: If a sector had  $n$  companies, out of which  $> 'n/2'$  company tweet numbers increased over the year then for that sector we considered it as an increase in the number of tweets. This was followed by calculation of the rank trend as follows: If a sector had  $n$  companies, out of which  $> 'n/2'$  company rank improved over the year then for that sector we considered it an improvement in the company rank.

## Findings

### Tweet trend: Broadcasting, Reacting and Engaging

The change in CSR Ranks was mapped with respect to the CSR tweets on social media (Twitter). This was done for the years 2014-15 and 2015-16. The tweets were also assessed basis number of companies and segment /sector wise break-up. There were maximum number of *reacting* tweets (2536) followed by *broadcasting* (1437) and *engaging* (201). In sum, it was observed that there was a shift in CSR online strategy from broadcasting in 2014 to reacting in 2015. The trend continued in 2016 with maximum number of reacting tweets across all sectors, except for the automobile sector. For most of the sectors there does appear to be a move towards engaging tweets. However, the number is by far few and companies still need to go a far way.

### Linking Online CSR Strategies to Rank and Reputation

Phase I data analysis shows the correlation between CSR rank and tweets. In the years 2014 – 16, there has been a definitive shift in nature of tweets from broadcasting to reacting. For about 50% of companies, the CSR ranks improved with increase in tweets and deteriorated with decrease in tweets for the years 2014 and 2015. A similar trend was observed for years 2015-2016 where for about 60% of the companies, the CSR rank improved with increase in number of tweets and deteriorated with decrease in number of tweets. A similar trend was observed for reacting strategy as well. However, the data did not show any correlation between engaging strategy and rank of the company. Probably one of the reasons attributed for the same can be fewer engaging tweets as compared to reacting tweets which makes it difficult to establish a relation between the two variables.

The correlation with the market based financial factors of MAV and DY for broadcasting, reacting and engaging was insignificant (<10%). This would imply that there is little to no directionality between market based measurement and online CSR strategies.

*Tweet and Rank Trend:*

The change in number of tweets which were in the nature of broadcasting were mapped with the CSR rank of the companies. The results indicated that for three sectors, ranks improved with increase in tweets. For the other four sectors, the rank deteriorated or there was no change with a decrease in tweets.

<b>Broadcasting 2014-15 Tweet Trend and Rank</b>			<b>Broadcasting 2015-16 Tweet Trend and Rank</b>		
Sectors	Tweet Trend	Rank	Sectors	Tweet Trend	Rank
Automobiles	Decrease	No Change	Automobiles	Decrease	Deteriorated
Banking and Finance	Decrease	Deteriorated	Banking and Finance	Increase	Improved
Energy/Power	Increase	Improved	Energy/Power	Increase	Deteriorated
FMCG	No Change	Improved	FMCG	Decrease	No Change
Infrastructure	Decrease	Improved	Infrastructure	Increase	Improved
IT	Decrease	Deteriorated	IT	Decrease	Deteriorated
Metals/Steel	Increase	Improved	Metals/Steel	Decrease	Deteriorated

<b>Reacting 2014-15 Tweet Trend and Rank</b>			<b>Reacting 2015-16 Tweet Trend and Rank</b>		
Sectors	Tweet Trend	Rank	Sectors	Tweet Trend	Rank
Automobiles	Decrease	No Change	Automobiles	Decrease	Deteriorated
Banking and Finance	Decrease	Deteriorated	Banking and Finance	Increase	Improved
Energy/Power	Increase	Improved	Energy/Power	Decrease	Deteriorated
FMCG	Decrease	Improved	FMCG	Decrease	No Change
Infrastructure	Decrease	Improved	Infrastructure	Decrease	Improved
IT	Increase	Deteriorated	IT	Decrease	Decrease
Metals/Steel	Decrease	Improved	Metals/Steel	Decrease	Deteriorated

<b>Engaging 2014-15 Tweet Trend and Rank</b>			<b>Engaging 2015-16 Tweet Trend and Rank</b>		
Sectors	Tweet Trend	Rank	Sectors	Tweet Trend	Rank
Automobiles	Decrease	No Change	Automobiles	Decrease	Deteriorated
Banking and Finance	Decrease	Deteriorated	Banking and Finance	Decrease	Decrease
Energy/Power	Decrease	Improved	Energy/Power	Decrease	Deteriorated
FMCG	Decrease	Improved	FMCG	Decrease	No Change
Infrastructure	Decrease	Improved	Infrastructure	Decrease	Improved
IT	Decrease	Deteriorated	IT	Decrease	Decrease
Metals/Steel	Decrease	Improved	Metals/Steel	Decrease	Deteriorated

For reacting tweets, data for the year 2015-16 is almost similar to broadcasting for decrease in number of tweets. In such situations, the rank has either deteriorated or status quo is maintained. Data for 2014-15 is mixed and inconclusive.

There is little to no directionality or linearity when we consider the engaging tweets and their impact on the rank of a company. As stated earlier there is still considerable work to be done by companies to engage with stakeholders in a meaningful way.

## Conclusion

In sum, our preliminary findings indicate that the move from broadcasting to adoption of reacting and engaging strategies is evident. Though companies have initiated two-way interactivity they are still broadcasting. As most of the tweets are from the Energy/power/oil and Metal/Steel sectors, it is expected that the focus would be on broadcasting about company initiatives. The appreciation for the same is seen in the upward or downward movement of the rank which is closely tied with the amount of broadcasting. While organizations in these sectors are progressing towards other strategies of online communication, our data did not show any positive or direct correlation between engaging strategies and rank of a company.

Contrary to existing research there was no correlation between interacting on twitter and market based financial factors as MAV and DY. This clearly indicates two points: 1) Companies, as on date, have still not been able to secure the buy-in of customers which results in purchase decisions, through dialogue centric tweets. 2) CSR and CSR communication, in isolation, do not necessarily impact the financials of an organization.

The tweet and rank trends revealed that some sectors as, FMCG, automobile, banking and Finance were affected by broadcasting and others as, Banking and Finance by reacting tweets. Evidently, the Banking and Finance sector appears to be most prone to online CSR communication.

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# CSR communications and social media. The roles of perceived external prestige and employee identification in employees' offline and online advocacy behaviours

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## Structured Research Summary

### Introduction

Companies' ethical behaviour beyond the law also referred to as corporate social responsibility (CSR) has become increasingly important for the success of organizations (Carroll, 1991; Carroll and Shabana, 2010; McWilliams and Siegel, 2001; Porter and Kramer, 2006). CSR initiatives are highly relevant for an organizations' image and have a positive effects on consumer perceptions and behaviours (Brammer *et al.*, 2007; Glavas and Godwin, 2013; Sen and Bhattacharya, 2001). Although CSR is typically a topic of study within strategic management, where organizational-level social and financial performance are constructs of interest (Etzion, 2007; Lockett *et al.*, 2006; Wood, 2010), studies have begun to explore the psychology of CSR from the perspective of employees (Aguinis, 2011; Kim *et al.*, 2010; De Roeck and Delobbe, 2012; Morgeson *et al.*, 2013; Rupp *et al.*, 2018; Turker, 2009), CSR for example resulting in employee commitment (Collier and Esteban, 2007), job satisfaction and job performance (Rupp *et al.*, 2006).

Organizations increasingly adhere and demonstrate their commitment to CSR (Pinkston and Carroll 1994), however many struggle how to communicate CSR (Eberle *et al.*, 2013; Kim, 2014; Lee *et al.*, 2013). Social media channels like Twitter, Facebook, LinkedIn, and Youtube increase the possibilities of companies to communicate with existing and potential consumers and stakeholders. However, it is unclear how CSR communication via social media affects employees. This knowledge is needed to understand how social media communication on CSR initiatives can best be used to increase employees performance. The current paper extends previous studies by exploring the role of CSR communication via social media in employee responses to a company's CSR activities.

Communication via social media allows the creation and exchange of user generated content (Kaplan and Haenlein, 2010), for example blog's, discussion boards, chat rooms, forums and online social networking websites (Mangold and Faulds, 2009). Due to social media, CSR communication is moving away from simple 'one size fits all' strategies towards advanced, fast and interactive communicating system (Whelan *et al.*, 2013; Rim and Song, 2016). Due to the broad reach and interactive possibilities, CSR communication via social media might affect employees in different ways. In general, research on how social media contributes to employee behaviour is on the rise (Bartels *et al.*, 2019; Van Zoonen *et al.*, 2014). It is possible that employees are affected via these CSR communication strategies at an *individual level* such that individuals feel more engaged with the organization themselves because the organization fits more with their own identity (i.e., organizational identification), or at a *social level* such that they feel more engaged with the organization because they feel the organization is more valued by others (i.e., perceived external prestige). The current paper aims to contribute to science and practice by exploring how CSR communication via social media affects employees performance. Moreover, social media is often used a broad and generic term, whereas it withholds many different forms and facets. Social media can be evaluated by focusing on quantity, for example number of followers, amount of tweets or likes, or by focusing on quality of the online communication, for example fit with organization and impact (Freberg *et al.*, 2010). We therefore argue that to fully understand the impact of CSR social media communication on employees, social media communication should be investigated in terms of quantity and quality.

We will contribute to the literature by differentiating between quality and quantity of social media. Specifically, we follow previous studies on CSR and explore the role of social media by including employee perceptions of how the outside world values an organization's (i.e. perceived external prestige), employee identification, and positive behaviour towards the organization. We first present a 'basic model' of employee behaviour. Second, we will focus on the possible role of CSR communication via social media in this basic model.

## Literature review

### **Basic model: Perceived external prestige, organizational identification, and organizational citizenship behaviour**

The most suitable instrument available for assessing employees' views on the social performance of their work organizations would appear to be the organizational citizenship behaviour (Maignan & Ferrell, 2000). Organizational citizenship behaviour (OCB) refers to a person's voluntary commitment within an organization that is not part of his or her contractual tasks. OCB has often been linked to overall organizational effectiveness (Podsakoff et al., 2000). Moreover, previous studies found that OCB has a moderate to strong association with organizational identification (OID) (Feather and Rauter, 2004; Van Dick *et al.*, 2006). A vast amount of research has further shown that OID is in turn associated with employees' perceived external prestige (PEP) (Bartels *et al.*, 2009; Smidts *et al.*, 2001). These studies demonstrated that the more positive employees' perceptions are of their organization's PEP, the more strongly they identify with the organization. More detailed studies revealed that this is a mediating association. Employees' identification with the organization partially mediates the effects of prestige on different types of positive employees' behaviours (Bergami and Bagozzi, 2000; Carmeli *et al.*, 2011). Based on the previous literature on the relationship between OID, PEP and OCB, we formulated the following hypotheses

*H1a.* Employee perceptions of the organization's perceived external prestige regarding CSR will be positively related to their identification with the organization (Study 1-3).

*H1b.* Employees' identification with the organization will be positively related to their organizational citizenship behaviour (Study 2 and 3) and to their online advocacy behaviour (Study 1 and 2).

### **The role of social media CSR-communication in our basic model**

Previous studies on general CSR communication such as Kim *et al.* (2010) found a positive relationship between employees' CSR associations and their perceptions of how the outside world views their organization (i.e., PEP) (Dutton and Dukerich, 1991; Dutton *et al.*, 1994). Moreover, De Roeck and Delobbe (2012) investigated employees' responses to a company's social initiatives and found a positive correlation between PEP and employees' identification with the organization. Thus, previous studies in a CSR context also validate our abovementioned basic model. We therefore aim to explore whether CSR communication via social media affects employees' performance via their identification with the organization or via perceptions of external prestige. According to social identity theory, employees' should be favourably influenced by a positive perception on social performance (Peterson, 2004). We therefore propose that CSR communication via social media affects both PEP and OID. However, we propose that the effects of CSR communication via social media have a stronger association with PEP than with OID because PEP is also referred to as construed external image based on exposure to information about the organization (Dutton et al., 1994), whereas organizational identification is mainly affected by a fit between employees' internal beliefs with the values of one's organization.

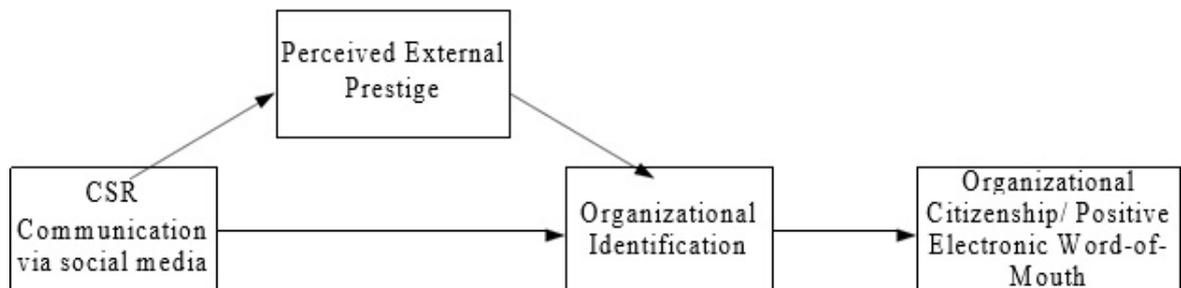
*H2.* Organizational communication of CSR initiatives via social media is stronger related to employees' perceptions of external prestige than to employees' organizational identification (Study 1-3).

Moreover, we extend previous studies by differentiating between quality and quantity of social media communication. Although we propose that both forms of evaluation are relevant, we propose a differential effect for PEP and OID. We propose that the quantity of online communication is more relevant for PEP than quality of online communication because employees use the amount of communication as an indicator of whether consumers and stakeholders are aware of their CSR initiatives. On the other hand we propose that quality of online communication is more relevant for OID than quantity as employees will use this information to check whether their own values fit with the organizational values. Therefore, we hypothesize the following:

*H3a.* Quantity of CSR initiatives via social media have a stronger positive association with employees' perceived external prestige (PEP) than quality of social media communication (Study 3).

*H3b.* Quality of CSR initiatives via social media have a stronger positive association with organizational identification (OID) than quantity of social media communication (Study 3).

Figure 1 presents a conceptual model that summarizes the hypotheses.



### Methodology

To investigate the role of social media in CSR communication and employee behavior, we conducted three online surveys. Study 1 was an online survey among employees in different organizations in the Netherlands ( $N = 219$ ). For testing the model in Study 1, we focused on employees' online advocacy behaviors (positive electronic word-of-mouth, PeWOM) as a dependent variable. Study 2 was an online survey among employees of a Dutch multinational in energy management ( $N = 201$ ). In Study 2, we used both OCB and PeWOM as dependent variable. Finally, Study 3 focused on the different effects of quality versus quantity of the CSR communication via social media in a Dutch insurance company ( $N = 283$ ). In Study 3, we used only OCB as dependent variable. In addition to employee demographics, the surveys assessed the employees' perceptions of the following: 1) the frequency of CSR communications via social media (Study 1-3); 2) the quality of CSR communications via social media (Study 3); 3) how the outside world views the organization regarding CSR initiatives (perceived external prestige) (Study 1-3); 4) their identification with the organization (Study 1-3); and 5) their positive behaviors toward the organization (offline the form of OCB in Study 2 and 3, online in the form of PeWOM in Study 1 and 2).

A questionnaire was developed to measure the variables on a 7-point Likert scale. The frequency of CSR communications via social media was measured with four items based on Öberseder et al. (2013). The reliability of the scales were high in all three studies ( $\alpha$  between .87 and .96). Quality perceptions of the CSR communication via social media in Study 3 were measured with a three-item scale based on Bartels et al. (2006). The reliability of the scale was high ( $\alpha = .93$ ). Perceived external prestige regarding CSR (i.e., employees' perceptions of how the outside world views the organization) was measured with a three-item scale based on Smidts *et al.* (2001) ( $\alpha$  between .93 and .99). Organizational identification was measured using a three-item scale of identification based on Leach *et al.* (2008). The reliability of the scales were high in all three studies ( $\alpha$  between .93 and .96). Positive offline employee behaviour was assessed with three items from the Organizational Citizenship Behavior scale (Lee and Allen, 2002). The reliability of the scale were adequate ( $\alpha = .72$  and .81). Finally, positive online employee behaviour was assessed with three items from the electronic Word-of-Mouth scale by Eisingerich *et al.* (2015). The reliability of the scales were high ( $\alpha$  between .90 and .95).

## Findings

### **Hypotheses testing**

We performed structural equation modeling using AMOS SPSS 23 (Arbuckle, 2014) to test the hypotheses. For Study 1, the model fitted the data well ( $\chi^2/df = 1.72$ ; CFI = .979; TLI = .969; RMSEA = .058). As expected, employees' perceptions of the organization's perceived external prestige was positively related to organizational identification ( $\beta = .46$ ;  $p < .01$ ), confirming H1a. Moreover, organizational identification was positively related to employees' online advocacy behaviour ( $\beta = .36$ ;  $p < .01$ ), confirming H1b. The results further showed that communicating CSR initiatives via social media was strongly related to perceived external prestige ( $\beta = .37$ ;  $p < .01$ ) while not directly related to organizational identification ( $\beta = .09$ ;  $p = .21$ ), indicating that H2 was confirmed in Study 1. For Study 2, in which we included both employees' off line (OCB) and online positive advocacy behaviour (PeWOM) as dependent variables, again the model fitted the data well ( $\chi^2/df = 1.88$ ; CFI = .968; TLI = .961; RMSEA = .066). Employees' perceived external prestige was positively related to organizational identification ( $\beta = .21$ ;  $p < .01$ ), confirming H1a. Moreover, organizational identification was positively related to OCB behavior ( $\beta = .63$ ;  $p < .01$ ) and to employees' online advocacy behaviour ( $\beta = .63$ ;  $p < .01$ ), confirming H1b. The results further showed that communicating CSR initiatives via social media was positively related to perceived external prestige ( $\beta = .45$ ;  $p < .01$ ) and to organizational identification ( $\beta = .39$ ;  $p < .01$ ). We conducted a Fisher's Z-test to compare regression weights for Hypothesis 2. The weights did not significantly differ ( $Z = .73$ ;  $p = .47$ ). H2 was thus not confirmed in Study 2. For Study 3, in which we separated quantity of CSR communication and quality of CSR communication via social media, the model fitted the data well ( $\chi^2/df = 2.29$ ; CFI = .975; TLI = .969; RMSEA = .068). Employees' perceived external prestige was positively related to organizational identification ( $\beta = .27$ ;  $p < .01$ ), confirming H1a. Moreover, organizational identification was positively related to OCB behaviour ( $\beta = .49$ ;  $p < .01$ ), confirming H1b. The results further showed that quantity of communicating CSR initiatives via social media was strongly related to perceived external prestige ( $\beta = .37$ ;  $p < .01$ ) and not to organizational identification ( $\beta = -.02$ ;  $p = .85$ ). Moreover, the perceived quality of communicating CSR initiatives via social media was positively related to perceived external prestige ( $\beta = .25$ ;  $p < .01$ ) and to organizational identification ( $\beta = .18$ ;  $p < .05$ ). Fisher's Z-test was used to compare regression weights of quality of communication CSR initiatives on perceived external prestige and on organizational identification. The weights did not significantly differ ( $Z = .87$ ;  $p = .38$ ). Thus in Study 3, where we separated quantity and quality of CSR communication via social media, H2 was only confirmed for quantity of CSR communication. Moreover, H3a in which we stated that quantity of CSR initiatives via social media have a stronger positive association with organization's perceived external prestige than quality of social media communication was not confirmed. The regression weights for testing H3a did not significantly differ ( $Z = 1.57$ ;  $p = .11$ ). Finally H3b, in which we expected that quality of CSR initiatives via social media has a stronger positive association with organizational identification than quantity of social media communication, was confirmed. Quality of CSR communication was positively related to organizational identification, while quantity of CSR communication was not.

### **Summary of the findings and implications**

The current study aimed to examine the role of social media in CSR communications geared toward employees. The current study is among the first (Van Zoonen *et al.*, 2015) to investigate both social media communications and employee behavior. To date, in the context of online CSR communications, no study has investigated the impact of social media on employee identification and subsequent positive behaviors toward the organization. The findings from the current study suggest that both the amount of CSR communication via social media and the employees' perceived quality of this communication lead to positive employee perceptions of how the outside world views the organization's CSR initiatives. Previous research has shown that when employees think that their organization is perceived positively, they identify more strongly with the organization (Bartels *et al.*, 2007; Carmeli, 2005; Smidts *et al.*, 2001). The current study confirms these research findings in the context of CSR communications. Moreover, employees who exhibit stronger identification with and proud feelings toward their organization are more likely to exhibit positive organizational behaviors (Van Dick *et al.*, 2006), whereas a vast amount of consumer research has shown that positive word of mouth (WOM) is among the most influential external communication channels (Chevalier and Mayzlin, 2006; Hennig-Thurau *et al.*, 2004).

The current study has some implications for managers. Because employees' positive perceptions of CSR communication may eventually lead to more positive employee behavior, communication managers should be fully aware of the possibilities and impossibilities of social media communication. More specifically, ensuring that employees feel proud of the organization's CSR activities should be an essential part of an organization's CSR policy. Then, companies could also use positive employee WOM as a more controllable communication tool and rely on employees to be ambassadors for their own online CSR communications. Briefly, the effective use of social media for communicating CSR messages may encourage employees to be highly committed to the organization and to promote and defend the organization.

**References are available upon request.**

## 7. CSR DIALOG

# How do CEOs talk about sustainability in CEO letters

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### Structured Research Summary

**Keywords:** sustainability, CEO letter, management teams, corporate talk

#### Introduction

It has not escaped anyone that *sustainability* has become a frequent buzzword in the corporate world. Already in 1987, the Brundtland report (UNWED, 1987) urged management teams to start running their organisations in a more sustainable manner. Unfortunately, this call did not instantly result in a massive transformation of the corporate world (see Kolk, 2010). However, during the last decade we have witnessed an increased global trend where management teams invest a lot of resources into “re-labelling” their organisations as a *sustainable* business. This trend is promoted by the increased interest and awareness from stakeholders in sustainability dimensions and how these are incorporated in today’s management of organisations. As a consequence, the societal norms, values and expectations related to what it means to be a sustainable business have shifted. In order for a company to be granted legitimacy from its stakeholders, a management team must today succeed in convincing the stakeholders that the company is managed in accordance to the prevailing norms and values.

Communicating sustainability in corporate reports is argued to be an efficient way to enlighten stakeholders about the sustainable manner the organisation is managed from. Judging from the increasing reporting trend to provide sustainability information in corporate reports (Bondy et al. 2012; KPMG, 2015), management teams appear to be well-aware of the importance sustainability disclosure plays in the quest of earning the epithet *sustainable business* and, thus, receiving the so vital “license to operate”. However, these disclosures have often been questioned for being insufficient, lack credibility, a green- blue or even a SDG-washing activity, a pre-invention or simply words not actions (Arvidsson, 2019; Frankental, 2001; Loughran et al. 2009; Milne et al. 2009; Moneva et al. 2006; O’Dwyer et al. 2005; Waddock, 2008). The alleged inadequate quality of these disclosures is argued to be a result of a modest interest from management teams who often delegate sustainability issues to enthusiasts lower down in the organisation. Some recent studies do, however, indicate that sustainability is a matter that has begun to climb higher up in the hierarchy of a company. One example is that the position ‘head of sustainability’ today more often is included in the top-management team than a decade ago.

For many reasons, not the least to understand the prospects of fulfilling UNs Sustainable Development Goals, the so-called SDGs, and the reaching of Agenda 2030, it is relevant to reflect not only on how high up on the management teams' agendas sustainability appear to be but also on how they address sustainability in their corporate talk. How does social pressure affect or shape management teams' talk of sustainability? Furthermore, from the financial year 2017 the EU Directive (2014/95/EU) mandates the largest EU companies to disclose sustainability information in their corporate reports. Thus, from being a voluntary disclosure activity, addressing sustainability in corporate reports is now a responsibility that management teams must tend to. While previous studies to various extent have examined sustainability disclosure in corporate reports, e.g. annual reports, sustainability reports (or CSR reports) and integrated reports (ref), they have often neglected to focus on how management teams address sustainability. Considering the increased focus and awareness that stakeholders, politicians and organisations like UN and EU (EU High-Level Expert Group on Sustainable Finance; (European Commission, 2018)) place on sustainability, this paper sets out to shed more light on how management teams during the last decade have addressed and communicated sustainability and what perspectives they use to frame their talk of sustainability. Thus, this study aims to answer the following research question: *How has the corporate talk of sustainability developed in Swedish CEO letters during the period 2008-2017?* The selection of the CEO letter is motivated by this being an annual written statement signed by the chief executive officer, i.e. the head of the management team and the whole company. Focusing on Swedish companies, representing high-quality reporters, enables us to increase our understanding of how corporate talk of sustainability has developed in letters from companies regarded as role models when it comes to corporate communication. The selection of the largest companies is motivated by their position as first-adopters and trendsetters when it comes to corporate disclosure. Acknowledging, the alleged lack of a longitudinal focus in sustainability research (Golob et al. 2013; Perez and Sanchez, 2009), the period 2008-2017 is here selected. This enables us to identify developing paths and trends in how management teams talk about sustainability.

In this type of study, it is important to acknowledge the fact that *the talk* in corporate reports must only be viewed as talk and not the actual walk. Thus, this study does not set out to draw conclusions as to how sustainability *actually* is attended to in these companies. However, by examining the developments in how CEOs talk about sustainability in CEO letters, we will gain a better understanding of how sustainability *appears* to be attended to in our largest companies.

### **Theoretical foundation and historical overview**

Vital for achieving a proficient examination of how corporate talk of sustainability has developed is to understand the surrounding context in which this development has taken place. To establish such an understanding, we will discuss how corporate talk of sustainability relates to legitimacy- and stakeholder theory.

#### ***The legitimacy and stakeholder perspective***

The underlying idea of *legitimacy theory* is that a company needs to be granted legitimacy in the form of a social contract or a social licence to operate (Dowling and Pfeffer, 1975; Deegan, 2002). According to Hooghiemstra (2000) this implies that a company's success or even survival is reliant on the extent that the company operates within the norms of society (Brown and Deegan, 1998). Thus, legitimacy theory suggests that no company has an inherent right to exist. Instead every business operation is subject to the acceptance (or non-acceptance) granted by society. Drawing on the ideas originating from Dowling and Pfeffer (1975), Hahn and Kühnen (2013) argue that this legitimacy is potentially threatened if society perceives that a company is not operating and conducting business in an acceptable manner. Legitimacy theory is often used to support the idea that disclosure and corporate talk of sustainability are means for a company to gain, maintain or repair legitimacy (see de Villers and van Staden, 2006; O'Donovan, 2002). As we will see below, the societal norms related to sustainability have changed during the decades, which might have affected corporate talk of sustainability. Following the legitimacy perspective, corporate talk of sustainability in CEO letters is assumed to be a means, adopted by management teams, to secure legitimacy.

Being perceived as legitimate in society and accordingly receive a social licence to operate is dependent on the perceptions of the company and its operations held by stakeholders. *Stakeholder theory* suggests that a company needs to consider the perspectives and expectations of its various stakeholders and also be aware of shifts in these perspectives and expectations (Freeman, 1984). In line with this, the moral view of stakeholder theory proposes that those who are impacted by or impact a company's operations also have the right to be informed and to demand certain levels of performance (see Freeman, 1984; Mitchell et al. 1997). Companies are found to provide accountability to their stakeholders (Mori Junior et al. 2014) by voluntarily communicate about their engagements in sustainability activities. Thus, sustainability disclosure is often seen as a dialogue between the company and its stakeholders (Gray et al. 1995a). Similar to this, Campbell et al. (2003) argue that sustainability disclosure can be regarded as a means to shape the perceived legitimacy of a company. Thus, besides being assumed as a means to secure legitimacy, corporate talk of sustainability is assumed to manifest stakeholder dialogue aimed at enhancing stakeholder relations by providing accountability related to the company's sustainability efforts.

### **Research design and empirical methodology**

This study examines CEO letters from the *largest listed Swedish companies*. A Swedish setting is motivated by the notion that Swedish companies are among the best when it comes to provide their stakeholders with sustainability disclosure (see Cahan et al. 2016; KPMG, 2015). The selection of the largest companies is motivated by their position as first-adopters and trendsetters when it comes to corporate disclosure. Furthermore, the inclusion of the largest companies is motivated by the notion put forward in earlier sustainability research that the impact on society grows with company size and that reports from the largest companies, thus, are best suited for sustainability analyses (see Stiller and Daub, 2007). Therefore, the top 30 companies included in NasdaqOMXS30 index were selected. This index includes the 30 most traded shares at Nasdaq Stockholm Stock Exchange. After adjusting for companies with more than one of its shares in the index or with a domicile other than Sweden, the final list of companies includes 27 Swedish companies (see Appendix 1).

There are trends in everything, so also in corporate talk of sustainability. However, when shortcomings with sustainability research are discussed, a lack of longitudinal focus is often emphasised (Golob et al. 2013; Perez and Sanchez, 2009). An important motivation underlying this study is to examine how corporate talk of sustainability has *developed*. Thus, in order to identify potential trends, the data includes selected CEO letters from a 10-year period of 2008–2017. Like Laine (2010) argues, it is vital to carefully reflect on how the selection of disclosure amplitude will affect the quality of the analysis. Thus, it would be too complex to provide a comprehensive and in-depth analysis of *all* CEO letters from the 30 companies over a 10-year period. Therefore, four anchor points have been selected; 2008, 2013, 2015 and 2017. The companies' CEO letters are analysed in depth from these four years only. Careful consideration characterized the process of selecting the years. While CEO letters from the financial year 2017 were the latest available during the data-collection process, the choice to focus on 2008 as the starting year is motivated by this year being the year when research publications on sustainability (Hahn and Kühnen, 2013) and popular science articles on sustainability and CSR (Borglund, 2009) significantly increased. Relating to the above discussion on legitimacy, not least the increased focus on sustainability in the public domain might have induced an engagement in corporate talk of sustainability in CEO letters. Furthermore, the proportion of companies that included a sustainability focus in their corporate reports was found to increase around 2013 (KPMG, 2015). In order to keep the total number of CEO letters at a reasonable level, it was decided to choose only two more anchor points. To capture how e.g. GRI G4 Guidelines, the Paris Agreement, SDGs, Agenda 2030 and the EU directive (2014/95/EU) have influenced corporate talk of sustainability in CEO letters, two anchor points in the end of the examined period were chosen, i.e. 2013 and 2015. The selection of CEO letters from these four years enables a rich analysis of how corporate talk of sustainability has developed since 2008.

### **Presentation and discussion on empirical results**

This study set out to answer the following research question: *How has the corporate talk of sustainability developed in Swedish CEO letters during the period 2008-2017?* The findings reveal that the CEOs frame their talk of sustainability differently throughout the examined period. Four perspectives are being identified: the sticky-environmental perspective, the performance and meso perspective, the product-market oriented perspective and the embeddedness and value-creation perspective.

#### ***CEO letters 2008 – The sticky-environmental perspective***

After having examined the talk of sustainability in the letters from 2008 it becomes clear that the most characterising from these letters is that the environmental dimension of sustainability still is dominant. Thus, we propose that in 2008 CEOs adopt a *sticky-environmental perspective* when they talk about sustainability. As discussed above, this stickiness is not surprising considering that there has been a predominant environmental focus for decades.

#### ***CEO letters 2013 – The performance and meso perspective***

After having examined the talk of sustainability in the letters from 2013 it becomes clear that the two things are most characterising in the talk. First, the CEOs have included a performance perspective on their sustainability endeavours. Second, they have broadened their scope related to the responsibility of sustainable conduct. Now they do not only consider the own company but do also incorporate suppliers and partners. This we refer to as the CEOs have moved from a micro to a meso focus in their scope of responsibility of sustainable conduct. Thus, we propose that in 2013 the CEOs adopt a *performance and meso perspective* when they talk about sustainability.

#### ***CEO letters 2015 – The product-market oriented perspective***

After having examined the talk of sustainability in the letters from 2015 it becomes clear that this is the year when the CEOs frame sustainability in relation to three main themes 1) increased customer demand, 2) their product/service offers and 3) sustainability certifications (e.g. UN Global Compact, CDP, Dow Jones Sustainability Index, FTSE4GOOD). In common to these themes is that they all are connected to the product market. Thus, we propose that in 2015 the CEOs adopt a *product-market oriented perspective* when they talk about sustainability.

#### ***CEO letters 2017 – The embeddedness and value-creation perspective***

After having examined the talk of sustainability in the letters from 2017, it becomes clear that this year's talk is characterised by the inclusion of an embeddedness and value-creation perspective. *First*, the CEOs devote much of their talk to emphasise (or convince) how sustainability is being firmly embedded in the organisation via e.g. strategy, operations, processes, methods, business concepts, culture, value chain. *Second*, they put forward, connect and associate sustainability with their company's value creation. Thus, we propose that in 2017 the CEOs adopt an *embeddedness and value-creation perspective* on their talk of sustainability.

# Co-constructing Corporate Social Responsibility: Towards a sense-making based dialogical and configurational approach

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## Structured Research Summary

Corporate social responsibility (CSR) relates to firm activities that “appear to further some social good, beyond the interests of the firm and that which is required by law” (McWilliams & Siegel, 2001: 117). For years, an overemphasis in academic research on the content of these CSR activities (Basu & Palazzo, 2008) and the potential economic rewards linked to the development of such activities (see Margolis & Walsh, 2003) has led to the provision of relatively little guidance in terms of understanding how CSR concerns actually translate into organizational understanding and practices (Lee, 2008).

In line with recent research contributions (Aguinis and Glavas, 2017; Basu and Palazzo, 2008; Hahn and Aragón-Correa, 2015), we support that adopting an organizational sensemaking perspective on CSR development—which considers how people in organizations collectively grant sense to their environment through interactions with others (Maitlis, 2005)—has the potential to produce a more comprehensive understanding of the interpretation processes and negotiation of meaning among social actors that fundamentally underlies CSR development in firms. Sensemaking is indeed the primary site where meanings materialize, which then inform and constrain identity and action (Weick et al., 2005). Organizational sensemaking helps individuals develop shared meanings about key features, such as the firm’s *raison d’être*, which issues it faces, and how to resolve these issues (Weick, 1995).

A decade ago, Basu and Palazzo (2008) proposed a robust sensemaking-based process model of CSR that emphasizes cognitive, linguistic, and conative dimensions, enabling to reconsider most content-focused, instrumental views of the CSR phenomenon and focus on actual managerial and intra-organizational interpretive processes—that is, how firms and people within them understand and construct CSR commitments and initiatives. Similarly, more recently, in a comprehensive conceptual effort, Aguinis and Glavas (2017) have adopted a person-centric conceptualization of CSR by focusing on sensemaking as an underlying and unifying mechanism through which individuals are proactive and intentional agents who search for and find meaningfulness through work.

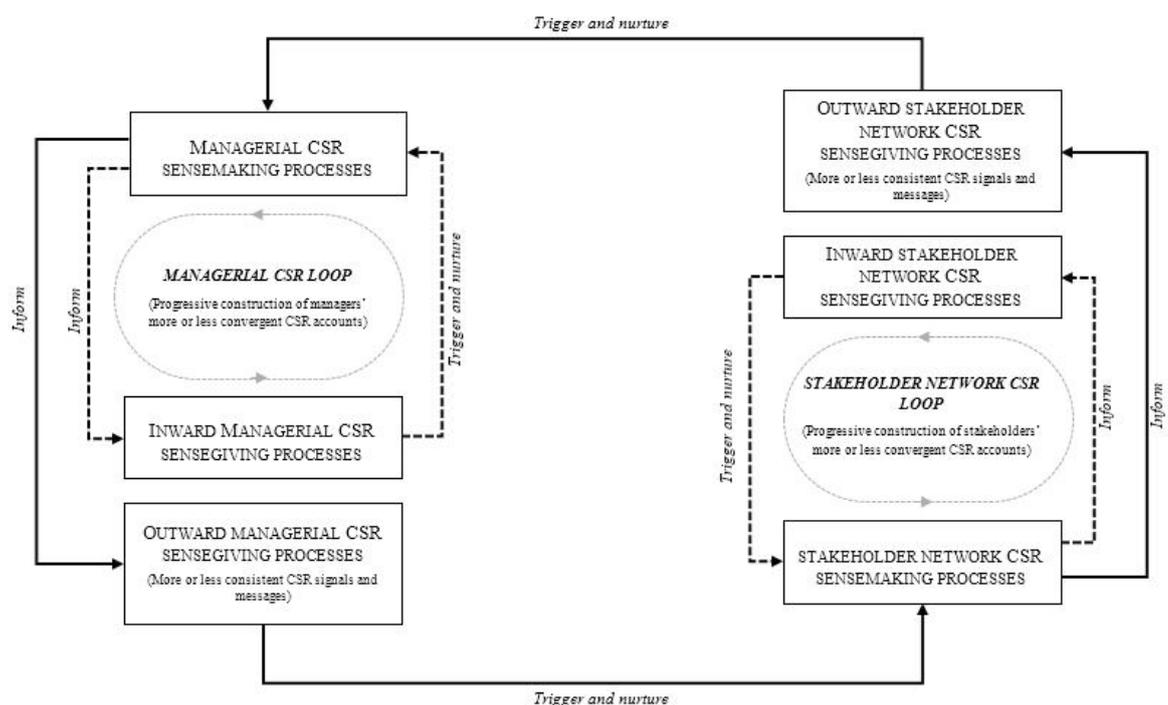
However, these important conceptualizations as well as most other sensemaking-oriented recent research efforts (see Hahn et al., 2014; Wickert and de Bakker, 2018) focus essentially on managers and individuals within the firm, without fully considering how CSR-related sensemaking and sensegiving processes are initiated and fundamentally take place among and between various internal and external stakeholders of the firm (Gioia & Chittipeddi, 1991; Maitlis, 2005). Investigations addressing CSR-related decoupling practices (e.g. Crilly et al., 2012) and research efforts that seek to understand why and how business organizations and their internal stakeholders engage in CSR initiatives (e.g. den Hond & de Bakker, 2007; Rowley & Moldoveanu, 2003) and delineating social change as a multilevel and multi-stakeholder process (e.g. Aguilera et al., 2007) should therefore be mobilized to supplement such individual-, manager-centric, sensemaking-based conceptualization. In particular, the complex interplay between external environments and internal organizations demands further consideration, in relation to how it affects responses to stakeholder pressures and the manner in which CSR is apprehended by and unfolds in firms.

**Preliminary Outcomes**

With this conceptual research effort, we aim to advance understanding of the multilevel, multipartite interactions that shape the constantly evolving meaning of CSR for managers and stakeholders, both within and outside the firm. We propose a conceptualization of CSR as an inherently social, interactional phenomenon, constructed through social and dialogical exchanges between managers within the firm and between the managers and the firm internal and external environment. In particular, we assert that CSR should be understood as *an ongoing process by which the firm's managers and stakeholder network interactively construct and share sense through symbolic and emphatic actions pertaining to key firm-related issues and interpreted by at least one of the parties as affecting the social good.*

Accordingly, we focus our conceptual investigating on the processes that underlie the way CSR meaning and initiatives unfold. Our model contains two sensemaking–sensegiving loops that are recursive and interdependent and through which managers and the stakeholder network of the firm construct their own collective CSR accounts. As illustrated in Figure 1, these managerial and stakeholder network loops are mutually connected through managers’ outward sensegiving efforts and the stakeholder network’s outward sensegiving efforts. In line with Calton and Payne (2003: 7), we refer to the stakeholder network concept as “an interactive field of discourse occupied by those [internal and external stakeholders] who share messy (complex, interdependent, emergent) problems and who want/need to talk about them”.

**Figure 1 - A Multipartite Interpretive Conceptualization of CSR**



From this basis, following a metaphor of the relationship between musicians and their audiences, we derive a twofold categorization of the interactional characters that constitute the managerial and stakeholder network loops, such that the continuous unfolding of CSR in firms depends on the configuration of the firms' and stakeholder networks' characters. We consider the *CSR interactional character of a firm* as the way managers of the firm go about making sense of and giving sense to CSR through interactions with other stakeholders. We similarly define the *CSR interactional character of a stakeholder network* as the way actors in the stakeholder network of the firm go about making sense of and giving sense to CSR through interactions with others.

In particular, in Table 1 we advance propositions that firms can be characterized as a CSR soloist, CSR arranger, CSR harmonizer, and CSR jammer. These characters do not pertain to the nature, quality, and content of CSR commitments or firm actions per se (i.e., whether the song played by the musician is good or not). Rather, they build on the degree of convergence among managers' CSR accounts, resulting from the managerial CSR loop, and the degree of consistency of managers' outward CSR sensegiving efforts. The former dimension refers to the extent to which managers reach a collective understanding and communally make sense of CSR issues (i.e., read and approach a musical score), as a result of their interaction—or on the contrary, the extent to which they maintain multiple, diverging CSR accounts. The latter dimension refers instead to the extent to which the CSR-related messages that managers send to the stakeholder network (i.e., the way they interpret and play a version of the score for the audience) are consonant or else disparate and characterized by dissonant elements or parts.

The CSR soloist firm exhibits a high degree of convergence between managers' CSR accounts and a high degree of coherence between the signals and messages addressed to the stakeholder network. The relatively unitary perspective developed by the firm's managers metaphorically reflects a solo performer who reads a musical score with a strongly consistent perspective. The CSR arranger firm conversely perceives that uniform communications with stakeholders might not be sufficient to ensure support from its stakeholder network. Rather, managers adjust their sensegiving efforts to bridge the gap between the intended image of the firm and the construed organizational images associated with key stakeholder groups. The CSR harmonizer firm attempts to make the various elements combine melodiously, despite the diverging perspectives underlying the internal, managerial interpretation of CSR issues. Finally, managers of the CSR jammer firm, when CSR issues emerge in the organizational environment, improvise potentially contradictory answers, without building a shared managerial understanding or predefined arrangements about CSR issues and actions.

In Table 2, continuing our musician–audience metaphor, we argue that the stakeholder network of the firm can be typified by four distinct audience-inspired characters: the CSR tutor, CSR club, CSR jury, and CSR critics. These characters describe not how the stakeholder network evaluates the quality or content of firms' CSR actions (i.e., whether a musical piece and its interpretation is good or not) but rather the degree of convergence of the CSR accounts within the stakeholder network (i.e., the extent to which they hear and experience the musical piece similarly) and the coherence of the stakeholder network's outward CSR sensegiving efforts (i.e., whether the audience's feedback and demands of musicians are similar or diverse).

The CSR tutor corresponds to a stakeholder network characterized by a high degree of convergence between stakeholders' CSR accounts and a high degree of coherence between the messages addressed by the stakeholder network to the firm. This fairly unitary perspective is like a music tutor who perceives a piece of music played by a musical pupil with a strongly consistent perspective and accordingly has clear and consistent expectations and commendations to express. In a CSR club context, stakeholders progressively develop commonly shared meanings and interpretations about CSR issues and their integration by the firm, but those convergent stakeholder accounts are not transmitted that way to managers, because the diverse stakeholders in the network customize their sensegiving efforts, in accordance with their own specific interests or objectives, such that they send mixed, potentially incongruous signals to the firm. The CSR jury stakeholder network is characterized by low convergence between stakeholders' CSR accounts but paradoxically high consistency in the messages sent to the firm. Metaphorically, it is a jury that combines diverse members' potentially different perceptions of the musical piece and the musician's interpretation to develop an ultimately unitary judgment of the performance, often through intense discussions and exchanges. Finally, CSR critics offer low convergence in stakeholders' CSR accounts and heterogeneous, inconsistent outward sensegiving efforts. The lack of convergence impedes coordination among stakeholders, so different stakeholder groups develop their own sensegiving efforts, based on their unique CSR accounts, and address different, potentially conflicting signals to managers.

Our twofold typology is especially important for furthering the consideration of CSR co-construction processes as it contributes to develop a more context-inclusive CSR understanding (Basu & Palazzo, 2008) by identifying different potential "contextual configurations seen to represent vying forces for change and stability" (Meyer, Tsui, & Hinings, 1993: 1184). Combining the CSR-related characters of the firm and its stakeholder network indeed produces 16 potential configurations that might characterize CSR-based firm– stakeholder relationships. These contextual configurations condition CSR development dynamics. By highlighting the foundations of potential configurations of multipartite sensemaking and sensegiving processes, our CSR conceptualization and twofold typology thus offer a constructive basis for approaching the context-dependent nature of actual CSR development, rather than simply evaluating corporate activity inventories to outline the CSR profile of a firm. In furthering this work in progress, our conceptualization and twofold typology should help us clarify how certain characters and interactional configurations produce stronger or weaker social responsibility performance. For example, more systematic analyses might determine how various firm and stakeholder network CSR interactional characters and configurations favor or hinder performance. Identifying critical factors that lead to the emergence of specific CSR interactional configurations, facilitate dialogue, and support the emergence of collective frames of reference among managers and stakeholders thus constitutes a continuing challenge for researchers. In addition, we call for empirical investigations of whether and how specific interactional characters and configurations lead certain firms to persist in their poor social performance or failing states (Meyer & Zucker, 1989). We imagine, for example, that relentless stakeholder networks that offer less consistent outward CSR sensegiving efforts (i.e., CSR critics or CSR club) create substantial uncertainty for managers and likely hinder the convergence of managerial CSR accounts, potentially leading to poor social responsibility performance over the long term.

