

Topic: Communication Platform in Corporate Social Responsibility

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Abstract

Communication plays a very significant role in an Organization. Organization-principles are communicated in various forms to a wide set of stakeholders. Ideally, what is communicated in terms of principles is also seen in practice. In cases where the principles and actions differ, the platform for creating a brand is limited. The communication platform is affected by corporate documents, actions and media perceptions. The corporate communication strategy is affected by media's verdicts. The scandals and immature handling with media concern the company and its trust in society. It affects the image or branding, which represents a cornerstone in the corporate marketing umbrella. Credence values such as social responsibility and ethical business conduct are intangible; the brand thus becomes a guarantee for the communicated social values. This paper is an attempt to scrutinize the scholarships to identify the theoretical underpinnings of the role of Communication as a competent tool of CSR activity.

Keywords : CSR, Brand, Communication platform, Social values.

INTRODUCTION

How companies behave affects whole society, not just shareholders. A company should be a responsible member of the society in which it operates" (Internet, World Business Council for Sustainable Development, 1, 2006). Businesses and their role in society are subject to more intense scrutiny than ever. What is the main purpose of a company's existence? Is it simply to maximize profits in order to satisfy the owners' requests and demands, or is it possible to see the company in a larger perspective in society? Should this perspective go beyond pure financial aspects of the activities? The quotation above refers to the ongoing debate about corporate responsibility. Besides being a profitable business, the responsibility of a company can, for example, be connected to programs for fair treatment of employees, using sustainable environmental friendly methods and participating actively in discussions about ethical social dilemmas (Löhman & Steinholz, 2003; Philipson, 2004).

It is a discussion about how companies choose to do business, solely with financial objectives or in a responsible way that might affect the financial return, supporting other values. The ongoing debate concerning the role of the businesses in the community is an expression of expanded corporate responsibilities referred to as CSR, corporate social responsibility, or CR, Corporate Responsibility (Löhman & Steinholz, 2003). There is no one universally accepted definition (Whitehouse, 2006).

A number of organizations and companies have their own interpretation of CSR. The European Union states that the CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.

CSR is regarded as a part of the “triple bottom line”, a concept that was coined by Elkinton (1998) in which sustainability is built on financial, environmental and social grounds. Working actively with CSR by taking actions in favour of maintaining the balance between these three values is not regulated by laws; it is a voluntary initiative (Hollender & Fenichell, 2004; Mbare, 2004; Löhman & Steinholz, 2003).

Despite the increased focus on corporate responsibility, the question of the business community’s role in society is not a new phenomenon. Companies have always been a part of society, but their role and responsibilities have become somewhat unclear, leaving room for individual interpretations of private and public domains (Henriques & Richardson, 2004; Löhman & Steinholz, 2003).

An increased awareness and focus of the responsibilities of a corporation gives the business communities the opportunity to be important and powerful actors in society (Nilsson, 2005; Ruggie, 2002). Companies are encouraged to actively work with CSR. But it is not only an opportunity given to the companies; it is also in many cases expectation by customers, employees, society and other stakeholders. This article illustrates how corporate responsibility is integrated in credible brand management, assuming that business needs to “walk the talk” as well as “chalk the walk”, in other words communicate their corporate responsibility conduct. The challenge lies in communicating corporate values expressed in strategies and every day procedures to stakeholders with a variety of interests and expectations (Whitehouse, 2006).

The objective of the paper is to understand the picture of communication as major role playing in CSR issues.

Enacting verbal communication

“For most companies, the question is not whether to communicate but rather what to say, to whom, and how often” (Kotler, 2003, 563).

“Companies are concerned with their customers and it is about time they treated society as a whole in the same manner.” (Veludo-de-Oliveria, 2006, 26).

These quotes suggest that it is not a question of whether or not to communicate, for companies today. It is a question of how to communicate. Integrated corporate communication refers to the fact that a company sends “a message” to a wide set of stakeholders with everything it does (Arnold, 1993; Best, 2004; Löhman & Steinholz, 2003).