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# CSR Communication Using Social Networking Services: How and Why Do Consumers Engage?

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## Structured Research Summary

### Purpose

This study investigates millennial consumer engagement types and the underlying motivations as a result of CSR-related posts of fashion companies.

### Method

To get a first understanding of a scarcely studied research field, a qualitative approach is used in form of face-to-face interviews.

### Preliminary findings

Existing classifications of consumer engagement types in literature are not sufficient to represent the specific engagement forms in the CSR context. This paper extends existing classifications of consumer engagement types. A refined classification of engagement is used to analyze the related motivations. Here, first results show that specific motivations cannot be linked with all forms of engagements. Moreover, further motivations emerge which have not been mentioned in literature so far.

### Originality

By focussing on an understanding of the different levels of consumer engagement in the specific SNS context, this study contributes to the current state of research and can form the basis for implications for practitioners to stimulate consumer engagement with CSR communication, especially for millennials with regard to the fashion industry.

**Keywords:** Online CSR Communication, SNS, Consumer Engagement, Engagement Motivations

**Track:** CSR in social media context

## Introduction

To make CSR activities visible to consumers, companies communicate their CSR activities through various channels. A shift towards the use of new forms of media, such as using social networking services (SNS), has been discernible for some years now (Chu and Kim, 2011). SNS offer the possibility of interactive two-way communication. In this context, companies do not see consumers as passive members anymore, but integrate them as active members (Miller and Lammas, 2010). This creates the opportunity for reaction and interaction (Cho et al., 2017; Morsing and Schultz, 2006). Morsing and Schultz (2006) state that effective CSR communication is based on dialogue with consumers.

SNS contain different ways how communication is displayed to consumers, such as direct messages, single posts displayed on user walls or a corporate site as a whole, where different posts are collectively displayed in an overview (Facebook, 2019; Instagram, 2019). We refer to the broader term of social network services (Zhang and Leung, 2015), which implies the often-used term of social networking sites. However, sites are one aspect of SNS as a whole.

Companies seek to stimulate consumer engagement, as this positively impacts consumers' attitudes towards the company and consumers' intention to spread positive word-of-mouth of the company. In addition, consumers who are more engaged with corporate SNS are more satisfied and committed to companies (Men and Tsai, 2013). With special regard to CSR, Haigh et al. (2013) show that engagement with corporate Facebook pages has a positive effect on the perception of CSR by consumers and their attitude towards the companies. To achieve an increased level of engagement, it is essential from a business perspective to understand the engaging consumer. This includes at first the forms of engagement and second, the various motivations for these engagement forms. However, this has not been studied in the area of CSR to date. Most existing studies investigate the general use of SNS (Dunne et al., 2010; Park et al., 2009). Only little attention has been paid to consumers' corporate SNS use in detail (Rissanen and Luoma-Aho, 2016). This paper seeks to shed light on this issue. In detail, we focus on the question of how and with what motivations consumers engage as a reaction of corporate posts on SNS, especially with regard to the engagement of CSR-related issues. Here, the focus is on fashion industries, which was one of the first sectors that adopted and communicated CSR practices (White et al., 2017). In addition, we concentrate on millennial consumers. One possible categorization of generations is the classification of birth years, here between 1980s and the early 2000s (Howe and Strauss, 2000). The millennial consumer generation has a particular relevance when communicating CSR via SNS (Hill and Lee, 2012; Nadeem et al., 2015). First, this cohort is characterized by an intense use of social media services, especially in comparison to the older generations (Bolton et al., 2013). Second, millennials have a higher interest in apparel than the following generations (Parment, 2013) and tend to be more consumption-oriented (Lissitsa and Kol, 2016). Third, they have a positive attitude towards sustainability in the fashion industry (Hill and Lee, 2012).

### **Engagement on SNS**

Engagement is a complex and multidimensional concept that has been viewed from a variety of perspectives (Brodie et al., 2013; Rissanen and Luoma-Aho, 2016). Drawing on Schivinski et al. (2016), we define consumer engagement on SNS as *"a set of brand-related online activities on the part of the consumer that vary in the degree to which the consumer interacts with social media"* (Schivinski et al., 2016, p. 66) and use the term of consumer, which also implies potential consumers, because purchasing behaviour is not required for engagement (Rissanen and Luoma-Aho, 2016).

Consumer engagement on social media services can be distinguished between active and passive behaviours (Men and Tsai, 2013; Vorvoreanu, M., 2009). However, a dichotomous differentiation of consumer activities may not be sufficient to illustrate multiple forms of engagements (Ruehl and Ingenhoff, 2015). One of the most referred frameworks for exploring consumer engagement on social media is Shao's (2009) typology (used e.g. by Heinonen, 2011; Ruehl and Ingenhoff, 2015). He proposes three categories of consumer activities in social networks: consumption, participation and production. Based on Shao's (2009) categorization, Muntinga et al. (2011) propose a typology for consumers' online brand-related activities (COBRA). This typology provides a categorization that focuses more on corporate-related rather than social media activities in general.

### **Motivations for engagement in SNS**

Numerous definitions and theoretical approaches exist in the literature for the concept of motivation. From a psychological point of view, motivation *"concerns energy, direction, persistence, and equifinality - all aspects of activation and intention"* (Ryan and Deci, 2000, p. 69). Emphasizing the practical aspects motivation becomes *"the degree to which an individual wants and choose to engage in certain specified behaviors"* (Mitchell, 1982, p. 82). In the context of media use, motivations are understood as incentives that drive people's selection and use of media and media content (Muntinga et al., 2011; Rubin, 2002). Moreover, motivation is not static. It changes and develops dynamically, depending on the conditions or situations, in which the actions take place (Oh and Syn, 2015).

Motivations for consumers' social media use have received much attention, especially from the uses and gratifications theory (U&GT). U&GT sheds light on the question of why and wherefore people use media (McQuail, 1983). McQuail (1983) provides four main reasons for media use: information, personal identity, integration and social interaction, as well as entertainment. User motivations in U&GT have been refined over the years by various media scholars over the past years. Studies have identified additional categories of motivations that extend McQuail's typology. In social media literature, Muntinga et al. (2011) added the motivations remuneration and empowerment. Remuneration refers to the desire for rewards and economic incentives. Empowerment is characterized as the ability to express opinions (Muntinga et al., 2011). Moreover the motivation of utility drives people to engage in SNS (Lin and Lu, 2011).

Besides the motivations for engagement in (social) media, scholars have rarely dealt with consumer's motivations to engage with CSR communication on SNS. A few existing studies identified prosocial motivations. In this context, gratitude is identified as a *"key motivation behind consumer responses to CSR"* (Romani et al., 2013, p. 194). It may motivate grateful people to behave prosocially themselves, either toward the benefactor, others, or both (Romani et al., 2013). In addition, social identification and desire for self-definition are identified as further motivations (Öberseder et al., 2011; Sen et al., 2016), which are in line with the aforementioned motivations for consumer engagement on social media sites.

In addition, consumers' motivations exist to engage with fashion companies on SNS. Studies show that consumers with higher fashion consciousness are more likely to be actively engaged with fashion companies in SNS than those with less awareness of fashion (Casidy, 2012). Moreover, (styling) inspiration (Ruane and Wallace, 2013), identity-expression and aesthetic self-realisation (Meneses and Rodríguez, 2010) are considered as motivations for consumer engagement.

In total, no understanding exists of how consumers engage with CSR communication on SNS of fashion companies. While existing studies from various research streams might be indicators for the underlying motivations, the question arises whether these motivations are also relevant for CSR-related consumer engagement on social media services.

### **Methodology**

To get a first understanding of this scarcely explored research field, we use a qualitative approach in form of face-to-face interviews. This enables a clarification and elaboration of relevant aspects by going into detail (Öberseder et al., 2011).

The data collection was divided into two steps: First, in the run-up phase before the 18 semi-structured interviews the participants received instructions by e-mail. They were asked to collect posts on SNS from fashion companies that they associate with sustainability and with which they engaged in some way. The respondents had seven days to complete this task. The corporate posts originate for the most part from the service Instagram. These posts from real-life contexts formed the basis for the interviews as a second step. With the participants' permission, each interview was audiotaped and transcribed. Then, the responses were coded and analyzed using a qualitative content analysis (Mayring, 2010; Kuckartz, 2012). Shao's classification of engagement types (Shao, 2009) and the COBRA framework (Muntinga et al., 2011) were used to examine the different forms of engagements and served as a basis for mapped identifying the motivations for the specific engagement types in a second step. For this purpose, the data were coded according to the categories identified in the literature and then added inductively.

### **Preliminary Results**

First results show that the conceptualization of engagement types (Shao, 2009) and the COBRA framework (Muntinga et al., 2011) are not sufficient to reflect the engagement forms in the CSR context. A fundamental distinction can be made to the degree of publicity between non-public, semi-public and public engagement. Non-public engagement contains an action which is only visible for a consumer herself/ himself, or for a second actor in a private message addressed by the consumer. The receiver of a message can be users or companies. The distinction of semi-public indicates that the engagement is visible to a selected community of the consumer. The third distinction of public engagement comprises actions, which are visible for all users of the SNS, which also implies companies.

In the degrees of publicity four different levels of engagement can be divided. These engagement forms are 'consumption', 'participation', 'production' and 'co-creation'. The first form 'consumption' includes the actions of viewing and reading a CSR post. It is a passive form of engagement and an assumption for all followed active engagement forms on the second stage. The second form of 'participation' includes on the non-public level the actively storing of content:

*"Sometimes I also save things [...]"* (I.11)

In addition, 'production' could be identified in this phase. This is subdivided again with regard to the recipient. Consumers can write private messages directly to the companies or to a member of their community as a reaction to the corporate CSR-related post:

*"This means that you send the post to someone else and then you can write something about it. So I don't share it in public."* (I.13)

Furthermore, deviating from the original classification of Shao (2009), but in line with and Ruehl and Ingenhoff (2015), we classify all content-generating activities, which result in production of text (e.g. publishing a comment on an existing corporate post) under the dimension of production (Ruehl and Ingenhoff, 2015). According to Shao (2009), the highest level of participation is creation of own content such as text, images and video. However, a distinction has to be made here. First, it is possible to publish a comment under a corporate post. Second, a complete own conceptualized post in response to an initiated topic is possible. This newly added level is defined as 'co-creation' in the sense of the role that is added to the consumer in this way. This form only occurs in the degrees of semi-public and public engagement. A summary of the current state of the identified and assumed typologies of the other engagement forms in combination with the different degrees of publicity are described in Table 1 and are deepened in further studies.

Table 1. Typologies of consumer engagement forms enhanced with the degree of publicity

		Level of Engagement			
		Consumption	Participation	Production	Co-Creation
Degree of Publicity	Non-public Engagement	<i>Reading, watching a corporate post</i>	<i>Saving, searching a corporate post</i>	<i>Writing a message to an user // a company</i>	-
	Semi-public Engagement	-	<i>Sharing, like a corporate post visible for selected community</i>	<i>Commenting on a corporate post visible for selected community</i>	<i>Publishing an extensive corporate-related post visible for selected community</i>
	Public Engagement	-	<i>Sharing, like a post publicly visible</i>	<i>Commenting on a corporate post publicly visible</i>	<i>Publishing an extensive corporate-related post publicly visible</i>
		<b>Passive (Stage 1)</b>		<b>Active (Stage 2)</b>	

Based on these engagement classifications, the way is paved for the analysis of underlying motivations. The motivations in literature are related to the specific forms of engagement. However, building on our classification e. g. the motivation empowerment is only relevant in stage 2 in engagement with other actors, but is not the case for the engagement level consumption in stage 1. Moreover, motivations are identified that go beyond those existing in the literature. Creating awareness of a topic in one's own community is a motivation that goes beyond the category of information.

In the next step, the knowledge of engagement forms and underlying motivations forms the basis to conceptualize CSR communication strategies for which Morsing and Schulz (2006) can offer an appropriate approach from an companies' point of view.

## Conclusion

The contribution of this study is threefold: First, it contributes to an understanding of the different levels of consumer engagement in the specific SNS context. Second, the study provides insights for an understanding of consumers' motivations for engaging with CSR-related corporate posts. Third, the paper forms the basis for implications for practitioners to stimulate consumer engagement, especially for millennials with regard to the fashion industry. By understanding consumers' use and their motivations, CSR communication strategies can be designed to positively influence the perception of corporate social responsibility, build quality relationships with consumers, and increase the sense of identification with and attitude towards the company (Haigh et al., 2013; Men and Tsai, 2013).

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## 8. CSR ACROSS INDUSTRIES

# Fashion industry: is it really walking and talking CSR?

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### Structured Research Summary

#### Purpose/Introduction

Fashion companies are progressively implementing Corporate Social Responsibility (hereafter CSR) activities as well as communicating their expectations and commitments, (Joy *et al.*, 2012; Kozlowski, Searcy and Bardecki, 2015) in line with the growing attention expressed by consumers of fashion products towards social and environmental issues (e.g., Amatulli *et al.*, 2018; Caniato *et al.*, 2012; Kapferer and Michaut, 2015). CSR implementation and CSR communication are the two dimensions of CSR engagement, defined as an overarching concept of how firms combine "(1) the primarily externally facing documentation of corporate responsibilities ('CSRtalk') and (2) the implementation of strategies, structures and procedures in core business processes within and across divisions, functions, value chains, etc., that facilitate corporate responsibility ('CSRwalk')" (Wickert *et al.*, 2016, p. 1170). Unfortunately, most of the previous studies do not sufficiently distinguish between the two dimensions of CSR engagement. Notably, there is an ongoing theoretical debate about the role of the company size as a driver to explain the different combinations of CSR communication and implementation (e.g. Baumann-Pauly *et al.*, 2013; Morsing and Spence, 2019; Wickert *et al.*, 2016). Nevertheless, these effects have been discussed theoretically but not yet been empirically explored. Our study aims to fill this gap by providing empirical evidence about the role of company size in the implementation and communication of CSR activities. In addition we advance that company size alone cannot explain the different combinations of CSR engagement of companies and, drawing from the two main perspectives on CSR, economic and institutional, we propose a novel framework in which we suggest that the key to account for possible differences can be found in the company's type of business – a proxy of the way the company creates value for the market through its product offer – and its served market – a proxy of the institutional pressure that may come from the customers.

#### Hypothesis development

CSR literature has recently speculated theoretically on the role of company size in CSR engagement (Baumann-Pauly *et al.*, 2013, Wickert *et al.* 2016). Previous literature has mainly focused on small companies *or* on large companies separately *or* has considered company size as a control variable. Building on the economic perspective of CSR, literature suggests that larger firms are associated with greater resource-slack than smaller firms which have constrained or inadequate resources that may make it unviable for them to engage in CSR initiatives. Building on the institutional perspective, a well-accepted view is that large companies may benefit from engaging in legitimacy-seeking behaviors like CSR engagement (Young and Makhija, 2014; Hawn and Ioannou, 2016) given that they are more visible or successful, and consequently a perfect target to draw attention on social or environmental issues (e.g. Porter and Kramer, 2011, 2006). Nevertheless, even small firms are asked to act responsibly under the pressure of their customers' requirements (Perry and Towers, 2009; Öberseder, Schlegelmilch and Murphy, 2013; Öberseder *et al.*, 2014) as well as under the pressure of large companies if they are part of supply chain in a position of agents (Ciliberti *et al.*, 2011). Notably, Morsing and Spence, (2019) point out that even if small firms are asked to communicate more explicitly their CSR engagement, though they appear to be reluctant to do so as they perceive the communication as conflicting with their genuine CSR engagement.

We acknowledge that company size can provide a proxy for public pressure, availability of resources and higher employees' education level, resulting in a deeper awareness and a higher likelihood to provide CSR engagement. Therefore, we hypothesize that:

*(H1a): small companies have a lower likelihood to engage in CSR talk, compared to big companies.*

*(H1b): small companies have a lower likelihood to engage in CSR walk, compared to big companies.*

According to the institutional perspective of CSR, in order to gain and maintain legitimacy, companies will adapt their CSR behavior to the institutional environment in which they are embedded (DiMaggio and Powell, 1983; Campbell, 2007). In line with the institutional theory, depending on the served market segment (as a proxy of the pressure that may come from consumers), the company changes the type product offer, the retail format, the communication and also the type of CSR engagement. The most common way to segment markets in any industry is based on price and in fashion there are five segments: couture, ready to wear, diffusion, bridge, and mass market (Corbellini and Saviolo, 2009).

The fashion business targeting the mass market has witnessed a dramatic reorganization in the industry and the lower prices and higher volumes they are adopting have created the so-called throwaway fashion or low-cost fast-fashion (Kozlowski, Searcy and Bardecki, 2015) driving a culture of consumption which unquestionably leads to negative social and environmental impacts (Pedersen, Gwozdz and Hvass, 2018). As a consequence, companies serving lower segments may be keen to implement CSR activities and to communicate them as a way to remedy to their irresponsible practices, trying to create a positive image of the company and to gain endorsement by consumers (Zavyalova *et al.*, 2012; Palmer, Smith-Crowe and Greenwood, 2016).

On the other hand, companies targeting higher segments are even more pressured by stakeholder criticism given that they are highly visible (Kapferer and Michaut, 2015), as a consequence they are asked to implement and to communicate CSR to preserve their reputation and the license to operate (Amatulli *et al.*, 2018). Building on the institutional perspective, we advance that while ethical sustainability concerns exist across all markets, major issues affect companies which are more visible and vulnerable (Young and Makhija, 2014) such as those targeting the mass market, because of their higher volumes and proximity to the final consumer, and those targeting the higher markets (e.g. haute couture) because of consumers' demands towards a more sustainable and quality product:

*(H2a): the less served markets are visible, the lower the likelihood of companies to engage in CSR talk;*

*(H2b): the less served markets are visible, the lower the likelihood of companies to engage in CSR walk.*

By relying on the economic perspective, the type of business conducted is a proxy of the way a company creates value for its market through its product offer. However, although there is evidence of businesses impacting both socially and environmentally such as the sportswear (Frenkel and Scott, 2002; Miles and Munilla, 2004) or the leather-hosiery-accessories (Ciasullo, Cardinali and Cosimato, 2017), to the best of our knowledge extant academic and grey literature does not provide evidence about the level of CSR implementation and communication in these contexts, and how they differ among each other. Therefore, we can advance that:

*(H3a): the type of companies' core business will affect the likelihood to engage in CSR talk;*

*(H3b): the type of companies' core business will affect the likelihood to engage in CSR walk.*

### Design (Framework)/methodology/approach

Companies in our sample are fashion brands or groups, with a global reputation operating and sourcing globally, their headquarters are based in the European Union, United States or Japan operating in different market segments: mass market, bridge, diffusion, ready-to-wear and haute couture (Corbellini and Saviolo, 2009). The so-called fashion industry is in fact a particularly well-suited context to test our argument since it is a meta-industry characterized by different types of business targeting different market segments. Since a systematic account of the fashion companies does not exist, basing on these criteria we selected companies from different sources<sup>1</sup> resulting in 219 companies. Descriptive statistics about the sample are provided in Table 1.

**Table 1: Sample descriptive statistics**

Market segment	Size			Core business				
	Small	Big	Total	Apparel	Shoes	Sports wear	Under wear	Total
Mass Market	14	52	66	44	4	15	3	66
Bridge	34	23	57	39	8	10	0	57
Diffusion	32	18	50	37	13	0	0	50
Ready to wear	22	10	32	27	5	0	0	32
Haute couture	5	9	14	12	1	0	1	14
<b>Total</b>	107	112	219	159	31	25	4	219

In order to test our hypotheses, we defined two dependent variables:

*CSRTalk*: since CSR talk includes various external communication channels deployed by the company, we proxy this variable by reporting if a fashion company talks about ethics in corporate self-presentation (Balmer and Greyser, 2006; Hawn and Ioannou, 2016). We measured the presence (1) versus the absence (0) of companies' disclosure about CSR on a specific section of its website, on its annual report, the publication of standalone CSR report and a specific code of conduct/code of ethics. *CSR talk* is a count variable taking values from 0 to 4 the more the company undertakes external actions to disclose CSR.

*CSRwalk*: since CSR walk includes all internal actions carried out by the company to implement CSR (Hawn and Ioannou, 2016), we proxy this variable by measuring the presence (1) versus the absence (0) of companies' certifications and the adoption of GRI standards which represent the most substantive form of CSR talk (Nikolaeva and Bicho, 2011) 2) we checked whether the company is certified ISO14001, the most important environmental certification (King, Lenox and Terlaak, 2005), and ISO26000 as the international standard for social responsibility (Helms, Oliver and Webb, 2012); 3) we checked whether the company is certified as a Benefit Corporation (Hiller, 2013) and 4) whether it adopts a Modern Slavery Act (Crane, 2013). *CSR walk* is a count variable taking values from 0 to 5 the more the company is implementing CSR internally.

We then defined three independent variables: size (large companies > 250 employees), market segment and core business.

Three assistant researchers instructed and coordinated by the authors independently classified companies in order to populate communication and implementation CSR activities, the market segment and the core business classifications. When the three assistant researchers did not reach consensus on a classification, a majority decision solved non-unanimity.

<sup>1</sup> Bof500 (The Business of Fashion, 2017) provided 133 brands; Sustainable Apparel Coalition provided 72 brands; Clean Clothes Campaign provided 71 brands; Fur Free Retailer provided 29 brands; Digital IQ index Fashion (L2, 2010) and Digital IQ index Luxury (L2, 2016) provided 118 brands; the Toxic Threats reports by Greenpeace (2012 – 2016) provided 47 brands. Other brands, not present in any specific list, were considered as well because of their popularity or because fashion magazines have used them as examples of sustainable-oriented brands.

### Findings

A Chi-squared test on the *CSRTalk* ( $P(\chi^2 = 63.60; df = 4) = 5.07e - 13$ ) and *CSRwalk* ( $P(\chi^2 = 31.76; df = 4) = 2.13e - 06$ ) results in a significant difference between the proportion of CSR communication amount for big companies and small companies, suggesting that big companies are committed towards *CSR walk* and *CSR talk* more than small companies, supporting H1a and H1b.

In order to test hypotheses we model the different forms of *CSR talk* and *CSR walk* using *market segment*, *core business* and *size* as independent variables. We used a Poisson model to obtain the results of Model 1-2. We present results of Models in Table 2 using as a dependent variable *CSR talk* and in Table 3 using as a dependent variable *CSR walk*. Consistently to the degrees of freedom of the categorical variables, Models in Table 2 and 3 assume *mass market*, *apparel*, *big* as base factors for *market segment*, *core business* and *size* respectively, so the correspondent coefficients are not estimated.

Regarding *CSRwalk*, results of the saturated Model 6, where we introduce all the independent variables, i.e. company size, core business and market segment, are significant supporting therefore our hypothesis. Model 6 indicates that the market segment *diffusion*, as well as the *ready to wear* segment, are significantly different from the *mass market* and therefore the companies in these segments are less eager to communicate their CSR engagement. Our results confirm H2a, meaning that less visible companies are less engaged in *CSRTalk* than those operating for middle segments like *diffusion* and *ready to wear*. *Diffusion* and *ready to wear* are the segment of the bourgeoisie, targeting the middle class (e.g. (Granot, Russell and Brashear-Alejandro, 2013)) they are segments of the second lines of high-end brands, leveraging the image of pret-a-porter (Corbellini and Saviolo, 2009). To some extent, companies in this segment do not even try to "blame" their customers with statements or actions of ethics, as there it would not be any effect on consumers. Companies targeting the *mass market* or the highest markets such as *haute couture* have instead a direct relationship with customers for two different reasons. On the one hand, companies target the mass market should promote their products to a very large customer base which is increasingly paying attention to CSR issues or, at least, declare to be committed to CSR (Bhattacharya and Sen, 2003; Nielsen, 2015). On the other hand, customers belonging to higher segments take for granted that companies care about CSR issues as a component of the quality of the products (e.g., Amatulli et al., 2018; Cervellon and Shammass, 2014; Winston, 2016). We believe this result is particularly relevant as it reinforces our proposition that the drivers leading companies to engage in CSR depend on the company relationship with its customers: companies act in their segments consistently with the institutional pressure that the segment (i.e., customers) determines. Regarding the core business, from Model 6 we find that *shoes* and *sportswear* are more committed to *CSRTalk* than companies operating in the *apparel* segment, supporting therefore H3a.

Models in Table 3 consider *CSRwalk* as dependent variable. The only segment which is significantly different from the *mass market* is *bridge*, whereas *diffusion*, *ready to wear* and *haute couture*, even if they report lower scores, are not significantly different, leading us to reject H2b. The result suggests that in our sample of fashion industries there are no significant differences in the CSR implementation among the companies which target different market segments. Regarding the core business, we find that *shoes* and *sportswear* are significantly different from *apparel* in *CSRwalk* supporting H3b. The *shoes* and the *sportswear* industry are indeed recognized as one of the major polluting industries, and it is nowadays facing a forced adoption of green manufacturing options due to consumer awareness and statutory environmental stipulation norms (Sathish et al., 2015). On the other hand, the clothing supply chain, has already passed through a series of scandals and has always been highly scrutinized, making it necessary for companies to achieve a certain extent of institutionalization of CSR activities.

**Table 2: CSR talk**

	<b>Model 1</b>	<b>Model 2</b>	<b>Model 3</b>	<b>Model 4</b>	<b>Model 5</b>	<b>Model 6</b>
Constant	0.175**	0.604***	0.614***	0.006	0.464***	0.666***
	0.062	0.070	0.090	0.079	0.107	0.109
Size		-1.252***				-1.071***
		0.150				0.160
<b>Segment</b>						
Bridge			-0.275		-0.286	0.0523
			0.144		0.146	0.151
Diffusion			-1.307***		-1.288***	-0.923***
			0.219		0.229	0.233
Ready to Wear			-1.136***		-1.066***	-0.673**
			0.247		0.253	0.258
Haute Couture			-0.545*		-0.435	-0.354
			0.273		0.278	0.278
<b>Core business</b>						
Shoes				0.223	0.429*	0.361*
				0.178	0.182	0.182
Sportswear				0.800***	0.447**	0.295
				0.155	0.161	0.162
Underwear				0.399	0.034	-0.183
				0.416	0.421	0.421
Observations	219	219	219	219	219	219
Log Likelihood		-290.70	-302.49	-319.93	-297.08	-271.54
AIC	667.16	585.40	614.99	649.63	610.17	561.99
Difference from null model		P(Chi2=83.748 ;df=1)< 2.2e-16	P(Chi2=60.16 ;df=4)< 2.684e-12	P(Chi2=23.52 ;df=3)< 3.146e-05	P(Chi2=70.983 ;df=7)< 9.35e-13	P(Chi2=121.16 ;df=8)< 2.2e-16

Dependent variable: CSRTalk

**Table 3: CSR walk**

	<b>Model 1</b>	<b>Model 2</b>	<b>Model 3</b>	<b>Model 4</b>	<b>Model 5</b>	<b>Model 6</b>
Constant	-0.784***	-0.264*	-0.476*	-1.219***	-0.924***	-0.657
	0.100	0.108	0.156	0.146	0.200	0.200
Size		-1.769***				-1.706***
		0.288				0.299
<b>Segment</b>						
Bridge			0.071			0.531*
			0.225			0.234
Diffusion			-1.133 **			-0.497
			0.353			0.378
Ready to Wear			-0.792*			-0.042
			0.368			0.392
Haute Couture			-1.470*			-1.020
			0.724			0.732
<b>Core business</b>						
Shoes				0.780	0.902***	0.800**
				0.267	0.272	0.273
Sportswear				1.466***	1.147***	0.935***
				0.229	0.242	0.241
Underwear				-0.167	-0.279	-0.554
				1.011	1.019	1.019
Observations	219	219	219	219	219	219
Log Likelihood		-184.93	-200.07	-193.28	-186.69	-164.97
AIC	426.26	373.86	410.14	394.55	389.38	348.38
Difference from null model		P(Chi2=54.401 ;df=1)<1.635e-13	P(Chi2=24.121; df=4)< 7.555e-05	P(Chi2=37.713 ;df=3)< 3.25e-08	P(Chi2=50.888 ;df=7)< 9.668e-09	P(Chi2=93.881 ;df=8)< 2.2e-16

Dependent variable: CSR walk

### Originality/value

In this paper we have proposed a novel conceptual framework of the drivers leading to CSR engagement by using two main perspectives on CSR – economic and institutional. Our contribution to the existing literature is twofold. First, we take part in the debate on the role of company size by providing empirical evidence about the effect of company size on CSR engagement. Our result confirms that small companies can, and they actually do, *fly under the radar*. They are less inclined to both walking and talking CSR than big companies. This result confirms the communication gap of small companies but discards the implementation gap suggested by previous theoretical speculations. Previous research has investigated small companies and big companies separately, while we compare different company sizes within the same study. Second, we propose a multifaceted approach that reveals a different, more fine-grained, narrative of why companies decide to adopt different practices of CSR combining the economic and the institutional perspectives on CSR, which are well described by different core businesses and different market segments, ultimately offering a more nuanced representation of CSR engagement.

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# Legitimacy management in testing times: CSR reporting in the banking sector

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## Structured Research Summary

### Introduction and purpose

While “pressures for legitimacy were ever-present” (Husted, 2015, p. 136), in recent years organizations have been facing a dramatic decline of public trust in corporate morality (Werhane et al., 2011). In particular, in the context of the global financial crisis of 2008 and resultant adverse social impacts, questions about the financial sector’s social ir/responsibility (Herzig and Moon, 2013) have come inexorably to the fore, casting doubts on the integrity and credibility of financial actors and of banks especially (Bravo et al., 2012). Banks are now searching for “new forms of legitimacy”, and they do so prevalently through corporate social responsibility discourse (Castelló and Lozano, 2011). Among the various CSR communication tools that organizations adopt for preserving or restoring legitimacy in a process of risk management and social justification (Crane and Glozer, 2016), CSR reporting has increased considerably in importance and scope (Aras and Crowther, 2009; Herzig and Schaltegger, 2011; Hess and Dunfee, 2007; Du and Vieira, 2012; Herzig and Moon, 2013; Sethi et al., 2017) and especially in the banking sector (Bravo et al., 2012).

The overall purpose of this paper is to investigate the legitimacy management strategies purposely employed in CSR reports by organizations during testing times. The paper takes its point of departure in the highly criticized banking sector and discusses in depth the case of Bank of America, after it has agreed to settlements with U.S. public authorities for improper practices in connection with the sale mortgagee-based securities. More specifically, this paper investigates how this organization has performed discursive institutional maintenance work (cf. Lawrence & Suddaby, 2006) in its CSR reports over a critical crisis time (period 2012-2015). This study focuses precisely on CSR reports because the CSR report is the place where the organization’s responsibility would have to be addressed, if the CSR report is to be of any value to stakeholders, and where an organization would engage in legitimacy maintenance activities (Hess and Dunfee, 2007).

### Main theoretical framework

To study the legitimacy management strategies employed in CSR reports, this paper adopts the perspective of institutional work, which refers to the justifications produced by actors with a view to creating and maintaining institutions, and can consist of action or discourse (Schildt et al., 2011). Institutional maintenance work denotes specifically the justifications provided to sustain, recreate or repair existing institutional practices, and becomes particularly salient for maintaining an institution when changes in the institutional environment occur (Norbäck, 2017). This paper focuses on the legitimation strategies employed by organizations in CSR reports as part of their institutional maintenance work over time, because legitimation as a strategic discursive construction of social reality plays a fundamental role in discursive institutional maintenance work (Castelló and Lozano, 2011; Schildt et al., 2011).

This paper views CSR reports as a periodic account of the ongoing dialogue between companies and their stakeholders about the social responsibilities of business, in which companies shape the discourse about their social responsibilities as part of their institutional maintenance work. CSR reporting has become a de-facto standard for large corporations of all industries over the past decade (Shabana et al., 2017; KPMG, 2011) and is about to become legally mandated in the European Union for banks, insurance companies, and listed companies that meet certain size criteria (European Commission, 2018). Aras and Crowther (2009) underline that CSR reports may be conceived of as “an instrument to prevent thought about the various alternative realities of organisational reality” (p. 285). Efforts such as the Global Reporting Initiative (GRI) have strived to standardize the content of CSR reports to some extent, but cannot eliminate the discretion of companies to emphasize favourable aspects and downtone negative events that could jeopardize their legitimacy (Sethi et al., 2017; Talbot and Boiral, 2018). Not reporting negative aspects may compromise corporate legitimacy, because deliberate omissions could generate stakeholder skepticism and mistrust in the organization’s ability to actively manage risk and avoid future issues (Hahn and Lülfs, 2014). In CSR reports organizations have the opportunity to frame information about their characteristics, the specific situation, corporate actions and related outcomes, so that “the effect may appear more or less negative, the firm more or less culpable, and the affected party more or less complicit” (Lange and Washburn, 2012, p. 317). The review of literature reveals that the question of whether and how companies legitimize negative content in CSR reports has only been studied very broadly in a snapshot analysis of 40 CSR reports published by companies from various industries (Hahn and Lülfs, 2014), but has not been explored in the context of discursive institutional maintenance work.

#### **Case, data, and methods**

In the years after the financial crisis, large U.S. banks found themselves confronted with the accusation that their lending practices and excessive risk taking had led to the global financial crisis of 2008, which destroyed trillions in personal wealth and eliminated millions of jobs (Schoen, 2017). The legal prosecution that followed culminated in a series of landmark settlements between U.S. authorities and the largest U.S. mortgage servicers. After these settlements, these banks not only needed to recover from the financial losses arising from these settlements but also needed to rebuild their legitimacy as well as that of the banking sector.

In this paper, we focus specifically on the case of Bank of America (BoA), as it occupies a central position within its field, has a material effect on the national economy, and has received high levels of attention from politicians and the media. In 2012, BoA – together with four other mortgage servicers – agreed to legal settlements totaling a record 25 billion USD for improper loan servicing and foreclosure practices, including both consumer relief as well as fines (DoJ, 2012). In 2014, BoA acknowledged that their securitization, marketing and sale of residential mortgage-backed securities did not conform with legally mandated standards of lending and agreed to another record settlement of over 16 billion USD, which was the largest civil settlement with a single entity at that time (DoJ, 2014).

The data for this study consists of BoA’s CSR reports from 2012 to 2015. The analysis consists of a systematic exploration of the discursive legitimations employed by BoA. Applying a critical discourse perspective on legitimation, the analysis is based on Van Leeuwen’s (2007; 2008) understanding of discursive legitimation. He defines legitimation as an explicit or implicit answer to the question of why something is done or why something is done in a particular way. Further, he categorizes legitimation into authorization (reference to the authority of tradition, custom, and law), moral evaluation (reference to value systems), rationalization (reference to goals and institutionalized social action), and mythopoesis (narratives according to which legitimate actions are rewarded). This categorization provides the first-order codes, based on which second-order codes were developed after the coding of those segments from the data, where BoA legitimizes its existence, its size, its impact on society, and its institutional practices. After several iterations of coding and comparison with Van Leeuwen’s categories (2007; 2008), a set of legitimation categories emerged that characterize BoA’s institutional maintenance work. We grouped these legitimation categories under two macro-level legitimacy management strategies.

## Results

As mentioned above, in the process of analysis, two macro-level legitimacy management strategies were identified and conceptualized: preserving and changing strategies. The *preserving strategies* serve to support and justify the legitimacy of specific practices that the bank has been and continues to be involved in. These strategies buttress the bank's past legitimacy by underscoring what has always conferred the bank a solid status in the industry and in society at large. *Changing strategies* explicitly clarify the bank's efforts to regain their possibly lost legitimacy. They include *the renewing strategies* that consolidate the bank's legitimacy and *repairing strategies* that make visible their correcting efforts while trying to disassociate themselves from the causes that provoked this legitimacy crisis.

### **Preserving continuity**

The terms which invoke the preserving macro-strategy in BoA reports from 2012 to 2015 are usually represented by present and continuous verb forms or the verb "continue", and by words that suggest continuity, stability or recurrent activities such as "every year" or "continual". When such terms related to continuity are accompanied by evaluative comparatives, then the legitimating effect of this preserving macro-strategy is enhanced.

In 2012, it has been relevant for the bank to explain evaluatively that "*operating a responsible and transparent business is critical to Bank of America's strength and stability*" (BoA, 2012, p. 15). Furthermore, although the global financial crisis context is far from being a normal one, they also underscore a sense of normal routine that characterizes their activities: "In the ordinary course of conducting our business, we are subject to legal actions, regulatory inquiries and examinations. We continue to be subject to additional borrower and non-borrower litigation and governmental and regulatory scrutiny related to our past and current origination, servicing and foreclosure activities" (BoA, 2012, p. 3). In 2013, the focus is on how "*we continue to improve the products, services and advice our customers and clients need to buy houses*" (BoA, 2013, p. 4) and on how "*we continually conduct customer research across all our lines of business*" (BoA, 2013, p. 23). In 2014, the bank's stability is indicated when, through an evaluative tradition-based legitimation, it is underscored that "*we are a leading financial services company with a 230-year heritage that reflects the legacy of numerous financial firms and institutions*" (BoA, 2014, p. 35). Positive comparisons are also employed to explain how they continually come closer to their customers and their needs by employing evaluative goal-oriented legitimations: "*We continue to provide face-to-face assistance to individuals and families in communities impacted by the housing crisis to better understand their unique situations*" (BoA, 2014, p. 84). In 2015, this strategy is expressed through evaluative means-oriented legitimations such as: "Within the company we've determined that we must continue to grow our business with more customer-facing teammates and more customer-friendly products, services, and technology" (BoA, 2015, p.15).

### **Changing through renewal and reparation**

The changing strategy strengthens the stakeholders' trust by admitting the necessity of certain renewing and repairing initiatives. However, this is discursively done without disclosing any information related to the first stages of this cause and effect process: either by omitting to mention the causes of these necessary initiatives, and/or by relegating the responsibility to external factors.

The omission of causes is similarly solved for both the renewing and repair strategies. As far as the renewing strategy is concerned, the typical legitimations communicating this strategy are marked by the repetitions of words such as "renewed", "rebuild" or "realignment". Not being able to address directly the mistakes that have been committed, the bank also constructs discursively their renewing strategy in rather vague ways through evaluative abstractions such as "renewed clarity" or "rigorous review". In 2012, they admit that: *"Our banking products go through a rigorous review that aims to ensure they are designed to address customer needs, at a fair and equitable cost, with terms our customers understand"* (BoA, 2012, p.17). This evaluative goal-oriented legitimation bridges in fact the renewing and the repairing macro-strategies because "a rigorous review" implies that certain banking products actually need serious mending. The overlapping of the renewing and repairing strategies dilutes the idea of a badly needed repair process, as the readers' focus is oriented towards the positive aspects that are usually connected to the idea of improvement. By linking these changing strategies, the bank vaguely acknowledges the past mistakes' effects on their organizational legitimacy: *"While our renewed financial strength validates the realignment of our business model, we continue to work to rebuild the confidence and increase the satisfaction of our customers and clients"* (BoA, 2012, p. 3). In 2013, the metaphoric evaluation of their repairing strategies is also hiding a more concrete acknowledgement: *"We put everything we do under the microscope and worked to improve the company"* (BoA, 2013, p. 2). In 2015, the ambiguity is enhanced by abstract terms such as "certain businesses": *"Through proactive and rigorous client selection processes, we have simplified and de-risked our portfolio, including exiting certain businesses that were perceived to engage in unfair, deceptive, or abusive acts or practices"* (BoA, 2015, p.25).

The attempt to discursively manage their legitimacy through changing strategies is generally marked by ambiguity also because the responsibility is not clearly placed. In 2012, the culprit is the general deterioration of the economic climate: *"Our focus has been on strengthening our financial foundation, simplifying and integrating the company, and working to resolve legacy issues, including litigation, which arose as a result of the economic downturn"* (BoA, 2012, p. 3). In 2014, the customers are involved: *"We haven't just simplified the company; we've listened to our customers and clients who tell us simple things like 'don't let us spend money we don't have'"* (BoA, 2014, p. 34). Only in 2013 and 2015, the financial crisis is actually mentioned. In 2013, it is only mentioned as a point in time when their changing strategies started to be implemented: *"In the years following the financial crisis, we've transformed and simplified our company"* (BoA, 2013, p. 1). In 2015, the personal authority legitimation provided by the CEO succeeds to underscore the bank's initiatives started in the aftermath of the financial crisis, again without actually acknowledging responsibility: *"Since the financial crisis, we've worked hard to transform company by focusing on the needs of the customers and clients we serve"* (BoA, 2015, p. ii). However, when mentioning the merits of the management team, in 2015 the bank also admits through an evaluative goal-oriented legitimation that *"since assuming the CEO position, Mr. Moynihan has made clear and purposeful changes to resolve legacy issues"* (BoA, 2015, p. 12).

### Conclusion

Overall, the analysis has shown that discursive institutional maintenance work is performed by employing two main categories of macro-level legitimacy management strategies. The preserving strategy is the most represented macro-level legitimacy management strategy in all the reports between 2012 and 2015. It highlights both the bank's solid heritage and their continuous closeness to their customers. It is discursively linked to the other strategies in order to dilute the negative connotations that might be associated with the other strategies, namely the changing ones.

By downtoning the causes and implications of the changing strategies in all the reports, the bank omits to address directly the consequences of their malpractices, while also avoiding giving the impression that they are in the middle of a serious legitimacy crisis. Especially the 2015 report is marked by the discursive struggle between the obvious duty to admit responsibility in a CSR report and their need to avoid doing that in an explicit way in order not to attract more negative attention upon their malpractices. Apart from this, the necessity of performing the admitted changes has been recurrently connected to external factors such as the customers, the industry or societal contexts. In this way, the responsibility was relegated to circumstances outside the organizational context.

On the whole, this study contributes a better understanding of how specific legitimacy management strategies in CSR reports perform discursive institutional maintenance work in testing times.

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# Corporate Social Responsibility (CSR) Communication: Unfolding the realities of a multinational company in Ghana

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## Abstract

### Purpose

Extant studies on corporate social responsibility communication have primarily focused on outcome-oriented streams of research. This research adopts a process-oriented approach to understand how a leading multinational company in Ghana communicates its CSR activities. In particular, the study examines from the company perspective the nature of CSR communication, the type of CSR messages communicated, the drivers of communication, among other aspects.

### Design/Methodology

The study is based on semi-structured qualitative interviews conducted with eighteen (18) purposefully selected managers/representatives of the company and a review of official company documents. The data from the two sources were synthesised and thematically analysed.

### Findings

The study found that the company favours actual CSR actions over the communication of CSR due to policy restrictions and other organisational factors. The findings also suggest a skewed approach to CSR communication and gaps in internal CSR communication processes. The results also highlight contextual peculiarities that impact on the implementation of CSR communication including the 'cash cow' perception of multinational companies, the cost of communicating CSR and other perceived constraints.

### Originality/Value

Previous research has indicted the context specific nature of CSR communication. This study is the first attempt to empirically explore how the largest and leading multinational company in Ghana communicates CSR with stakeholders, illuminating unique challenges and why these exist. The study adds value to the CSR communication literature by providing new empirical and theoretical based foundations of CSR communication knowledge in a West African sub-region, Ghana, which clearly has a dearth of literature on the topic. The study also extends prior literature on process-oriented approaches to CSR communication where there is comparatively limited empirical evidence.

# Do Young Indonesians and Belgians Distinguish Between Tobacco Industry's CSR, Sponsorship, and Advertising? Results from an Experiment on Djarum Foundation

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## **Abstract**

### **Objectives**

To evaluate how Indonesian and Belgian youth perceive CSR, sponsorship, and advertising.

### **Methods**

This study was conducted in Indonesia and Belgium by using Djarum's CSR video and program from Indonesia. A cross sectional study using an online questionnaire in Jakarta, Indonesia and digital learning in Leuven, Belgium, was conducted. There were 334 respondents, which were 155 university students from Jakarta and 179 students from Leuven. Firstly, they answered questions about their media habits. Secondly, students were asked to watch two Djarum Foundation videos. After that, students answered questions towards their perception of Djarum Foundation videos and activities i.e. whether they perceived them as CSR, sponsorship, or advertising. Students also answered questions regarding their knowledge to CSR communication, program and brand recognition.

### **Results**

Students from both countries perceived Djarum Foundation CSR videos as advertising. Belgian students perceived the CSR program as sponsorship rather than CSR. In contrast, Indonesian students believed the program to be equally exemplary for CSR as for sponsorship.

### **Conclusion**

This research confirmed that tobacco industries' CSR program and communication are forms of hidden cigarette advertising.

**Keywords:** advertising, CSR, perceptions, sponsorship, tobacco, youth

# “Proving our responsibility and value” - Strategies of communicating Responsibility and Public Value to key-stakeholders of the German Media Industry

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## Structured Research Summary

### Introduction and purpose of the study

Looking at the developing field of CSR in research we see an increasing body of knowledge in the field of communication studies and an even bigger field of CSR-related research in the field of management studies and business administration. As Bracker, Schuhknecht & Altmeppen (2017) point out, the conceptions in these estates differ when it comes to focus and values. There are many questions that arise when discussing and studying CSR: What are the rules for CSR activities and under what circumstances do companies initiate CSR activities? What are the instruments and mechanisms of CSR-related communication?

These questions become even more complex if the company at question is a media company: Do media companies expend resources for CSR and, if so, what kinds of resources and to what extent? What kinds of resources (e.g., reputation, image, publicity) do media companies gain from CSR activities? Is there a difference between what media firms are doing and saying about their CSR activities and, if so, what are the reasons for this gap? And finally, what is the outcome with regard to, for example, media coverage about CSR communication, when bad news is known to generate so much more interest than good news?

Those questions and many more are raised when it comes to identifying the relationships and operational sequences relevant to CSR and CSR communication – for example in order to determine when companies are only paying lip-service to CSR, as opposed to taking action.

In this contribution the main intention is to build on a solid literature review a typology of CSR-strategies of media companies in Germany. Unlike Karmasin & Bichler (2017) – who did not disclose which methodology they used – we not only cover the question which projects and activities are launched and ways communication are used but also take a deeper look into the strategy and linkage to the core business. Our aim is to find out the main targets and strategic reasoning of CSR and come up with a typology of CSR strategies and CSR communication in the field that focuses on the paradox that media-CSR has only little impact on legitimacy (Bachmann 2017) but might still have an impact on key-stakeholders.

This issue has gained renewed relevance in public discourse since an internal paper on framing by Elisabeth Wehling has come into the public discussion. This 60 pages expertise, a so-called framing manual, and additional workshops for German public broadcaster ARD (who paid her) were designed to legitimize the public broadcaster by using a framed vocabulary that intends to put the public value aspect first and to delegitimize critics as well as investors of private media outlets such as multinational investment holdings.

### Literature review

The last 10 years have seen a significant rise when it comes to research in the field of CSR in the media industry in Germany and mainly across Europe (Trommershausen 2011; Weder & Karmasin 2009; Weder & Krainer 2011; Hou & Reber 2011). The starting point of argumentation at the beginning of the decade usually is the double nature of producing economic and cultural goods at the same time (Altmeppe 2011; Karmasin 2010) which leads to the assumption that media companies have a double responsibility for the way they present reality as well as for their own activities as a corporation. In specific, the fact that media companies have watchdog responsibilities in controlling and "criticizing economic developments, scandalizing unacceptable managerial behavior, and raising ethical concerns in the public debate on the nature and structure of the globalized economy" (Karmasin & Bichler 2017, p. 135). But how do media corporations deal with their twin responsibilities of holding society responsible and being responsible themselves (Altmeppe 2011)?

In the more recent discussion the interpretation of CSR as a set of rules and norms leads to applying structuration theory (Giddens 1979) to media CSR (Bracker, Schuhknecht & Altmeppe 2017). The authors argue that the theory of structuration is a good theoretical basis for researching media-CSR. Applying Giddens' framework allows researchers to look beyond normative levels since the investment in CSR can be analyzed through different variables which are defined as resources (finance, staff, reputation) as well as variables describing rules (e.g., the reasons why CSR is done). Thus, the Giddens framework helps researchers, according to Bracker, Schihknet & Altmeppe (2017) to determine when companies are only paying lip service to CSR, as opposed to taking action. Looking at CSR from a structuration theory perspective helps to structure and assess these activities and put them into relation with expenses for these activities.

Bachmann & Ingenhoff (2017) and Bachmann (2018) also use a structuration theory background – but more with a focus on ascribing responsibility. One of their main conceptual contributions is a clear differentiation between Media Responsibility and media-CSR. In their (Bachmann & Ingenhoff 2017, p. 153) view *Media Responsibility* is a specific form of human action "whereby people, professional groups, or organizations (or their units) from the media sector (*subject*) are obliged to ensure (*prospective time reference*) media structures (e.g. diversity of providers) or media content (e.g. media quality), which increase society's social, political or cultural well-being (*object*); towards those affected by it (e.g. citizens or recipients) (*instance*), on the basis of normative standards that may vary in their degree of obligation (*criterion*)."

On the other hand, media-CSR is a specific form of human action whereby companies (in this case media companies) "or their managers (*subjects*) have the obligation (*prospective time reference*) to ensure profit and competitiveness in the economic sense; or social, political, or cultural well-being in the social sense; or, in the ecological sense, for the conservation of the natural environment (*object*); towards those affected by it (e.g. shareholders or stakeholders) (*instance*) on the basis of normative standards that may vary in their degree of obligation (*criterion*)."

(Bachmann & Ingenhoff 2017, p. 153) Although they point out that ascribing responsibility is not necessarily a strategic act they argue that authorizes personal is applying strategic use of communication; here: self-ascribing responsibility. In conclusion, media companies authorized persons (managers or PR experts, for instance) perform strategic MR and CSR ascriptions in the name of their own organization or its units, based on PR expertise, in order to reproduce or modify the social structures in the interest of the organization or its units. Strategic MR and CSR ascriptions aim to adapt both the organizational structures and those of the stakeholders in the interest of the media company.

Bracker (2017) and Bachmann (2017) have come up with very ambitious PhD projects that are quite different in focus. Bracker's intention is to cover both CSR and Corporate Governance Initiatives of media companies in Germany by highlighting them (1), measure the self-assessment of media managers in charge of CSR / CC (2) and contrasting this self-perception with the third-party perception of journalists who report on CSR communication of the media industry (3). Bachmann (2017, p. 3) on the other hand tries to find out how media companies can strategically deal with their two-fold responsibility (media and corporate responsibility) in a way that it supports organizational success. He digs deep into the structure of ascription processes proposing an equation model that weighs possible perceived persuasion intention of CSR/MR of activities of media companies and its negative impact on content credibility against the sought enhanced corporate legitimacy. His main finding is that media companies can withdraw themselves from voluntary CSR programs because they do not contribute in a way to corporate legitimacy that outweighs its high financial cost. On the other hand, Bachmann (2017, p. 208) supports the idea that the two-fold responsibility of media companies is strong enough to see these organizations legitimized just by its core business: providing an independent media structure that supports general well-being and the possibility of individual formation of opinions which is a basic mechanism to support an maintain democratic structures in society.

But as comprehensible as this argumentation is: media feel under pressure to prove their public value and to legitimize themselves against aggressive propaganda such as "lying media" and a fake news machinery.

### **Methodology**

Most previous research on media-CSR is based on content analysis. To detect the perceived strategies of media companies in Germany and to cope with this paradox we combined expert interviews with an online questionnaire – assuming that not all CSR activities are presented either on the web or in annual reports. Therefore, in step one we went through 6 individual expert interviews with senior media managers of public and private media companies in Germany. In step two we designed an online survey based on the interviews tailored at key-stakeholders of the media in Germany, especially bodies of governance and advisory (consisting of representatives of civil society such as political parties, churches, trade unions etc.).

### **Results and conclusions**

In the expert interviews we experience quite a huge difference in terms of motivation and perceived relevance. While most private institution representatives came up with a quite realistic judgment that classified media-CSR as a mere reaction to tendencies of societal moralization of business, public broadcasters had a more pathetic interpretation that pointed to CSR as a chance to restore lost reputation and shield against unwanted criticism. These perceptions are giving direction to the set of activities that their companies summarize under an officially acclaimed CSR strategy.

The data collection of the online survey has just been finished. But first looks into the answers supports our working thesis that media-CSR can still have an impact on key-stakeholder perception of legitimacy of media companies.

### **Practical and social implications**

Our findings support the assumption that voluntary CSR activities can have a positive impact on the legitimacy of media companies even if this effect does not primarily change the perception of the general audience. From our research we see first evidence that media-CSR can positively impact the perception of key-stakeholders of media institutions such as advisory boards or governance councils. Moreover, offering a set of CSR initiatives might also be necessary to prepare for an upcoming scenario of mandatory CSR (Gatti et al. 2018).

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## 9. CSR & NGOs

# CSR and corporate diplomacy: How multinational corporations engage in societal issues in the UAE

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### Strutered Research Summary

#### Introduction and purpose of the paper

Communication and management scholars increasingly discuss the societal and political responsibilities of multinational corporations for obtaining corporate legitimacy and the role of communication in this. Legitimacy as the so-called 'license to operate' is critical for the company's survival as a prerequisite for stakeholder support. Nowadays, we can observe a shift from pragmatic and cognitive legitimacy to moral legitimacy, which means that stakeholders evaluate the organization normatively (Scherer & Palazzo, 2011). In this perspective, scholars suggest corporate diplomacy (CD) and corporate social responsibility (CSR) as being essential communication strategies for building and maintaining moral legitimacy (Feldner & Berg, 2014; Filatotchev & Stahl, 2015; Mogensen, 2017; Ordeix-Rigo & Duarte, 2009). While both CD and CSR share several similarities, they cannot be considered the same.

CD has its roots in public diplomacy<sup>1</sup> for which definitions increasingly involve non-state actors besides governmental institutions. Coming from this perspective, Mogensen (2017, p. 608) defines CD as the "activities which transnational corporations engage in, when they perceive an opportunity or a problem in a host country and try to develop a sustainable solution in collaboration with relevant stakeholders at all levels." Other scholars emphasize that CD represents an adaptation between corporations and the society, which enables companies to build and maintain (moral) legitimacy (Amann, Khan, & Salzmann, 2007; Ordeix-Rigo & Duarte, 2009; Steger, 2003). CSR is often referred to as corporate commitment to improve social wellbeing (Kotler & Lee, 2005). Similarly, CD literature points out that by engaging in societal and political issues, CD can affect the host countries' policies and thus contribute to the local society (Mogensen, 2017; White, Vanc, & Coman, 2011). However, CSR is particularly directed towards the company's market-environment and mainly referred to as an instrument optimizing business performances (Bhattacharya & Sen, 2010; Du, Bhattacharya, & Sen, 2007; Lichtenstein, Drumwright, & Braig, 2004). In contrast, CD is carried out addressing the company's non-market stakeholders on a host country level by engaging in political issues. In this case, "political" means that CD activities can be either performed together with the government or address issues that are part of the political agenda of the company's host country (Mogensen, 2017; White, 2015). Moreover, in contrast to CSR, CD is taking into account international relationships, cultures and societal values (Snow, 2009). Therefore, CD is based on building good relationships between the company and the host country's public to get social influence and moral legitimacy (Ordeix-Rigo & Duarte, 2009). Following this, we refer to CD as activities where multinational companies engage in societal and political issues that are directed at the key stakeholders in the company's host country aiming at gaining legitimacy (Authors, year)<sup>2</sup>.

1 This paper defines public diplomacy as "an international actor's attempt to manage the international environment through engagement with a foreign public" (Cull, 2009, p. 12).

2 According to APA 6 guidelines, this reference is anonymized. We hereby refer to our own work.

Literature points out that CD involves different activities such as addressing human needs through CSR (Reinhard, 2009; White et al., 2011). Due to its normative component, CSR can affect moral legitimacy and therefore seems to be an appropriate instrument for CD (Colleani, 2013). However, research on CD is mainly conceptual and empirical studies do rarely offer insights into CD practices or on how CD can use CSR in order to gain legitimacy. Therefore, the purpose of this study is to explore CD efforts of multinational companies in their host country through the lens of CSR and legitimacy. By analyzing CD communication of multinational corporations in the United Arab Emirates (UAE), this study seeks to examine which societal and political issues CD comprises and to what extent CD is communicated in order to gain moral legitimacy. The UAE has been selected for three reasons: Firstly, due to its high economic relevance for a large number of multinational companies, the UAE represents a suitable corporate host country for studying CD. Secondly, the UAE's CSR and CSR-related corporate activities that contribute to the country and its community are considered as important and, therefore, encouraged by the government (Katsioloudes & Brodtkorb, 2007). Thirdly, the UAE are a non-democratic country, in which the government wields significant power, which affects corporate communication and as such also CD (Sriramesh & Vercic, 2001). However, despite its high relevance for multinational corporations, research on CSR communication in the UAE and the Middle East is very rare as of yet.

### **Theoretical framework**

The current study embeds CD within neo-institutional and legitimacy theory. According to neo-institutional theory, by demonstrating that an organization and its activities are congruent with social values and norms, the organization can build and maintain its legitimacy (Sandhu, 2009; Scott, 2008). Corporate legitimacy is defined as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (Suchman, 1995, p. 574). In this paper, we focus on moral legitimacy, which builds on the fact that "many dynamics in the organizational environment stem not from technological or material imperatives, but rather from cultural norms, symbols, beliefs, and rituals" (Suchman, 1995, p. 571). Moral legitimacy empowers companies by making them perceived as meaningful and trustworthy, which enables the company to be more persistent, especially during adverse times (Parsons, 1960; Suchman, 1995). Therefore, moral legitimacy reflects a normative evaluation of organizational behavior by the company's stakeholder on how consistent the company acts according to the stakeholders' expectations (Massey, 2001).

Building on that, the demonstration of the alignment of corporate actions with key stakeholder expectations becomes the core goal of corporate communication in order to build moral legitimacy as a guarantee for the company's continued existence (Dawkins, 2005). Following this argument, CD communication encompasses several communication activities around corporate social, societal and political activities in the host country that are implemented in order to increase the perception of congruence between the stakeholder's social expectations and the corporate behavior.

Only few researchers have discussed the relationship between CD and legitimacy so far (Ordeix-Rigo & Duarte, 2009; Mogensen, 2017; Steger, 2003; Westermann-Behaylo et al., 2015). Mogensen's (2017, p. 612) research on corporate engagement in a national environmental project in China concludes that "transnational corporations should involve themselves in local governance, and for these activities, the concept of corporate public diplomacy seems relevant", but is limited to one specific case of CD. White et al. (2011) analyze how U.S. corporations in Romania engage in CD by using CSR and found that corporate engagement in social and political issues are similar to diplomatic activities performed by government institutions. Similarly, Weber and Larsson-Olaison (2017) show how German and Swedish companies differ in their CD communication (in this case on the refugee crisis) but relate CD to legitimacy only partially. However, overall, previous studies on CD studies are mainly conceptual and do rarely provide empirical insights into how companies engage in CD, how CD can be implemented by CSR and how this can contribute to moral legitimacy.

As Ordeix-Rigo and Duarte (2009) emphasize, CD often addresses issues that are part of the political (governmental) agenda in the host country in order to gain legitimacy. Building on that, they argue that CD is mainly performed with public institutions in order to align with governmental expectations. Due to the specific nature of the UAE's political system, lacking democratic governmental institutions and an active public opinion in which all parts of the society can contribute to, corporate communication is "highly tied to government institutions" (Kirat, 2005, p. 325). Therefore, it could be assumed that CD in the UAE is particularly directed towards the UAE government. Building on the literature review, we state the following research questions:

RQ 1: To what extent does CD communication of European multinational corporations in the UAE address the UAE government?

RQ 2: Which issues do multinational corporations communicate within their CD engagements in the UAE?

RQ 3: To what extent is CD communication used as an alignment to governmental expectations?

### **Methodology**

In order to answer the research questions, this study conducted a quantitative content analysis to systematically examine publicly published corporate documents (Krippendorf, 2012). The coding scheme was developed deductively-inductively and includes formal categories and content categories driven by our operationalization of CD (kind of social/political issue, addressed stakeholder group in the host country). Concerning the stakeholders that are addressed or involved in CD in the UAE, we differentiated between two categories. Firstly, we examine to which stakeholder group the CD initiative is directed to, for example workshops or events that raise awareness about obesity among children in the UAE are directed towards the community. The second stakeholder category analyzes the stakeholder groups that are involved in the initialization of the CD activity, for example in form of a partnership with the company or in form of a supporting initiative (employee volunteering, fundraising or sponsoring together with other companies). As literature points out, partnerships with public institutions are most effective in CD because they contribute to a good relationship with the government and can positively influence corporate legitimacy (Ordeix-Rigo & Duarte, 2009). At the same time, partnerships can be considered as stakeholder involvement strategy, which also contributes to moral legitimacy (Colleoni, 2013). Building on this, it was coded whether the CD initiative is carried out as a partnership and with whom. Lastly, we coded if there is a reference to the alignment to the governmental expectations (such as a reference to the governmental agenda or vision), which might also lead to moral legitimacy.

In order to draw the sample, three steps were required. Firstly, we selected five European countries contributing the highest investment volumes in the UAE from 2003 to 2015 (The Arab Investment & Export Credit Guarantee Corporation, 2016). These five countries consist of the United Kingdom, Germany, France, Switzerland, and the Netherlands. Secondly, the 30 largest companies in each country in terms of highest market capitalization were considered. Thirdly, companies, which neither operate nor have an administrative office in the UAE, were excluded. With this, a total of 83 companies were identified. For these 83 companies the study reviewed a set of corporate documents that are considered as major outlets for corporate social, societal or political engagement. The set of documents comprises of annual reports (CSR reports, sustainability reports or, if not applicable, CSR/sustainability section in the company's annual report), press releases published on the corporate website and, if existing, UAE specific country websites and UAE specific country reports, published from 2013 until 2018. We reviewed the documents searching for keywords related to the UAE (UAE, United Arab Emirates, Dubai and Abu Dhabi). The unit of analysis is then an excerpt of the document presenting a CD initiative.

**Preliminary results**

In total, the study identified 337 CD initiatives from 43 companies (see table 1). This implies that almost half of the sample does not engage in any CD communication within their public reports, press releases or corporate websites. The majority of CD initiatives were published in corporate reports (N=175; 51,9%) while one third was published in press releases (N=111; 32,9%) and the rest on local or regional corporate websites (N=51; 15,1%). Furthermore, our analysis shows that the majority of CD engagement is dealing with environmental issues (12,9%), education (9,5%), or healthcare (6,5%) as well as children/youth development (6,5%) (see figure 1).

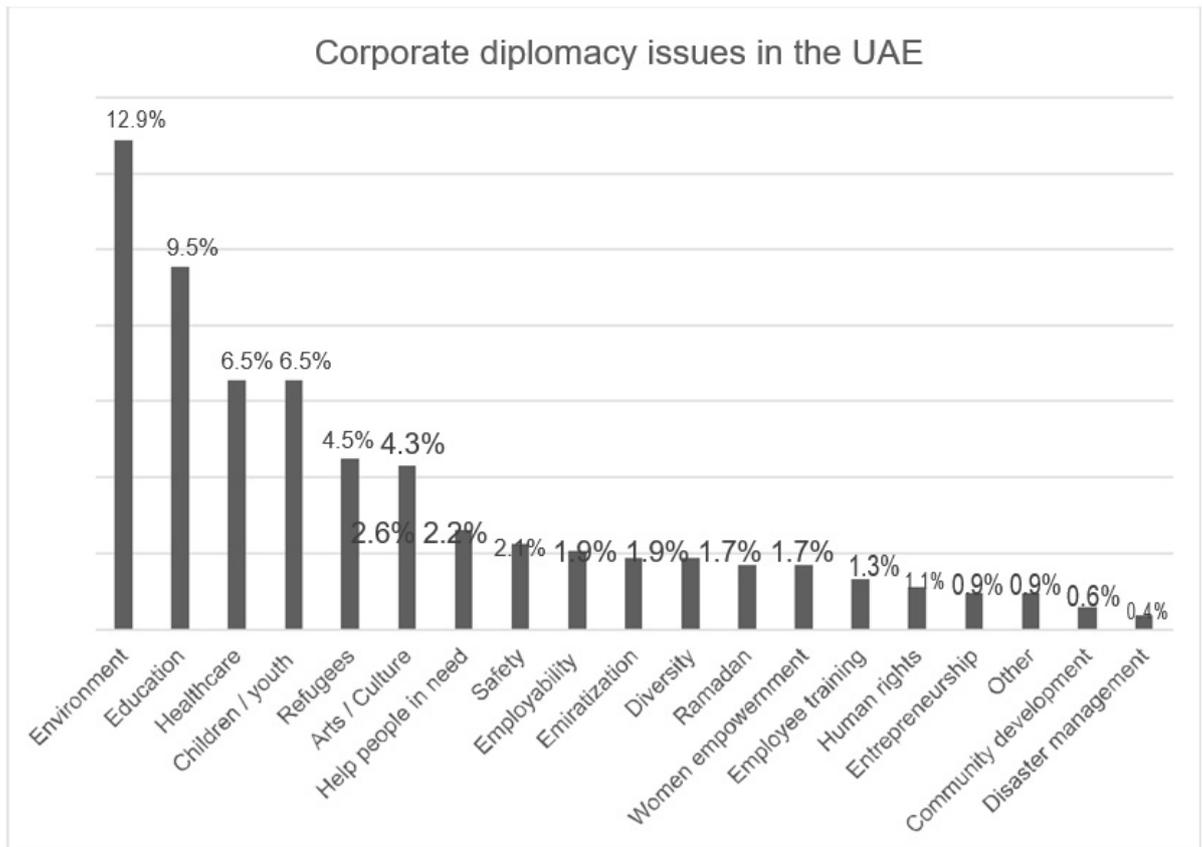


Figure 1. CD issues sorted according to frequency

Concerning the stakeholders that are addressed or involved in CD in the UAE, our analysis shows that almost half of the CD activities are directed towards the community (44,5%), followed by initiatives that address governmental institutions (18,7%) and local employees (14,7%) or other companies (7,1%). On the other hand, CD engagement in the UAE is mostly initiated together with governmental institutions in the UAE (21,5%), other companies (20,9%), local employees (15,3%), non-profit-organizations<sup>1</sup> in the UAE (11,3%).

1 NPOs in the UAE are not the same as NGOs as most of the NPOs are public. When mentioning NPOs of UAE we refer to organizations that are not primarily aiming to gain economic profit, such as charity organizations.

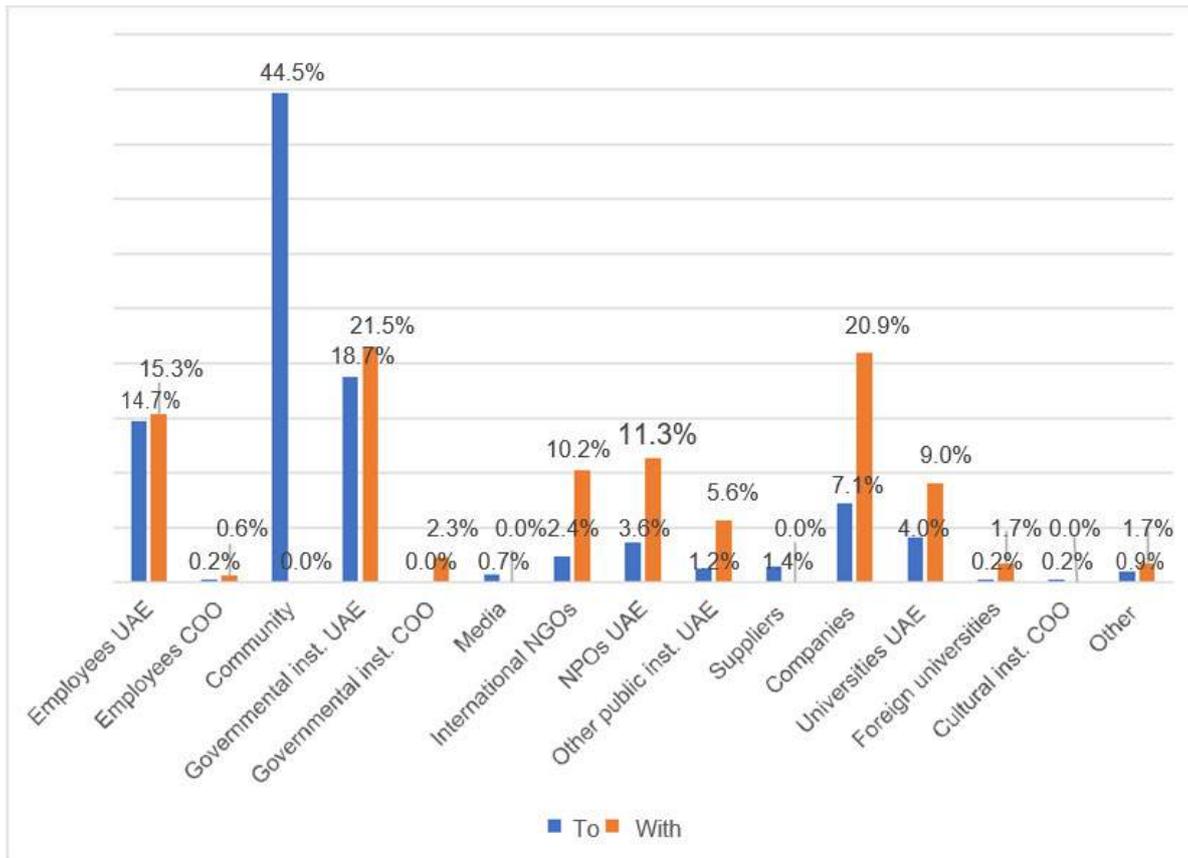


Figure 3. Stakeholders addressed by CD in the UAE

In order to explore to what extent CD is used as a legitimation strategy, we analyzed two indicators: the reference of CD communication to the governmental agenda of the UAE and the recognition of CD by awarding the company for their CD engagement in the UAE. Firstly, the data shows that 10,4% of the communicated CD engagements have a direct reference to the national agenda of the UAE government. Secondly, the data demonstrates that CD is recognized by the UAE government (6,5%).

**Discussion and conclusion**

The current study implies that CD communication comprises a variety of social, societal and political issues as well as different activities. In previous studies, issues such as environment, health, safety and human were already found to be relevant for CSR and global governance (Du et al., 2007; Palazzo & Scherer, 2006; White, 2015). However, most of the CD initiatives are in line with the UAE’s national agenda 2021 whose main objectives are to provide the best healthcare and education system, a sustainable environment, an inclusive society, a safe public and a competitive knowledge economy (UAE government, 2019). In line with neo-institutional communication theory, this congruence between the CD issues and the UAE expectations in form of its vision or national agenda could lead to corporate legitimacy (Sandhu, 2009). Moreover, some of the companies have directly referred to the UAE vision or national agenda within their CD communication. In addition, selected corporate documents include information on the honoring of the company by the UAE government for their outstanding CD efforts. In overall, this indicates that CD communication is a legitimation effort towards the host country’s key stakeholder, which is in line with previous conceptual research papers (Mogensen, 2017; Ordeix-Rigo & Duarte, 2009; Westermann-Behaylo et al., 2015).

The findings imply that corporate engagements in social issues are moving from a business-centered CSR to a stakeholder-centered CD approach, in which private-public partnerships play an important role to gain corporate legitimacy. The study argues that by engaging in issues and activities that contribute to the political agenda in the company's host country, companies act similar to traditional diplomats, namely as corporate diplomats. As Ordeix-Rigo and Duarte (2009, p. 555) outline, CD "is the capability that some major transnational corporations develop to draft and implement their own programs, independent from the government's initiative, to pursue similar diplomatic aims". In contrast, our analysis suggests that in political systems without democratic governmental institutions, where the state possesses significant power, CD is often performed together with governmental institutions in order to get morally legitimized towards them. Further research is necessary to get deeper insights into CD practices, for instance by interviewing communication manager with regards to their initiatives, stakeholders and legitimation attempts. However, the current study contributes to the research on international corporate communication by offering first empirical insights into CD practices and the relationship between CD and corporate legitimacy.

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# Evolving CSR in the arts and culture sector: A comparison of corporate partnership and corporate sponsorship

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## Abstract

The arts and cultural sector offers a beneficial field of CSR collaborations for businesses as it is closely related to consumers' lifestyle and modern consumption habits as well as it appeals to a diversity of international audiences. This study investigated the relationship of two prominent CSR dimensions (i.e. partnership and sponsorship) in the field of arts and culture and corporate reputation, with the focus on a specific stakeholder group – the millennials. An online experiment was conducted through posting an open-call on the Facebook pages of the 100 most visited art museums in the world. The results suggest that sponsorship and partnership both indicate a positive effect on corporate reputation, whereas partnership is more appealing to the millennials than sponsorship. We also examined the moderation effects of sincerity, value alignment and CSR reputation on the relationship between CSR and corporate reputation. All three moderators are found to strengthen the relationship, while the impact of CSR reputation is the strongest among them. The findings imply that companies should be aware of the need to present themselves as a trustworthy collaborator and the necessity to fulfil their duties deriving from the engagement in a particular CSR dimension.

**Keywords:** Corporate social responsibility, partnership, sponsorship, arts, culture, reputation

## Structured Research Summary

### Introduction

Due to the continuously increasing flow of information facilitated through the innovations of new media technologies, consumers are more aware than ever of the operations of companies in the global market (Rizkallah, 2012). In particular, they become more sensitive about a company's action contributing to social and environmental benefits and progressively engage in critical discussions online about such issues (Clark & DaSilva, 2015). Thus, the importance to engage in profound corporate social responsibility (CSR) initiatives is rising, as consumers' behaviour and attitudes towards a company's reputation are influenced by its moral and ethical operations within a community (Lii & Lee, 2011). Following this notion, businesses intensify the integration of CSR communication as part of their reputation management to foster a positive brand association amongst target audiences (Hur, Kim, & Woo, 2013).

In previous studies regarding CSR initiatives in the field of arts and culture, a strong focus on the importance of corporate contributions to this field and the benefits of CSR initiatives for business was taken (Fahy, Farrelly, & Quester, 2004; O'hagan, & Harvey, 2000). Notably, specific impacts of CSR initiatives such as sponsorship and partnership on consumers were broadly researched while underlining an academic controversy about the appropriateness and benefits of each action (Egels-Zandén & Wahlqvist, 2006; Colbert, Dastous, & Parmentier, 2005; Tweedy, 1991). In particular, main contributions to the academic field included studies underlining the conceptualisation of characteristics of both initiatives and empirical research on the application of these dimensions of CSR in corporate communications (Iyer, 2003; Pappu & Cornwell, 2014; Rifon, Choi, Trimble, & Li, 2004). This study attempts to close a gap in the literature through a direct comparison of the impact of two predominant CSR initiatives – sponsorship and partnership on corporate reputation in the field of arts and culture.

Distinctly, corporate sponsorship refers to a marketing initiative in which a mutually profitable collaboration between a business or economic enterprise and non-profit institution is established (Kirchberg, 2011). The collaboration of sponsorships is based on a two-sided barter that includes the corporate provision of resources, mainly in the form of monetary support, in exchange for a promotional exposure by the cooperating non-commercial institution (O'hagan Harvey, 2000). In this specific CSR initiative, the non-profit organisation takes on executive responsibilities (Kirchberg, 2011). For examples, sponsorships include corporate funding of sports tournaments in return for the association of the company with the event by presenting the enterprise's logo.

On contrary, the initiative of partnership underlines a commitment between an economic enterprise and non-profit institution in which both entities share responsibilities, risks and benefits (Lewandowska, 2015). Notably, the notion of partnership entails the incorporation and integration of mutual operations in the structure of each entity's processes (Lewandowska, 2015). Partnerships can take on diverse formats from art-based learning programmes implemented by companies in cooperation with museums or long-term urban development projects.

Sponsorship and partnership are a purely philanthropic CSR initiative as they both entail voluntary actions of an enterprise to contribute to the social welfare and greater public good of a community (Carroll, 1991, Kirchberg, 2011). More precisely, according to a neoclassical perspective, which highlights a company's desire for a return of investment when engaging in CSR initiatives, sponsorship and partnership enable a company to appeal to diverse stakeholders including employees, consumers and suppliers by emphasising its contribution to the greater good of a community (Kirchberg, 2011).

Sponsorship is particularly chosen as the most frequently used practice of CSR with a long lasting tradition in the field of arts and culture originating in 1960 (O'hagan & Harvey, 2000). Nonetheless, partnership gained increasing popularity in recent years as it has been proven to be a sufficient alternative to other CSR practices in generating mutual benefits (Egels-Zandén & Wahlqvist, 2006). Especially in times of financial crisis, partnerships have shown to be a sustainable and profitable practice as they do not predominantly rely on monetary support of a corporate entity and transcend such traditional collaborations with, for example, communicative cooperation programmes using a corporate voice along a non-profit organisation to advocate a specific social cause or educate over particular social or environmental issues (Lewandowska, 2015). Strikingly, both practices illustrate a strong relationship to corporate reputation building, especially in the field of arts and culture, as the communication of a corporation's goodwill through the channel of a cultural institution reaches consumers in an environment closely related to one's lifestyle (Lewandowska, 2015; O'hagan & Harvey, 2000). Therefore, contrary to invading one's personal life with corporate advertisements, stakeholders such as consumers or employees are able to experience a company through the lens of its actions. Thus, the fact that both practices are experience based enables corporates to create emotional ties with target audiences while connecting to an image of a greater social good (Lewandowska, 2015; O'hagan & Harvey, 2000). In particular, the unique position of both CSR practices and their similarity in the relationship to reputation building underlines the relevance of analysing and comparing the initiatives.

## Theory

### ***CSR and corporate reputation***

This research incorporates the marketing perspective of corporate reputation, which defines the term as the accumulation of perceptions stakeholders construct in communicative interaction with a business entity (Fombrun & Shanley, 1990). Notably, this perspective entails a multi-stakeholder approach considering a variety of shared meaning among the diverse interest groups of a company (Fombrun, Gardberg & Sever, 2000). Thus, the marketing definition of corporate reputation accurately fits the research design as it aligns with Johnson's (1971) and Carroll's (Carroll, 1991) notion of CSR approaching interests groups beyond the scope of economic interest.

A strong relationship between the CSR and corporate reputation can be identified according to Lewis (2003), who found that in recent years consumers significantly increased their expectations towards business to conduct socially responsible practices. In his study, he particularly monitored the timeframe of 1998 to 2002 in the United Kingdom using a quantitative survey to measure the perception of adults (15 years and older) on the necessity of CSR initiatives (Lewis, 2003). Lewis (2003) found that potential consumers identify business enterprises to have ethical obligations towards society and are incrementally willing to alter their behaviour towards the business if such obligations are not met. Supporting Lewis's (2003) claim of the importance of CSR in relation to corporate reputation, Hur, Kim and Woo (2013) conducted a quantitative research amongst 867 consumers in the Republic of Korea finding a significant positive effect of CSR initiatives on corporate reputation. Moreover, further investigating the impact of CSR on corporate reputation, Yoon, Gürhan-Canli and Schwarz (2006) identified the potential of socially responsible initiatives of businesses to change the negative perception of consumers towards favourable attitudes. More precisely, such a perceptual change of a company's reputation can impact its economic performance not only affecting consumers buying behaviour but also the involvement of other stakeholders in the company like investors or employees (Mohr, Webb, & Harris, 2001; Backhaus, Stone, & Heiner, 2002; Sen, 2006). Markham (2015) and Sen (2006) both underline the importance of CSR practices in the decision making of individuals when evaluating the potential entrance or remaining in a company as an employee. According to prominent research in the field of CSR and corporate reputation, a strong relationship between both notions can be identified, which is worth further scientific evaluation. Consequently, this research aims to generate an in-depth understanding of the key elements within CSR initiatives impacting corporate reputation.

#### ***A comparison of sponsorship and partnership in the scope of arts and culture***

Focusing on the development in the field of CSR, one can identify a strong historic connection to the arts and cultural industry (McNicholas, 2004). Specifically, research has shown an ever-increasing amount of corporate involvement in the industry combining financial support with active partnerships (Thomas, Pervan & Nuttall, 2009; McNicholas, 2004). As McNicholas (2004) highlights in his research on CSR practices in the cultural industry, the field was traditionally distinguished by simple donations of corporate enterprises to arts and cultural institutions. However, this idea of "corporate giving", which illustrates a purely philanthropic perspective on CSR initiatives in the arts and culture sector defining such actions as solely contributing to social elements outside of a company, drastically changed with the adaptation of the neo-classical model of CSR practices in the early 1950s (O'hagan, & Harvey, 2000, p.207). According to the neo-classical perspectives, CSR practices can be used as a strategic tool to enhance the economic progress and competitive advantage of an enterprise by combining such activities with a marketing approach (Kirchberg, 2011). More precisely, the neo-classical perspectives acknowledge the above-mentioned linkage between corporate reputation and CSR initiatives and underlines the effect of a positive perception of stakeholders to favourable economic outcomes for a company (Kirchberg, 2011; Fombrun, 2005).

The key element defining sponsorships in the art and cultural industry is the two-sided trade between a corporate enterprise and a non-commercial institution involving the corporate provision of resources, mainly in the form of monetary support, in exchange for a promotional exposure (O'hagan & Harvey, 2000). With such promotional exposure, corporate enterprises attempt to generate a positive reputation amongst the public (Kirchberg, 2011). Notably, in this case, the non-commercial institution holds the executive responsibilities (O'hagan & Harvey, 2000). On the other hand, partnership builds on a mutual share of risks, responsibilities and benefits incorporating elements of both entities in one another's operations (Lewandowska, 2015). Similar to sponsorship, partnerships are assumed to carry out a positive impact on corporate reputation due to their engagement of the public in positive cultural and artistic experience contributing to social causes (Lewandowska, 2015; Egels-Zandén & Wahlqvist, 2006). Notably, due to a higher level of engagement and thus a greater emotional transmission, partnerships are predicted to have a stronger positive impact on corporate reputation than sponsorship (Lewandowska, 2015; Hollebeek, Glynn, & Brodie, 2014; Iyer, 2003). Building on the theoretical assumptions of the literature mentioned above, the following hypotheses are tested:

*H1a: In the arts and culture sector, a company with a CSR initiative through partnership or sponsorship affects corporate reputation more positively than a company without a CSR initiative.*

*H1b: In the arts and culture sector, a CSR initiative through partnership affects corporate reputation more positively than a CSR initiative through sponsorship.*

***The moderation effect of sincerity***

To conceptualise the distinct effect of each CSR initiatives, Milewicz and Herbig's (1994) model of reputation building is used, which defines the process as a distribution of a particular image of an organisation's behaviour sustaining over time. Furthermore, the model highlights the notion of the attribute association and emotional involvement of consumers with the created image of an organisation (Milewicz & Herbig, 1994). A key factor determining the process of positive reputation building is the concept of sincerity or in other words the "believability of an entity's intentions at a particular moment in time" (Milewicz & Herbig, 1994, p.41). In many different variations in contemporary research, this notion describes and quantifies the level of positive associations consumers assign to an enterprises operations in CSR (Lewis, 2003; Yoon, Gürhan-Canli & Schwarz, 2006; Rifon, Choi, Trimble, & Li, 2004). According to Rifon, Choi, Trimble, and Li (2004), the effect of sincerity plays a significant role in affecting images amongst stakeholders as they critically question one's enterprises contribution to society using aspects of CSR. Once the CSR initiative of sponsorship is mainly identified as being self-beneficial and putting emphasis on the promotional exposure rather than a philanthropic character, the effect on creating a positive image is significantly limited (Rifon, Choi, Trimble, & Li, 2004). Therefore, in order to unravel the impact of the CSR practices of sponsorship and partnership, it is crucial to recognise the extent of a contribution made by the initiative combing a variety of resources in order to obtain a maximum social benefit and how it is perceived by the public (Mcdonald, 1991; Lewandowska, 2015). Additionally, Iyer (2003) research on partnership assumes a mutual construct of meaning between the public and the CSR practices of a company, which indicates an important impact of sincerity due to the emerging communicative experiences actively influencing one's perception. According to the theoretical approaches mentioned above, the following hypothesis is tested:

*H2a: In the arts and culture sector, perceived sincerity strengthens the relationship of corporate sponsorship and corporate reputation.*

*H2b: In the arts and culture sector, perceived sincerity strengthens the relationship of corporate partnership and corporate reputation.*

***The moderation effect of value alignment***

Furthermore, research has shown that CSR collaborations with a direct connection between corporate values or products and the non-profit institution's operations can have a higher impact on positive associations with a company (Pappu, & Cornwell, 2014; Mcdonald, 1991). Therefore, it is essential to recognise the comprehensible connections between both entities in a collaboration using Pappu and Cornwell's (2014) approach of value alignment. In this case, value alignment refers to the match of the corporate culture, the area of business and corporate attitudes and the representation of the non-commercial partner perceived by stakeholders (Iyer, 2003). According to Pappu and Cornwell (2014), the value alignment between sponsor and sponsee has a strong moderation effect on the relationship between corporate reputation and the stakeholders' perception of CSR. Similarly, Iyer (2003) states that the value alignment in partnerships takes a critical role, as an absence of a comprehensible match between the commercial and the non-commercial entity leads to a questioning of the whole CSR practice by the stakeholders. Indicated by the theoretical approaches mentioned above, the following hypotheses are tested:

*H3a: In the arts and culture sector, perceived value alignment strengthens the relationship of corporate sponsorship and corporate reputation.*

*H3b: In the arts and culture sector, perceived value alignment strengthens the relationship of corporate partnership and corporate reputation.*

## Results

An online experiment with a between-subject design was employed to test the hypotheses. We found that in the arts and culture sector, partnership and sponsorship both influence corporate reputation amongst millennials positively. The results imply that by engaging into CSR initiatives in the field of arts and culture, companies are able to generate strategic benefits deriving from an improvement in corporate reputation amongst the stakeholders of millennials (Hur, Kim, & Woo, 2013; Kirchberg, 2011). Both initiatives reinsure the association transfer of the positive experience derived from exposure to a corporate's good doing either through the use of promotional means such as in sponsorship or experience marketing used by partnerships (Lewandowska, 2015; Colleoni, 2013; Egels-Zandén & Wahlqvist, 2006). Additionally, millennials are found to have an interest in the field of art and culture due to a high level of consumption of creative content and lifestyle products deriving from the industry (Halliday & Astafyeva, 2014; McNicholas, 2004). These positive attitudes towards the industry are considered to impact the perception of the CSR involvement in arts and cultural sector and thus facilitate a favourable corporate reputation formation among this group (Halliday & Astafyeva, 2014; McNicholas, 2004).

Furthermore, partnership in the field of arts and culture was found to have a slightly stronger positive impact on corporate reputation amongst millennials than sponsorship. This difference could be influenced by the elements of interactivity and a higher level of immersion commonly provided by partnerships through the share of responsibilities, resources and operations between a corporate and the non-commercial institution (Lewandowska, 2015; Iyer, 2003). Contrary to sponsorship, in which a contribution to a non-commercial institution is rewarded with a promotional exposure by such, partnerships actively involve both entities with one another constituting a collaboration in interaction which transcends over diverse stakeholder groups (Lewandowska, 2015; Rifon, Choi, Trimble & Li, 2004). The experiment highlighted this difference clearly by emphasising the provision of experiences, like workout classes, from the collaboration of the partnership in contrast to the promotional exposure of donations by the corporate in the sponsorship arrangement. Due to the higher level of involvement constituted by the construct of partnerships, this CSR dimension can have a more positive impact on corporate reputation amongst millennials (Lewandowska, 2015; Hollebeek, Glynn, & Brodie, 2014). In particular, as millennials can be characterised as engagement seeking actively involving themselves in dialogues with companies online and taking on roles such as advocates or critics, the interactive format of a partnership tailors accurately to this need and therefore enables a higher level of generating positive association influencing a corporate's reputation (Lewandowska, 2015; Hollebeek, Glynn, & Brodie, 2014; Moore, 2012; O'Brien, 2011).