Business cards, letters, homepages, the way the employees are headed, the way customers are treated - it is all a part of how business is conducted. The business conduct with regards to CSR matters is included (Hollender & Fenichell, 2004; Maignan & Ferrell, 2004; Löhman & Steinholz, 2003; Internet CSRwire, 2005).

Socially mature businesses lead the way for incorporating CSR principles in business conduct. Socially active companies have been pioneers in the work and communication of CSR (Hollender & Fenichell, 2004; Mbare, 2004; Thayer Robins, 2001).

Large corporations have followed in their footsteps. The question of how CSR communicated is a research area still to be explored (Lindfeldt, 2006; Maignan & Ferrell, 2004; Takala, 1996).

Even businesses with a clearly unsustainable business idea, such as the oil and petroleum industry, make efforts in communicating awareness of sustainability issues (Doane, 2004, 82). An example is Shell's communication in their advertisement campaign: "Profits and Principles. Is there a choice?" (Maignan & Ferrell, 2004).

In an attempt to create an awareness of a socially responsible profile, British Petroleum changed its name to BP and marketed the tagline "Beyond Petroleum" to emphasize its commitment to the search for environmentally sustainable alternatives in the energy sector. These examples of corporate efforts to communicate ethical stands, based on a rather thin approach, are labelled as *transactional CSR* (Palazzo & Richter, 2005).

Businesses with a more sustainable business idea, such as construction, may operate on a more sustainable basis, with so called *transformational CSR* (Ibid.).

Regardless of the basis for the business, ethical principles are communicated. However, the old expression "all publicity is good publicity" is no longer valid in today's harsh competitive markets (Apéria & Back, 2004).

Getting publicity and being in focus because of a neglecting attitude towards CSR issues is hardly a situation a company wants to face. Communication thus becomes an important part in ensuring future business (Charter & Polonsky, 1999).

Stakeholders in a *dialogue CSR communication* is still an area to be explored (Maignan & Ferrell, 2004; Takala, 1996).

The relevant partners in a CSR dialogue need to be identified in order to provide grounds for investment in CSR conduct and a meaningful continued dialogue. These partners, sometimes labelled *senders and receivers*, are referred to collectively as stakeholders (Maignan & Ferrell, 2004).

There can be *primary, indispensable, and secondary, supportive stakeholders* (Whitehouse, 2006).

Internal and external stakeholders are mutually dependant on one another, presented in relation to the company. Internal stakeholders are a part of, and heavily dependent on daily operations that limit a company's relative strengths and weaknesses on a market. The external stakeholders constitute the framework of the company that may affect the company's opportunities and threats. Traditionally, companies have paid more attention to their internal stakeholders, in particular the shareholders (or stockholders), than to the rest of the stakeholders (Kotler, 2000).

Traditional and brief list of stakeholders, besides the shareholders, could be consumers, workers, investors, suppliers, distributors, host communities, media, general society and world ecological community (Deetz, 1995, 50-51).

These stakeholders' demands and expectations may imply conflicting needs and interests. Companies that strive to satisfy the needs of the different groups of stakeholders will meet a cumbersome challenge. One way of addressing this issue is to group stakeholders with similar interests (authorities, business partners, financial actors, external influence and customer groups) to accommodate to each group's interests (Dowling, 2001). Among the external stakeholders, media deserves particular attention. What is portrayed in media will influence internal as well as other external stakeholders that in their turn may affect others. Their role can be seen as ambassadors of messages and opinions. If a message or an opinion is stated by a strong ambassador, a trustworthy person, it is more likely that the word carries beyond the primary reader. The effect can be compared to ripples on a body of water (Thorstenson, 2006).

Communication as a tool of creating an image

Communication is defined as the process by which information is transmitted and understood between two or more parties (McShane & Von Glinow, 2003). The communicational aspects of an organization have become an increasingly important strategic issue; emphasizing that communication must be effectively adjusted for the intended target group (Larsson, 1997).

Communication can be described as information flows through various channels between a sender and a receiver, including confirmation of a message and elements of disturbance in the process (Nitsch, 1998; Shannons & Weaver, 1949).