This study also examined three moderators on the relationship between CSR and corporate reputation, namely sincerity, value alignment and CSR reputation. According to Becker-Olsen, Cudmore and Hill's (2006) concept of reputation building through CSR, sincerity is a key factor influencing the process of image making amongst stakeholders. The notion of sincerity has been widely discussed in contemporary research and commonly refers to the willingness of companies to contribute to social causes to improve society from an altruistic standpoint (Yoon, Gürhan-Canli & Schwarz, 2006; Rifon, Choi, Trimble, & Li, 2004; Lewis, 2003). Thus, this moderator looks explicitly at rather the perception of consumers appreciating companies CSR initiative as socially motivated and beneficial for the public environment influences the strength of corporate reputation building amongst millennials. The results imply that millennial consumers are impacted by the perceived sincerity of a CSR initiative in the arts and cultural sector when evaluating a companies reputation. Furthermore, value alignment refers to the perceived fit between a company and its collaborating entity (Pappu, & Cornwell, 2014; McDonald, 1991). The conducted experiment showed a weak significance in the moderation effect of value alignment, which confirms the assumption of millennial consumers being influenced in forming images of corporate reputation by the observed match between a company and its non-commercial partner or sponsee. Lastly, the moderation effect of CSR reputation was tested in the experiment. According to Simmons and Becker-Olsen (2006), the establishment of a positive corporate reputation amongst consumers using the means of CSR depends on the public's evaluation of trustworthiness and reliability of a company's position within a social collaboration. The results confirmed that CSR reputation strengthens the relationship of CSR and reputation, highlighting that millennial consumers' construction of corporate reputation is influenced by the observed execution of duties of the company in its collaboration.

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# Sensory Rooms for UK Football Clubs: A Communitarianism Approach to CSR and CSR Communication

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## Structured Research Summary

### Purpose

This paper explores a specific CSR initiative within Premier Football teams in the UK. Sport is a major global industry generating billions of dollars in revenues each year. CSR programs in the sport industry have generated appreciable attention and are considered a valuable asset to sports teams (Walters, 2009). Past CSR research in sport includes the examination of CSR initiatives in various football associations including those in Scotland and Greece. However, sport-focused CSR research has been rather conventional in its attempts to describe various CSR enterprises in these football leagues. In contrast, this paper focuses on a less traditional type of CSR initiative, the creation of sensory rooms as a form of CSR and CSR communication. Sensory rooms are calm spaces that allow people with the autism spectrum disorder (ASD) to enjoy a match. Many people with ASD are overwhelmed by the sights and sounds of a football match resulting in their inability to attend matches. The creation of a sensory room is a significant investment for clubs. Each room requires special furnishings and trained staff to operate the facility. Moreover, space utilization is critical in any sports venue. Naturally, teams seek to maximize the revenue generating potential of finite spaces. Sensory rooms occupy what can be very valuable space within a sports venue—space that could be used to generate revenue.

Sensory rooms represent part of a football club's *inclusion efforts*, one common CSR focus in sport (Jarvie, 2003). The sensory rooms increase the range of fans that can engage with a match in person. Social inclusion efforts can be viewed as a form of social justice because they allow more people to engage and participate in societal actions. Sport has long been treated as form of social inclusion. That line of research tends to emphasize access to youth sports by various groups as a form of social inclusion. This paper expands the idea of sport and social inclusion by examining how professional football teams are using sensory rooms to facilitate social inclusion and to bolster their CSR efforts.

### Theory/Assumptions

The following definition reflects our use of CSR in this paper: "CSR refers to the integration of an enterprise's social, environmental, ethical and philanthropic responsibilities towards society into its operations, processes and core business strategy in cooperation with relevant stakeholders" (Rasche, Morsing & Moon, 2017, p. 6). This definition embeds CSR within actions of the organization. CSR communication involves how the enterprise talks to stakeholders about CSR. This includes engaging stakeholders in creating CSR efforts as well as communicating those efforts to stakeholders (Coombs & Holladay, 2012).

Communitarianism provides the theoretical foundation for our conceptualization of this CSR initiative and for our data collection and analysis. This theory is a logical fit because of its connections to CSR and to sport. Amitai Etzioni's (1996) work contributed to our understanding of Communitarianism as a philosophy of collective responsibility for a community. Many in public relations have drawn upon communitarianism (e.g., Leeper, 1996), including Kent (2013) who observed, "Communitarians believe that corporations should engage in corporate social responsibility, that citizens should be concerned about others, and that people need to shift their focus away from getting all that they can get (individualism) to a more collectivist focus that considers other citizens, civil society groups, ethnic groups, and social classes" (p. 342). Past research has linked communitarianism with CSR (e.g., Kochhar, 2014; Sison, 2009) and with sport and communities (e.g., Kolyperas, Morrow and Sparks, 2015).

Furthermore, sport has a long connection to the concept of community. First, sport has been viewed as a way to build community through social inclusion. Sport can bring diverse elements of a community together because even minority “marginalized” groups can be included in sport (Kelly, 2011). Though social inclusion often focuses on participation in sport, it also can be applied to bringing diverse fan groups to a sport. Second, football clubs in the UK understand their interconnection with the community. Clubs can be a vital part of the community and clubs recognize the role of community relations in building connections with this critical stakeholder. One base of fan support is *geographic local*—the community in which a team resides. Teams understand the criticality of community relations, a specialty within public relations that is now largely subsumed under the broad heading of CSR. Finally, the team and its fans can be viewed as a community. Fans’ unique connections to teams cultivate this sense of community. Part of that sense of community is viewing games together at the home sports venue. The use of the term *community* in sport is another reason for linking some forms of sport CSR to communitarianism.

### Methods

To understand how teams position sensory rooms as a form of CSR, this study identifies and analyzes the official team announcements of their sensory rooms. The statements are taken from the teams’ official web sites. Also included in the analyses are the statements about sensory rooms provided by the Premier League. The Premier League is a structural factor that could influence how the teams within the league frame the creation of sensory rooms. A total of ten Premier League teams have created sensory rooms: Watford, Arsenal, Liverpool, Chelsea, Southampton, Newcastle United, Everton, Sunderland, Middlesbrough, and West Bromwich Albion. The last three teams have been relegated from the Premier League but were in the Premier League at the time the sensory rooms were created. For that reason, the three teams are included in the data.

After retrieving the sensory room statements, the texts were analyzed using framing analysis. Framing helps researchers to identify what is salient in a text. Entman (1993) observed, “to frame is to select some aspects of perceived reality and make them more salient in a communicating text, in such a way as to promote a particular problem definition, causal interpretation, moral evaluation, and/or treatment recommendation for the item described” (p. 52). Framing analysis allows researchers to identify which ideas are selected and given salience in text. Framing fits well with strategic communication, such as CSR messages, because “persons who are interested in influencing how their messages are received will...think ahead to the potential impact of their words” (Kuypers, 2010, p. 288). Frames can influence how people perceive and react to a message. Thus, frames provide guidance for sense making. In this case the sense making involves how sensory rooms are interpreted by stakeholders.

We use what is often called the “how” approach to framing analysis. The how approach to framing analysis views frames as, “strategic resources, constructed and wielded by an individual or group (including journalists) ... frames are situated in competitive social and political environments; frames are constructed and promoted to achieve some predetermined outcome” (Reese, 2010, p. 20). The how approach centers on the strategic nature of framing. The frames are constructed to realize a specific and desired outcome. In this case, the framing of the sensory rooms can contribute to perceptions of social responsibility. Messages concerning the sensory rooms are treated as CSR communication from the football clubs.

The authors conducted Internet searches using the term “sensory room” and the names of the ten clubs known to have created sensory rooms. The results were narrowed to only messages appearing on official club web sites. This meant excluding news stories or fan blog posts about the sensory rooms. While such data can be useful, the focus in this paper is on how the clubs themselves are framing the sensory rooms. The authors read the texts to identify frames used to present discuss the sensory rooms. The analysis focused on the rationales used to frame the creation of the sensory rooms. A priori themes included inclusion and family. *Inclusion* is derived from the sensory rooms’ link to the Premier League’s inclusion efforts. *Family* is derived from the initial development of the first sensory room. The introduction of the first sensory room was prompted by parents who wanted their entire family, including one child with ASD, to be able to enjoy a football match. In addition, other frames can emerge from the textual analyses as well.

For this analysis, the unit of analysis was the entire statement from the club's official web site. Each unit was coded for frames present in the statement. We treat frames as something that is salient (shows up frequently in the statements), has distinct properties (key words and concepts) exclusive to the frame, and offers a certain perspective for interpreting the creation of the sensory room.

### **Preliminary Research Results**

The preliminary analysis revealed the dominance of the inclusion frame followed by the family frame. The family frame emphasized how all family members cannot view a game together if one or more family member has ASD. Another theme evidenced in the text is endorsements from charities connected with ASD. Frequently there is a charity endorsement that reinforces the value of sensory rooms to the community. We posit that the frames in sensory room announcements reflect a communitarianism approach to CSR communication that fits well with the historical community emphasis found in UK football clubs. The communitarianism approach places the focus of the CSR messages on meeting the inclusion needs of community (fans and geographic location) connected with the football club. Implications for how other types of organizations might apply the communitarian approach to their CSR communication are discussed along with the potential of the communitarian approach to avoid some of the backlash firms can experience when engaging in CSR communication (Morsing, Schultz and Nielsen, 2008).

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# Negotiated and discursive power in Southeast Asia: Exploring the 'bibingka' model of CSR

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## Structured Research Summary

### Purpose

The paper explores dimensions of power enacted by corporations, governments, NGOs and community stakeholders in the context of Corporate Social Responsibility (CSR) programs in Southeast Asia.

We discuss the interplay of institutional power (from above) and community power (from below) with discursive and negotiated power (from within and across) in CSR practice. Drawing from Berger's work on power relations (2005), this paper extends the 'power with' dimension as it relates to the negotiated and discursive power exercised by CSR practitioners.

Drawing from work by scholars in land reform, gender and development (Capeling-Alakija, 1993; Borrás 1998), we propose a 'bibingka' approach to CSR practice that highlights a cross-sectoral collaboration framework.

### Design/Methodology/Approach

The model emerges from field work undertaken in six countries—Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam. Fieldwork comprised face-to-face interviews, focus groups, participant observation and website analysis. The interviews were conducted with corporate communication/CSR representatives, community representatives who were either NGO leaders, formal/informal village leaders and local government officials.

### Findings

This paper introduces the 'bibingka' model of corporate social responsibility (CSR) drawn from field research in six countries in Southeast Asia. The 'bibingka' concept is coined from a native Filipino rice cake that is cooked with charcoal positioned on top and underneath (Borrás, 1998). To ensure that the cake is cooked evenly, a hand-held fan is used to keep the charcoal embers going and sufficient heat is generated.

We use the metaphor of the 'bibingka' in our model to propose that the perception, design and enactment of CSR practice are shaped by four power dynamics namely: institutional power (from above), community power (from below), discursive power and negotiated power (from within and across sectors). We suggest that discursive and negotiated power are critical in community engagement especially for CSR communication practitioners who face resistance from community stakeholders.

We discuss cases in the region where the respective CSR practitioners employed various strategies to address initial community resistance. These strategies included engaging women village leaders, demonstrating successful partnerships, reframing discourses and negotiating co-ownership of programs.

We posit that discursive power occurs when CSR communication is framed and reframed by various actors to shape how it is perceived and enacted. For instance, Indonesian community relations practitioners framed the CSR project as an integrated farming technology that will enhance the livelihood of farmers. In Thailand, negotiated power was exemplified when the community relations/CSR practitioner addressed the village leader's scepticism by organising a plant visit to demonstrate the business's commitment to green technology and how it helped preserve the water and forest surrounding the village, thus ensuring the community's livelihood.

**Practical implications**

By understanding the power dimensions that shape the perceptions, design and enactment of CSR, representatives of corporations, NGOs, government and communities can identify potential points of tension, discuss and negotiate their respective concerns, and engender more collaborative ways that enable cross sectoral benefits. Considering the various power dimensions that influence CSR perception and practice is an integral process in community and stakeholder engagement.

**Originality/value**

The 'bibingka' model is a novel approach to explain the various power dimensions that shape the perception, design and enactment of CSR. If the institutional power is stronger, the top-down approach can generate CSR programs that are not meaningful to the communities. If community power is stronger, the resistance may discourage the private sector to limit its support or provision of resources for the CSR program. If discursive and negotiated power is in play, CSR programs can be designed and enacted to its maximum potential where benefits accrue to all parties involved.

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# Exploring Stakeholders' Assessments of Organizational Identity and Identification in the Context of CSR Partnerships

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## Abstract

Using an experimental design with non-fictitious organizations, we examine how stakeholders (N = 845) describe corporations and nonprofits. We interrogate the types of words stakeholders include in their mind maps of corporations and nonprofits prior to receiving information about a partnership. Descriptive results indicate that nonprofits received more concepts than corporations the three most popular categories were product or service, target market/beneficiaries, and description of organization type. Further, we identify how stakeholders amend their organizational identity descriptions when a corporate-nonprofit partnership is communicated. Preliminary findings indicate that respondents delete concepts but add new links between concepts after reading about the partnership scenarios. Finally, we consider how different levels of identification influence how stakeholders describe and amend their descriptions of nonprofits and corporations. Our approach relies on a novel method and software, BrANDi (Brand Associative Network Diagram), to identify the various attributes stakeholders assign to each partner and how those attributes are altered when a partnership is communicated.

**Keywords:** corporate-nonprofit partnerships; identification; organizational identity

## Structured Research Summary

Corporate-nonprofit partnerships represent one of the fast-growing forms of corporate social responsibility (CSR; C&E Business & Society, 2018; Seitanidi & Crane, 2009). For nonprofits, partnerships can alleviate funding pressures, increase social and political support for services, enhance perceptions of competence, and influence business priorities (Rademacher & Remus, 2017). For corporations, partnerships can amplify reputation and legitimacy, create competitive advantage and brand differentiation opportunities, reduce skepticism, and increase credibility (Heller & Reitsema, 2010; Lafferty, 2009; Schmeltz, 2017). However, partnerships can pose risks for one or both partners. In particular, corporate-nonprofit partnerships may lead to increased stakeholder skepticism and criticism (Du, Bhattacharya, & Sen, 2010; Shumate & O'Connor, 2010), boycotts (Cone Communications, 2017), increased legislation or litigation (O'Connor, 2006), or a loss of legitimacy with stakeholders (Mitchell, Agle, & Wood, 1997; Shumate & O'Connor, 2010). Both corporations and nonprofits rely on communication to inform and persuade stakeholders about the character of the partnership (Shumate & O'Connor, 2010) in the hopes of maximizing partnership benefits and minimize partnership risks.

The communicative representation corporate-nonprofit partnerships is dynamic and contextual, rests along a "continuum of different meanings and narrations," and may include competing organizational attributes (Schultz, Castello, & Morsing, 2013, p. 685). The complexity of attributes is derivative of the two functionally different organizations with distinct stakeholder networks (Shumate & O'Connor, 2010) that become associated when corporations and nonprofits partner. As noted by Berger et al. (2006), partnerships increase the complexity of attributes assigned to the partners and partnership. When evaluating messages about a partnership, stakeholders rely on what they already know about the organizations (Austin & Seitanidi, 2012; Lock & Seele, 2017; Schultz & Wehmeier, 2010) to determine the partnerships identity.

Considerable research has interrogated stakeholder evaluations of corporate-nonprofit partnerships. These lines of inquiry provide valuable insights into stakeholders behavioral intentions (e.g., Bigné-Alcañiz, Currás-Pérez, Ruiz-Mafé, & Sanz-Blas, 2012) and partnership preference as a result of exposure to CSR communication (Becker-Olsen & Simmons, 2002). However, limited research has accounted for the multitude of ways stakeholders may perceive the partners are (in)commensurate or how stakeholders interpret each organization's identity prior to receiving information about a partnership (Zdravkovic et al, 2010; Olson & Thjørmøe, 2011). Based on the gap in the literature, the current study is guided by the following question: "What corporate and nonprofit attributes do stakeholders assign and connect when a partnership is communicated?" To answer this guiding question, we bring the theoretical frameworks of the Symbiotic Sustainability Model (Shumate & O'Connor, 2010) and organizational identification (Christensen & Cheney, 1994; Scott & Lane, 2000) into the ongoing conversation about the effects of CSR communication on stakeholders' evaluations of corporate-nonprofit partnerships.

### **Conceptual Background**

Organization identity is understood as the set of "central, enduring, and distinctive characteristics of an organization" (Scott & Lane, 2000, p. 44) that are co-constructed between the organization and its stakeholders (Albert & Whetten, 1985; Scott & Lane, 2000). Organizational identity provides points of distinction between organizations and occurs through an iterative, interpretive process as both the organization and stakeholders make sense of different events (Scott & Lane, 2000). Organizational identity is a multi-dimensional construct (Oeppen & Jamal, 2014) and includes unobservable qualities that stakeholders assign to the organization (Decker & Baade, 2016) as well as stakeholders' understanding of an organization's mission, role in society, and social responsibility activities (Shumate & O'Connor, 2010; van der Heyden & van der Rijt, 2004). The definitional constructs of organizational identity are illustrative, however, their application has been primarily focused on corporations and internal stakeholders rather than corporate-nonprofit partnerships and external stakeholders.

The Symbiotic Sustainability Model (SSM; Shumate & O'Connor, 2010) provides a useful theoretical bridge that connects the organizational identity research and corporate-nonprofit partnerships. The SSM is a macro-level, communication-based explanation of corporate-nonprofit partnerships that draws upon research about organizational identity to argue that corporate-nonprofit partnerships "allow both organizations to communicate another identity to stakeholders" (p. 584). When a partnership is publicized, stakeholders engage in a set of identity sharing processes (Stryker & Burke, 2000), including identity verification (Kraatz & Block, 2008), to see if they are willing to accept the identity of the partnership. This process occurs because the corporate-nonprofit partnership lacks a preexisting socially codified identity (Pólos, Hannan, & Carroll, 2002). Although the partnership's identity is backstopped by stakeholders' understandings of the individual organizations' identities, these evaluations are subject to reinterpretation based upon the partnership's existence. When presented with a partnership, stakeholders may reject its asserted identity, question the legitimacy of one or both partners individually, or question the identity or legitimacy of the partnership (Shumate & O'Connor, 2010). Importantly, the SSM argues that stakeholders' a priori evaluations of the nonprofit and the corporation may transfer to both the partnership as an entity and to the respective partnering organizations (Shumate & O'Connor, 2010). However, the SSM is silent on which identity attributes may transfer between the partners.

Based on this literature and to address this oversight, we ask:

RQ1: What types of words do stakeholders include in their mind maps of corporations and nonprofits?

RQ2: What types of changes do stakeholders make to their mind maps when a partnership is communicated?

Organizational identification is “an active process” by which individuals link themselves to organizations and assimilate organizational premises and values (Cheney, 1983, p. 342). Organizational identification is achieved and reinforced communicatively (Christensen & Cheney, 1994; Scott & Lane, 2000). Organizations rely on a range of communication activities to sustain and strengthen stakeholders’ identification. Scott and Lang (2000) note that “stakeholder identification is cued each time an organizational event generates media exposure that serves to remind stakeholders of their organizational affiliation” (p. 57). Other scholars (Berger et al., 2006; Christensen & Cheney, 1994; O’Connor, 2006) suggest that communication is not limited to formal media channels and identification can occur in micro-moments where an individual interacts with an organization.

There is scant research about the concept of identification beyond the traditional organization-individual dyad. Two exceptions are notable. O’Connor’s (2006) conceptual article identifies alternative sites of identification as third entities that link stakeholders and organizations through a cause or value that the stakeholder already identifies with. According to O’Connor (2006), alternative sites of identification may result in a transference of identification. Examples of alternative sites of identification include “philanthropic organizations, community initiatives, and social/cultural values” (O’Connor, 2006, p. 80). The article, however, does not specifically identify corporate-nonprofit partnerships and there are no empirical studies that assess the utility of construct.

Berger and colleagues (2006) provide the first empirical connection between cross-sector alliances and stakeholder identification. In their qualitative study of employee identification with social alliances<sup>1</sup>, Berger and colleagues found that social alliances are important defining aspects for corporations *and* nonprofits. Their research highlights how organizational identities are challenged, supported and integrated when employees engage with social alliances. They note that identification represents a “rich psychological, emotional, and practical connections” (p. 132) and that not all alliances enhance the individual organizational identities or identification with the alliance. Notably, they found that some partnerships cause “great distrust, dissonance, and skepticism” (p. 135).

In this paper, we build upon Berger et al.’s (2006) and O’Connor’s (2006) research to examine how different levels of identification influence how stakeholders describe nonprofits and corporations and how they amend their organizational identity descriptions as a result of the introduction of the cross-sector partnership. This is a departure from previous research in two ways: first, we examine external stakeholders, not just employees; second, we examine the organizational identity schemas, not just identification or attitudes toward the targets. Thus, we ask:

RQ3: How does stakeholders’ level of identification influence how they characterize corporations, nonprofits, and partnerships?

RQ4: How does an individual’s level of identification with either organization influence the type of associative network change they create?

## Method

### Participants and Sampling

In fall 2017, we recruited 970 participants, who resided in the United States and were between the ages of 18 and 65 ( $M = 40.79$ ) with a household income of greater than \$50,000, into an online experiment using a Qualtrics online panel. We purposively recruited similar numbers of men ( $n = 490$ ) and women ( $n = 480$ ).

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1 Social alliances are defined by Berger et al (2006) as “a partnership between a company and nonprofit that has moved beyond cause-related marketing and philanthropy to encompass a close, mutually beneficial, long-term partnership that is designed to accomplish strategic goals for both partnership (p. 129)

We created a quota for participants based on their identification with the four organizations in the study (Costco, Boys & Girls Clubs of America, Union Pacific, and The Nature Conservancy). Using Bagozzi, Berami, Marzocchi and Morandin's (2012) measure of combined affective, cognitive, and evaluative identification, we recruited a quota of 60 highly identified and 60 lowly identified participants for each organization, or 240 in total. Participants whose score on the identification measure was greater than 17 were evaluated as highly identified and participants whose score was less than 8 were coded as lowly identified for the purpose of sampling. We allowed the amount of identification to vary for the remainder of the sample.

### Procedures

Upon recruitment, participants were asked a series of qualifying questions (i.e., age, household income) and completed the three identification items for each of the organizations (12 in total) for the purposes of filling the aforementioned quotas. Then participants were randomized into a 2 X 2 X 3 X 2 factorial design. The factors were: (1) nonprofit/corporate pairing, (2) intensity of the partnership described, (3) length of the partnership (i.e., this year, 3 years, 10 years), and (4) source (i.e., nonprofit CEO/Executive Director, Corporate CEO). The nonprofit/corporate pairing questions were counterbalanced.

In each condition, participants received training on using the BrANDi software and attention check questions were used to ensure attention to the training video. Participants completed BrANDi for the corporation and nonprofit. First, participants were given up to three minutes to list all of the concepts they could think of for the organization. Next, participants were permitted to draw links between the concepts on their maps. Participants also completed attitude measures for each organization.

Upon completion of the above steps, participants were given the stimuli, a letter from the organizational leader describing the partnership. We included two attention check questions to ensure close reading of the stimuli. In addition, we include two distractor stimuli and attention check questions for those stimuli.

After the stimuli, participants were taken to another video tutorial to demonstrate how to complete the next part of the BrANDi exercise. Participants' previous lists of words were loaded into two columns, one for each organization. Participants could amend those lists by adding or deleting words. Next, they were shown a map with two networks, based on their previous network links plus any additional words. Participants had the opportunity to connect any words, including words across the associative networks for the two organizations. Finally, participants were asked a series of questions about their views of the partnership and partners. Throughout the survey, we used attention check questions and we eliminated participants who completed the experiment in less than one-third of the median time to completion.

### Measures

**Identification.** We used the three-item measure of identification to capture the affective, cognitive, and evaluative identification with the organizations (Bagozzi et al., 2012). Overall, identification with nonprofits and corporations in our sample is relatively high for nonprofits ( $M = 19.95$ ,  $SD = 9.36$ ,  $max = 21$ ) and moderate for corporations ( $M = 16.53$ ,  $SD = 9.07$ ,  $max = 21$ ). The reliability for the scales for each target organization was good; Cronbach's alpha ranging from .76 to .89.

**BrANDi related measures.** We examined a number of measures derived from the BrANDi instrument. First, the number of original concepts generated for each organization was examined. Then, we examined the number of original links generated. We computed the ratio of links to concepts, generating a measure of network density. In addition, we captured the words and links that participants added to both organizations after reading the stimulus.

**Types of Concepts.** Using three coders, we conducted a content analysis of the words that participants generated for each organization, classifying each word into one of the following categories: (1) product or service, (2) CSR, (3) personal associations/physical embodiment, (4) economic frame, (5) description of organization type, (6) anthropomorphization, (7) target market/beneficiaries, and (8) locations. Words that did not fall into any of these categories were coded as other. Approximately fifteen percent of the words were coded by all coders; intercoder reliability was good ( $n = 513$ , Krippendorff's alpha = 0.78).

## Analysis

We began by reviewing all of the participant's associative network maps ( $N = 970$ ). Of those participants, 135 entered no words for either organization they were assigned, entered only the organization's name, or entered words that did not pertain to the organization. This reduced our effective sample to 845 participants.

RQ1: What types of words do stakeholders include in their mind maps of corporations and nonprofits?

RQ2: What types of changes do stakeholders make to their mind maps when a partnership is communicated?

To answer RQ1, we will identify the types of words participants include for corporations and nonprofits pre-test. For RQ2, we will describe the associative network change that participants make in response to the stimuli. Specifically, we will examine if they add or delete words, with which organization they associate those words, what links they add or delete, and how the two associative network maps are connected (if they are connected). Types of connection across mind maps include linking the two organization names directly, linking words associated with one organization to the name of the other organization, and making links between words associated with the two organizations.

To answer RQ3, we will examine the types of words that stakeholders with high and low levels of identification include for corporations and nonprofits. In addition, we will examine if the levels of identification are related to the types of associative network change that participants make using ordered logistic regression (RQ4). The ordered DV will be changes to the map of the organization with which they identify least, changes to the mind map with which they identify most, and creation of links between the two mind maps.

## Preliminary Results

To begin to address the research questions, we conducted preliminary analysis to show the general patterns found in the data. The total number of concepts generated by the sampled 845 respondents was 9558, among which 8994 were non-duplicate words by the same respondent. The descriptive results at the organizational level showed among all the four organizations, Costco ( $n = 2843$ ) received the greatest number of concepts, followed by the Nature Conservancy ( $n = 2380$ ), Boys and Girls Clubs of America ( $n = 2588$ ), and Union Pacific ( $n = 1747$ ). At the respondent level, the descriptive results showed that nonprofits ( $M = 5.37$ ,  $SD = 3.51$ ,  $\max = 30$ ) received more concepts than corporations ( $M = 2.62$ ,  $SD = 2.77$ ,  $\max = 33$ ). The content coding of all the concepts showed that the top three most popular categories were product or service, target market/beneficiaries, and description of organization type. The least popular category was CSR related concepts. See Table 1 for more detail of the category frequency.

In response to the information about the partnership between a corporation and nonprofit, respondents tended to delete more concepts, instead of adding new concepts, which resulted in a lower average number of the total concepts generated after they were given the stimuli. To the contrary, the average number of links generated by the respondents was higher post the stimuli, suggesting that they added new links after reading about the partnership scenarios. Adding the total number of deleted and added concepts and links, the total number of changes made by respondents after they read the press release about the partnerships was calculated,  $M = 18.25$ ,  $SD = 12.45$ . In addition, network density was also calculated at the respondent level,  $M = 1.03$ ,  $SD = .44$ . See Table 2 for more detail. These preliminary results suggest that the full-analysis may yield interesting and counterintuitive insights into the research questions.

## Originality/Value

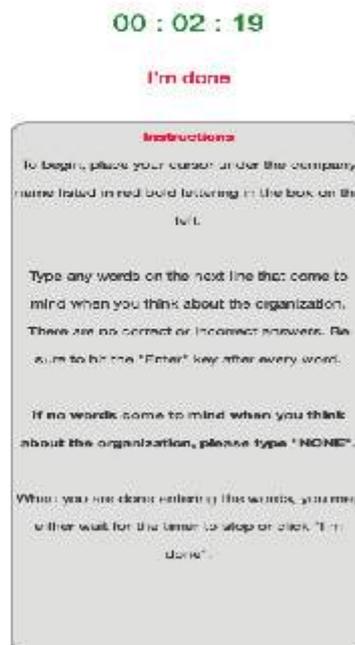
First, we adopt a novel method and software, BrANDi (Brand Associative Network Diagram), to identify the various attributes stakeholders assign to each partner and how those attributes are altered when a partnership is communicated. BrANDi extends traditional mind mapping approaches (Greibitus & Bruhn, 2011) by allowing for links to be created across organizational maps. This approach provides, to the best of our knowledge, the only method that exposes what attributes stakeholders connect between the two organizations in a partnership thereby allowing for a more nuanced understanding of how partners are connected in stakeholders minds. Furthermore, this approach may add depth to claims regarding the halo effects associated with cross-sector partnerships.

Second, we answer calls to investigate how different stakeholder types respond to CSR messages (Du et al., 2010; Schmeltz, 2017). Research exploring stakeholder response to CSR communication has been focused almost exclusively on consumers. This focus does not account for the role identification may have in partnership evaluation. We aim to address this deficiency by examining how stakeholders' level of identification with each partner influences their evaluations of the partnership. Embedded in our approach is the assumption that stakeholder identification may vary across partners. This consideration is expansive because the majority of cross-sector partnership research focuses on either the corporation or the nonprofit rather than interrogating stakeholder assessments of *both* partners and the partnership concurrently.

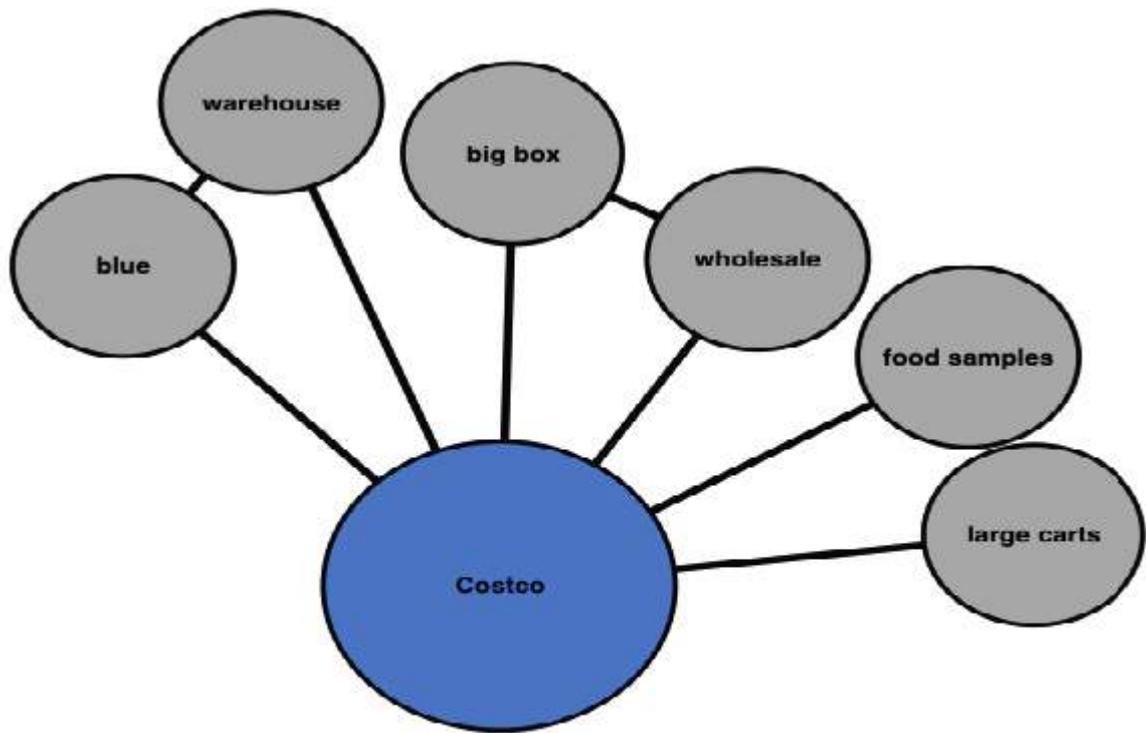
Finally, we expand upon recent studies that have embraced and called for additional research using non-fictional organizations (Bigné-Alcañiz, et al., 2012; Boenigk & Schuchardt, 2015; Kim, Sung, & Lee, 2012). This contribution is worthwhile because it offers empirical evidence in support of claims that perceptions of partnerships are contextually bound (Dawkins, 2005) and stakeholders' evaluations of CSR are intimately tied to their understandings of organizational identities (Kraatz & Block, 2008; Shumate & O'Connor, 2010; Stryker & Burke, 2000). We believe such an approach is valuable because it can provide foundational research that can be used to understand similar organizations as well as organizational fields.

Figure. Screenshots from BrANDi exercise

Click "Start Application 1" to begin your session. You must click "I'm done" before selecting "Next" to save your responses.



### Screen 1: Thoughtlisting Exercise



Screen 2: Java-based network connection activity

Table 1. Frequency of coded categories

Category	Frequency
1. product or service	2717
2. CSR	25
3. personal associations/physical embodiment	331
4. economic frame	599
5. description of organization type	1602
6. anthropomorphization	1376
7. target market/beneficiaries	1717
8. locations	248
Others	943

Table 2 Descriptive concepts and links at the respondent level

	Average	SD	Range
Concepts (pretest)	11.84	5.91	2-40
Concepts (posttest)	9.93	7.04	1-39
Concepts for nonprofits (pretest)	5.37	3.51	1-30
Concepts for corporations (pretest)	2.62	2.77	1-33
Links (pretest)	11.66	5.83	2-47
Links (posttest)	16.31	14.45	1-85
Deleted concepts	3.56	7.04	0-40
Added concepts	1.67	2.42	0-30
Deleted links	4.17	5.86	0-37
Added links	8.82	9.73	0-65
Associative change	18.25	12.45	0-90
Network density	1.03	.44	.07-5

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## 10. CSR & EDUCATIONAL ORGANIZATIONS

# Conceptualizing and Analyzing CSR Communication of Scientific Organizations – A International Comparative Study of CSR Communication of Top-Tier Universities on Twitter

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### Abstract

#### Purpose/introduction

Scientific organizations increasingly aim at the public in their strategic communication. In this process, they also adapt CSR communication practices, which are often deviated from firms. However, conceptual and empirical research on CSR communication by scientific organizations is practically inexistent.

#### Design/methodology/approach

This paper addresses this gap in research and starts with a conceptualization of CSR for scientific organizations. It suggests *create and share knowledge* as the guiding principle and the term *academic responsibility* as the central CSR dimension for scientific organizations. The paper then analyzes CSR communication on Twitter from the 100 top-seeded universities of the Times Higher Education University Ranking. With a multi-level approach using automated and manual content analysis, the study identifies CSR related Tweets, the CSR dimension mentioned within those Tweets and then compares CSR communication of Anglo-Saxon, European and Asian universities.

#### Findings

Preliminary results show that the environmental and social dimensions are most often mention in CSR Tweets and that especially US universities value CSR in their communication higher than their peers.

Limitations/implications: The use of Twitter data allows for a comparative perspective at a large scale. However, the results are not necessarily generalizable beyond the Twitter-sphere.

#### Originality/value

The study is one of the first to thoroughly conceptualize CSR communication of scientific organizations. In addition, the comparative research design addresses the issue at large scale on a global level.

**Keywords:** CSR communication, higher education, Twitter, content analysis

## Structured Research Summary

Vegan days in the canteen, access to higher education for refugees, gender equality and commitments to ethically responsible research practices: Scientific organizations like universities are increasingly engaging in activities related to their corporate social responsibility (CSR). Although this has not yet been empirically proven, CSR and higher education seem to be a perfect match. There are good reasons to suppose that the acceptance of CSR among the main stakeholders of scientific organizations (students, academics) is above average. Additionally, their main products, education and knowledge, appear to be optimal goods for CSR communication, as they are usually not questioned from a societal perspective. However, up to now, almost no research has looked at how scientific organizations communicate about their CSR. This stands in contrast to the importance of universities as organizations in society and the attention devoted to the concept of CSR by communication scholars. This exploratory study addresses the gap in research by (1) conceptualizing CSR communication for scientific organizations and (2) analyzing CSR communication of top-tier international universities on Twitter. The paper will give answers to the following research questions:

*RQ1:* What is the importance of CSR in the communication of universities on Twitter?

*RQ2:* Which dimensions of CSR do universities address in their communication on Twitter?

*RQ3:* Which reach does CSR communication on Twitter generate?

*RQ4:* Are there differences in CSR communication of universities from different regions?

### Conceptual framework

Research on CSR in the organizational field of higher education is comparatively scarce. Existing work looks at the effects of sustainability reporting (Ceulemans, Molderez, & van Liedekerke, 2015) or sustainable behavior of staff of universities or students (Hancock & Nuttman, 2014). Studies show that although “an increasing number of universities are becoming engaged with sustainable development, [...] many universities are still lagging behind companies in helping societies become more sustainable” (Lozano et al. 2013, p. 10). However, CSR is becoming more important for scientific organizations as performance in the field of social responsibility is not only demanded by the public but also is a part of leading university rankings. The QS university ranking includes data on “how seriously a university takes its obligations to society by investing in the local community as well as in charity work and disaster relief. It also analyses the regional human capital development and environmental awareness” (topuniversities.com, 2018). The Times Higher Education ranking system recently published “a new global university ranking that aims to measure institutions’ success in delivering the United Nations’ Sustainable Development Goals” (timeshighereducation.com, 2018). Additionally, CSR is also part of the curriculum of higher education institutions, especially in management or business education (Christensen, Peirce, Hartman, Hoffman, & Carrier, 2007; Lambrechts, Mulà, Ceulemans, Molderez, & Gaeremynck, 2013; Matten & Moon, 2004; Stubbs & Schapper, 2011). However, despite the growing practical relevance a comprehensive concept of CSR (communication) which considers the specific nature of scientific organizations is still missing.

### CSR of scientific organizations

Van Marrewijk concludes that “a ‘one solution fits all-definition’ for CS(R) should be abandoned, accepting various and more specific definitions matching the development, awareness and ambition levels of organizations” (van Marrewijk, 2003, p. 95). While this is true for different firms, it even seems more evident for a different organizational field. The paper at hand, therefore, comes up with a definition of CSR communication for scientific organizations and uses the CSR pyramid by Carroll (1991) as a starting point. Carroll distinguishes between an economic, legal, ethical, and philanthropic dimension of CSR. The legal, ethical, and philanthropic dimensions also apply to scientific organizations and only need minor adaptations. “Obey the law”, “be ethical” and “be a good citizen” (Carroll 1991, p. 42) are essential guiding lines for the actions of scientific organizations as well as for other organizations. Universities must adhere to existing binding regulations in their research activities (e.g., restriction to animal testing, genetic research) and as a corporation (reporting and accounting norms, employer contracts). They also are obliged to follow ethical, moral norms, especially in their research (e.g., handling of data, research practices). Finally, universities, like firms, can also take philanthropic responsibilities (e.g., charity by employees).

However, the economic dimension, which is the foundation of CSR for firms in Carroll's concept, needs to be reformulated and extended, as profit in forms of earning per share is not the primary purpose of scientific organizations. The leitmotif *be profitable*, therefore, must be translated to fit the primary purpose of universities, namely research and education. This paper suggests *create and share knowledge* as the guiding principle and *academic responsibility* instead of economic responsibility as the foundation of CSR for scientific organizations. The term *being profitable*, thus, means for universities to maximize the creation of scientific knowledge and its transfer to the academic community and societal stakeholders (e.g., business or the public) in an efficient and competitive manner. Nevertheless, true economic aspects are also crucial for scientific organizations e.g., the sustainable usage of financial resources and creation of value for the local economy (as an employer and in the transfer of knowledge to business).

The concept of CSR has been further developed and adapted. Schwarz and Carrol (2003) revisited the original pyramid and proposed a focus on the three core domains of economic, legal, and ethical responsibilities. Other approaches include environmental responsibility as a separate dimension of CSR. As Gonzales et al. (2015) note, the CSR pattern established by the triple bottom line of a financial, environmental and ethical dimension, is largely popular, current and accepted (see also Elkington, 1998). Environmental aspects also play an increasingly important role in current discussions about CSR in higher education (e.g., vegan days in canteens or regulation of flights by university personnel). For the framework of this paper, therefore, a separate environmental layer is included in the adapted CSR pyramid for scientific organizations (see Figure 1). This concept is transferred into a category system for the content analysis (see methods).



Figure 1. Adapted CSR pyramid for academic organizations (based on Carrol, 1991)

**CSR Communication of scientific organizations**

Despite the growing importance of CSR for scientific organizations, almost no research on the way how universities communicate about CSR exists. However, when analyzing communication about CSR and its effects, one must consider different characteristics of the organizational field under review. Existing models of CSR communication, therefore, need to be adapted to the field of higher education. In their concept of CSR communication, Du et al. (2010) distinguish between message, content and channel, stakeholder, and company characteristics, which influence outcomes of CSR communication like awareness, reputation, or stakeholder behavior (see Figure 2). The concept by Du et al. (2010) can be transferred to the organizational field of higher education. When communicating about CSR, scientific organizations can address different dimensions or aspects, and they can choose different channels to disseminate the information (e.g., social media or CSR reports). The effects are moderated by organizational characteristics. First, this means that the effects of CSR messages are influenced by the fact that scientific organizations (and not firms) are communicating. Second, the effects are also dependent on characteristics within the organizational field of higher education. This includes e.g., size (small vs. large) or primary funding source (public vs. private) of organizations. Finally, the effects depend on the stakeholders under review, which include, among others, the effect of social value orientation or culture. This study, therefore, analyzes the focus of CSR communication (message content) of top-tier universities (organizational characteristics) and its outcomes. As it compares universities from different global regions, it also considers stakeholder characteristics when measuring the effects in the form of reach of CSR communication on Twitter (likes and retweets).

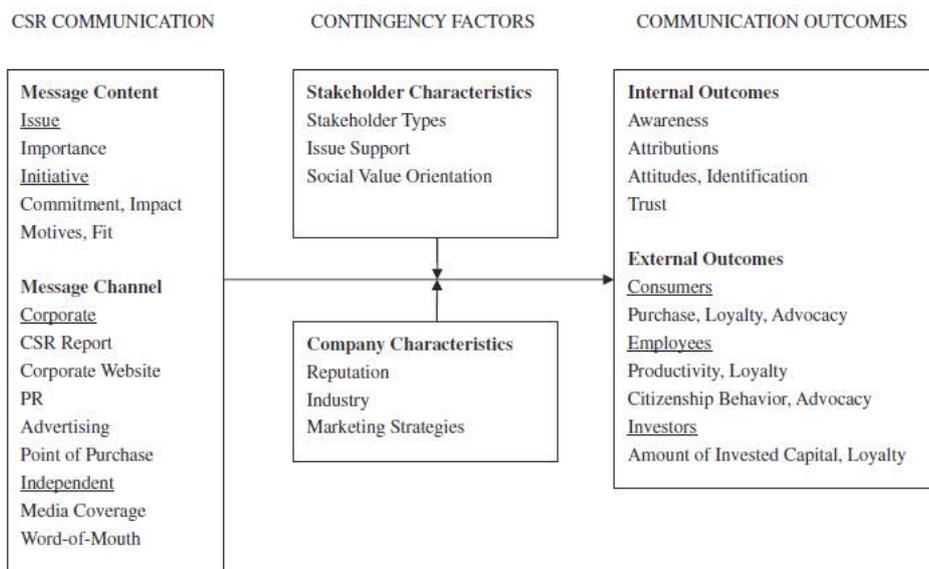


Figure 2. Model of CSR communication by Du et al. (2010)

**Methods**

The study at hand uses Twitter data from universities to analyze CSR communication in higher education. Twitter has established itself for communication within academia but also between scientific organizations and their non-academic stakeholders like journalists, business, or the public (Metag & Schäfer, 2017). The paper uses automated and manual content analysis in a multi-level approach. First, all Twitter accounts of the universities ranked in the 2018 edition of the Times Higher Education university ranking were identified. If a university operated more than one account (e.g., one in the language of the country and one in English) the English account was used for the analysis. For all accounts, the Tweets were downloaded through the Twitter Application Programming Interface (API) using the RTweet package in R Studio. The API allows downloading the last 3'200 Tweets posted by an account. With this procedure, a complete dataset starting from September 1, 2018, until December 18, 2018 (n=54'872) could be produced. The language detection provided by the Twitter API was used to identify the Tweets in English, which led to a final dataset of n=47'427 Tweets.