The communication process thus implies that what a company "says" (brand character, an image) is not always what is perceived by the receiver (consumer insights, a profile) or based in product characterist. Positioning a brand, the ideal situation is a large territory, which from a consumer perspective refers to a brand that provides the anticipated values, pictures, logos and symbols. There are a number of barriers in a communication process, sometimes referred to as noise. Differences in perceptions, filtering, cultures, languages, distortion in perspective and the information overload are all examples of communication barriers (McShane & Von Glinow, 2003).

The shared perception of what the brand promises and of the product experience, large territory would thus serve as an ideal basis to build a *communication platform* (Garriga & Melé, 2004; Pringle and Thompson, 1999).

The classical communication platforms to build a brand are advertising, sales promotion, public relations and publicity as well as personal contacts where the primary aim is to maximize the surface that leads to increased sales (Kotler, 2003; Kotler et al., 1999).

This is a rather short-sighted and narrow perception of communication. An alternative way of describing the different communication platforms is to talk about communication options (Keller, 2001) with a wider set of goals for what the communication aims at and a longer time perspective to do so (Henriques & Richardson, 2004; Thorstenson, 2006).

The key point is that the sender of a message must make active choices in communications and evaluate the outcome in a long term perspective, above and beyond sales statistics to establish a solid territory for building a corporate image. The phenomenon of branding is not new in the business community, but the awareness of its strategic value has developed considerably (Arnold, 1993; Kay, 2006; Keller, 2001; Riezebos).

The brand serves as a symbol for the profile, which in the best of cases, coincides with the desired image. When the product offer is hard to evaluate, the brand may serve as a guarantee, based on previous experiences and a general company profile. Stakeholders thus rely on the information that is communicated through a brand. The brand as such is “charged” positively or negatively in communication among stakeholders. A strong brand is desirable, but it is also vulnerable to influential stakeholders. “Business cannot hope to enjoy concrete benefits from CSR unless they intelligently communicate about their initiatives to relevant stakeholders” (Maignan & Ferrell, 2004, 17).

CSR is all about business conduct. The stakeholders’ various experiences, of degree of met expectations, will determine the “territory”, and thus the communication platform. A lack of transparency or awareness of needs to communicate sustainability issues may damage the territory, and thus the brand. Building a brand is a long term effort, but destroying it, by a CSR scandal, can happen overnight. Communication of CSR does not only create awareness for CSR and support for an image or a brand, it is also a way of creating a bond between the company and its stakeholders (Maignan & Ferrell, 2004).

In recent years, corporations have faced increasing CSR expectations from their societal environment (Balmer & Greysner, 2006; Michael, 2003; Whitehouse, 2006).

CSR refers to compliance with legal obligations as well as moral rules above and beyond “business as usual”. In a search for societal acceptance and legitimacy, businesses communicate their ethical grounds for conducting business in CSR actions. Communicating CSR requires an understanding of consumer insights in other words the profile. Customers may attribute value based on, for example, personal positive experiences or positive verdicts from trusted sources, the so-called ambassadors. But what about CSR- values? They represent credence values that are difficult to see, measure and confirm. The credence values are founded in the corporate ethical stands. These values are based on trust, and they are sensitive to a negative verdict from, for example, media. Media’s role in relaying information is not neutral by any means. News that attracts attention will affect the territory for corporate communication. Media may take on the role as a critical screen to distinguish CSR strategies from CSR stunts, forcing corporations to communicate their ethical stands.

Communication alone will not do the trick. “Talk” and no “walk” will quickly be labelled as a green wash of the corporate image, strategic stunts, or guerrilla marketing for subtly reaching consumers. If the consistency between words and action is weak it may be attributed to managerial complexities (Lindfeldt, 2006), and it limits the territory for building trust and creating a corporate image. Cause related marketing requires an understanding of how the brand carries values above and beyond the corporate legitimacy has been described as the “yardstick” for CSR. Cause related marketing requires an understanding of how the brand carries values.

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