For the analysis, a list with all hashtags in the Tweets was automatically generated by using the Regular Expression (regex) for hashtags (`#\w+`). Before running the regex, all cases were set to lower. The hashtags ( $n=9'912$ ) were then ranked by occurrence in the Tweets. Thereafter, all hashtags that occurred five or more times in the dataset ( $n=1'396$ ) were manually coded. First, all hashtags were categorized into CSR hashtags and non-CSR hashtags. All CSR hashtags were then further categorized into the different dimensions of CSR for universities, according to our concept outlined above (academic, economic, environmental, and ethical dimension). If the meaning of the hashtags was not identifiable by the hashtag itself, it was typed into the Twitter search, and Tweets containing the hashtag were used as context for coding the dimension.

The dataset was after that resampled with a keyword search which included all identified CSR hashtags. This led to a dataset with information if a Tweets refers to CSR and if yes, which dimension is focused. The number of retweets and likes were used as a proxy for the reach of a single Tweet. The Tweets were also grouped on the level of universities by distinguishing between Anglo-Saxon (including information on subgroups US, Canadian, British and Australian), European and Asian universities.

### Preliminary Results

The analysis of the data is still ongoing, as this abstract is written. However, first results show that the environmental and the ethical dimension of CSR are most often mentioned. The five most prominent CSR hashtag in Tweets of universities were `#climatechange` (148 mentions), `#givingtuesday` (95 mentions), `#blackhistorymonth` (92 mentions), `#womeninstem` (86 mentions) and `#sustainability` (51 mentions). Overall CSR is certainly not the top priority of the universities on Twitter. However, the above-mentioned CSR hashtags are all among the 100 most used hashtags in the dataset, which clearly shows a relevance of CSR in communication strategies of scientific organizations.

Preliminary results also show that Anglo-Saxon universities value CSR in their communication on Twitter higher than their European or Asian peers. When ranked by the amount of CSR Tweets, the first 20 ranks exclusively feature universities from the US, Great Britain, and Australia (see Figure 3). European (best placed: University of Groningen NL, rank 27) or Asian universities (best placed: Tsinghua University CN, rank 49) follow later on in the ranking. Especially US universities value CSR higher than peers in their communication on Twitter and address very country-specific topics e.g., the tradition of *giving Tuesday*, which is a day of charity activism on Tuesday after Thanksgiving. Another example, which is almost exclusively used by US universities, is the hashtag `#blackhistorymonth` to promote awareness for the history of black people.

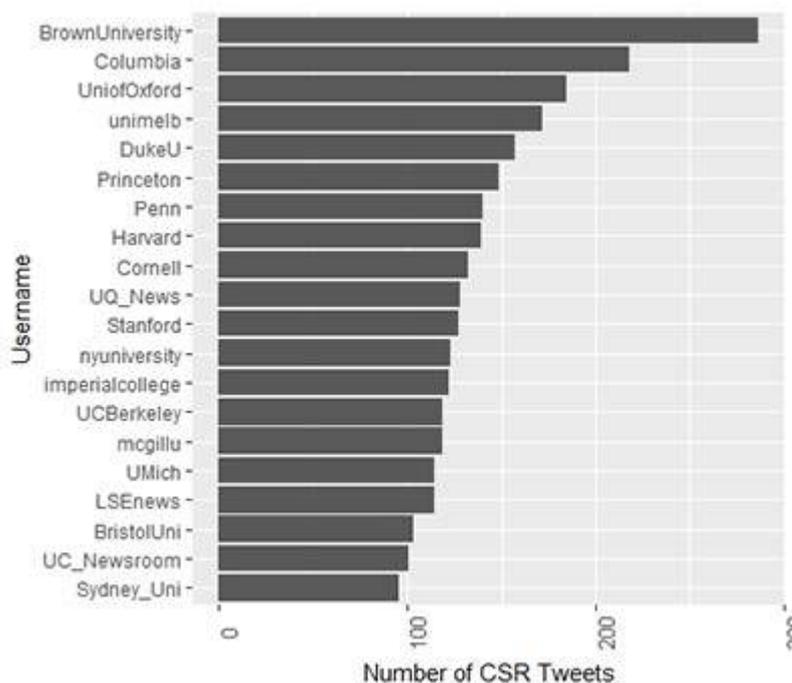


Figure 3. CSR Tweets per university

## Discussion

As the empirical part of the study is not yet completed, no final empirical results can be discussed. However, based on our literature review, which identified a lack of empirical and conceptual research on CSR communication of scientific organizations, two main desiderata for further research can be formulated. First, the *effects of CSR communication of scientific organizations* could be analyzed, using CSR communication as the independent variable. This includes research on the effect of CSR communication on the attitudes and behavior of stakeholders of scientific organizations. Research questions could include if universities who communicate about CSR extensively score better in reputational surveys (e.g., rankings) or are better able to attract foreign or local students or workforce. Second, the paper suggests research on the *effects on CSR communication of scientific organizations*, thus modeling CSR communication as the dependent variable. Researchers could analyze how factors on organizational (e.g., private or public funding) and systemic level (e.g., the media system, cultural differences) or singular events (e.g., crises) affect the CSR communication strategies (e.g., adaption, practices, topical focus) of scientific organizations.

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# Higher education institutions as catalysts for CSR discourse? Assessing CSR teaching and research in Central and Eastern Europe

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## Structured Research Summary

### Purpose

Corporate social responsibility (CSR) has increasingly become part of a wider socio-political discourse. It reflects the changes in society and the wider business environment, in which different actors contribute to the legitimate meaning of CSR and by that help to construct the character and the space of the concept (Mark-Ungericht & Weiskopf, 2007). One such driver to influence CSR discourse or act as a catalyst for diffusing a discourse on CSR in a particular environment are higher education institutions (Jamali & Neville, 2011). According to Campbell (2007), they are the sort of institutions that could influence CSR discourse via normative interventions and by educating the new business elites with sensitivity towards CSR.

Therefore, to understand the role universities and business schools could be playing as accelerators and shapers of CSR, it is important to know to what extent CSR-related topics are part of teaching and research in universities and business schools. Recent years have seen a veritable explosion in the number of studies on corporate social responsibility; however, this increase in attention does not apply to all parts of the globe. Much attention in international CSR research has focussed on the United States, followed by Western Europe and, more recently, China (Egri & Ralston, 2008). One region that has remained rather under-researched is Central and Eastern Europe<sup>1</sup> (CEE) (Pisani, Kourula, Kolk, & Meijer, 2017).

Central and Eastern Europe is an important focal point for such a study for several reasons (Pisani et al., 2017). The region has been shaped by significant changes in the relationship between business and society in recent decades. As countries in the region underwent radical changes during the Communist era and then during the transition from planned to market economies, attitudes to business and enterprise as well as notions of responsibility have undergone profound changes (Koleva, Rodet-Kroichvili, David, & Marasova, 2010; Kornai, Rothstein, & Rose-Ackerman, 2004). The region thus offers an opportunity to examine how such radical and relatively recent structural changes inform discourse on CSR. Furthermore, the region is of growing economic significance, and increased FDI by multinationals from North America, Western Europe and other parts of the globe (Lane & Myant, 2005) has aided the diffusion and local adaptation of CSR. In a nutshell, the lack of research on CSR in CEE thus provides an opportunity to study the formation of CSR and the wider relationship between business and society.

Against a general scarcity of research into CSR and CSR<sup>2</sup> education in Central and Eastern Europe, the aim of this study is to present data from the largest survey to date into CSR teaching and research in the region. Specifically, we aim to answer two inter-related research questions regarding CSR education:

- to what extent has CSR been adopted as a topic for teaching and research at universities and business schools in Central and Eastern Europe?
- what country and organization-level factors have influenced this engagement with CSR?

### **Design/Method/Approach**

For the most part, the discourse on CSR first emerged in developed countries where big corporations were trying to regain their legitimacy and repair bad reputation while responding to criticisms and revealed bad business practices (Jamali & El Safadi, 2019). Following this, and with CSR becoming not just a part of a business but also a political discourse, over the years academic leaders saw a need for growth in CSR teaching across the curriculum (Nicholson & DeMoss, 2010). Courses or modules on CSR, sustainability, and business ethics have become a part of curricula in both undergraduate and graduate programmes at most mainstream business schools in the developed western world. While business ethics courses are now a standard curricular component in the US and Western Europe, the range of CSR courses has diversified at the same time. Courses in social entrepreneurship, social-purpose marketing, social finance, sustainable development, globalization and triple-bottom line management frame related topics in different ways.

Although western CSR ideas are by now widely accepted, when they diffuse to non-Western contexts they often change according to the institutional variables that govern the political and cultural values, beliefs and practices in the respective countries (Jamali & El Safadi, 2019). Jamali and El Safadi (2019) further note that CSR in non-western environments are therefore a mixture of western and global ideals and local realities and contexts determined by different actors, such as state, market, religion, professions and education institutions. This makes researching CSR teaching and research in non-western contexts all the more interesting.

<sup>1</sup> The Organization for Economic Co-operation and Development (OECD, 2001) defines Central and Eastern Europe as "the group of countries comprising Albania, Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania, the Slovak Republic, Slovenia, and the three Baltic States: Estonia, Latvia and Lithuania". Commonly this group is also taken to include the European member states of the former Soviet Union, namely Belarus, Moldavia, Russia and Ukraine, as well as the parts of former Yugoslavia, namely Bosnia-Herzegovina, Serbia, Macedonia and Kosovo (partially recognized as a state).

<sup>2</sup> Given the ambiguity of the concept of CSR, a variety of potential synonyms were used in the survey, such as "business ethics", "sustainability", "business responsibility" (Matten & Moon, 2004).

This study was carried out on a sample that includes ten EU (Bulgaria, Czech Republic, Croatia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovenia) but also three non-EU countries (Russia, Belarus, and Ukraine), allowing us to test for the difference in CSR education between EU members and non-member states. The study was undertaken by scholars from each of the 13 countries, all being academics with an interest in CSR. We utilized a quantitative method for our study, a cross-sectional survey of leading universities and business schools in the CEE countries. This included (a) stand-alone business schools, (b) business departments/faculties in multi-faculty universities and (c) non-business university departments where CSR is potentially taught and researched.

Overall, 475 universities and business schools were included in the sample. These represent slightly more than one fifth of the total number of universities and business schools operating in these 13 countries. Each institution was contacted three times in the period September 2017 to May 2018, unless the survey was filled in following the first or second contact. Responses were collected using the survey platform Qualtrics, and the data were then analysed using IBM SPSS. Overall, we collected 144 usable responses from a sample of 475 respondents from universities and business schools across our 13 countries, constituting a response rate of 30%. Both the number of responses and the response rate are consistent with or even superior to those obtained by researchers in previous surveys of CSR education (Christensen et al., 2007; Matten & Moon, 2004; Moon & Orlitzky, 2011).

With regard to respondents, 76% worked in publically funded institutions, 8% in privately funded, and 15% of respondent organizations had a mixed funding model. 85% worked in a unit (department, school, faculty) that is part of a larger university, whereas 15% came from stand-alone business schools. University size went up as far as 71.000 undergraduate students. 65% of respondent universities had a generalist outlook and 35% a specialist one, such as economics and finance, infrastructure, engineering, teacher training or property management.

### **Findings**

We find that 77% of respondents state that their institution offers at least one course on CSR or similar topic, a level of teaching provision that compares well with prior studies into CSR education in Western Europe. CSR is also taught in a vast variety of contexts beyond business school subjects, often as part of technical programmes. With regard to CSR research, our study finds that 55% of respondents claim to be research active in the area of CSR, again a comparable level to Western Europe. Among the drivers for the adoption of CSR teaching, individual faculty members clearly stand out as being most important, while only moderate demand emerged from students, school and university leadership or from the business community. By contrast, government was reported as being the least important driver. Lack of financial resources was mentioned as the most important barrier to CSR in higher education and research.

Honing in on country- and organization-level level drivers of CSR education, we find strong evidence that EU membership is associated with greater engagement in CSR education and that smaller institutions are more involved in CSR research than larger ones.

### **Research limitations/implications**

Our analysis is based on a unique dataset, constructed by surveying universities and business schools in CEE, that allows us to assess the state of CSR education in the region and to conduct an initial analysis of the drivers of CSR teaching and research. However, the data suffer from two important limitations: first, some of the variables are based on self-reports, which may potentially be prone to biases. There may also have been differences in the selection criteria applied by the experts in their preliminary approaches for including institutions in the survey. However, we have taken steps to reduce the likelihood of such biases, e.g. by asking questions that were mainly concerned with objectively measurable items. Second, missing values lead to sample reduction and low representation of certain countries. Still, given the novelty of our data and the fact that these problems are common for most survey research, we argue that our study presents an important contribution to the study of CSR education.

### Social and practical implications

Our study points to opportunities and limitations for addressing concern for social and environmental externalities of business through exporting concepts like CSR, which is still commonly understood in the CEE region as entailing corporate philanthropy or as public relations (Elms, 2006). However, our findings suggest that more than 77% of universities or business schools in CEE include some forms of CSR education and research. This provides a starting point for higher education institutions in CEE to become more powerful in influencing the CSR discourse by setting different parameters of CSR in a particular national context. On the one hand, this can be achieved by educating new generations of young professionals in CSR and on the other, it can be accomplished by actively disseminating research results and their implications, and engage in dialogue to potentially change CSR discourses. Moreover, our study found that the most important driver of CSR are professors and researcher themselves but they feel not very empowered and influential. One way to empower them would be by finding ways to more intensively include them into international business and research milieus and research projects, where, as our findings suggest, the participation of CEE-based researchers is rather low.

### Originality/value

Although the topics of CSR and CSR teaching have attracted increasing attention in recent years, this development does not seem to apply to CEE. On the contrary, this region is vastly under-represented with regard to both CSR research and teaching. To counter-steer, this project has undertaken what is, to our knowledge, the largest stock-taking exercise of teaching and research into CSR in the region.

**Keywords:** Business Schools; Central and Eastern Europe; Corporate Social Responsibility, Education and Training; Management Research

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# Corporate Social Responsibility: US Colleges and Universities as Agents of Change on Race

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## Abstract

### Purpose

Studies of corporate social responsibility (CSR) predominantly address corporate business performance, often by emphasizing reputation, image, stakeholder expectations, relationship quality, and legitimacy challenges. CSR resource dependency is framed as financial/pragmatic and moral/ethical rationale for the license to operate. As a companion topic, further discussion should focus on the role business, government and universities play in setting and meeting societal CSR expectations. Increasingly, scholars are investigating university CSR performance to understand how they are societally obligated to define, justify, and implement CSR expectations. Not only have universities in the USA, the focus of this study, helped to define and raise CSR expectations, but increasingly they are being challenged to be worthy of reputation and reward claims. The ultimate CSR challenge universities and colleges face is to implement policy actions and discourse processes that help societies to be more fully functioning. University discourse and policy are controversial when they are judged by stakeholders' CSR standards that are in conflict. Universities may be expected to engage rather than be benign. This paper addresses university CSR in general and primarily focuses on CSR race policy as social justice. Analyzing this rich body of data can advance the study of CSR in universities and society.

### Design/methodology/approach

RQ1: What connections, if any, exist between the chartering, formation, and CSR role of colonial universities and slavery/race relations in what became the USA? Ancillary to RQ1, was a major CSR role of colonial universities, through religious education and minister training, justification of slavery and slave trade hegemonies?

RQ 2: As curricula and research developed in the colonial era and for two centuries following, in what ways, if any, did universities use scientific and social scientific research to set societal CSR expectations and communicate about issues of bias, stereotype, and racial policy in ways that advanced or slowed social justice?

RQ 3: What role, if any, did universities play in controversial post-Civil War (1865) race-based policies and doctrines, such as "separate but equal"?

RQ 4: Was the CSR principle of diversity or the desire for athletic reputation more influential over integration policies of matriculation and graduation in the 20th century?

RQ 5: Is one CSR trend to materially and symbolically correct, "erase," unfortunate and unacceptable racial heritage so as to reposition universities on a foundation of moral justice, which includes standards of reputation, curriculum, and research that revise the heritage and future CSR roles of universities?

The data to be used in this study are archival, essentially those available for historical and social science research. Using primary and secondary sources, analysis will address each of the research questions.

### **Findings**

Answers to these research questions should shed light on ironies and paradoxes of university CSR regarding race and social justice. While universities rose to prominence in the Age of Enlightenment and many tout themselves as leaders in the advancement of ideas, analysis of universities' CSR performance in the USA reveals that on matters of race universities historically have been more reactionary in support of hegemonies than proactive to a) set new standards; b) meet or exceed such standards; and c) motivate other institutions to pursue higher standards on issues of racial and social justice.

### **Research limitations/implications**

Not all universities fit the patterns emphasized in this study; some are bellwethers of constructive change. Also, given the rhetorical and discursive dimensions of CSR standards and performance, latitudes of judgment need to be analyzed carefully and judiciously. If, for instance, prevailing standards define CSR expectations, and if universities exemplify and even refine such standards is that a progressive application of the financial/pragmatic and moral standards of university CSR? The key implication is the extent to which academic institutions should, as vital to their CSR performance, aspire for themselves and other institutions to higher CSR expectations and do so in a sociopolitical environment where stakeholders hold conflicting standards.

### **Practical Implications**

If universities are to continue to play a vital role in formulating and assessing CSR expectations, especially for businesses and social policy, their roles in such matters must be self-reflective, definitive and justifiable to craft standards which they self-impose, including those regarding social justice.

### **Originality/value**

Academic investigators are beginning to examine university CSR as a serious academic topic. This paper seeks to contribute to that effort.

**Keywords:** University CSR, Social justice, Moral CSR, Pragmatic CSR, Resource management, University curriculum, research, and outreach

**Paper type:** Research paper

### **Extended Research Paper**

#### **Proposal**

Studies of corporate social responsibility (CSR) predominantly address corporate business performance standards, with emphasis on reputation, image, stakeholder expectations, and legitimacy challenges relevant to resource dependency, specific to financial/pragmatic and moral/ethical rationales for business practices. A topic area that needs to be further developed is the relationship between the formulation of CSR expectations and universities' role in that process. Also, increasing attention is being paid to the CSR standards that influence the judgment of university performance. Not only have universities in the USA helped to define and raise CSR expectations, but increasingly the CSR standards by which universities are judged to be worthy of reputation claims are being raised. Universities are among the elite institutions that are not only raising CSR expectations, but increasingly are holding themselves responsible (and being held responsible) to understand and meet exemplary standards (Heath & Waymer, 2019).

Attention is being paid and more will be paid to the interpenetration of CSR and universities/colleges performance and role accountability in society (see for instance, Bolivar, Sanchez, & Hernandez, 2013; Gerholz & Heinemann, 2015; Heath & Waymer, 2019). Lack of attention to CSR and academics demonstrates a gap in understanding the role of CSR in society, and the role of academics in CSR. This paper, more exploratory than definitive, presumes to open further the door to the opportunity of understanding the proactive role educational institutions can and should play in CSR to race—a small but growing area of CSR inquiry (see Logan, 2019). Accordingly, traditional lines of analysis are applied to understand the fundamentals of CSR, and then to apply them to investigate the historical challenges of US academics and to imagine new CSR roles that are being explored.

Using historical and contemporary data from university moral and pragmatic performance, the purpose of this paper is not only to seek a greater understanding of the CSR challenges to universities but also to explain how they are meeting such challenges. As the discourse on which this paper is based, analysis will focus on the role of race in university CSR performance and on university CSR role in issues of race. Since “societal expectations” is vague and indefinite, the term stakeholder seems preferred. Also, over time, expectations has become increasingly broad to include, much more for instance than philanthropy and legality, to all norms (social, political, ethical, pragmatic, and such) relevant to earning the license to operate for reward (Ihlen, Bartlett, & May, 2011).

### **Brief History of Universities and CSR**

Universities have tended, more often than not, to help create, justify, and promulgate CSR standards that reactively affirm corporate, and even government performance standards. This can be seen in the research and teaching of science, economics, and humanities, for instance. One important example of university involvement in CSR was the public health battle over the connection between smoking and public health (Parascandola, 2001). The 1950s became a hotbed of public health controversy regarding cigarettes. Iconic names include Ernest Wynder (Sloan Kettering Institute for Cancer Research) and Evarts Graham (Washington University in St. Louis), Alton Ochsner (Tulane University), and Harold F. Dorn (National Institutes of Health, Public Health Service and Veterans Administration). In management, the following names became iconic: Peter F. Drucker (Claremont Graduate University), S. Prakesh Sethi (Zicklin School of Business, Baruch College), Milton Friedman (University of Chicago, Department of Economics, Law School, and Graduate School of Business, see also. Friedman, 1962), Archie B. Carroll (University of Georgia, also, see Carroll, 1979).

Both lists slight many important people, are merely illustrative, and do not include important and numerous academic disciplines. Also, many important theorists worked at more than one university. Moreover, CSR related studies are disputatious, dialogic, and a dynamic mix of affirming current standards relevant to CSR expectations, and forward looking to imagine how higher standards can advance the public interest. Such discussions also acknowledge how scholarly discussions both motivate and augment general public discourse, engage in the discourse, and recognize the paradigm that CSR is ultimately based on stakeholder expectations.

Drucker (1984) took an aspirational approach as he reasoned, “The proper ‘social responsibility’ of business is to tame the dragon, that is, to turn a social problem into economic opportunity and economic benefit, into productive capacity, into human competence, into well-paid jobs, and into wealth” (p. 62). As such, CSR is not whole cloth, but varies by operating environments (Brammer, Jackson, & Matten, 2012), by stakeholder differential expectations (Du & Vieira, 2012), and within and across industry norms and regulations (Athanasopoulou & Selsky, 2015; O’Connor & Gronewold, 2012). Evaluative standards of CSR are shaped in complementary and conflicting ways (Brammer et al., 2012; Koos, 2012; Kostava & Zaheer, 1999) and are likely to diverge according to powerful micro-politics (Wanderley et al., 2008). (Wanderley et al., 2008). Consequently, elites can play a telling role in CSR battles by demonstrating how CSR produces within-network favorable comparisons.

### **Universities’ CSR Accomplishment and Challenges**

University CSR is on the brink of becoming a robust research topic. Gerholz and Heinemann (2015) saw this trend as being driven by the CSR and civic engagement discourses, not only the implications of the discourses but the extent to which they are compatible or in conflict. Bolivar, Sanchez, and Hernandez, (2013) saw university CSR both as an accountability challenge and a communication challenge, especially in the era of Internet communication. They reason that universities tend to place little importance to online CSR communication. Bok (1984) examined complex ethical and social issues and aspired to an academic institution that can serve society, teach, and conduct research. Mehta (2011), for instance, has called “for universities to involve themselves with the wider world outside academics” (p. 300). At starting point has been a closer and more constructive relationship between universities and their local communities. Such activities include increased environmental responsibility, use of local products and services to stimulate local economies, and to assure that curricula address social issues, even (or especially) the arts and humanities. As well, calls for elevated CSR seek more locally, nationally, and internationally relevant to societal needs, including student volunteerism. Topal (2009) recognized advances in universities as supporting economic, intellectual, social and cultural capital.

Central to this impact is the ability of universities to address economic responsibility, philanthropic responsibility, environmental responsibility, and in the research context, employee wellness and health, employment of qualified lecturers, and legal responsibility (Asemah, Okpanachi, and Olumuji, (2013). Such studies often point out how CSR expectations in universities is satisfied by doing what they do, well.

Universities are being called upon to increase benefits to society by addressing social, environmental and economic problems. Programs aimed to solve such public policy problems should include strategic mechanisms including social marketing (Leitão and Silva, 2007). In this way, universities can and should make CSR a vital part of their triple bottom lines: economic, environment, and social. Such programs can focus inwardly and outwardly (Othman and Othman, 2014). As a resource management challenge, Othman and Othman (2014) coupled policy development with marketing to justify financial rewards in a time when traditional funding for universities is declining. Comparing two universities' responses to CSR challenges, found that some public universities are likely to maintain their images and status by changing slowly to be more CSR responsive. In contrast, private universities may see innovative change as an expression of their culture and differential approaches to CSR resource management. Similarly, Ahmad (2012) proposed a positive relationship between resource acquisition and student (as stakeholders) accomplishments. Thus, universities can institutionally "help with and are partially involved in shaping a new society that is more ethical and is engaged with its community and surroundings" (p, 77). Similarly, Brown and Cloke (2009) found that stakeholder expectations, fashioned in part by business-university partnerships, need to be treated seriously by university governance. Using a perception paradigm, Nadeem and Kakakhel, (2012) used poll research to assess stakeholder expectations, namely academic, economic, legal, ethical, and altruistic. Gap analysis revealed that stakeholders expected higher levels of performance on all constructs.

Broadly, CSR studies and university performance and performance expectations suggest an important and growing body of research as well as refined university policy. Central questions include the unique CSR challenges of universities, the functional and aspirational roles universities play, the multiple CSR stakeholders and their varied, even conflicting CSR expectations, and the pragmatic and moral resource management dimensions of CSR. To further conceptualize and assess university CSR, the societal productivity (power resource dependency) model of legitimacy challenges organizations, including universities, to meet CSR standards. The standards are of two kinds: Evaluative (moral legitimacy) and cognitive/pragmatic (financial legitimacy) (Golant & Sillience, 2007; Suchman, 1995). According to this theory, universities that meet standards of moral legitimacy and pragmatic (functional) legitimacy are the most legitimate and deserving of the resources held by stakeholders. Discussions of legitimacy define the right to operate for reward as business ethics (Sen & Cowley, 2013); minimal CSR standards serve as threshold criteria regarding the license to operate.

As they seek to earn their license to operate, universities have for centuries adjusted themselves in service to communities from which they draw resources. The assumption is that a balance needs to exist, and can exist, between the legitimacy of the resources sought and granted and the benefits the universities pay in exchange. Arguably, this same paradigm applies to businesses, but for universities it is more complex. For businesses the challenge is to meet or exceed the CSR expectations of their stakeholders. That model applies to universities, but universities also assume the mantle of continuously raising the CSR expectations. Central to such challenges, the standards advocated by universities may conflict with those of their stakeholders. For instance, through scientific and social scientific, as well as examination through the humanities, universities may call upon business and government to do more to combat the occurrence and effective of climate change. Although through curriculum, research, and infrastructural improvement, universities may demonstrate as well as advocate for higher standards, legislative bodies, donors, businesses, and even students may not agree, and even see universities as raising challenges that violate their moral and pragmatic legitimacy. Universities may use their resources to have a positive impact on society such as engaging in social justice projects.

### **CSR: Stakeholder Expectations as the Grist of Legitimacy**

For at least 60 years, stakeholders have pressed businesses to “pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society” (Bowen, 1953, p. 6). In addition to businesses, this challenge is also set as a hurdle for colleges and universities to clear in their efforts to justify the pragmatic/financial and moral resources required for legitimate success. Drawing on an emerging body of literature, Sethi (1977) diagrammed CSR as the reduction of a legitimacy gap between business performance and societal expectations. The logic of this paradigm is that CSR is a reward standard by which businesses justify gaining the rewards they need to operate.

Using the Sethi (1977) paradigm, Heath and Nelson (1986) devoted a chapter to discussing not how businesses could or should influence prevailing CSR standards, but must harmonize “corporate activities with the public interest” (p. 139). Legitimacy requires meeting or exceeding the business practices (business planning and operations) preferred by key stakeholders, whether special interest activists, government legislators and regulators, or other business interests. By 1997, Heath had come to focus on CSR as one of four pillars of successful issues management, and used the concept of “getting the house in order” as the metaphor for meeting and exceeding prevailing CSR standards. In addition to that pillar, the other three are strategic management planning and operations, issue monitoring and analysis, and issue communication capable of dialogically established societal/community standards.

To some extent, that paradigm relates to colleges and universities as well. They are brought into being, granted the license to operate, based on their ability to satisfy stakeholder expectations. Typically, by charter they are brought into being and justified to operate. Their mission and vision, paradigmatically, can be much broader and more profound than businesses. Both businesses and academic institutions experience reflexive CSR expectations; they participate discursively in setting standards and measures of legitimacy. Both, especially academic institutions, set standards for the other. Businesses help fund universities, define academic programs, fund research, and establish accreditation; boards of regents typically are populated by business leaders.

Ironically, that relationship is not easy. Universities rightly complain and express caution that they are not merely pawns of business. They are more than sources that provide employable graduates and useful, publicly available research findings. And, in addition, universities can reactively confirm existing CSR expectations, and they are likely to raise such standards, even challenging business and government to perform at higher levels of CSR expectation. It is that paradigm that deserves to be conceptualized and researched. Moreover, since the socio-political and socio-economic nature of race has been intertwined with the chartering, enacting, and measuring to educational success that CSR theme is used to address race as a CSR topic. First, from the early decades when universities were established, they tended to confirm the ideology of slavery and racial injustice based on biased textual and scientific data (See Wilder, 2013, and others on this topic.) Second, academic programs, often science, technology, and agriculture became Jim Crow options whereby “separate but equal” programs, even college and university spaces were set aside to achieve separation based on race. (One iconic case is *Sweatt v. Painter*, 339 U.S. 629 (1950). To satisfy a settlement against the University of Texas and State of Texas that Sweatt had been unconstitutionally denied admission to the UT Law School, a new university and law school was created, in Houston rather than Austin, Texas. It would be named Texas State University for Negroes, and would be a “separate” school where only black law students could study. Later the name changed to Texas Southern University.) Third, college athletics instead of academic programs played a leading role in university desegregation. Fourth, important cases, such as that recently at the University of Cincinnati, have sought to materially and symbolically correct, “erase,” unfortunate and unacceptable racial heritage so as to reposition universities on a foundation of moral justice. (It is important to note that some colleges and universities from there start played a vigorous role to end slavery, battle racism, and seek social justice and racial equality. They stand as responsive and responsible rhetorical voices in the dialogue over race in the USA.)

To explore this potential CSR irony, this paper asks the following research questions:

RQ1: What connections, if any, exist between the chartering, formation, and CSR role of the colonial universities and slavery/race relations in what became the USA? Ancillary to RQ1, was a major CSR role of colonial era universities, through religious education and minister training, devoted to justify slavery and the slave trade?

According to Wilder (2013), "The founding, financing, and development of higher education in the colonies were thoroughly intertwined with the economic and social forces that transformed West and Central Africa through the slave trade and devastated indigenous nations in the Americas. The academy was a beneficiary and defended of these processes" (pp. 1-2). Ministers, the primary product of colonial universities, were taught to preach that servants must be loyal to master as humans are to God. Slavery lifted an intellectually inferior people from a godless condition, that was in part defined by the sins of Ham. With diplomas and letters of recommendation in hand, graduates went into private and public teaching, throughout the colonies. They made their way into the business of the slave trade. Planters and others who benefited sent endowment to sustain the flow of college graduates.

RQ 2: As curricula and research developed in the colonial era and for two centuries, in what ways, if any, did leading universities use scientific and social scientific research to set societal CSR expectations and communicate about issues of bias, stereotypes, and racial policy in ways that advanced or slowed social justice?

Through court cases and related policies, university researchers systematically provided data that affirmed the bodily and mental inferiority of the Negro. In "scientific treatises" and court cases, judges "relied upon science to access the explanatory power of race, despite the fact that the testimony and deliberations exposed doubts about the reliability of this knowledge" (Wilder, 2013, p. 211). For centuries university researchers tended to generate and interpret data in ways that supported rather than disproved stereotypes to support public policy on race. Arguably university researchers well into the 20th century benefitted, however well intended, from producing research that sustained systemic racism.

RQ 3: What role, if any, did universities play in controversial post-Civil War (1865) race-based policies and doctrines, such as "separate but equal"?

Separate but equal? Many cases can be brought to address RQ3, but one in particular is highly illustrative. What is today called Texas Southern University (TSU) was organized under the Houston Public School Board on September 14, 1927 as one of two segregated junior colleges. Within one mile of each other, one was named "The Colored Junior College" and became Texas Southern University and the other, the University of Houston. The former became Houston College for Negroes, and eventually separated from the School Board and received its own board of regents. The Sweatt case (Sweatt v. Painter, 339 U.S. 629 (1950) settlement led to an application of the separate by equal doctrine and a new college of law was established for African Americans, in the newly named Texas State University for Negroes.

Following the end of the Civil War, states with support from the federal government created what were generically called land grant universities. Many states created such institutions to provide research and best practices of agricultural and technical skills. Many states chartered universities (approximately 101 such) to train white and black, separate, farmers and mechanics. Today, historically black institutions of this kind often have a different mission than their white counterparts (see Waymer & Street, 2015).

RQ 4: Was the CSR principle of diversity or the desire for athletic reputation more influential over integration policies of matriculation and graduation in the 20th century?

In the 20th century, historically black colleges and universities began to produce world-class athletes. Perhaps no example is more telling than the success of Jesse Owens at the 1936 Olympic Games in Berlin where he broke five world records and equaled a sixth. Born in Alabama, he moved to Ohio with his family and competed for the Ohio State University which in part admitted him because of his athletic success in high school. Major college and university control of sports excellence was challenged by African American students, many from historically black colleges and universities. Many examples exist, one of the most prominent of which is Grambling State University's Eddie Robinson. In Grambling, Louisiana he could recruit the cream of Southern black football players who could not play for segregated universities.

More than 200 of his former players played in the NFL, AFL, and CFL. Northern universities, particularly the Big Ten, began to recruit from his pool, and eventually so did southern universities that could not accept second class status. On June 11, 1963, Governor George Wallace stood in the doorway of the University of Alabama to keep African American students from attending. Today, many black students are listed on the Alabama 2019 roster (<https://rolltide.com/roster.aspx?roster=226&path=football>).

RQ 5: Is one CSR trend to materially and symbolically correct, “erase,” unfortunate and unacceptable racial heritage so as to reposition universities on a foundation of moral justice, which includes standards of reputation, curriculum, and research that revise the heritage and future CSR roles of universities?

Modern colleges and universities are openly addressing their history on race, particularly slave owners. Swilley (2018) reported on one such case regarding Charles McMicken who was a slave owner and founder of the University of Cincinnati. McMicken bequeathed money in 1858 to the city of Cincinnati to create an institution of higher learning for white young men and women. A businessman from Pennsylvania, his noble obligation resulted from the fact that he has little education. He will also freed his slaves and commissioned that they be sent to Liberia. However progressive this policy was, the return to Africa movement was fraught with racism and displaced social justice. A majority of the student representatives to student government voted to remove McMicken’s name from the university’s college of arts and sciences. A commission of professors and outside experts are evaluating this decision by student governors. In the name of advancing the standards of university CSR, can this attachment to slavery be erased?

Similar CSR issues have occurred on other university campuses and other public grounds, specifically in regard to whether statues and monuments should remain in place to honor Confederate officers, such as Robert E. Lee, and soldiers. To honor their military service as sacrifice is de facto honor of those who sought to break the Union in the name of protecting slavery. The clash over Lee’s statue on the University of Virginia campus has been extensively covered. One cases have been covered less so, including that of “Silent Sam” on the University of North Carolina campus.

## Results

See above by RQ

## Conclusions: Current Challenges:

Although academic institutions have been the source of changing standards of CSR, so too academics, even medical research, has too often affirmed prejudices and biases, for instance those related to race and gender. In the USA, from colonial times until the 1860s, they even created rationale for human chattel slavery. Even after the Civil War ended chattel slavery, universities often served as citadels of conservative resistance to social change which not only crafted higher CSR standards in the matter, but also made institutional changes that set examples for other institutions. Such intellectual inquiry and instruction has tended to affirm societal preferences, in the name of financial/pragmatic achievement and moral judgment.

In the past two decades, academic institutions have not reinvestigated and condemned previous decisions, such as those related to race (even slavery) and gender, but they are committing themselves to create rationale for higher standards of CSR in all sectors of society. This includes the leadership of elite institutions which are using research and reconceptualization to propose higher/elite CSR standards, such as environmental science, especially climate science, and the social sciences and humanities. Scientific investigations are used to identify large, potential crises, and research and moral judgment by the humanities and social sciences are used to raise standards for society, but also to lead colleges and universities to themselves be agents for CSR change, higher performance standards.

Starting in 2017, led at least in part by the faculty of the history department at the University of Carolina, Chapel Hill, an effort has been underway to remove and relocate "Silent Sam," a statue of a Civil War, Confederate soldier, erected in 1913 to honor UNC students who served during the Civil War: "the sons of the University who died for their beloved Southland 1861 – 1965," The Department observed: "Moved to an appropriate place, the 'Silent Sam' monument can become a useful historical artifact with which to teach the history of the university and its still incomplete mission to be 'the People's University.' Until then, the monument will continue to promote malicious values that have persisted too long on this campus, in this state, and in this nation" (Department of History, 2017). Sam was toppled by students in August 2018. The base was removed. One proposed solution was to dedicate \$.5.3 million to build a structure in which to protect and display Sam. At the end of the fall 2018 semester, in alliance with faculty members, graduate students vowed not to turn in final grades if the planned relocation was not abandoned. As a CSR statement, Sam's critics seem to be saying that a modern university devoted to examining social justice cannot be a friendly location for a statue honoring those who fought to maintain slavery. What is honorific in 1913, may be just the opposite CSR standard in 2019.

Such conclusions that address the intersections of university CSR and race policies, suggest that university CSR is inseparable from other foci of CSR in post-modern society. Race has been a substantive CSR theme, one that combines curriculum, research, and societal policy. It is only one facet of this research and policy problem. Others are the CSR role of universities in science (such as global warming and health/nutrition), social science (such as the understanding of qualitative relationships in all aspects of community), and moral policy. University funding (resource management) depends on the pragmatic/financial and moral alignment of university CSR and prevailing standards in society. In order for universities to play a truly constructive role in society, they need to lead by example.

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# Finance at business schools: The challenges of teaching and learning sustainable finance

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## Abstract

Sustainable finance is a major research area for scholars concerned with new societal challenges. However, although business education also falls within the scope of societal challenges, little is known on how sustainable finance is being taught to future investors, and more largely financiers. As we are currently carrying out an on-going research program with the United Nations Principles for Responsible Management Education on finance curricula at top business schools, we identify here the main challenges for teaching – and consequently learning- sustainable finance. In particular, we propose a dedicated research protocol to control for finance programs' hidden curriculum and significant learning by business students.

## Structured Research Summary

### Introduction

In the recent years, management and organizational scholars have been increasingly concerned with “grand societal challenges” (Ferraro, Etzion, & Gehman, 2015; George, Howard-Grenville, Joshi, & Tihanyi, 2016). In particular, scholars have identified finance as a major research area for sustainability (eg. Busch, Bauer, & Orlitzky, 2016; Park, 2018). Yet, not only societal challenges involve research activities but also a better integration of sustainability issues in business education (Rusinko, 2010; Sidiropoulos, 2014; Starik, Rands, Marcus, & Clark, 2010).

Sustainable finance now gathers new academic alliances, such as the Global Research Alliance for Sustainable Finance and Investment (GRASFI) and academic departments at business schools, whose engaged scholars develops new research paths in finance (for instance, see these recent collective books: Hebb, Hawley, Hoepner, Neher, & Wood, 2015; Paranque & Pérez, 2016; Schoenmaker & Schramade, 2018). Yet, little is known on how investors, and other financial experts and “workers”, are trained and have been trained at sustainable finance. Business schools and finance departments have played an important role in shaping corporate and market finance practices (Whitley, 1986). Finance theories have had a performative influence on financial practices and financial regulation (MacKenzie, 2006; MacKenzie & Millo, 2003) and have been in need of more ethical frameworks (Marti & Scherer, 2016). In particular, some have held business schools and finance education responsible for the global crisis of 2008 (Giacalone & Wargo, 2009). Business schools are said to have contributed to disseminating “bad management theories”, among them finance and corporate governance theories such as the agency theory of the firm (Ghoshal, 2005) but also to have the potential to shape the boundary conditions that explain why new CSR-related theories and practices can become performative (see: Marti & Gond, 2018).

In this paper, we propose to address this major challenge of teaching and learning sustainable finance at business schools. For this matter, we are carrying out an on-going research program with the United Nations Principles for Responsible Management Education (UN PRME) on top business schools' finance programs, combining undergraduate core courses, Masters of Finance and dedicated MBAs. We aim to collect a significant number of interviews with finance professors and students as well as data from finance curriculum and assignments. We also plan to add a participant observation (Aktinson & Hammersley, 1998) approach to our research and then attend some business schools' finance classes. To this regard, we are currently starting our qualitative investigation with Stockholm School of Economics. By the time of the conference, we will have completed this short paper and will be able to present our results. In this short paper, we thus lay out some elements of context for the study and the main challenges that have helped framed our methodological approach.

### **Background**

The UN PRME were launched in 2007 by an international group of academic and business schools representatives. These principles consist of six major concerns - purpose, values, method, research, partnership, dialogue - which aim at fostering sustainable business education and curricula. To date, there are 730 signatories to the UN PRME<sup>1</sup>, among which 282 UN PRME<sup>1</sup> "champions", that is to say leading business schools that abide by the principles but also that actively participate in developing and promoting successful business curricula.

First reports on the UN PRME show that for the most part signatories have indeed reported better integration of sustainability concerns at different levels of their activities (Alcaraz, Wiktoria Marcinkowska, & Thiruvattal, 2011; Godemann, Herzig, Moon, & Powell, 2011). Yet, there seem to still be issues on the integration of "critical thinking" within sustainability curriculums and also with diffusing sustainability issues throughout the whole curriculum and core courses (Godemann et al., 2011). Most schools create new elective or new core courses, and mostly at post-graduate and MBA levels (Godemann et al., 2011). In particular, finance programs remains a black box for responsible education.

In our research program, we look at how sustainability issues are integrated within finance curricula. With this respect, we have set up a dedicated research protocol, which also controls for the "hidden curriculum" of financial business education. Responsible management education faces its own specific obstacles to bring about substantial responsible and ethical management learning. Business schools' "hidden curriculum", which consists of the implicit norms and values embedded in the whole "business school experience", influences students perception of sustainability issues and stakes (Blasco, 2012). Significant responsible management learning for students proceeds from the content of schools' curriculum and programs but also from the instrumental level -such as management teaching practices and methodologies- and the institutional - the school's environment (Setó-Pamies & Papaoikonomou, 2016).

### **Methods**

In order to investigate the practices of sustainability in financial programs at business school, we examine both apparent and hidden finance curriculum of some UN PRME and non- UN PRME signatories sampled from the Financial Times ranking of business schools, starting with Stockholm School of Economics (SSE). We focus in particular on the teaching practices of business schools and its learning results on students.

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1 The exact list of signatories is available on the UN PRME website: <http://www.unprme.org/participation/search-participants.php?nameparent=&from=&to=&utype=sig&search=Search>

**Teaching practices**

We first identify at which stage of business schools' financial programs sustainability issues are integrated such as the undergraduate program -core courses or elective-, the Master of Finance and postgraduate programs. Secondly, we empirically analyze our sample's finance curriculum. For this purpose, we collect and examine course content, course design, given assignments and readings from the course program. Thirdly, drawing on participant observation of some finance classes, we record learning methods as well as the means and tools used for the course delivery. Fourthly, we carry out interviews with the finance professors, their students, but also other stakeholders from the business schools' environments such as finance departments and student associations, in order to engage with the institutional level (Setó-Pamies & Papaoikonomou, 2016) of business education. In particular, we aim at understanding how are sustainability issues perceived at institutional level, and who drives and/or hinders the integration of sustainability issues into financial programs and why.

**Learning results**

Business schools should be able to foster "significant learning" (Setó-Pamies & Papaoikonomou, 2016). In order to assess the learning results on student of finance programs at these business schools, we have identified three main objectives and challenges for sustainable finance education: student engagement with sustainable finance concerns, finance knowledge that meets business expectations and finance knowledge that meets societal challenges.

We then carry out semi-structured interviews with a panel of finance students, whose design deals with each of these objectives.

**Student engagement**

A first part of the interviews asks students for their level of interest for sustainable finance and their involvement in the course. The perceptions of Corporate Social Responsibility (CSR) and sustainability of business school students are an important dimension for achieving better sustainability practices (Sobczak, Debucquet, & Havard, 2006; Wong, Long, & Elankumaran, 2010). In particular, one of the challenges of integrating sustainability issues to business education is to raise students' awareness (Koljatic & Silva, 2015). In our interviews we then track what perception students that attended finance programs at business schools have of sustainability issues on one part, and of sustainable finance on the other part. However, more than just controlling for students' awareness, we aim at understanding how they engaged with the course and how they intend, or not, to integrate in their future practices and jobs sustainable finance issues.

**Business expectations**

Relevance of business knowledge for practitioners has long stimulated debates in designing business school agendas (Birnik & Billsberry, 2008; Clinebell & Clinebell, 2008; Fincham & Clark, 2009). Meeting corporations' expectations for young managers and new employees accounts for students' employability and hence training. The second part of student interviews aims at understanding whether students' training sustainable finance match evolutions of the sustainable finance market. In particular, we confront the students' knowledge to socially responsible investors' expectations for new employees. Socially responsible investors are major stakeholders of sustainable finance (Arjaliès, 2010; Crifo & Mottis, 2016; Schueth, 2003). We then assess business expectations for sustainable finance using socially responsible funds as proxies. To this regard, we carry out similar semi-structured interviews with socially responsible funds, associated with the UN PRME.

**Societal challenges**

Yet, the case for relevance can also bias business school's agenda, to the detriment of other legitimate business education objectives (Augier & March, 2007). In particular, business education could also aim at raising critical thinking on business practices (Syed, Mingers, & Murray, 2010). For instance, UN PRME have been criticized for prioritizing corporate demands, which could not bring about the "paradigm change" needed (Louw, 2015). In our interviews with students, we examine whether sustainable finance education match the new paths and needs in sustainable finance research agenda, in relation to grand societal challenges. The last part of the interviews confronts then the students' knowledge to prominent sustainable finance scholars' expectations. We also assess these expectations carrying out similar semi-structured interview with some prominent sustainable finance scholars, involved with the UN PRME but also the Principles for Responsible Investment (PRI) and the GRASFI.

## Analysis and Results

As it is an on-going research program, our results are still in building. We will have completed this paper proposal by the time of the conference.

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## 11. CSR & INTERNAL ASPECTS

# Activating Employees for Sustainability – The Importance of Narrative and Sensemaking in a salutogenic approach to internal CSR Communication

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### Structured Research Summary

#### Purpose

Today, business and organizations are not only profit-driven, but implement corporate social responsibility (CSR) in order to shape public perceptions and generate positive impact on their brand value. While most companies are aware of the importance of external communication of CSR activities, the importance of aspect of internal communication is mostly neglected: *„...only recently has a micro-level perspective of CSR, intended to explain how employees respond to CSR activity (e.g., initiatives, policies) directed at themselves and other stakeholders, expanded into a particularly dynamic stream of research.“* (De Roeck und Maon 2016:1) – albeit truly successful CSR campaigns or activities should be “lived” inside an organization (cf. Vlachos et.al. 2010, 2017, Glavas and Kelley 2014). Therefore, this paper introduces a holistic and process-oriented approach for internal CSR communication with a focus on the applied communicative approach and corresponding influences and outcomes (cf. Schultz and Wehmeier 2011).

#### Design/methodology/approach

The theoretical framework presented is informed by long-lasting and well-established research into sensemaking and sensegiving in times of organizational change (cf. Gioia and Chittipeddi 1991, Nijhof and Jeurissen 2006, van Vurren and Elving 2008, Weick et.al. 2005, Maitlis and Sonenshein 2010). In this case, the main focus was on the work on organizational sensemaking according to Karl Weick (Weick 1995) supplemented by the more individual-focused sense-making-methodology by Brenda Dervin (Dervin 1989) and the management-oriented sensemaking approach by David Snowden (Snowden 2007) and subsequent research perspectives (cf. Gioia und Patvardhan 2012) on CSR-Communication (e.g. Basu and Palazzo 2008, Bartlett and Devin 2011, Bator and Stoll 2011, Christensen and Cheney 2011, Morsing and Schultz 2006) as well as a process oriented view on organizational communication like the ‘communication constitutes organizations’ (CCO) approach (cf. Ashcraft et.al. 2009, Putnam und Nicotera 2009, Schoeneborn et.al. 2014, Taylor und van Every 2000) which understands, like in Weicks view, organisations as an *„ongoing and precarious accomplishments realized, experienced, and identified primarily [...] in communication processes“* (Cooren et.al. 2011:1150), which means that: *„A CCO perspective of organizational sensemaking considers organizations not as given, but as emerging in, and indeed constituted by or invented in local episodes of communication. What this means is that organizations are constantly (re)produced, (re)incarnated, and (re)embodied in local interactions, and thus subject to change an renewal.“* (ibid:1158)

The findings are based on qualitative research, mainly drawn from an in-depth case study on a larger mid-sized German insurance company (Wehmeier and Röttger 2011). It was conducted over the course of one year and is informed by of a combination of interviews, observations and document analysis.

Furthermore and in order to provide a layered approach, a series of explorative interview was conducted with CSR and communications executives from mainly larger and well-known german corporations.

**Findings**

The presented research analysis provides a sharp picture that an above-average CSR performance alone is no guarantee for stimulating employee participation and a convincing interest in the subject. Moreover, it shows that the translation and negotiation of CSR within an organization is a complex process from which employees tend to actively withdraw under certain circumstances: for example a dominant and harmonious corporate culture and in particular a strong sensegiving and an internal CSR-communication which follows a more persuasive and informative approach. Consequently, this promotes an environment that suppresses individual and collective sensemaking. In this case a more integrative communication approach is required, which opens up space for discourse; provides connective narrative resources; empowers staff to actively tell stories; and provides them with a deeper meaning behind the CSR concept. This is all the more necessary if CSR is to be developed into a truly integrated element of corporate management in a CSR 3.0 style (cf. Schneider 2015, Visser 2011).

**Originality**

The presented research provides a significant contribution to the discussion about the internal communicative construction of CSR in a threefold manner. First, through the proposal of a "narrative CSR communication model", which enables a more precise analysis of CSR communication. Second, through the development of an "employee passivity model", which provides a novel view on the institutionalization of CSR. Clearly, it shows which approaches to internal CSR communication are available to develop CSR from an 'add-on' to an truly integrated component of employees' work environment which – literarily – 'makes sense'. Third, the research contributes an approach, which can be implemented as a "salutogenic CSR coherence model" for practical guidance in CSR management.

**Limitations**

The presented study contributes as a qualitative case study of a consciously chosen, holistic-representative individual case, to the understanding of the institutionalization of CSR by internal communication, with the aim of a more analytical representation. Hence it has not been the goal of this study to uncover a general regularity in the sense of a statistical representation. The findings presented here therefore do not claim to be transferable to other companies without restrictions. Rather, the results presented here are to be regarded as broadly applicable or transferable in an analytical-understanding manner.

**Keywords:** CSR, CSR communication, internal communication, sensemaking, sensegiving, change communication, employee passivity, CCO, Communication Constitutes Organizations

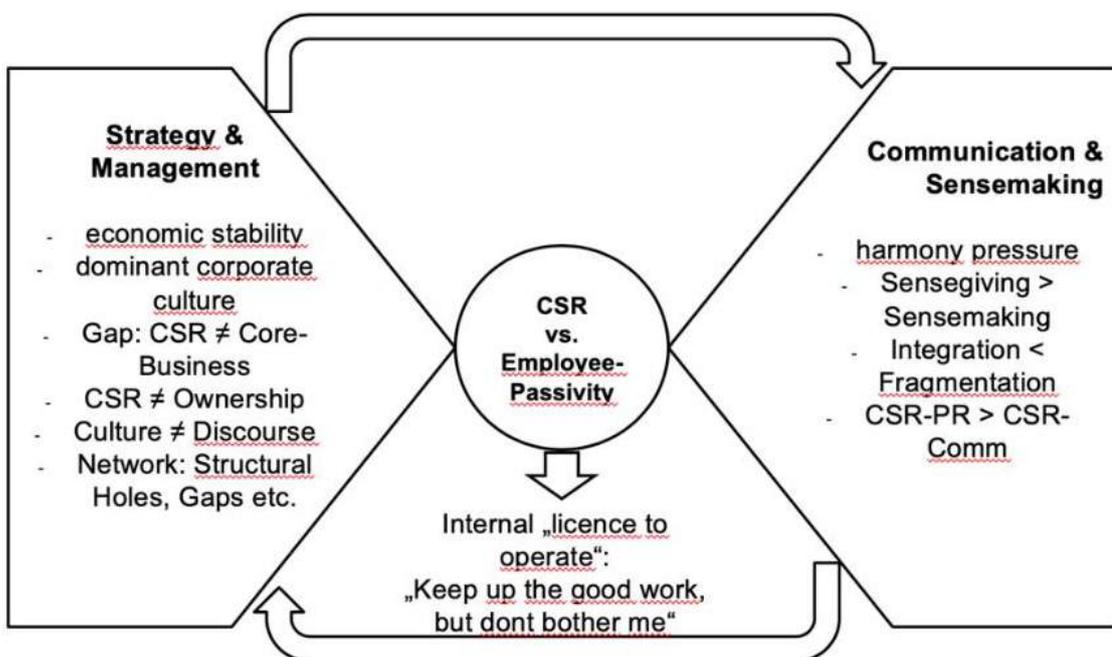


Fig. 1: Employee-Passivity-Modell, Source: own research

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# Best Practices in Employee and Community CSR: Lodge Manufacturing's Regionally Targeted Approach

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## Structured Research Summary

### Purpose

In tiny South Pittsburg, Tennessee, about forty minutes outside of Chattanooga, sits Lodge Manufacturing, a maker of cast-iron cookware for more than a century, and America's last standing cast iron manufacturer. Despite ever-changing trends in cooking, Lodge has remained successful, its cookware praised for its longevity, durability, and flexibility and its business model known, perhaps paradoxically, for innovation, especially since its products literally last forever. In fact, cast iron now makes up 10 percent of the cookware market, up from two to three percent ten years ago (St. George, 2014). According to industry observers, what Lodge is able to do, successfully selling traditional cookware in a modern world, is quite an achievement; as one reporter praised, "Lodge exemplifies something remarkably rare in today's business world: a family-run company that has built a booming, global business without selling out its hometown" (Reece, n.d., para. 1). Indeed, this paper explores how part of Lodge's success results from its efforts to demonstrate best practices in employee and community CSR.

Part of Lodge's success is its ability to tap into regionally-based appeals in communicating with its employees and the South Pittsburg community. Lodge is headquartered in the Southern United States and relies largely on employees who grew up in this region. Although Lodge features Southern-themed branding appeals in its product marketing, broadly targeting customers interested in a "Southern way of life," its employee and community CSR positioning, on the other hand, specifically highlights a tight fit between the regional values it celebrates and its corporate initiatives and programs. *This paper employs rhetorical analysis of Lodge's CSR communication to suggest best practices in how regionally based companies communicate their CSR programs successfully with their employees and community.*

The paper first describes the challenge of appropriately targeting its regionally Southern community. It then summarizes literature about CSR, situating Lodge's focus on empowering its employees and providing appropriate stewardship of its local Southern community within the discipline. Rhetorical analysis, featuring identification strategies, then shows the ways that Lodge works to connect to these stakeholders in its CSR communication. The paper concludes by showing the benefits and cautions of this type of targeted CSR approach, arguing that Lodge's approach exemplifies a number of best practices.

### **CSR for a Southern Company with Southern Employees**

When Lodge seeks to connect with its employees and community based in the Southern United States, certain considerations become important. The American South has a divisive history, and the region continues to wrestle with its racist, violent, poverty-ridden, and gendered past (Stokes & Atkins-Sayre, 2016), but there are positive values, such as family, nature, community, and the like, that remain important to those living and working in the region. Any company that relies on elements of Southern culture walks a fine line in translating them into successful CSR appeals. Lodge must ensure that it responds to what are generally considered to be key concerns in today's global business context yet "translate" them for its Southern-based employees and community.

### ***Contextualizing Lodge's Best Practices***

There are many ways to theorize CSR, but when thinking about employee and community stakeholders in particular, one approach is particularly valuable. That is, in order to implement a successfully-evaluated CSR program, corporations need to create a "tighter fit" between values expressed in corporate communication initiatives and publicly observable actions and policies (Stokes, 2017). Further, from the emerging constitutive/generative perspective used to analyze public relations campaigns, corporations shape public expectations about CSR as practice *even as* they communicate their CSR goals (Stokes, 2017). To rate a campaign's CSR efforts successfully, for example, those companies that claim to support employee welfare must ensure their policies, decisions, and actions observably provide evidence of this work. Nevertheless, even if a company is not able fully to "walk the talk," public communication about employee welfare as part of CSR begins to become a societal expectation over time. In a study about Duke Energy's poor environmental CSR communication in the wake of its coal ash debacle in North Carolina, for example, Duke's claims of looking out for its neighbors met with harsh media reports of undrinkable water and coal ash ponds leaking into major waterways (Stokes, 2017). Although Duke thus failed in creating a "tight fit" between the CSR values it professed and execution of behaviors that supported them, its very claims of environmental stewardship present a forum in which activists may continually engage the public and company, possibly leading to more positive policies and behaviors. Eventually, then, a constitutive view of CSR suggests that a "rising tide lifts all boats," whereby Duke must perform the values it expresses or face ongoing shareholder activism, media de-legitimation, and more (Stokes, 2017). If Duke's handling of environmental CSR evinces negative implications for companies that do not carefully consider the implications of their corporate communication surrounding this emerging topic, analysis of Lodge's initiatives suggests how CSR may be used to create positive outcomes, particularly for employees and its community. Indeed, Lodge's CSR efforts in addressing employee and community welfare represent best practices.

The CSR discipline is increasingly theorizing corporate relationships with, and response to, employee and community stakeholders as an important part of the field. Of course, corporate CSR decisions comprise an important way to retain good employees (Ghosh & Gurunathan, 2014), but research also points to a variety of positive corporate outcomes for managing employee CSR wisely. As Frynas (2005) explains, employee perceptions about CSR are crucial: "while there are important corporate motives for ensuring that external actors have a positive view of the company, companies also have compelling internal motives for CSR" (p. 586). As a result, some employer benefits of strong employee CSR include strengthening relationships between organizations and employees in the areas of trust, control mutuality, commitment, and satisfaction (Dhanesh, 2013). Liu, Liston-Hayes, & Ko (2010) add that employee CSR increases loyalty, motivation, productivity, turnover rates, and reduces absenteeism. Other benefits include generating supportive employee feelings and increased levels of emotional attachment (Dhanesh, 2013). Of course, employees can serve as effective corporate advocates for a company if they feel their employer's efforts are sincere and effective (Pompper, 2013). Scholars continue to argue, however, that employee CSR needs more scholarly attention (Dawkins, 2004; Pompper, 2015), with Lodge's efforts providing another look into these efforts.

In theorizing regionally-targeted community CSR, one framework is particularly useful, evaluating the "fit" between corporate CSR messaging and execution through Lerbinger's (2006) pyramid of CSR, which provides a five-level message evaluation tool. This pyramid is in keeping with other scholars' development of CSR as an area of study, and "provides a structure for determining CSR targeted audiences" according to the five levels (Sones, Grantham, & Vieira, 2009, p. 148). Level one is performing a company's basic economic function in a competitive market free of deception, where "the company produces goods and services for society and provides jobs. In short, the organization operates to make a profit, but does not do harm to others" (p. 409). Level two "involves minimizing social costs and expands upon not doing harm to others," where, for example, "establishing higher safety standards might reduce the profit margin. But engaging this perspective results in long-term goodwill" (p. 410). Level three identifies and solves social problems, where "corporations take on the challenges singularly and, in other cases, partnerships are formed with other companies, pooling their assets for social good" (p. 410).

Level four designs programs that “replenish and strengthen the community and societal infrastructure” (building roads and such), and level five, “supports public policies that are in the public interest” such as purchasing materials from reputable suppliers, supporting energy efficient products and practices, and fostering human rights (Lerbinger, 2006, p. 411). It is important to note that all five levels address both internal and external stakeholders, as do Lodge’s efforts, but it is particularly helpful in analyzing success of its community targeted efforts, managing to connect with and relate to its community of operation. In seeking to evaluate how well Lodge’s employee and community CSR initiatives adhere to or challenge these theoretical frameworks, the paper turns to rhetorical criticism.

### **Design/Methodology**

To understand how Lodge connects with its employees and local community, the paper employs rhetorical criticism to see how it generates support and commitment for its products, practices, and CSR philosophy. Although approaches differ, rhetorical criticism analyzes persuasive language and is “designed for the systematic investigation and explanation of symbolic acts and artifacts for the purposes of understanding rhetorical processes” (Campbell & Burkholder, 1997; Foss, 1996, p. 8; Hart, 1990). The paper also relies broadly on Burke’s (1950) idea of identification, considered part of the dramatistic criticism approach, which explores how Lodge creates this connection with its target audiences. Thus, in a collection of textual and experiential artifacts (corporate website, on-site employee communication, data collected at a community-wide festival) the method looks for the most significant similar identifying features, including common key words, metaphors, themes, narratives, and images, noting their intensity and frequency (Berkowitz, 2003; Foss, 1996). Rhetorical analysis confirmed a tight fit between the company’s value and execution through the Lerbinger (2006) framework.

### **Findings**

Specifically, like any effective corporate social responsibility campaign, Lodge creates an image as being concerned with the community at large, not just making a profit. The paper demonstrates throughout the analysis, however, that Lodge moves far beyond mere words in support of community; the company’s actions in support of a safe and healthy environment, a protected employee, and a community-focused corporation prove effective. The environmental awards that the company has received, the multi-generational employee support, and the community connections all provide evidence of exemplary CSR that conform to the Lerbinger (2006) framework.

Companies often struggle to show their commitment to environmental stewardship in local communities. Ironically, corporations with some of the worst environmental records often emphasize the ways that they are committed to respecting the earth, falling victim to accusations of greenwashing (“the corporate practice of making diverting sustainability claims to cover a questionable environmental record”) (Watson, 2016, para. 2). In Lodge’s case, however, the message of a strong commitment to the environment can be found on many different levels, including in their employee and community messages and in their actions.

The company carefully demonstrates a longstanding commitment and loyalty to its employees. Andrew Iden (2015) tells the story, for example, of multiple generations working for the company, including one family that worked for a combined total of 250 years (para. 12). There is a sense of pride in featuring employees of the company as a part of the company’s story. In their official tour video, for example, almost every shot of the foundry prominently displays an employee demonstrating a step of the process (Lodge, “Lodge Cast Iron,” n.d.). Although some of the processes could be completely automated, the company comes back to the message of the importance of their employee team. That is demonstrated in this video, in the guided tour of the foundry itself, and on the website, where viewers can peruse featured employee stories.

The final way that Lodge Manufacturing demonstrates best practices in CSR is through their commitment to the surrounding community. Throughout the company’s web site, there is a strong sense of place—a connection to the Tennessee town that houses the company, the protection of that land, and a commitment to doing what is right to protect and nourish the community. The company also shows a commitment to the larger community, raising money in times of great need.

For example, in 2017, Lodge manufactured a limited edition Great Smoky Mountains skillet, donating half of the sales to the Dollywood Foundation's My People Fund, to "support families affected by the Tennessee wildfires" ("Lodge Donates," 2017, para. 1). The company also hosts the National Cornbread Festival each year, not only bringing arts activities to the area and various corn bread cook offs, but also drawing over 25,000 attendees to the area, therefore bringing in significant tourism dollars and exposure to the area by people who might not have travelled to that area otherwise.

### **Research limitations**

This paper employs a rhetorical approach, focusing on analyzing the messages found in a variety of corporate texts. The paper's findings might be enhanced through additional studies that conduct interviews and focus groups with Lodge's employees and members of the South Pittsburg community. As such, this study is a first step in gaining a full appreciation of the company's CSR strategy.

### **Practical implications**

Companies must find ways to create authentic connections with employees and community if they wish to make their CSR programs comprehensive. By illustrating how Lodge creates a tight fit between its stated values and these stakeholders through the Lerbinger (2006) framework, practitioners working for similar regionally based companies may find concrete steps to follow when devising CSR programs.

### **Social implications**

By focusing on Lodge's CSR initiatives, our findings show how regionally based companies can contribute to the image of the company and the health of their regions at the same time. The paper provides examples of the benefits of implementing a regionally minded approach.

### **Originality/Value**

Rhetorically based public relations studies, and particularly those that concern CSR, continue to emerge in the discipline. Rhetorically based studies complement that instrumental, pragmatically dominated approach to studying CSR by offering an assessment of what CSR initiatives mean for their audiences and society. Indeed, if CSR seeks to improve how business responds to pressing societal issues, rhetorical approaches offer much to the discussion.

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## 12. CORPORATE SOCIAL IRRESPONSIBILITY

# The Fine Line between Responsibility and Hypocrisy: A Cross-Media Case Study of Nestlé's Fairtrade Kit Kat Bar

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### Abstract

Conscious consumers increasingly ask for more sustainable products. Some companies trying to satisfy this demand find themselves in the perplexing situation that when they improve their products' environmental or social properties they are accused of Greenwashing. Especially social media enables activist consumers to quickly react to companies' actions and spread the word if they think companies act irresponsibly or hypocritically. Comparing discourses in traditional and social media on Nestlé's Kit Kat bar this paper shows that (1) the discourse in social media is more negative than in traditional media, (2) the discourse in social media is more event-dependent than in traditional media, (3) consumers react controversially to a multinational company that employs the Fair Trade label, (4) activist consumers use social media to criticize a company's perceived hypocritical behaviour and call for boycotts, (5) via social media activist consumers can actively influence a company's behaviour.

### Structured Research Summary

#### Introduction

Some companies feel pressured to adopt CSR and want to realize the benefits of consumers' increasing demand for CSR and sustainability without incurring the respective costs, hence these companies perform Greenwashing (Aggarwal & Kadyan, 2014; Alves, 2009; Furlow, 2010) or CSR-washing (Pope & Wæraas, 2016).

While media reports and academic literature provide multiple examples how social media empowers consumers to criticize companies (e.g., Berthon, Pitt, Plangger, & Shapiro, 2012; Fournier & Avery, 2011) little is known about media-specific differences between social media and traditional media discourses on corporate Greenwashing. To date no study specifically investigated the differences and interactions between social and traditional media regarding Greenwashing discourses. To fill this research gap this paper performed a case study on Nestlé's Kit Kat brand and the social media outcry that unfolded after Nestlé's move to source some ingredients for its Kit Kat bars from Fair Trade suppliers. This paper seeks to answer the following research question: What are the commonalities and differences in discourses on corporate Greenwashing between traditional and social media? The present paper addresses calls for more research on discourses on corporate Greenwashing (Lyon & Montgomery, 2015) and companies' use of ecolabels as reaction to consumers' scepticism about companies' green claims (Lyon & Montgomery, 2013; Testa, Iraldo, Vaccari, & Ferrari, 2015).

#### Theoretical Background

Despite an increasing interest in Greenwashing and growing academic literature on the topic, there are only a few empirical papers examining the impacts of Greenwashing on society and organisations on a deeper level (Lyon & Montgomery, 2015). Prior research findings indicate that Greenwashing decreases consumers' green trust of environmental claims, negatively affects consumers' risk perceptions, and confuses consumers (Chen & Chang, 2013). Overall, the increase of Greenwashing practices causes an increase in consumer mistrust and cynicism (Jahdi & Acikdilli, 2009).

Traditional media (i.e. newspapers, magazines, etc.) have been a viable tool for companies to communicate information about CSR initiatives to stakeholders (Du et al., 2010; Fernando, Suganthi, & Sivakumaran, 2014). However, traditional media can also act as watchdogs, monitoring and reporting about firms' CSR actions (Campbell, 2007).

The advent of social media bears multiple challenges for firms that want to practice Greenwashing and can exacerbate successful Greenwashing (Bowen, 2014; Lyon & Montgomery, 2015). Social media eases Greenwashing punishment and detection for activists as consumers can easily disconcert companies by sharing their points of views (Lyon & Montgomery, 2013). Social media however, is also helpful for companies that participate in CSR actions and want to communicate their activities (e.g., diminish confusion, create awareness). Social media enables consumers to proactively affect media and companies and to determine agendas on sustainability (Fernando et al., 2014). Given the fact that both, traditional and social media are important channels for Greenwashing discourses an investigation of commonalities and differences in discourses on corporate Greenwashing between traditional and social media is warranted.

### **Method**

To answer our research question we conducted a case study of Nestlé's Kit Kat brand. Two events are significant for the Kit Kat case: The Fair Trade labelling and the palm oil controversy. In December 2009 Nestlé announced to use the Fair Trade label on its Kit Kat bars in Ireland and the United Kingdom beginning in January 2010. In March 2010 the environmental group Greenpeace revealed that the Indonesian palm oil giant Sinar Mas was a major supplier of Nestlé (Ionescu-Somers & Enders, 2012). Due to this potential tension, we expected to find a broad array of positive and negative discourses that would put us in the position to investigate commonalities, differences, and cross-fertilization between traditional and social media. To do that we decided to conduct an automated content analysis (e.g., Humphreys, 2010; Humphreys & Jen-Hui Wang, 2017) of discourses on Nestlé's Kit Kat bar in both traditional and social media.

### **Data sources**

We used the online search engine LexisNexis (<https://www.lexisnexis.com/>) to search for newspaper articles, using the keywords Nestlé and Palm Oil, Nestlé and KitKat, Nestlé and Fair Trade to search for relevant articles. We examined the time period from 2007–2017 to investigate changes over time. The keyword search in combination with this time frame resulted in more than 6,000 newspaper articles. To narrow the data set, we chose the biggest and most popular British (e.g., The Guardian; The Daily Telegraph) and Irish (e.g. Irish Independent) newspapers as Nestlé launched its Fairtrade Kit Kat only in the United Kingdom and Ireland (Nestlé, 2017). Therefore, more relevant media coverage is expected in these countries. In total, this selection procedure yielded a final sample of 530 articles.

We used social media, selected blogs and websites to compare discourses. We selected the data sources for this analysis according to traffic, coherence (i.e. the comments refer to the KitKat case), number of comments and data richness.

### **Procedure**

First, to create a dictionary for automated content analysis we drew a random sample (i.e. n= 50) of newspaper articles and conducted open, selective and then theoretical coding (see Glaser & Strauss, 1967; Humphreys, 2010; Humphreys & Jen-Hui Wang, 2017). We formed meaningful categories and subcategories to classify the codes. All in all, we identified 16 categories and 65 subcategories (see Appendix 1). We generated a dictionary based on categories and subcategories using WordStat 7.1 for automated content analysis.

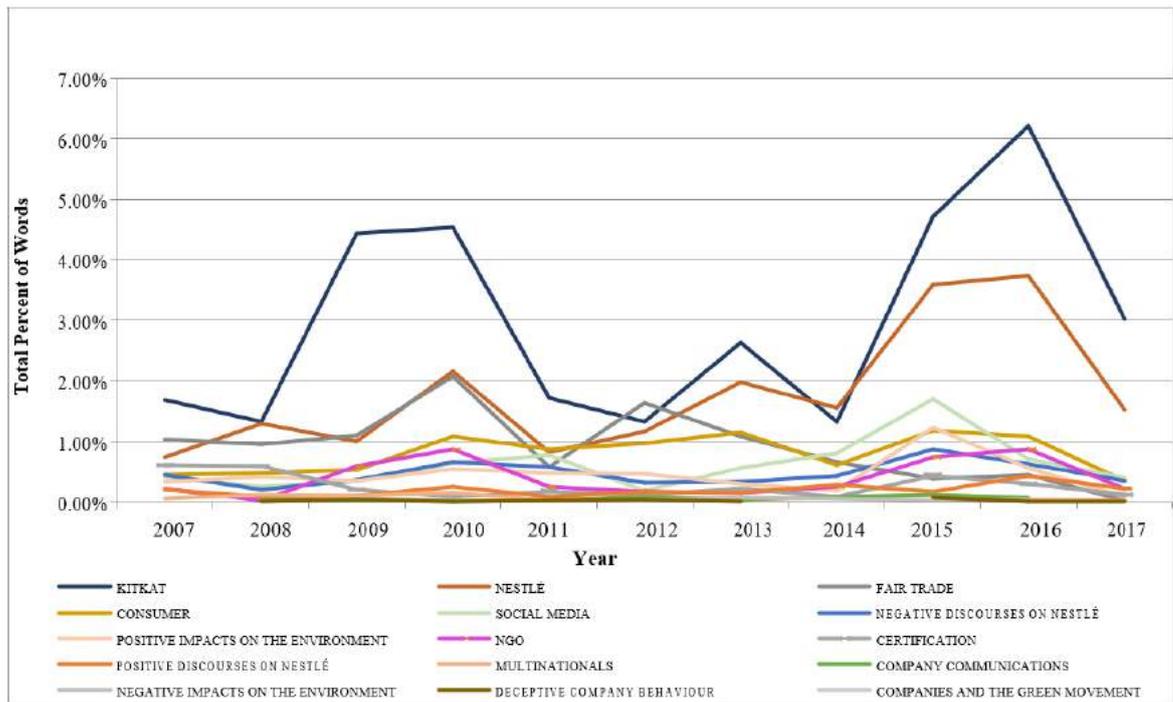
### **Findings**

Across traditional and social media we classified negative discourses into the following categories: Boycott, Scepticism, Confusion, Accusation, Disappointment, Worry, Negative Attitude, Claim, Backlash, Protest, Anger, Criticism, and Pressure. In terms of positive discourses we identified the following categories: Approval, Defence, Criticizing Greenpeace, and Irony (see Appendix 2).

**Traditional Media - Overview**

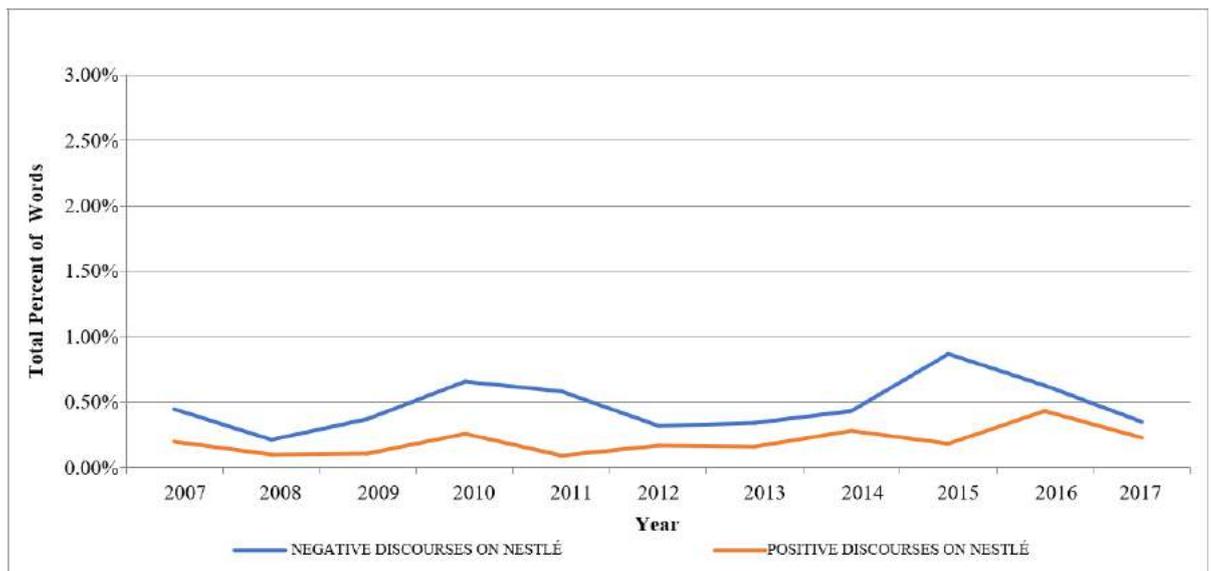
We analysed traditional media coverage starting in 2007 (see Figure 1). The five most frequently mentioned categories are KITKAT, NESTLÉ, FAIR TRADE, CONSUMER and SOCIAL MEDIA. The category KITKAT appeared most frequently. The highest shares of positive and negative discourses appear between 2008 and 2011 and between 2014 and 2017, respectively.

Figure 1: Discourses in Traditional Media per Year



Observing the discourses on Nestlé in traditional media on a yearly basis (see Figure 2), shows that discourses with a negative valence predominate and appear up to six times more often than discourses with positive valence (i.e. in 2010 and 2011).

Figure 2: Positive versus Negative Discourses in Traditional Media per Year



Besides slightly positive and neutral coverage of Nestlé’s decision to source some cocoa for its Kit Kat bar from Fair Trade suppliers, traditional media also raised some concerns about the MNC’s strategic move:

*‘Nestlé’s decision will also help it improve its chequered reputation for ethics. In the 1970s and 1980s consumers boycotted the company, which makes Nescafe, Perrier and Cheerios, over its promotion of baby milk formula in Africa. The protests have fallen away in recent years with the adoption of a marketing code of conduct’ (The Independent, Dec. 06, 2009).*

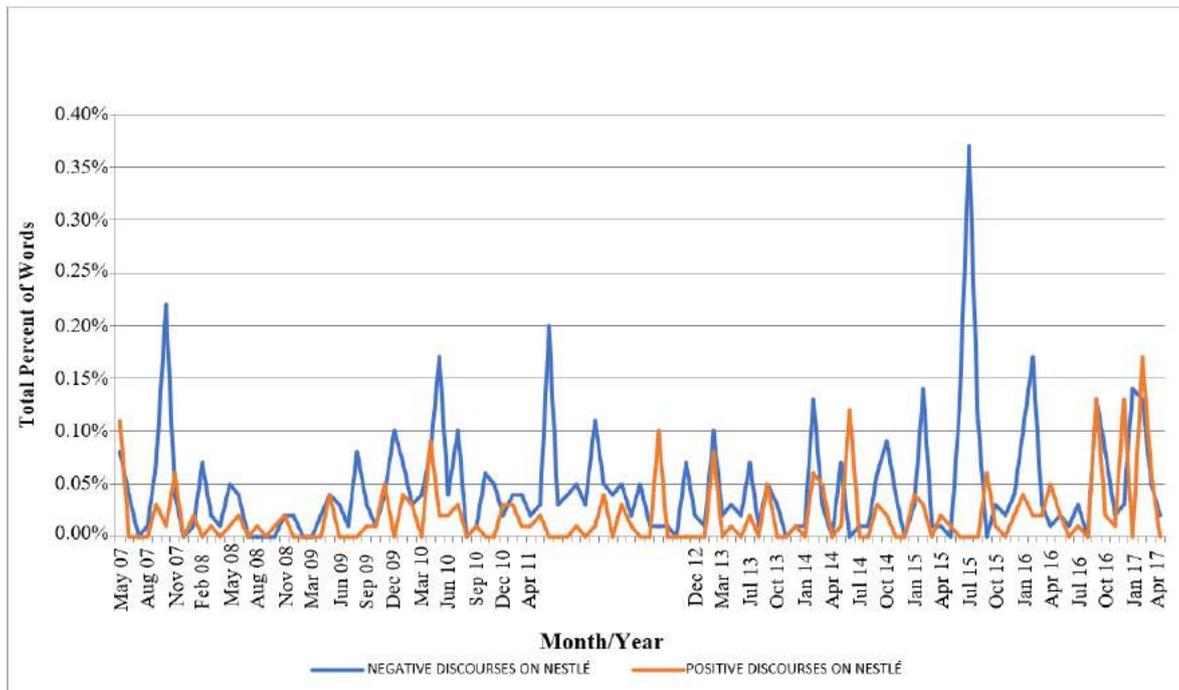
For example, negative discourses on Nestlé in traditional media after Greenpeace’s video launch include:

*‘Then there’s the Nestle PR disaster. They tried to stamp on dissent concentrated around a Greenpeace video which pointed up the fact that the production of some of the palm oil they use in their products causes deforestation in Indonesia, in turn threatening the habitat of the orang-utan. [...]’ (The Guardian, Apr. 01, 2010).*

Zooming in on monthly developments (see Figure 3), the share of reported positive discourses dominates at some points in time (i.e. May 2007, November 2009, August 2012, June 2014, October 2015 and February 2017). Date-dependent reasons why positive discourses predominate at these points in time include companies’ announcements on product labelling and product sizes. Noticeably, words such as ‘love’, ‘nice’ and ‘excellent’ that indicate positive discourses were used quite often in observed traditional media articles during that time. Positive discourses include, for example:

*‘Some of Britain’s best-loved chocolate bars could see their sizes shrink by 20 per cent in a clampdown on sugar. Mars, Nestle - which produces KitKats - and Cadbury owner Mondelez are all preparing to slash the size of their products, according to the Sunday Times’ (The Standard UK, Feb. 05, 2017).*

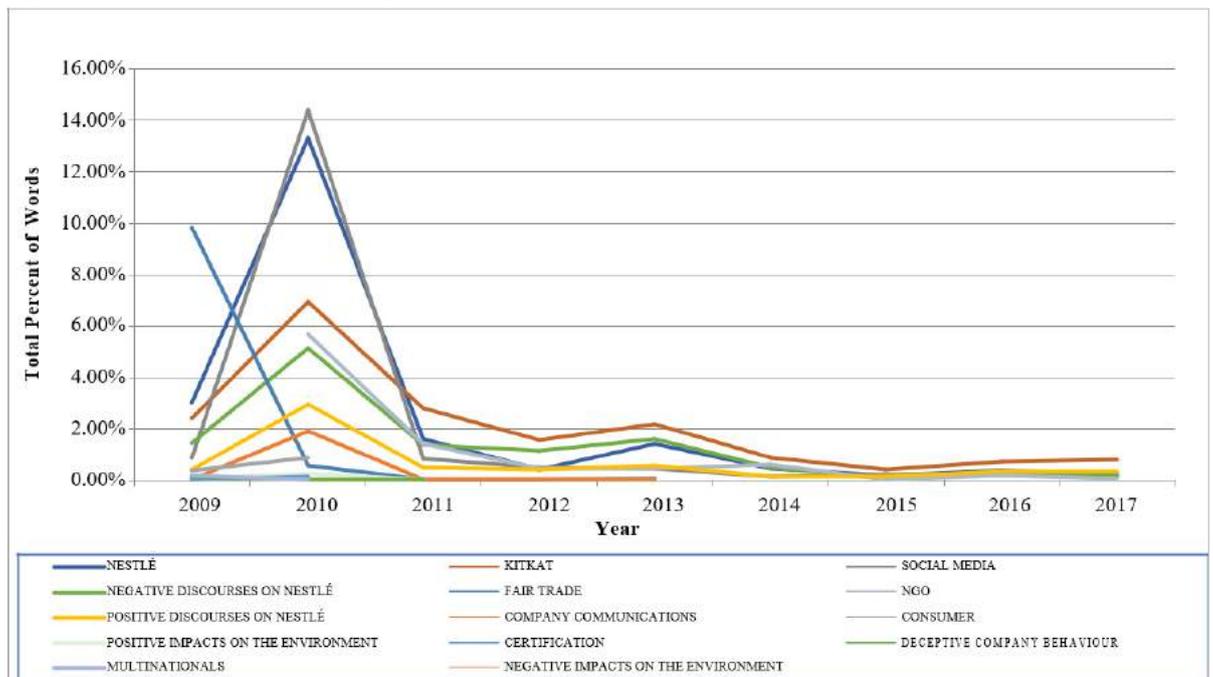
Figure 3: Positive versus Negative Discourses in Traditional Media per Month/Year



**Social Media - Overview**

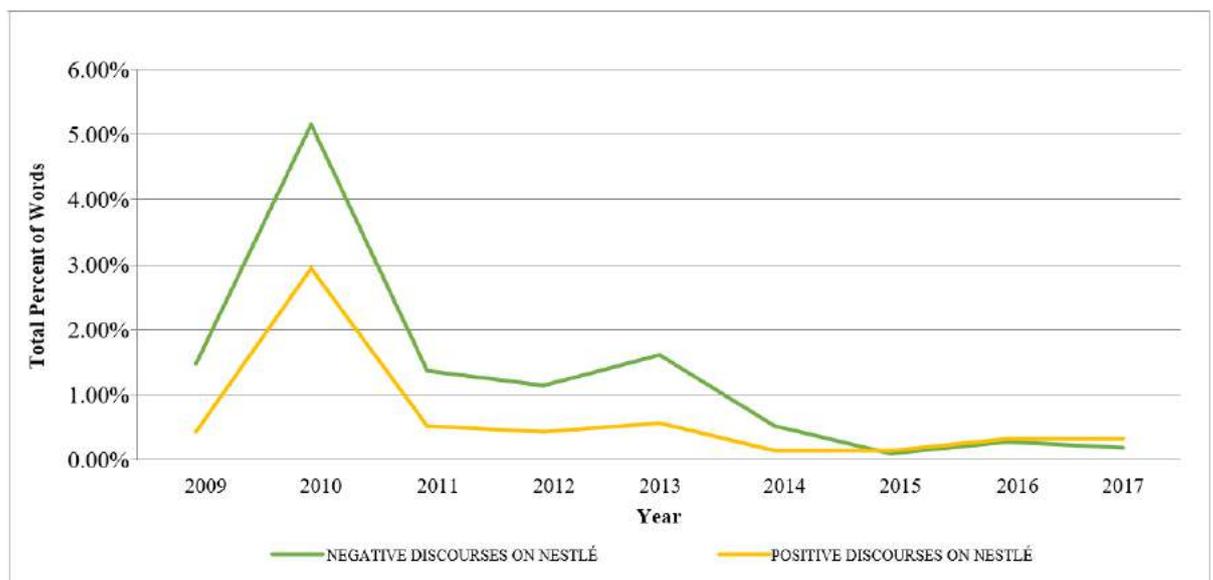
The analysis starts with entries in 2009 when Nestlé announced to use Fair Trade products. The development per year (see Figure 4) shows that NESTLÉ, KITKAT, SOCIAL MEDIA, NEGATIVE DISCOURSES ON NESTLÉ and FAIR TRADE are the five most prevalent categories in social media. The most significant fluctuations take place between 2009 and 2011.

Figure 4: Discourses in Social Media per Year



The yearly development of discourses in social media (Figure 5) shows that negative discourses dominate until 2015 but then, positive discourses start to prevail. That is, over time the social media outcry that first started after Nestlé’s decision to adopt Fair Trade and then continued after the launch of Greenpeace’s orangutan video ebbed out eventually.

Figure 5: Positive versus Negative Discourses in Social Media per Year



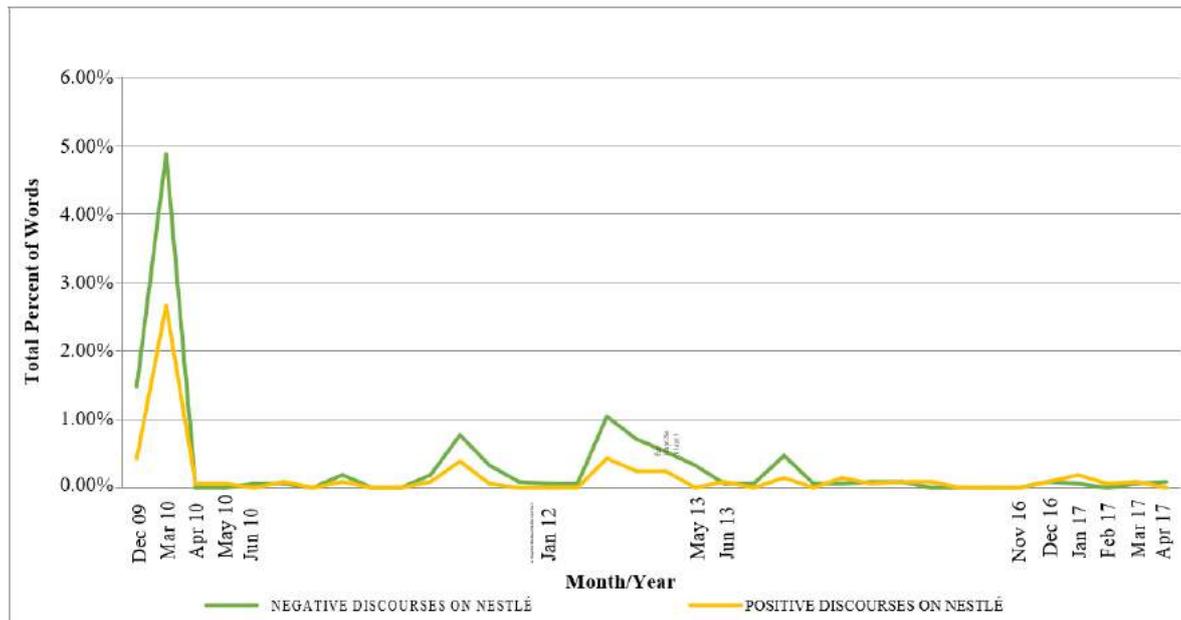
The monthly observation (see Figure 6) shows that the share of positive and negative discourses in social media differs considerably between months. The biggest difference can be observed between December 2009 and April 2010. During this time, especially in March 2010, the share of negative discourses is nearly double the share of positive discourses. In December 2009 Nestlé announced to use the Fair Trade Label for its two-finger Kit Kat bar. The variety of negative discourses in social media that followed this announcement ranges from emotions such as anger, disappointment, worry, scepticism and confusion to negative messages that call for protest and boycott behaviour. Additionally, there was also criticism about the Fair Trade Foundation as well as its commitment with Nestlé.

*'Woah! as a huge Fairtrade advocate I'm appalled to learn that Nestle will soon gain their stamp of approval. It seems in the early days Fairtrade actually stood for something but this is clearly being eroded and soon they will just be maintaining the status quo. [...]'* [ClimateGate, The Guardian website; Dec. 12, 2009]

*'[...] never mind the child labour eh? Ever heard of greenwash friend?'* [Walter T. Filbert, YouTube; Mar. 17, 2010]

In March 2010 Greenpeace launched its 'Kit Kat campaign' by putting its 'Have a break?' video online. The launch of the Greenpeace video was triggering negative discourses substantively. This illustrates the event-dependency of social media.

Figure 6: Positive versus Negative Discourses in Social Media per Month/Year



Negative discourses on Nestlé after Greenpeace’s video launch included for example, boy-cotting behaviour, claims or confusion:

*'Sorry Kit Kat was my favorite..... But I have stopped eating it after seeing this advert. Yuck.'* [Anand Kumarvor, YouTube; Mar. 17, 2010]

*'We should all boycott all Nestle products!'* [zbl, YouTube; Mar. 17, 2010]

Again, in addition to Nestlé also the Fair Trade Foundation is criticized:

*'Fairtrade is a load of rubbish anyway. Companies only go along with it so they can appear to look good. Companies like Nestle are in it for one thing, money. It's a dog eat dog world.'* [Kingnuts, The York Press; Nov. 11, 2011]

Positive discourses on Nestlé in May 2015, August 2016 and January 2017 include Criticizing Greenpeace, Irony, and Defence. For example, on YouTube a consumer accuses Greenpeace of hypocrisy:

*'Let me guess, the materials used in the monkey suits and all your fliers and banners are all made from biodegradable materials? You are such fucking hipocrits'* [David Barros, YouTube; May 21, 2015]

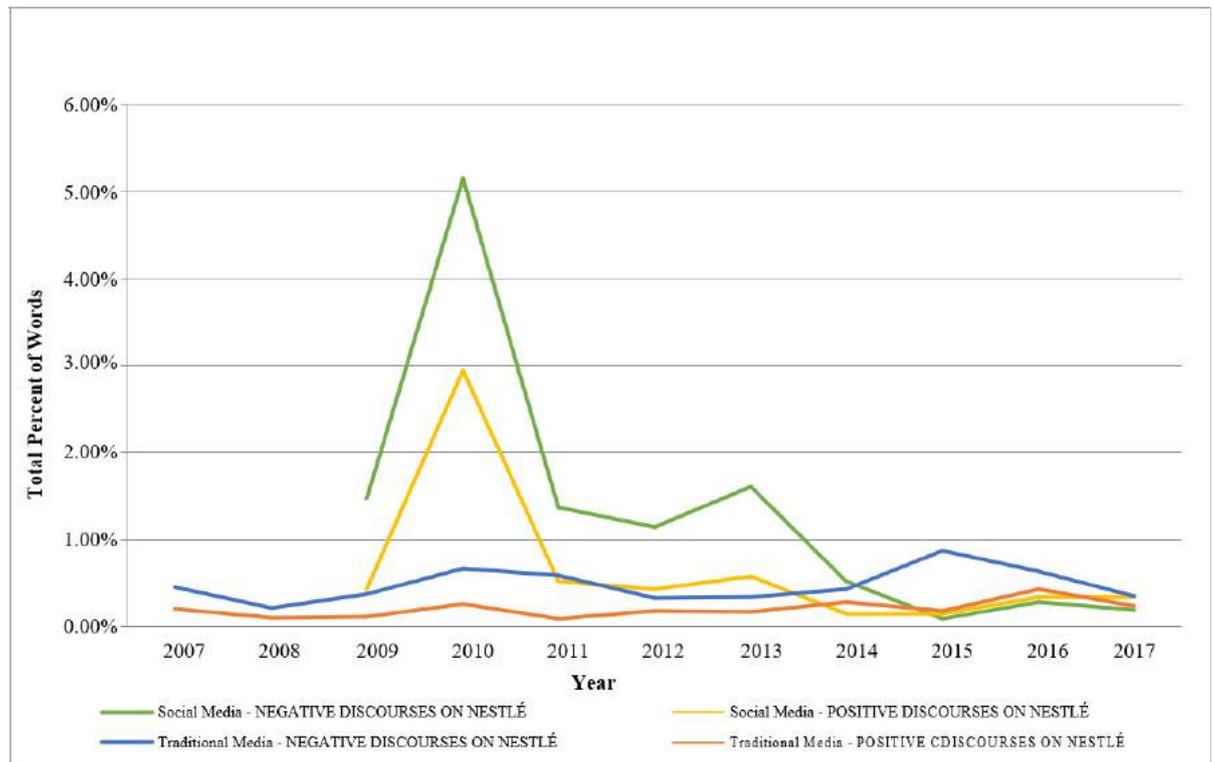
Irony is an important element of positive discourses on Nestlé in social media:

*'That perfect dessert after a nice bit of whale meat'* [MeneerTiki, YouTube; Aug. 1, 2016]

### **Comparison of Social Media and Traditional Media**

There are considerable differences between discourses in traditional media and discourses in social media. Evidently, the relative shares of some categories in traditional media are higher than in social media and vice versa. The content analysis provides evidence that discourses on Nestlé exhibit more negative tonality in social media than in traditional media. Comparing the annual shares, discourses in social media differ heavily from those in traditional media (see Figure 7).

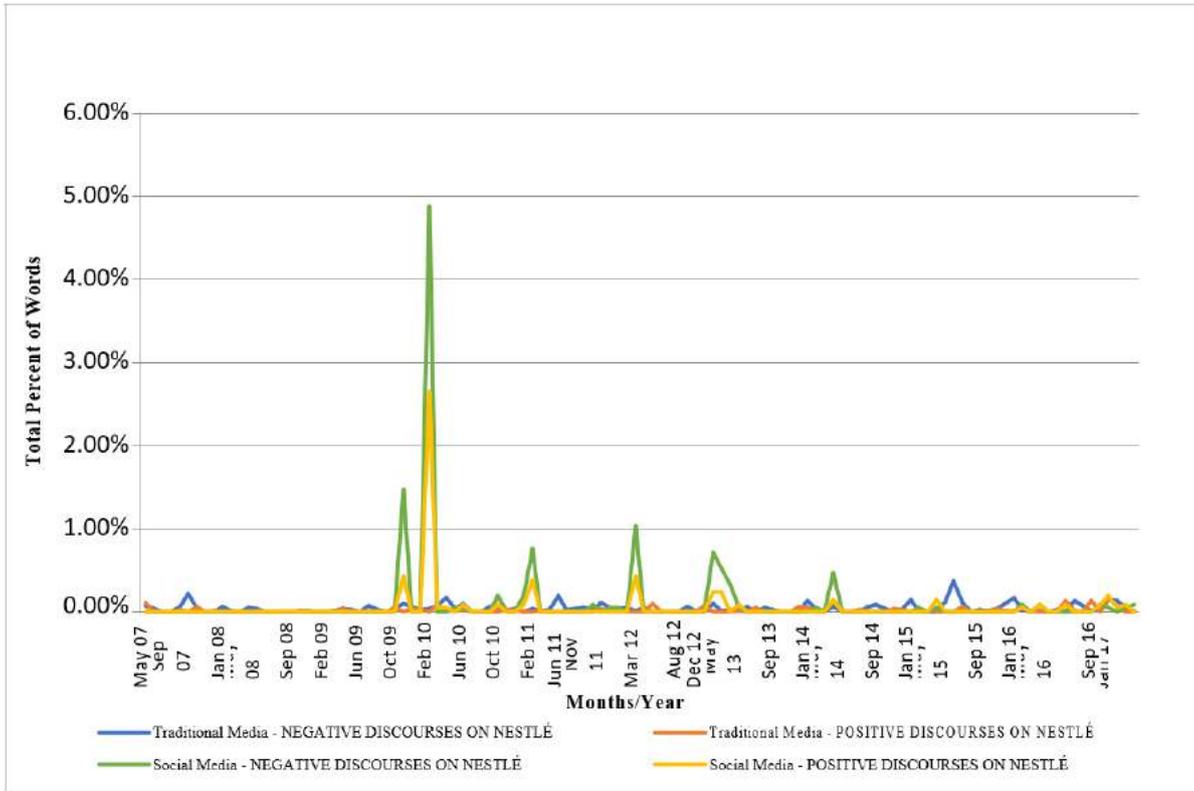
Figure 7: Comparison of Positive and Negative Discourses in Social Media and Traditional Media per Year



The share of negative discourses in traditional media did not fluctuate as heavily and developed rather smoothly compared to the share of negative discourses in social media. Overall, discourses in social media fluctuated more heavily than discourses in traditional media. The graphs provide evidence that discourses in social media depend more on certain events such as Nestlé's announcement to label its two-finger Kit Kat bar as Fair Trade or the launch of the Greenpeace video 'Have a break?' and consequently discourses in social media show a more volatile development. The discourses in traditional media remained rather stable during these timeframes. Discourses in traditional media do not depend on certain events and seem to be more evenly distributed in terms of valence.

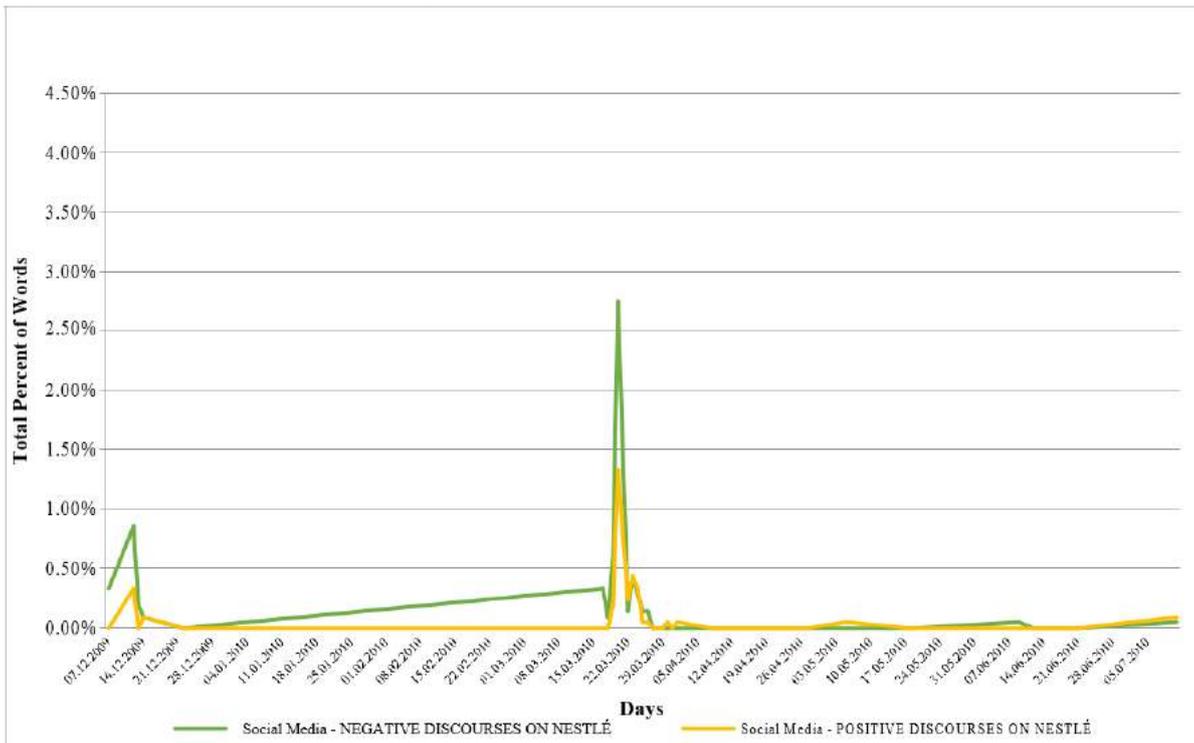
Zooming in on monthly data shows between December 2009 and March 2010 the share of negative discourses in social media was skyrocketing. In contrast to that, the shares positive and negative discourses in traditional media hardly changed during this time period (see Figure 8).

Figure 8: Comparison of Positive and Negative Discourses in Social Media and Traditional Media per Month/Year



Zooming in on daily data on the discourses in social media (see Figure 9) provides an even finer grained picture. Negative discourses on Nestlé skyrocket in mid-March 2010, just after Greenpeace had launched the video. This further supports the prior evidence of social media’s event dependency. Evidently, there was a lot of critical and negative interaction in social media at that point in time.

Figure 9: Comparison of Positive and Negative Discourses on Social Media per Day



## Discussion

The analysis shows that the share of negative discourses on Nestlé is substantially higher in social media than in traditional media. Our sample quotes show that negative discourses on Nestlé are also more negative in their wording than negative discourses on Nestlé in traditional media. Social media provides a more anonymous platform for feedback and discussion and everyone can state his or her opinion. Consequently, consumers are more likely to participate and interact with others as they don't have to reveal their real identity and thus are less afraid of interacting (Lyon & Montgomery, 2013) and criticizing.

Furthermore, discourses in traditional media are less event-dependent (e.g., the launch of the Greenpeace video did not lead to as many negative reactions in traditional media as in social media). Discourses in traditional media show a rather stable development over time without significant outliers. This suggests that traditional media are a more balanced source of information. Newspaper discourses do not explicitly feature individuals' sometimes extreme opinions or reactions. Several authors (e.g., Deephouse, 1996; Gamson, 1992; Gamson & Modigliani, 1989) outline that overall newspaper articles can provide a reliable indicator of generalized popular opinion (Humphreys, 2010).

In terms of cross-fertilization the study shows that while discourses in social media have a high impact on traditional media, at least in the case of Nestlé's Kit Kat bar, the reverse effect from traditional to social media is comparatively low.

The study further shows that some consumers react sceptically, angry and cynically to a controversial multinational company (i.e. Nestlé) that uses an eco-label (i.e. Fair Trade Label). This is seen as a contradiction and rather perceived as Greenwashing than an act of corporate responsibility. The study's findings are thus in line with prior research showing that consumers perceive multinationals' participation in Fair Trade as controversial (Nicholls & Opal, 2005). The findings also suggest that Fair Trade's partnership with multinationals such as Nestlé dissatisfied some Fair Trade advocates. In the Nestlé case, some consumers and Fair Trade advocates argued that Fair Trade's initial intentions eroded.

Additionally, the study reveals that some consumers perceive green claims in general as marketing strategies and PR ploys to enhance a company's reputation. This finding supports existing research that a rising number of concerned consumers and environmental groups blame corporate environmental attempts to be merely a PR ploy (Lyon & Montgomery, 2015).

Finally, the findings of this study also provide evidence that some consumers are willing to boycott companies for perceived unethical behaviour and that consumers can affect a company's hypocritical actions. In the Nestlé case, the viral campaign led Nestlé to commit to only use certified sustainable palm oil and lead to changes to its marketing and communication strategies. This study's findings corroborate prior research findings that highlight the importance of social media and blogs for consumers to actively influence companies and to respond to Greenwashing (Fernando et al., 2014; Lyon & Montgomery, 2013).

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#### Appendix 1: Dictionary for Automated Content Analysis

Category	Sub-category	Examples
Certification	Label	Dolphin-Free, Biodegradable
	Label Criticism	Can be very vague and non-committal, not all labels have equal value
	Authentication	Certification Scheme, Certification Label
	Expectations	There should be a universal standard of sustainability
Companies and the Green Movement	Green Marketing	Green Marketing Actions
	Reactions to Negative Discourses	Adopting a Green And Organic Image
	Reasons why Companies use Ecolabels	Profit-Motive
	Image	Palm oil conglomerates can no longer afford to have a bad image
Company Communications	Advertising	Advertising Messages
	PR	PR Experts
Consumer	Ethical Consumerism	Ethical Consumer
	Consumer Watchdog	Activism, Activism Community
	Consumption	Purchase
Deceptive Company Behaviour	Greenwashing	Greenwashing Actions
	Doubtful Behaviour	Questionable Practices
	Unethical Behaviour	Unethical Practices
Fair Trade	Criticism of Fair Trade	Fair Trade Critics
	Fair Trade Organisations	Fair Trade Market
	Fair Trade Products	Fair Trade Certified Product, Fair Trade Chocolate Bar
	Fair Trade Cooperatives	Cafedirect
	Fair Trade Label	Fair Trade Mark

Kitkat	Kitkat Bar	Four-Finger Bar
	Chocolate	Cocoa, Cocoa Beans
	Palm Oil	Palm Oil, Palm Oil Tree
	Actions	Put a Fair Trade Mark On A KitKat
Multinationals	Multinational Companies	MNC
Negative Discourses On Nestlé	Boycott	Boycotting, Stop Buying
	Scepticism	Sceptic
	Confusion	Confused
	Accusation	Accuse
	Disappointment	Disappointing
	Worry	Worrying
	Negative Attitude	Disgusting, Stupid
	Claim	Stop That Nestlé Killer
	Backlash	Consumer Backlash
	Protest	Protesting
	Anger	Anger, Angry Mob
	Criticism of Nestlé	Nestlé Failed
Pressure	Public Pressure	
Negative Impacts On The Environment	Destroying Habitat	Land Grabbing, Illegal Logging
	Destroy Smallholders' Plantations	Destroy Livelihoods Of Plantation Smallholders
	Exploitation	Don't Earn Enough Money To Feed Their Children
	Unsustainability	Unsustainable
Nestlé	Nestlé Company	Nestlé
	Nestlé Behaviour	Baby Formula
	Negative Behaviour	Exploiting Farmers
	Negative Associations	Baby Killing
	Respond to Negative Discourses	Nestle Was Looking To Hire A New Agency To Help Its Online Image
NGO	Greenpeace	Greenpeace
	Sustainable Agriculture Network (SAN)	SAN
	Rainforest Alliance	Rainforest Alliance
	RSPO	RSPO
	Fair Labour Association	Fair Labour Association
	International Labour Organisations	International Labour Organisations
Positive Company Actions	Positive Corporate Practices	Combating Poverty And Its Sources
Positive Discourses On Nestlé	Defence	Still Like Nestlé
	Joy	Love It, Awesome
	Satisfaction	Love KitKat
	Compliment	KitKats Are Delicious
Positive Impacts on the Environment	Sustainability	Sustainable Policies
	Ethical	Ethical Business
Social Media	Facebook	Facebook, Facebook Wall
	Twitter	Tweet, Twitter
	Youtube	YouTube, Youtube Video
	Social Media Platforms	Social Media, Blog

## Appendix 2: Examples of Negative and Positive Discourses on Nestlé

	Social Media	Traditional Media
<b>Negative Discourses</b>		
Boycott	<i>'Sorry Kit Kat was my favorite.... But I have stopped eating it after seeing this advert. Yuck.'</i> [Anand Kumarmor, YouTube; Mar. 17, 2010]	<i>'[...] The Swiss food giant has been subject to a consumer boycott since the 1970s over its promotion of breast milk substitutes in poor countries'</i> (The Telegraph, Dec.29, 2011).
Scepticism	<i>'I am trying to find out how many cocoa farmers are dependent on Nestlé specifically to see if this is a similar situation to its Fairtrade coffee, which involves just 0.1% of the coffee farmers dependent on it (0.02% of the coffee), but is used to suggest it is making a huge difference, providing cover for continued unethical practices, including driving down the price paid to farmers outside the scheme, sometimes below the cost of production.'</i> [Mike Brady, The Telegraph website; Dec. 07, 2009]	<i>'As a long-standing supporter of the international Nestle boycott, I haven't bought a KitKat in years. The fair trade movement was founded in opposition to the trading practices of multinational companies such as Nestlé, and Nestlé itself spent years rubbishing the fair trade model. Still today, such companies commit just a tiny proportion of their worldwide operations to fair trade, not to mention all their other misdemeanours. Should they really get to bask in the warm glow of the Fairtrade mark?'</i> (The Guardian, Mar. 01, 2010).
Disappointment	<i>'More disappointing news as the Fairtrade Foundation (FTF) once more validates an undeserving company. [...] the mark is given product by product and the need to positively engage with companies to effect change in their policies. But Nestlé have such a despicable record on baby milk sales that surely the FTF should have a blanket ban on such companies. [...]'</i> [John Sargent, The Telegraph website; Dec.07, 2009 07]	
Confusion	<i>'For crying out loud, aren't there lots of other oils Nestle could use???'</i> [tabbsy, YouTube; Mar. 17, 2010]	
Accusation	<i>'Another concern about Fairtrade certification in the case of Nestlé is that it has gained global good publicity that is not warranted by its appalling record in both cocoa trading and more broadly. [...]'</i> [spdevcambridge, The Guradian website; Dec. 12, 2009]	<i>Nestle sells one billion KitKat bars in the British Isles each year, which makes up 23 per cent of its UK confectionery sales. It and other leading chocolate bars will still contain palm oil, which is linked to human-rights abuses, deforestation and the loss of wildlife in South-east Asia. [...]'</i> (The Independent, Dec. 06, 2009).
Worry	<i>'[...] There are apparently 11 million people dependent on cocoa farming in West Africa, many of them dependent on Nestlé. The KitKat products involved in this scheme will benefit only 6,000 of them. There is a danger that the improved conditions for the 6,000 farmers will divert attention from the many others outside the scheme, and be used deliberately to this end by Nestlé. [...]'</i> [Mike Brady, The Telegraph website; Dec. 07, 2009]	<i>"Every time you buy a bar of chocolate from Nestle you are contributing to the demise of the orangutan"</i> (The Independent, Apr. 08, 2010).
Negative Attitude	<i>'Shame on you Nestle.'</i> [Daniel Pinho, YouTube; Mar. 17, 2010] <i>'Lets burn NESTLE!! Bastards! Never gonna eat a nestle product again...'</i> [Max Kraft, YouTube; Mar. 20, 2010]	
Claim	<i>Screw nestle now help the poor orangutan.'</i> [naruto999ifv, YouTube; Mar. 20, 2010]	

Anger	<i>'I've had enough of big corporate companies deliberately ignoring what their suppliers are doing. Nestle are trying to fool us by saying KitKats are fair trade, but try telling that to the poor orangutans.'</i> [Jamesturn, Greenpeace Blog; Mar. 17, 2010]	<i>'Members of the public posted angry messages on Nestle's Facebook page - substituting the word Killer for KitKat; anti-Nestle campaign groups such as baby Milk Action and Nestle Critics took up the cause; [...]'</i> (The Independent, May 19, 2010).
Protest	<i>'Signed, I know sabotage KitKat.'</i> [Marciano Planque, YouTube; Mar. 17, 2010]	<i>'[...] Protesters poured on to the company's Facebook page and Nestle responded by deleting comments. [...]'</i> (The Guardian, Apr. 01, 2010).
Criticism	<i>'I don't see the point in fairtrade. If your product can't earn you a living sold at the market price, then perhaps you should make something else. With this fairtrade business we're using charity to keep farmers from developing economically.'</i> [spdevcambridge12, The Guardian webiste; Dec. 12, 2009]	<i>'In fact, the biggest challenge for the fair trade movement is born of its own success. As more and more companies seek to cash in on the ethical consumer market, so the Fairtrade mark has started to appear on a host of unlikely products. Its four years now since Nestlé launched its inaugural Fairtrade coffee brand. Just last month, the first Fairtrade KitKats appeared on our shelves'</i> (The Guardian, Mar. 01, 2010).
Pressure		<i>'Greenpeace's forests campaigner, said: "If you buy products from Unilever or Nestle, ask what measures they are taking to remove unsustainable palm oil from their supply chain. Public pressure makes companies change." [...]'</i> (The Independent (London) May 07, 2009).
Backlash		<i>'A social media wave of protests from Facebook and Twitter groups last year forced Nestle, which makes the KitKat chocolate bars, to change its buying policy. [...]'</i> (The Economic Times, June 08, 2011).
<b>Positive Discourses</b>		
Approval		<i>'NESTLE, the world's biggest food company, is to pay poor cocoa farmers more for their beans by switching its best-selling Kit Kat chocolate bar to Fairtrade. [...]'</i> (The Independent, Dec. 06, 2009).
Defence	<i>'I watched this video, and I simply couldn't care less. The more they push in this direction in order to make people stop eating palm oil related products, the more they become annoying. I'll just keep eating my kitkat, they taste good I don't care why. It's not me who has to change, laws have to, me (as most others) will just stick to them and purchase whatever we want among what is offered. Nice try green peace, nice try.'</i> (Niccoló Pasquale, YouTube; Jan. 2, 2017)	
Criticising Greenpeace	<i>'Oh my god. No wonder no one takes greenpeace seriously. I honestly thought this was a parody. If they want me to actually take them seriously, they should behave like they want to be taken seriously, not use "shoking images" to try to disgust people. Besides, seeing gore and blood won't stop people from eating tasty things. The popcorn sales during horror movies prove that.'</i> [premier 666, YouTube; Feb. 11, 2013]	
Irony	<i>'That perfect dessert after a nice bit of whale meat.'</i> (MeneerTiki, YouTube; Aug. 1, 2016)	

# Corporate social irresponsibility and the linguistic features of CSR reports

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## Abstract

### Purpose/Introduction

By relying on a cognitive-linguistic perspective, we investigate whether firms react to their irresponsible business conduct (CSIR) by changing the linguistic features of their CSR report, and if so, how especially as firms become international. In fact, differences in *how* actors write instead of *what* they write are particularly informative of the ways they conceive important phenomena and represent them.

### Design (Framework)/Methodology/approach

To test our hypotheses, we focused on a sample of 135 large publicly-listed firms selected from the Forbes Global 2000 ranking, across 27 sectors. By using LIWC we analyse two constructs that are often investigated in linguistic analyses: the level of analytical (vs. narrative) style and the level of authentic (vs. deceptive) style in a text. Then, we estimate the effect of past irresponsible business conducts (i.e. human rights violations) on the language used in CSR reports and we investigate how the degree of internationalisation moderate this relationship.

### Findings

We find that the more a firm is involved in CSIR, the more it uses a narrative (instead of analytical) and deceptive (instead of authentic) language. Moreover, we show that these effects are even stronger for highly internationalised firms.

### Originality/value

This study contributes to the literature that analyses the relationship between CSIR and CSR communication by showing that companies modify their language style in CSR reports in cases of CSIR. Specifically, while earlier research has mainly focused on the potential outcomes of language choices (e.g. how adopting different language styles may lead a company to achieving different performances), we identify CSIR as an important antecedent that considerably affects the writing style adopted in CSR reports and that the degree of internationalisation strength such an effect.

# The construction of corporate irresponsibility: a constitutive perspective on communication in media narratives

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## Structured Research Summary

### Introduction

Media scandals in which corporations are revealed as irresponsible are common all over the world, and have been for decades. Even though there has been an increased interest for corporations to take responsibility for social issues and the environment journalistic revelations of transgressions and misconduct within large corporations are still frequent appearing as news stories. Some well-known international examples over the years are the Exxon-Valdez oil spill in 1989, the Enron scandal in 2001, and the exposure of Volkswagen manipulating their clean diesel cars in 2015. These types of stories of corporate irresponsibility are frequently told by the media as they tend to be considered newsworthy to the general public who rarely have firsthand knowledge about how corporations handle responsibility issues (Einwiller et al, 2010). Especially not when the production or business operations take place in countries far away from the consumers (Greenberg & Knight 2004).

These media stories about irresponsible corporations takes a particular form this study focus on communicative, and narrative, aspects of the interplay between corporations and the media in order to understand the construction of corporate responsibility. Inspired by the ideas of communication as constitutive of organization (e.g. Ashcraft et al, 2009; Putnam et al, 2008; Cooren et al, 2011), commonly referred to as the CCO perspective, corporate responsibility is here seen as primarily a communicative phenomenon (e.g. Schoeneborn & Trittin 2013; Cooren, 2018). In line with Schultz, Castelló and Morsing (2013) this study emphasize how corporate responsibility is constructed in such complex and dynamic communication processes of continuous negotiations over meaning. In what these authors call a 'communicative view' on corporate responsibility journalistic media play an important role in the interplay between business and society.

Thus, the present study takes its departure in two long-lived and influential media stories of corporate irresponsibility in a Swedish context. The aim of this study is to explore high-profile media narratives on topics of corporate responsibility, and irresponsibility, in order to develop further knowledge about the role of media for corporate responsibility. By taking a constitutive perspective the study also contribute to further knowledge about how the boundaries of an organization are increasingly blurred and how the narratives told by external parties, in this case journalistic media, become 'building blocks of organizations' (Ashcraft et al, 2009). Thus, this study expand the understanding of organizations as constituted of communication by pointing to the constitutive role of communication in media, as a particularly influential external part, for corporations that appear in media scandals.

This research summary will thus present the short version of this ongoing study that takes a CCO perspective in exploring the role of media narratives for corporations on responsibility topics.

### **A CCO perspective**

In this study the importance of communication in the construction of corporate issues, such as those concerning responsibility and irresponsibility, are highlighted. This means that communication is not only seen as a reflection of inner thoughts, or collective intentions, but also as potentially formative of reality (Cornelissen et al, 2015). The CCO perspective emphasizes the constitutive role of communication and organizations are understood primarily as a communicative phenomenon (e.g. Ashcraft et al, 2009; Putnam et al, 2008; Cooren et al, 2011). The present study primarily builds on the work of the Montreal School which, for example, focus on textual agency which means that non-human as well as humans participate in the constitutive communications process (Cooren, 2004).

Building on the notion that organizations come into being through communication when it comes to corporate responsibility means that organizational stakeholders, such as the media, also partake in this constitutive communication (Cooren, 2018; Schultz et al, 2013). The present study also put particular emphasis on communication in narratives, and counter-narratives, in which the organization become a site of struggles over meaning where both insiders and outsiders, such as the media, NGOs and consumers, participate in this storytelling (Frandsen et al, 2017). In the dichotomy of dominant narratives and counter narratives meaning are constantly contested when these narratives collide. The narrative aspects of communication in the media are also the foundation for the methodology used, which is elaborated in the next section.

### **Research design**

For the media narratives to be considered as constitutive communicative building blocks of organizations (Ashcraft et al, 2009) the media stories have to be as significant to have an impact on the organization and its relations with society at large. Thus, in this study two of the most visible and lengthy media stories of corporate responsibility in Sweden the last decades were selected in order to explore how the interplay between corporations and the media are manifested on topics of corporate responsibility. These two media stories are H&M's responsibility for working conditions in garment factories which have been going on since the mid-1990s and Telia's responsibility for acting morally and legally correct i.e. not being corrupt, when initiating business operations in Uzbekistan which peaked with a media scandal in 2012.

The empirical material for this longitudinal study that have been gathered are of two kinds, official media stories as well as stories from personal interviews. Inspired by the theater metaphor of Goffman (1990) the texts and images, which are presented to audiences, are here seen as the frontstage of the story and the stories in the interviews represent the backstage to the stories in which the performers discuss their role in the frontstage stories. In order to comprehensively follow the media stories an extensive amount of news media articles, television broadcasts, press releases and other media material was collected. The story about H&M was followed from 1995 until the end of 2017 in the five largest newspapers in Sweden and 191 news items which had the narrative of H&M and their responsibility for working conditions in garment factories in focus was collected. The story about Telia was followed from its beginning in 2008 until the end of 2018 which generated 401 newspaper articles in the same newspapers. This was also complemented with transcriptions of five investigative TV-shows about Telia and of three investigative TV-shows about H&M.

To explore the 'backstage' of the media stories 23 interviews with 25 persons have been conducted, of which fifteen of the interviews were about H&M and nine about Telia. The purpose of these interviews was to collect stories about the creation, and co-creation, of the media stories. Thus, the interviews were encouraged to tell their own stories about the topic according to the themes of an interview guide that was carefully prepared to each person in order to explore his or her role in the media stories. The interviews lasted from 40 minutes up to two hours, but generally around one hour at each occasion, and were all recorded and fully transcribed. All interviews were conducted from late 2016 to fall 2017.

The purpose of the narrative analysis is to explore how the media stories are developed over time, including the intentions of the journalists as well as the reactions from the corporations. Recognizing that agency cannot only be attributed to humans within CCO (e.g. Cooren, 2004; 2012) the study also takes a starting point in notion that the media text and images also have agency on their own. In the full paper of this study the empirical material is presented as long narrative forms. However, in the upcoming section of this research summary a short version of these empirical narratives are included with focus on stories told by the interviewed employees, both former and present, at H&M and Telia due to the limited amount of space.

### The H&M story

The first larger media event concerning H&M's responsibility for working conditions in garment factories took place in 1997 in connection to a renowned TV-documentary called *Latest fashion – at what price?*. At this point in time globalization was on the societal agenda and when the TV-team found children working with garment for H&M it became the perfect illustration of the new global economy and its inequalities. For H&M this media event came as a surprise and one H&M employee who participated in the documentary said that had participated under false pretences and that the documentary felt unfair due to the dramatization and simplification of such a complex topic. However, he adds that "the only thing I feel was good about this, if you see it from a longer perspective, for the kids and the planet, is that it was catalyst" (Interview, 2017-05-11).

Thus, this first media event worked as a catalyst for H&M to speed up their work on developing a code of conduct and improving their monitoring of their suppliers. At the same time it also had huge impact on the relationship between H&M and the media in a longer perspective where H&M choose not to actively engage in communication on responsibility topics. This perspective have, however, changed a bit in later years along with a more positive focus on the topic in the media reports. An employee currently working at H&M says:

Looking back to 95, and also the maybe ten years after that, our approach to most kind of stakeholder communication was a rather reactive one. And it was pretty much exclusively media at that point. So you get a bunch of questions and you just try to answer them, in a way that no one can tweak the quotes too badly. Whereas that has changed over the last, I would say, ten years quite massively, where sustainability is a topic also proactively brought to media and discussed with other stakeholders a lot (Interview, 2017-10-02)

Even though the story about H&M as irresponsible when it comes to the working conditions in garment factories have been persistent and still occurs in the media today the topic have slightly changed. In recent years the narrative of H&M as a good example and a role model when it comes to taking corporate responsibility, for example in their collaborations with a labor union in order to improve the union rights of the textile workers.

### The Telia story

What was called 'The Uzbekistan Affair' in the Swedish media, was introduced in Sweets most prominent investigative TV-show *Uppdrag Granskning* on September 19th 2012. Telia are, in the TV-show, accused of bribing in order to get the 3G license that they need to start up their business operations in Uzbekistan in 2007. The TV-show could show that the company, an offshore company in Gibraltar, that Telia paid a large amount of money to have connections with the president's daughter. The next day all major Swedish newspapers write about the story and the story continues almost daily for months. Telia was during the scandal at many times criticised for not being open enough to the media, and to other stakeholders. Thus, two dominant themes in the media reporting in this media story, first the responsibility of Telia when it comes to the corruption case when the news media try to figure out how it could have happened. The other is the topic of media transparency as Telia's responsibility is not only to behave ethically but also be open with information at all times.

The news media had already from an early stage of the corruption scandal demanded the resignation of the responsible leaders at Telia and after the media scandal the CEO and almost the entire board of directors were replaced. Telia also made vast changes concerning ethics and compliance and employees at have experienced a change in culture with a more open atmosphere (Interview, 2017-02-07). One consultant describes Telia, after the media scandal, as the dream assignment since the management are so open to working on sustainability compared to other corporations where it could be a struggle to get the management to prioritize these topics. He says:

The normal one experiences when working as a consultant, or as a sustainability manager, is very often that you have to push the company: can't we do more? But here it was the other way around. We made suggestions and the board said: this looks great, but is it not possible to do even more, even faster? (Interview, 2017-03-30).

In 2015 Telia decided to leave the entire region they call Eurasia due to the corruption issues and difficulties in receiving financial returns from the region. A reporter who revealed the corruption scandal says that usually their reports does not lead to any real changes but in the case of Telia he is satisfied with their job: "When Telia chose to withdraw from the entire Eurasia area, it shows the explosive power of journalism" (Interview, 2016-11-14)

### **Preliminary discussion and conclusions**

Taking the ontological proposition that communication are seen as constitutive of organization seriously in the complex communication environment of today we have to recognize the organizational boundaries as blurred. Thus, the communication by others, such as journalistic media which have great influence on the societal agenda, should also be viewed as building blocks of organizations (cf. Ashcraft et al, 2009). This approach can at least be considered relevant for organizations that generate great public interest and receive extensive media attention. When it comes to topics of corporate responsibility, which by definition includes the organizational surroundings, the discussion about what constitutes the organization and where the organizational boundaries are set become even more relevant.

The study also shows how the contradictory narratives of corporate responsibility and corporate irresponsibility encounter each other and together constitute corporate responsibility. By focusing on the narrative aspects of the media reporting some central themes in the journalistic storytelling on corporate responsibility have been identified and those are hypocrisy, transparency, and the role of villains. First, hypocrisy as in showing how corporations no not 'walk the talk' (cf. Christensen et al, 2013) are a common feature in the media reports. It is also evident that the media stories do not only focus on the responsibility for the social issues, in this case corruption and working conditions, instead the media stories tend to highlight the responsibility of corporations to be transparent and answer media requests.

The plot of many stories also tend to be focused on the opposition between heroes and villains (cf. Czarniwska, 1997) and when one corporations, as in this study the most visible example of its industry, are casted as the villain of the story this role can prevail for a long time. As corporate responsibility often are complex topics the need to simplify in order to tell a comprehensible and compelling story are evident. Thus, some corporations that have been connected to wrongdoings and irresponsibility fit into journalistic news values and become the dominant images of what an irresponsible corporations is as there is a need for an example to illustrate the narrative. These acts of wrongdoings that these highly visible corporations are connected to also define corporate responsibility in a more general sense, whereas other corporations and issues are set aside.

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## 13. APPROACHES TO CSR

# The rise of expressive CSR. A historic analysis of the transformation of business-society relationship in Norway

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### Abstract

This article makes a historic analysis of the development of the business-society relationship in Norway, aiming to understand the background for Norwegian companies' good standing in international sustainability and CSR rankings. In general, Scandinavian countries are described as a favorable and unique combination of state-planned and free market economies, and Norway is a small and open economy with one of the highest GDP per capita in the world. We argue that the historic roots of corporate responsibility in Norway can be traced to the early industrialization of the country and the origin of the central position of the state in the economy. In this early phase, the social responsibility of a company is more or less taken for granted and not a topic for public debate. This situation is maintained and strengthened through the later rise of a neo-corporatist economy, but is gradually replaced by a more expressive regime in which CSR is linked with the logic of branding and reputation management. Today's CSR is practiced at the intersection between deregulation and organizational expressiveness, implying at the same time both a loosening and a tightening of the bindings between companies and society. To understand both this evident paradox and the strong position of Norwegian companies on sustainability rankings, we argue that there is a need to see today's expressive CSR as a result of the strong position of the state, the rise of neo-corporatism and the need for social legitimacy of corporations in the wash of globalization and liberalization of the economy.

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# In the Service of God and Country/Monarchy? Strategic CSR Communication Using the Islamic CSR Perspective in Brunei and Kazakhstan

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## **Purpose**

This comparative case study explores the CSR communication strategies in two countries where Islam is the dominant religion. By synthesizing the CSR approaches underpinned by either or both religion and national ideology prevailing in these countries, the hope is to be able to offer a model that appropriately describes or explains the multiplicity and convergence of communicative strategies used to maintain order, harmony and stability in these societies through normal and challenging times. For this endeavor, the focus is on Brunei and Kazakhstan.

While helping others and charity are endemic to many societies, more evidently in collectivist cultures, the scholarly CSR literature is dominated by the West. Most recently however newer voices have emerged but there's one that this case study will amplify and that is the Islamic perspective of CSR. In so doing, the study deciphers the CSR communication patterns and methods/tools within the Islamic framework that bind and differentiate Brunei and Kazakhstan. Because both countries have a dominant national ideology, this research takes the opportunity to interrogate the nexus surrounding the state, culture/religion and CSR.

## **Theoretical framework**

Two conceptual streams are relevant: the Islamic CSR perspective and the national ideology -- Melayu Islam Beraja (MIB).

## **Islamic CSR**

Using the principal doctrines of *Maqasid al Syariah* and *Maslahah*, Darus, et al (2013) proposed a conceptual framework for Islamic CSR. The fundamental assumption is that Islamic organizations desire to conduct themselves in accordance with the values and principles of *Syariah* as enunciated in the Koran and Sunnah (sayings and practices of the Prophet Muhammad). According to Chapra (2000) *Maqasid al-Syariah* aims to promote people's well-being by safeguarding their faith, life, mind, posterity and wealth. Islamic entities who promote or protect these five elements serve the public good (*Maslahah*). Interestingly, Khan and Ghifari (1992) advanced the idea of adding freedom as the sixth foundation.

Scholars (i.e. Afar, 1992; Kamali, 1989; Zarqa, 1984) have identified three categories of *Maslahah*: 1) Essentials: the must-do or must-have, the neglect of which would mean total chaos and disruption, 2) Complementary: the non -vitals but are necessary to avoid life's difficulties, and 3) Embellishments: the desirables or the "it would be nice to have or do". Bear in mind though that Islam cautions against self-indulgence and extravagance. Mir et al (2016) assert that Islam unlike Western CSR theories provides a "holistic" rationale while recognizing CSR's multidimensionality. By covering all aspects of life, the *Syariah* indeed advances not only an integrated and comprehensive behavioral and conceptual code, it is the pillar of Islamic CSR.

Mir et al (2016) assert that Islam unlike Western CSR theories provides a “holistic” rationale while recognizing CSR’s multidimensionality. By covering all aspects of life, the *Syariah* indeed advances not only an integrated and comprehensive behavioral and conceptual code, it is the pillar of Islamic CSR.

The Islamic philosophical framework of CSR as drawn from the teachings of the *Koran* and *Syariah* is offered here as an alternative to the largely Western CSR paradigm, one that stresses adherence and communication of CSR according to the essential, complementary and embellishment norms and further prioritized according to what is obligatory and recommended (Darus et al, 2013).

Just like the Western view, the Islamic perspective recommends the incorporation of CSR in the overall corporate business strategy and governance framework. Proponents of this alternative concept also advocate for education in the nuances of practicing i-CSR to help organizations as they find ways to legitimize and justify CSR activities.

### **Melayu Islam Beraja (MIB)**

Brunei has a national philosophy called Melayu Islam Beraja (MIB, Malay Islam Monarchy) which governs the country’s political and socio-cultural systems. Islam occupies the highest priority in this ideology. As such Islamic principles permeate every government body, influence business practices, and guide Brunei’s way of life. Based on Islamic values, the Muslim Malay identity dominates the country’s cultural and religious practices, where loyalty to the Monarch and nation is maintained (Melayong, 2018).

Viewed as a triangular relationship between Islam, Malay identity/culture and the Monarchy,

Islam sits at the top, Melayu (Malay) is on the bottom left and Beraja (Monarch) occupies the bottom right. Under this national ideology, Islam encapsulates nearly all facets of Brunei’s life.

### **Methodology**

This descriptive and exploratory case study of Brunei and Kazakhstan’s CSR uses two methods: a qualitative content/textual analysis of website and other related CSR communication materials and an analysis of secondary sources such as reports compiled by government, industry and the media as well as articles from academic journals. These methodologies are used to answer the following questions:

1. What communication strategies and tools did the selected entities use in Brunei and Kazakhstan that were specifically guided by i-CSR?
2. How did Brunei’s MIB and Kazakhstan’s national ideology influence their CSR communication programs?
3. Are there similarities or differences in the enactment of i-CSR communication in Brunei and Kazakhstan?
4. What was the role of CSR, if any, when these countries experienced challenging times such as the global financial crises or when faced with an onslaught of negative opinions associated with radical Islam and terrorism?
5. How does the government promote or impede CSR development in these countries?

For this study, the focus is on the following types of organizations:

- a) One corporation in the hydro-carbon industry in each country.
- b) One corporation in the financial industry in each country.
- c) One or two government agencies in each country that have been identified to have an impact on CSR.

Brunei and Kazakhstan are selected for this study because both countries have dominant Muslim populations. Both are fuel exporting, market-driven economies that are located in Asia although one is in the southeast and the other in the central region. Moreover, the voices of these countries are not as audible as others in the scholarly literature.

Since both countries have a national ideology, the intriguing opportunity to unravel the connections between CSR, government and culture/identity presents itself. And since the Islamic CSR framework delineates between obligatory and recommended Islamic values, this research allows a revisit of the classic debate on whether CSR is voluntary or mandatory thereby making its contribution at the granular level of a less talked about aspect of CSR.

## Country profiles

### **Historical, economic and political background**

Located in the northwestern coast of Borneo, Brunei Darussalam is one of two small nations in the Southeast Asian region. Information of its early history is scant; in fact, not much is known about the country outside of the hydrocarbon industry. Nevertheless, early historians indicate that Brunei was already trading with China during the sixth century. By declaring allegiance to the Javanese *Majapahit* kingdom during the 13th and 15th century, it came under Hindu influence. With the decline of the *Majapahit* kingdom in the early 15th century and widespread conversion to Islam, it became an independent sultanate (World Fact Book, 2019).

This absolute monarchy became a British protectorate in 1888, gained independence in 1984 and for six centuries was ruled by the same royal family. Sultan Hassanal Bolkiah marked the 50th anniversary of his accession to the throne in 2017 (World Fact Book, 2019).

Like the original six ASEAN-member countries, Brunei adopted a market-based economy. The Sultanate is rich in petroleum and natural gas, assets that propelled its economy to one of the world's wealthiest in terms of per capita GDP, which in 2017 was reported at \$78,900 (World Fact Book, 2019).

The early beginnings of Kazakhstan, on the other hand, can be traced back to the 13th century when nomadic tribes of Turkish and Mongol extraction migrated to the region. In the 18th century Russia conquered the region and Kazakhstan became a Soviet Republic in 1936. The agricultural program, Virgin Lands, in the 1950s and 1960s led to an influx of Soviets and other immigrants who helped convert Kazakhstan's vast northern steppes into wheat farmlands. This resulted to the Russification of the country, marginalization of the Kazakh language and the massive outmigration of non-Muslim ethnic minorities in the mid-1990s through the mid-2000s. To stem the tide, a national program to repatriate about a million ethnic Kazakhs back to the country was promulgated allowing this ethnic group to regain majority status. The program however not only shifted the nation's demographic composition, it also reduced the religious diversity with Islam now the religion of 70% of its population (World Fact Book, 2019; Spehr & Kassenova, 2012).

This presidential republic with a bicameral parliament (Senate and *Mazhilis*) gained independence from the Soviet Union in 1991. The executive branch is headed by the chief of state. Its current president Nursultan Nazarbayev was elected to the position since 1991. The head of government is the Prime Minister (Bakytshan Sagintayev elected in 2016). A cabinet consisting of the Council of Ministers appointed by the President completes the executive government branch.

The country's economy is fueled by its vast hydrocarbon and mineral reserves. It also has a substantial agricultural sector primarily consisting of livestock, barley and wheat. To reduce the overreliance on the oil and mining industries, the government is diversifying into food processing, transport, pharmaceuticals and telecommunications. Being landlocked, it depends on Russia to export its oil to Europe.

Its 2017 GDP per capita was \$26,300. The United Nations classify the country as upper middle with low poverty and unemployment rates. This world's ninth largest in terms of land area is transitioning from a socialist economy to a free market-oriented economy (Aktoty et al, 2014).

### **Social and cultural make-up**

The tiny Sultanate is inhabited by 450, 565 residents who are predominantly Malays (65.7%). The Chinese at 10.3 % is the second biggest ethnic group and another 24% come from various ethnic lineage. Malay is the official language although English and Chinese dialects are also spoken.

Islam is the dominant and official religion with some 78.8% adherents, majority of whom are Sunni Muslims. Brunei's sultan is both its political and religious leader.

The country has a well-educated, largely English-speaking population, 77.6% of which live in urban areas. Its 2015 literacy rate stood at 96% (World Fact Book, 2019).

Two major influences on Brunei's culture are Islam and the Malay culture/identity. The family is the core of society.

Kazakhstan's estimated 2018 population of 18.8 million consists of 63% Kazakh, 23% Russian and a splattering of Uzbek, Ukrainian, Uighur, Tartar and German. It is a largely Islamic country with 70% adhering to the faith. Christians, mainly Russian Orthodox, comprise 26% of the nation's religious structure.

Its people congregate in urban clusters mainly in the far north and south. The country's interior remains less densely populated.

A highly literate society, Kazakhstan boasts of a 99.8% literacy rate. Among the Central Asian countries, it is the most modernized, industrialized and urbanized (Spehr & Kassenova, 2012).

Like Brunei that has the MIB, Kazakhstan society is greatly influenced by the state's national identity building efforts. For instance, after the Soviet Union was dissolved, the state embarked on the creation and strengthening of the Kazakh identity while simultaneously developing a common 'civic' identity based on statehood (Spehr & Kassenova, 2012). An added layer of complexity was the government's 'Eurasian' identity formation initiative.

### **Preliminary findings**

CSR in Brunei and Kazakhstan is at its infancy. As expected, religion plays a fundamental role in the conceptualization and practice of CSR in both countries. Financial institutions in both countries appear to view CSR not simply as a business strategy and philanthropy but as a responsibility toward Allah and the promotion of society's welfare. In Brunei, the MIB national philosophy is used as an antidote against potential religious extremism, an engine driving national cohesion and as a national development tool. CSR communication strategies within the MIB doctrine employ the institutionalization of ceremonies and rituals highlighting monarchical and Islamic symbolisms. The monarchy embodies the concept of social responsibility by taking good care of its people in the service of Allah.

In Kazakhstan, the government is also seen as the standard bearer of the socially responsible state committed to the improvement of the overall quality of life of its citizens. It does this by maintaining living wages, giving financial support to promote stable and safe workplaces as well as professional training and investment in socially responsible programs.

Corporations in both financial and the extractive industries in these countries have invested in various social and community development programs in the areas of healthcare, infrastructure improvements including the building of schools and technical training. These programs are accompanied by robust communication strategies that include media placements and community engagement.

Government and businesses are developing partnerships in both countries. A good example in Kazakhstan is the alliance between the local city councils (*maslikhats*) and Philip Morris. Brunei's Islamic banking sector reportedly threw its full support to the government's goal of achieving zero poverty by 2035.

In Brunei's largest bank, the impact of religion is evident in the presence of a Shariah Advisory Board and Zakat payments done in full ceremonial handing of the check with government officials that include the Minister of Religious Affairs and bank officials in attendance.

The bank's CSR programs consist of youth empowerment initiatives and support of social causes. Volunteerism among its personnel and the public is trending north with a reported increase in participation of 140%. While i-CSR in financial institutions in Brunei is no different from the practices of other Islamic banks in the Asian region, the difference lies in the degree of importance given to specific CSR activities. Brunei's i-CSR emphases are in education, community and entrepreneurship development as well as employee welfare.

An Islamic bank in Kazakhstan, on the other hand, has scholarship, youth development and female empowerment programs. Many of the latter projects are aimed at improving the socio-economic status of women.

A corporation in Brunei's extractive industry utilizes a 3P i-CSR strategy representing its **P**lant (reliability, productivity and safety), its **P**eople (corporate culture and employee safety) and its **P**rocedure (compliance with international standards and industry best practices as well as efficiencies). The company demonstrates its commitment to social and environmental responsibilities through community affairs activities such as meetings with local residents throughout the three years of plant construction, hosting of community gatherings, sponsorship and support of local prayers/mosque and assistance of student projects involving renewable energy generation for a local school.

CSR for a petroleum company in Kazakhstan took the form of substantial funding for social infrastructure ventures such as improvement of water quality systems, educational training for its staff, environmental protection and provision of quality healthcare. This joint-venture company has increased staff nationalization efforts and improved its CSR communication reporting.

### Value

This research provides a window that allows the simultaneous peek into an alternative view of CSR and how two predominantly Islamic countries have structured and enacted their CSR communication using an Islamic framework. Islamic organizations elsewhere in the world that reside in nations where Muslim populations are in the minority and/or in different economic development trajectories will nevertheless find some guidance on how to enact and communicate CSR from the experiences of Brunei and Kazakhstan. The value is not in the prescriptive nature but rather in the descriptive approaches that hopefully prompts or challenges organizations to innovate and embrace CSR in their own way and in accordance with the priorities and urgencies of their societies.

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# The Echoes of CSR Tensions: A Spect-Acting Study of a CSR Manager's Strategies for Navigating the Tension of Ethics and Economics

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## Abstract

### Purpose

Research on how organizations and individuals navigate the tensions between ethics and economics inherent in strategic CSR engagement is gaining increasing attention in the CSR literature. Yet, little is known about how the CSR manager navigates the tensions between ethics and economics. The purpose of the paper is to explore the response strategies for how the CSR manager navigates these tensions in everyday practices.

### Design/methodology

The study is based on an ethnographic case study of a CSR manager's work and experience in relation to a specific CSR project and builds more specifically on the 'spect-acting' technique. Akin to the Gioia-methodology, we draw on existing concepts in order to qualify open-coded categories. Currently, we find inspiration in Hirschman's (1970) framework "Exit, Voice, and Loyalty" as means to categorize the different response strategies and their interrelationships.

### Preliminary findings

Based on the analysis of the interrelationship between the response strategies and their function, the study suggests four overall findings: 1) from the perspective of the CSR manager, it is complex to make a clear distinction between tensions on the organizational level and the individual level, respectively; 2) the organizational and individual response strategies mirror each other, intervene, and constantly give rise to a need for other strategies across different contexts, situations and stakeholder positions; 3) the CSR manager often needs to apply contradicting response strategies, suggesting these to be rather short-termed; and 4) the tensions are both constraining and enabling for the CSR manager, thus also function as a source of inspiration.

### Originality/value

This study brings new insights into our understanding of how CSR managers experience and navigate the tensions between ethics and economics in CSR in everyday practices.

**Keywords:** Case study, CSR communication, CSR manager, Spect-acting technique, Tensions

## Structured Research Summary

### Introduction

Research on how organizations and individuals navigate the tensions between ethics and economics inherent in strategic Corporate Social Responsibility (CSR) engagement is gaining increasingly attention in the CSR literature (Van der Byl & Slawinski, 2015). Yet, little is known about how these tensions manifest themselves in the organization, how they are communicatively enacted, and more poignantly how the organizational actors work through them. As the CSR managers are designing and promoting the CSR discourse through their daily business activities they are directly confronted with the tensions inherent in the CSR discourse (Ghadiri et al., 2015). In response, we pose the question, how does the CSR manager navigate the tensions between ethics and economics in everyday practices?

The study is based on an ethnographic case study of a CSR manager's work and experience in relation to a specific CSR project involving a range of stakeholder dialogue meetings and builds more specifically on the 'spect-acting' technique (McDonald and Simpson, 2014). Following Putnam et al. (2016), communication between actors often serve as the primary source of data for understanding how actors align tensions, contradictions and paradoxes. Accordingly, it is argued that discourse-based methods provide greater complexity in the analysis, allowing researchers to focus on multiple tensions emerging in organizational processes, including how actors embrace and respond to tensions (Putnam et al., 2016: 134). Focusing on the response strategies employed by the CSR manager, the analysis shows the interrelationship between these strategies and their function contributing thus to a more nuanced understanding of how CSR managers experience and navigate the tensions between ethics and economics in everyday practices.

### Theoretical framework

The notion that companies have broader responsibilities to society than making profit for shareholders can be traced back for centuries and has given rise to a number of different CSR definitions and approaches (Gond and Matten, 2007). Broadly speaking, it can be argued that two main perspectives dominate the CSR field: a societal and a corporate perspective, respectively.

The societal perspective can be traced back to Bowen (1953) and sets forth the core idea that it is reasonable to expect that businesses could and should serve society in a way that goes beyond their economic obligations (Carroll, 1999). The societal perspective has been eclipsed to a wide extent by a corporate perspective considering CSR as a means to gaining competitive advantages (e.g. Porter and Kramer, 2006) and more broadly to building and maintaining societal acceptance (e.g. Carroll and Shabana, 2010). What characterizes the current CSR discourse from earlier approaches to CSR focusing on social welfare creation (Bowen 1953) is the main focus on how social and environmental issues can be transformed into business opportunities, and in doing so, create shared value for the company and the society (e.g. Porter and Kramer, 2011). This CSR trend is rationalized through studies referring to the notion of CSR as a business case (e.g. Zadek, 2000; Vogel, 2005; Berger et al., 2007), which has gained considerable attention both inside and outside academia (Carroll and Shabana, 2010).

While the corporate perspective on CSR has influenced the development of CSR considerably (Gond and Matten, 2007; Gond and Moon, 2011) the understanding of the company as serving multi-purposes is considered an important, yet unsolved, issue within CSR research and management research in general (Crane et al. 2014: 115). Accordingly, the fundamental dilemma of CSR is conceptually described as a tension between the ethical obligations towards society versus economic duties of profit maximization (Carroll and Shabana, 2010). CSR can thus be seen as a concept and a practice that might produce tensions between ethics and economics (Vallentin and Murillo, 2011), which is the underlying premise of this paper.

Research on tensions has gained considerable attention in management studies and in interdisciplinary social sciences (Putnam et al., 2016). Tensions can be defined as "the clash of ideas or principles or actions and the associated feelings of discomfort" (Stohl and Cheney, 2001: 353-354). According to Cooren et al. (2013) tensions are embedded in any organizational form suggesting tensions to be a premise of organizational life that cannot be completely resolved (Cooren et al., 2013: 259).

Within the CSR and sustainability literature, likewise, scholars are increasingly exploring potential tensions between the social and/or environmental goals and the economic goals (Van der Byl and Slawinski, 2015). Van der Byl and Slawinski (2015) identify four approaches to how scholars explore tensions in CSR and sustainability: 1) a win-win approach looking for opportunities to reconcile social and/or environmental goals with economic goals while sidestepping potential tensions (e.g. Orlitzky et al., 2002; Porter and Kramer, 2011); 2) a trade-off approach considering social and/or environmental goals and economic goals as conflictual and thereby necessitating a choice (e.g. Crane et al., 2014); 3) an integrative approach seeking to balance the social and/or environmental goals and economic goals of sustainability (e.g. Hahn et al., 2014); and 4) a paradox approach aiming to understand the nature of the tensions and how actors work through them (e.g. Hahn et al. 2015).

While the two former approaches focus on how to create alignment or choose between the economic and social/environmental goals addressing tensions as something manageable, the two latter approaches accept the existence of tensions in CSR and sustainability, albeit addressing tensions differently (Van der Byl and Slawinski, 2015). While the integrative approach assumes that the tensions between conflicting goals can be managed by equally balancing economic and social/economic goals (e.g. Hahn et al., 2015), the paradox approach has been developed to explain how companies address contradicting demands simultaneously. Thus, the paradox approach offers an alternative view as it embraces the tensions notwithstanding the discomfort in juxtaposing contradicting goals simultaneously (Van der Byl and Slawinski, 2015: 65).

As a consequence of the growing interest in how organizations navigate the tensions inherent in strategic CSR engagement, recent studies focus on how the organizational actors seek to manage the tension between ethics and economics (e.g. Bjerregaard and Luring, 2013; Blindheim, 2015; Ghadiri et al., 2015; Høvring, 2017). Missing from these studies, however, is the perspective from the CSR manager who meets these tensions and navigates them in everyday practices. The CSR manager is by means of his/her role in the organization automatically operating in a tensional field due to the position at the frontline of CSR commodification (Ghadiri et al., 2015). Accordingly, the purpose of the paper is to explore the strategies for how the CSR manager navigates the tensions between ethics and economics in everyday practices.

### **Research methodology**

Having an interest in pursuing the lived experience of organizational CSR tensions from the perspective of the individual, this study is based on a case study of a CSR manager's work and experience in relation to a specific CSR project involving a number of stakeholder dialogue meetings. Accordingly, the study builds on the ethnographic method and draw more specifically on the shadowing technique, involving the researcher closely following a member of an organization over an extended period of time (McDonald, 2005). Shadowing is thus a "one-to-one" ethnography (Gill, 2011) aiming at understanding individuals' experiences and enactments of organizational complexity by allowing the researcher to "see the world from someone else's point of view" (McDonald, 2005: 464). This particular technique is thus highly relevant when studying managerial practices and lived experiences (e.g. McDonald and Simpson, 2014).

The shadowing concept connotes the researcher to a passive spectator, behaving – as per definition – as a shadow, which has no influence on the actions, thoughts or surroundings of the shadowed. However, as also argued by Czarniawska-Joerges (2007) and McDonald (2005), the shadowing researcher can never be non-participant. Following this, McDonald and Simpson (2014) suggest the term 'spect-acting' as an alternative to 'shadowing' in order to capture the active acting as well as the spectating role of both the researcher and the individual under study. Thus, the 'spect-acting' concept highlights the interactional and interrelational dynamics between the researcher and the person shadowed as well as the visibility of the researcher as a researcher with a particular research agenda.

### **Case context and data collection**

The 'spect-acting' ethnography of the CSR manager's work and experience was structured according to a specific CSR project, through which we gained access into understanding processes and progressions from start to finish in the natural course of the project's lifetime.

The specific CSR project aimed at fighting malnutrition among the elderly people and hospital inpatients was initiated by a local division of GFC which is a global company within the food industry. The project included the development and launch of a high-protein product (PROD) and, moreover, the CSR manager in GFC initiated a dialogue with an NGO organizing people working within the areas of health, nutrition and diet. Together, they planned a number of stakeholder dialogue meetings where several national health, diet, nutrition and age organizations, as well as professionals and local and regional politicians, were invited to join a dialogue focusing on how to fight the issue of malnutrition among hospital inpatients and elderly people.

Data included observational field notes from different sites and locations, before, during and after the planned stakeholder dialogue meetings as well as briefings and debriefings in connection to the stakeholder meetings, in-depth interviews, phone call conversations, email correspondences with situational updates, and informal talks in the car to and from the stakeholder meetings.

### **Research design**

Our study builds on the 'Gioia-methodology' (Corley and Gioia, 2004; Gioia et al., 2012). This methodology provides a systematic approach to build new plausible and defensible theory from conducting qualitative, interpretive research (Gioia et al., 2012) by providing a credible link between data and theory building.

First of all, the 'Gioia-methodology' is particularly relevant when seeking to understand the lived experience of organizational members (Gehman et al., 2018: 297) and is therefore found especially appropriate for studying how individual organizational actors navigate tensional surroundings. Second, the methodology offers a systematic template for the entire research process (Corley and Gioia, 2004) while at the same time providing the flexibility to customize the method for the specific research context (cf. Gehman et al., 2018). The methodology thus allows us to systematically pursue an analytical interest in tensions in the data material without any pre-assumptions framing the end results. Third, positioned within constructionism the 'Gioia-methodology' acknowledges both the respondents and the researchers as knowledgeable and competent actors in theory building and are thus granted a voice at two separate analytical levels. Thus, the methodology has a dual-orientation towards both data and theory in two distinct analytical phases. In the initial phase, the method follows an inductive logic where researchers bracket or suspend any pre-assumptions about the phenomena under study (cf. Husserl, 1970), which eventually transitions into an abductive approach (cf. Alvesson and Kärreman, 2007) where reflexive, iterative interactions between theory and data are used to continuously qualify how to understand the phenomenon under study.

At the core of a grounded theory approach is the construction of a transparent data structure to illustrate the logic of analysis and interpretation of data towards new concept development. The 'Gioia-methodology' relies on structuring the data into first order concepts and second order categories and aggregated dimensions, thus constantly refining the understanding of the data and moving towards their theoretical explanations. Gioia et al. (2012) argue that whereas the data structure provides insights into the "deep structure" (Chomsky, 1965 in Gioia et al., 2017: 286) of the phenomenon, grounded theoretical concepts must also account for their dynamic, processual interrelations – or the "deep processes" (Gioia et al., 2010 in Gioia et al., 2017: 286) of second order themes and dimensions. Accordingly, the contribution of the study provides new concept developments that account for the structural as well as the processual interrelationship of the phenomenon under study.

### **Analytical procedure**

Akin to the 'Gioia-methodology', we build the analysis and coding of the data on a three-step framework (Gioia et al., 2012), informed by the research question (Corley and Gioia, 2004).

In the first stage, we identified first-order concepts through open coding (cf. Strauss and Corbin, 1998), focusing on the specific "what" of the tension. At this stage in the process, we allowed ourselves to emerge into the data and "get lost" – an analytical concept drawing on the idea of "going native" and providing "thick description" (Geertz, 1973) of the phenomena (in context) under study by adhering to informants' terminologies and language in use. As means to identify tensions, we relied on the definition of tension, provided by Stohl and Cheney (2001): "the clash of ideas or principles or actions and the associated feelings of discomfort" (353-354), however acknowledging that "feelings of discomfort" is both seldomly verbalized and seldomly unambiguously identifiable. We therefore focused on coding the data for 'tensional potentials', analytically ignoring the function of the tension and the feelings they left behind at the first order level.

In the second order analytical phase, we performed an axial coding (cf. Strauss and Corbin, 1998) of the initially identified first order concepts in order to identify similarities and differences across the categories. At this stage, we grouped the first order concepts into second order themes. At this point in the analysis, we simultaneously began to consult the literature as means to inform and qualify the process and gain insights into potential directions for conceptualizing the themes and their aggregations (cf. Gioia et al., 2012; Gioia et al., 2017). We are currently and tentatively finding inspiration in the “Exit, Voice, and Loyalty”-framework provided by Hirschman (1970) as means to categorize and conceptualize the different response strategies and their interrelationships.

The data structure as well as the processes and interrelationship between second order themes and dimensions are still in a very preliminary stage. Accordingly, the preliminary findings outlined below are rather generic.

### **Preliminary findings**

The coding and analysis of the data is still in progress. However, the preliminary study suggests four overall findings:

First, the study indicates that from the position of the CSR manager, it is complex to make a clear distinction between tensions on the organizational level and the individual level, respectively. The two levels are often articulated interchangeable, which is manifested as the CSR manager continuously varies (even in the same sentence) between the terms “I” and “we” or “GFC”. For that reason, it is difficult to determine when the CSR manager experiences and navigates the tensions as “the organization” and as “the individual”, respectively. The following quotes illustrates this complexity:

*“I am also labelled GFC when I enter the room and so forth. However, I haven’t got a brand – I haven’t got any products in my pocket – but off course, I have my interests in my pocket”* (CSR manager, quote from semi-structured two-person interview with CSR manager and Category manager for PROD).

This finding shows, as also suggested by Ghadiri et al. (2015), that the CSR manager is per definition positioned within a constant field of tensions; further it highlights the relevance of studying the interrelationship between the two levels.

Second, and on the basis of the above, our study suggests that the organizational and individual response strategies do not exist on two different levels; rather they mirror each other, intervene, and constantly give rise to the need for other strategies across different contexts, situations and stakeholder positions. For that reason, we tentatively suggest the use of the “echoe” as a metaphor to describe how one response strategy to an experienced tension echoes and creates new tensions and use of alternative response strategies.

This points towards a third preliminary finding showing that the CSR manager often needs to apply contradicting response strategies; and thereby suggesting response strategies to be rather acute and short-termed. This finding empirically supports the conceptual idea of gap-closing, as suggested by Christensen et al. (2013), and provides more nuanced insights into the complex field of both acute and planned response strategies as means to navigate constantly emerging tensions.

Finally, a fourth preliminary finding suggests that tensions are both constraining and enabling for the CSR manager and in continuation hereof not only experienced as “discomforting” (Stohl and Cheney 2001) but also inspiring. The latter finds evidence in our study in relation to the CSR manager being energized and empowered by her different responses to the inscribed tensions. For instance, because the stakeholders act critically towards the commercial position of the CSR manager she needs to sidestep the posed agenda in the stakeholder collaboration and instead assign herself an alternative position namely an administrative role as the one in charge of “setting the pace” and having “the masterplan” (CSR manager, quote from interview 2) in relation to the other key stakeholders putting herself in a superior position.

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# Corporate epistemic responsibility: a missing dimension of social responsibility

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## Structured Research Summary

Until now, the academic literature on CSR has never addressed the question of corporate social responsibility in relation to the decline in the quality of information flows in our societies. Yet many firms, in particular Internet firms (among others), contribute to the production and propagation of the “fake news” (Gelfert 2018; Tandoc Jr et al. 2018) and “bullshit” (Frankfurt 2009) that keeps hitting the headlines, and there is little doubt that these types of “epistemic pollution” have an adverse effect on society. It would not be unreasonable to examine this role from the perspective of corporate social responsibility. At the very least, the question deserves to be asked. Although these issues are debated on a very frequent basis by academics and the general public alike (Allcott and Gentzkow 2017; d’Ancona 2017; Davis 2017; Lazer et al. 2018; Lewandowsky et al. 2017; Spicer 2013, 2017; Tandoc Jr et al. 2018; Vosoughi et al. 2018), they are ignored by researchers specialising in CSR.

The Social Science Citation Index database lists a large proportion of the academic literature published each year. It mentions 12,395 items about CSR. Not one of them addresses the issue of fake news, and there is definitely no mention of corporate responsibility for the propagation or production of fake news, even though blame is regularly levelled at firms such as Facebook and Google in public debates (Benkler et al. 2018). There are 44 articles mentioning both CSR and Facebook, but all concern the use of social networks for CSR (or for analysing CSR). None covers the question of Facebook’s responsibility for the production or propagation of fake news. The same observation applies to the 23 articles mentioning both CSR and Google, which is nonetheless another highly topical issue. This oversight is probably due to the current conception of CSR, which only concerns the social and environmental effects of corporate actions, and ignores its “epistemic” effects.

This question of corporate “epistemic” responsibility does not appear in the definitions of CSR proposed by the academic literature (Carroll 1991, 1999; Carroll and Brown 2018; Dahlsrud 2008; Devinney 2009; Malik 2015), or in the definitions found in the institutional literature (Commission européenne 2001, 2011; Ministère de la Transition écologique et solidaire 2018). It is never clearly presented as an important dimension of CSR. Even the literature on CSR communication (Coombs and Holladay 2011; Crane and Glozer 2016; Perrault Crawford and Clark Williams 2011), which should raise questions about the epistemic value of this type of communication, remains silent on this matter. Reference is sometimes made to sincerity, transparency or truthfulness (Christensen and Cheney 2011; Henriques 2013; Hess and Dunfee 2007; Livesey and Kearins 2002; Podnar 2008), sometimes in order to emphasise, rightly, that this ideal of truthfulness is doubtless unattainable in the field of CSR (Christensen and Cheney 2011, p. 497), but there is never any mention of the way in which firms should have to justify the sincerity of their CSR claims and be held accountable for these justifications, for the very sake of CSR.

We will argue that this omission is unjustified and should be remedied. The notion of CSR lacks an epistemic dimension, and this is the very dimension we are proposing to describe in detail via the notion of corporate epistemic responsibility (CER).

To date, the notion of corporate epistemic responsibility (CER) has not yet been conceptualised. As we have seen, the idea of corporate epistemic responsibility does not appear in the literature on CSR. The expression is mentioned once in a recent philosophy thesis (E. T. Kerr 2013), but this makes no reference to the broader question of CSR and does not specifically discuss this notion. The term 'epistemic responsibility' is itself only very rarely employed in the field of management science: an EBSCO database search returns just 13 responses, only five of which are in management science. Nonetheless, the notion of epistemic responsibility, without being directly defined as a "corporate" responsibility, sometimes appears in the burgeoning body of literature dedicated to epistemic virtues in the business world (Baird and Calvard 2018; Borg and Hooker 2017; Choo 2016; de Bruin 2013, 2015; Intezari and Pauleen 2014; Rawwas et al. 2013), but this literature fails to provide any operational definitions. For the moment, therefore, there is no theoretical framework that can be used to conceptualise this notion of CER. We will therefore devise this framework by adapting notions borrowed from analytical epistemology to organisational and management problems.

To start with, we can illustrate this idea by taking an example from recent history: the financial crisis of 2008. Deven Sharma, Stephen Joynt and Raymond McDaniel were the heads of rating agencies Fitch, Moody's and Standard & Poor's, which assessed, and still assess, the risks associated with certain financial products. These are the firms that gave maximum scores to the infamous CDOs (a type of Asset-Backed Security) that would soon be shown to be much less reliable than was thought in 2008. The three chief executives were summoned to explain their actions before the US Congress. During these hearings, Raymond McDaniel explained that the ratings awarded were "just opinions" (United States Congress 2008a, p. 174). In other words, he could not be held responsible for them. In the same vein, Deven Sharma stated that these opinions "[did] not speak to the market value for [asset-backed] securities, the volatility of their prices, or their suitability as an investment" (United States Congress 2008a, p. 142). Stephen Joynt adopted a similar defence: he could not be held responsible for the use of his "opinions" (United States Congress 2008a, p. 186). The attitudes of these three CEOs clearly illustrate the idea of epistemic responsibility, or in this case, epistemic irresponsibility. What they say is not wrong. The ratings attributed are, by definition, opinions, but by presenting them as "just opinions", and by quite clearly seeking to reduce their 'epistemic value', they are trying to wriggle out of the responsibility that should accompany the issuance of a properly substantiated recommendation; they are shirking their epistemic responsibility.

We define CER as a firm's disposition to be held accountable for its epistemic faults (the notion of disposition is interpreted here in the philosophical sense of a property "that provides for the possibility of some further specific state or behaviour" (Mumford 2016) and should not be confused with the firm's motivations or intentions). An epistemic fault consists in behaviour that is epistemically harmful. We will subsequently mention epistemic laziness, cowardice or boastfulness, for example. We will then explain this notion of "epistemic fault", but we must first clarify the conceptual background to this notion.

The example of rating agencies involves a notion that requires explanation – that of 'epistemic value'. And the clarification of this notion begins by explaining what the term 'epistemic' actually means. This term, which relates to the technical field of analytic epistemology (here the term 'epistemology' refers to the theory of knowledge, not to the philosophy of science), can have different meanings. Outside this field, it is often used to stipulate that a given subject is only being discussed in terms of how it relates to the notion of knowledge. In this sense, referring to 'epistemic work', for example, means talking about the specific work that is, in a certain manner, the knowledge itself (Cook and Brown 1999). In the framework of this article, however, we will be using this term in a different, more strictly epistemological sense. In its epistemological sense, it is not just a question of the relation to knowledge, but rather of the relation to the 'epistemic justification' of beliefs (Goldman 1979).

From an epistemological perspective, epistemic justification differs from the other forms of justification (moral, practical, aesthetic, etc.) in that it aims to establish the truth of a belief (rather than its moral rectitude, its utility or its aesthetic value). Epistemologists are still discussing this notion, without yet managing to reach a consensus (Cohen 2016). But in the present discussion, we will set these debates aside and settle for the following definition: epistemically justifying an opinion means giving reasons to believe that it is true. Talking about 'epistemic work' therefore means talking about the way in which we justify the truth of an opinion (or what approaches the truth). From this perspective, we will define the 'epistemic' value of an opinion as the extent to which it is epistemically justified.<sup>1</sup> The higher the level of epistemic justification, the greater its epistemic value. Deven Sharma, Stephen Joynt and Raymond McDaniel are perfectly aware that it is in their interest to deny ever having attached significant epistemic value to their ratings so that they cannot be blamed for their failure to produce the expected value. In this manner, they are shirking their responsibility. In this case, their epistemic fault, for which they decline any responsibility, consists in reducing the epistemic value of their assertions.

We can now clarify the notion of epistemic fault. To define this notion of epistemic fault more precisely, we must distinguish between three specific values. Expected epistemic value (EV<sub>exp</sub>) is the degree of justification that one is required to produce in order to defend an idea correctly, prove a hypothesis, or substantiate a belief. EV<sub>exp</sub> naturally depends on the context and circumstances. The graver the consequences of an error, the higher the EV<sub>exp</sub> will be.

Effective epistemic value (EV<sub>eff</sub>) is the value that has actually been produced. Lastly, the declared epistemic value (EV<sub>dec</sub>) of an opinion corresponds to the value that is publicly attached to it.<sup>2</sup> We define the epistemic operation of a firm as being normal when equality is achieved between these three epistemic values: EV<sub>eff</sub> = EV<sub>exp</sub> = EV<sub>dec</sub>.

Now we can define eight faults, both deliberate and involuntary. Attaching an epistemic value to an opinion that it does not actually possess (EV<sub>dec</sub> > EV<sub>eff</sub>) is an example of 'epistemic fraud' if it is committed deliberately, or of 'epistemic boastfulness' if it does not set out to mislead. Attaching a lower epistemic value to an opinion than its actual value (EV<sub>dec</sub> < EV<sub>eff</sub>), if done without malice, is a case of 'epistemic cowardice', which corresponds to avoiding making a commitment, but if this refusal to commit is deliberate, it is an act of 'epistemic treachery'. Producing an epistemic value that is higher than expected (EV<sub>exp</sub> < EV<sub>eff</sub>) is an example of epistemic zeal and it can be an epistemic fault if it is detrimental to the normal epistemic operation of the organisation. Failing to justify an opinion properly by not using all means at one's disposal (EV<sub>exp</sub> > EV<sub>eff</sub>) is a case of 'epistemic laziness' when it is not deliberate, and 'fanaticism' when it stems from a certain desire to ignore the reasons for calling into question certain beliefs one holds. Lastly, failing to correctly use the means at one's disposal to justify an opinion is an example of 'epistemic incompetence' (EV<sub>exp</sub> > EV<sub>eff</sub>). Any of these faults can be committed by both individuals and organisations.

Our definition of epistemic responsibility (a firm's disposition to be held accountable for its epistemic faults) provides a means for understanding the epistemic irresponsibility of the rating agencies. They were suspected of laziness, incompetence and even of epistemic fanaticism, but they were not disposed to accept blame for these faults. Indeed, they sought to avoid their consequences (moral, legal, economic, political or other) by claiming that their ratings were "just opinions" for which they could not be held responsible.

1 Here, we set aside the epistemological definitions of the notion of epistemic value (Bondy 2018).

2 A fourth epistemic value – perceived epistemic value – could also be introduced, but this would not be relevant in the context of this discussion which focuses on the responsibility of firms and their declarations, rather than on the responsibility of people who may believe what firms declare.

It should be stressed that this epistemic responsibility should not be confused with the ethical responsibility to tell (or not tell) the truth (Bouilloud et al. 2017). One can be epistemically responsible without telling the truth, and irresponsible while telling it. For example, a firm can provide approximate (i.e. false, strictly speaking) information about its activities, while being disposed to correctly justify these imprecisions (and therefore while being epistemically responsible). Conversely, a speculator can gamble on a financial security increasing in value for irrational reasons (during the Internet bubble of the 1990s, Alan Greenspan referred to this as the “irrational exuberance of the markets”), and by chance get it right.

This distinction is crucial to the practical interest of this notion of epistemic responsibility: the requirement to always tell the truth is actually untenable. It is nearly always possible to show that any declaration always deviates from the truth, if only minutely. The reality is always too complex, especially in the organisational world, to be rendered with completely perfect precision. It is consequently always easy to find a slight deviation that will justify the levelling of an accusation. The idea of epistemic responsibility does not lead to these abuses.

Just as epistemic responsibility does not involve having to tell the truth, it cannot be confused with the idea of intellectual honesty. Intellectual dishonesty always constitutes an epistemic fault, of course, but being honest is not sufficient. Epistemic boastfulness, cowardice, laziness or incompetence are not signs of dishonesty, but they are still faults.

If such faults were to be taken into consideration when establishing social responsibility, this could encourage firms, as the example of rating agencies implicitly implies, to adopt a more prudent approach to the dissemination of their information and the presentation of their activities. However, epistemic responsibility is more than just another new instrument devoted to ensuring the reliability of information. We will argue that it is a requirement to ensure the coherence of the very notion of social responsibility. Without CER, the notion of CSR does indeed lead to a logical dilemma. This dilemma concerns the question of CSR communication but to date, it has been neglected by the literature concerned with this question (once again, this is certainly due to the omission of the epistemic dimension from CSR). With reference to the Nike v. Kasky case, we will discuss this dilemma and show the importance of CER for CSR itself.

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# SPECIAL SESSION: Tackling sustainability challenges through digitally enabled forms of organizing

**Organizers:** Dennis Schoeneborn (Copenhagen Business School)  
Hannah Trittin-Ulbrich (Leuphana University Lüneburg)

**Chair/Intro:** Dennis Schoeneborn (Copenhagen Business School)

**Panelists:** Alexander Buhmann/Eliane Bucher/Christian Fieseler (BI Norwegian Business School)  
Kristian Roed Nielsen (Stockholm School of Economics)  
Hannah Trittin-Ulbrich (Leuphana University Lüneburg)

**Discussant:** Michael Etter (King's College London)

## Session focus and relevance

### Michael Etter

King's College London

#### Session focus & relevance

In CSR and sustainability communication research, we are usually concerned with studying well-established organizations and how they use communication to share information about their sustainability-related activities. The role of communication is positioned here at the 'lower end' of the value chain, that is, in a firm's communicative interactions with consumers or other stakeholders in the aftermath of these activities. However, recent research in the field of CSR and sustainability communication invites us to consider the constitutive and formative role of communication for the existence of organization as such (e.g., Crane & Glozer, 2016; Schoeneborn, Morsing & Crane, in press; Schoeneborn & Trittin, 2013). This view acknowledges that communication activities can precede and thus fundamentally shape what we know as organization and organizing. It positions communication at the beginning and thus at the 'upper end' of the value chain by asking how organizational practices are constituted through communication, i.e. are "talked into being", in the first place (Haack, Schoeneborn & Wickert, 2012).

In this special session, we aim to contribute to these theoretical developments by looking at the role of communication in constituting new forms of organizing that can tackle sustainability challenges. This focus cross-relates with a growing stream of research in organization studies that concentrates on how new forms of organizing can add to solving grand societal challenges, including social and ecological sustainability issues (e.g., Wittneben et al., 2012; Wright et al., 2013, 2018). However, what has been less considered here is the constitutive role of communication for the existence of new organizational forms to begin with. In this special session, we address this shortcoming by placing a particular emphasis on the constitutive role of digital communication for new forms of organizing that may provide potential solutions for sustainability challenges. The panel showcases recent research from CSR communication scholarship (and beyond) on gamified organizational practices for sustainability (Trittin, Fieseler & Maltseva, in press), on crowdfunding solutions for sustainability (Nielsen, 2018), and on corporate responsibility in the age of algorithmization (Buhmann, Passmann & Fieseler, in press). Overall, this session aims to illuminate the key role of digital communication in enabling new forms of organizing – what may pave the way for a more sustainable economy that would rely less on the exploitation of natural resources but that rather on the power of sharing and creative reassembling of goods and services.

# Gamification and grand societal challenges

Hannah Trittin-Ulbrich  
Leuphana University Lüneburg

## Panel contribution 1: Gamification and grand societal challenges

*(Hannah Trittin-Ulbrich, Leuphana University Lüneburg)*

This contribution will discuss the role and function of gamification (i.e. the use of game elements) in addressing grand societal challenges. Grand societal challenges are “specific critical barrier(s) that, if removed, would help solve an important societal problem with a high likelihood of global impact through widespread implementation” (George et al., 2016: 3), including ecological issues such as climate change or social issues such as poverty or employment conditions. Grand challenges tend to be complex, uncertain, and cut across multiple jurisdictional boundaries. Hence, they cannot be solved or resolved by one singular actor. Instead, their (re)resolution demands the collective organizing of a multitude of actors, including business firms, governments, members of the civil society, the research community, etc. Tackling grand challenges is thus a fundamentally organizational problem, i.e. they require organized efforts. Developing sustainable solutions to grand challenges typically involves changes to how actions are organized and implemented, supported by the mobilization of new technologies. I suggest that such change in organizing can be facilitated through gamification. Game elements such as ratings, feedback loops, or competition can motivate a variety of actors to (playfully) rethink, develop and test potential solutions for grand social challenges. Gamification can also motivate new audiences to join, or facilitate the emergence of unique alliances. Thus, I suggest that gamification can serve as an organizing mechanism (oftentimes beyond the boundaries of formal organizations) that holds the potential to address grand social challenges in a unique way. Yet, at the same time, several factors may hinder or diminish the constitutiveness of gamification for new forms of organizing. To elaborate on my argument, I will draw on recent studies on gamified CSR communication (e.g., Maltseva, Fieseler & Trittin, 2019; Trittin, Fieseler & Maltseva, in press), extant gamification research (for an overview, see Vesa et al., 2017), as well as vignettes from gamification practice.

# The communicative constitution of crowdfunding for sustainability

**Kristian Roed Nielsen**

Stockholm School of Economics

## **Panel contribution 2: The communicative constitution of crowdfunding for sustainability**

*(Kristian Roed Nielsen, Stockholm School of Economics)*

In the face of pressing and complex grand challenges, individuals and organizations are looking for alternative ways of managing and supporting their extant activities (George et al., 2016). Sustainable entrepreneurs in particular face challenges receiving support for their ventures as their social and environmental orientation often result in less interest from incumbent sources of finance, especially in the early stage of seed funding (Choi & Gray, 2008). The emergence of crowdfunding as an alternative source of finance, however, may offer a shift in funding opportunities for sustainable entrepreneurs, as it seems to change “how, why, and which ideas are brought into existence” (Gerber & Hui, 2013: 1). Especially since evidence shows that in crowdfunding narratives and/or values signaling sustainability are associated with a greater likelihood of funding success (Calic & Mosakowski, 2016). Crowdfunding is characterized by the successful “interaction between a facilitating organization (or platform), a variety of founder campaigns who seek financial support for their ideas and ventures, and a large dispersed “crowd” of individuals (“crowdfunders”) who are enticed to invest, pledge, lend or donate to these ideas and ventures” (Nielsen, 2018: 1). From a communication perspective, what makes crowdfunding interesting is that the interaction between the various co-dependents actors in the process is almost wholly a communication between strangers, where the campaigns ability to communicate strongly influencing the likelihood that it will be successful. Firstly, in terms of the campaigns ability to create a convincing and trustworthy narrative, that attracts support. Secondly, in terms of their ability to mobilize social media to spread the word. Thirdly, in harnessing that support through updates during the crowdfunding process and finally, by supplying the investing funders with updates on the progress of the venture (Lin, Prabhala, & Viswanathan, 2012; Zheng et al., 2014). The co-dependent organizational practices of crowdfunding are often “talked into being” thus constituted through communication. Crowdfunding provides us with a microcosm for understanding of how communicative practices enable organizing, but also what forms of communication and kinds of narratives can help enable a more sustainable economy.

# Organizational responsibility in the age of algorithmization

**Eliane Bucher**

BI Norwegian Business School

**Alexander Buhmann**

BI Norwegian Business School

**Christian Fieseler**

BI Norwegian Business School

## **Panel contribution 3: Organizational responsibility in the age of algorithmization**

*(Alexander Buhmann, Eliane Bucher & Christian Fieseler, BI Norwegian Business School)*

The decisions artificial intelligence systems make are often implicit and invisible. Yet, they yield intentional and unintentional consequences, for organizations, their employees and society at large, which increasingly makes them objects of public concern and scrutiny. However, self-learning algorithms are notorious for making such scrutiny nearly impossible, as they frequently remain “black boxes”, opaque in their inner workings and in a fluid state of constant iterations and self-optimization (Pasquale, 2015). In this panel contribution, we explore how the proliferation of new decision-making algorithms reshape perceptions and processes of organizational responsibility. Specifically, we focus on three main dimensions. First, on a *constitutional level* (cf. Schoeneborn, & Vásquez, 2017), we explore shifting notions of agency, i.e., questions around whether or not algorithms are framed as agents in their own right, and the consequences for responsibility attributions. Here, we argue in particular that notions of responsibility for algorithmic systems are contested by different parties, and related to different metaphors with varying degrees of agency and responsibility attached. Second, we explore how algorithmic agency reorganizes *human behaviour in organizational settings* (cf. Wood et al., 2019). Depending on how malleable algorithmic systems are perceived, different behaviours are conceivable, from active submission to perceived algorithmic surveillance, to active gaming of such systems, to different degree of identification with organizational setups that might be perceptually imbued with differing degrees of humanity and agency. Finally, we close our exploration with a view of how the proliferation of self-learning decision-making algorithms bears on *societal processes for organizational accountability* (cf. Buhmann et al., 2019). Specifically, this dimension addresses how the opacity and fluidity (i.e. poor transparency/comprehensibility) of abstract, self-governed algorithms, reshapes established mechanisms between account-givers and -holders, putting greater emphasis on stakeholder engagement and dialogue to work towards legitimation.

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