

CSR Engagements and its Communication Strategies - Review of Literature

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DOI: <https://doi.org/10.24321/2395.3810.201803>

Abstract

CSR (Corporate social responsibility) activities done by corporate companies are now integral management strategies to enhance their brand value and image. How companies should communicate about the corporate social responsibility engagements to the stakeholders, is the subject of debate and research, today. CSR communication is now important part of ensuring future businesses. The corporations operating in European countries and USA have been doing lot of corporate social responsibility activities and also communicating (reporting to its stakeholders) by the use of different media platforms including digital and social media, whereas corporate companies in India have started recently to communicate and give publicity to their CSR activities via print and electronic media as well as social and digital media, only since the last 2 years. As the Parliament of India has made it mandatory to do lot of CSR activities in the last year and now companies those have turnover of Rs.500 crore and above are bound to spend 2% of their annual turnover on CSR activities. It is important to investigate whether companies in India are enough aware of adopting different CSR communication strategies that could help enhance their brand image and brand value after doing various CSR activities. This study has focused upon secondary data available in various research papers and CSR reports where companies adopted different communication strategies. This analytical study has attempted to review of literature available on investigating on companies about whether various communication strategies were adopted or not and if these were used how it helped increasing the companies' image among consumers and stakeholders as well as consumer loyalty for the product and services which company provided.

Keywords: Brand image, CSR communication strategy, Consumer loyalty, CSR laws, CSR activities Stakeholders

Introduction

Indian Parliament has made CSR expenditures mandatory under companies act recently and now every corporate company who has net worth of Rs.500 Crore, Rs.1000Crore revenue and Rs.5 Crore and above profit after tax annually, have to spend 2% of their annual profit on various corporate social responsibility activities in different areas like Health, Education, Skill training, employment, environment protection etc. for the protection of socially under-privileged people, environment, health services and education basically.

CSR Communication

How the corporate companies should communicate about the CSR engagement to their stakeholders, is the subject of debate and research, today. "For most of the companies, the question is not whether to communicate but rather what to say (content of message), to whom (target consumers), and how often (frequency of communication) (Kotler, 2003).

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

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How to cite this article: Srivastava AK, Jonjua M. CSR Engagements and its Communication Strategies - Review of Literature. *J Adv Res Jour Mass Comm* 2018; 5(1&2): 11-17.

The above quotes suggest that it is not a question of whether or not to communicate, for companies today. It is question of how to communicate.²

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; Lohman & Steinholtz, 2003).

The question of how CSR is communicated, is a research area still to be explored (Lindfeldt, 2006; Maignan & Ferrell, 2004; Takala, 1996). In an attempt to create an awareness of a socially responsible company, 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). Getting publicity and being in focus just because of neglecting attitude towards CSR issues is hardly a situation a company wants to face. Communication thus becomes an important part in ensuring future businesses (Charter & Polonsky, 1999).

CSR is regarded as a part of "triple bottom line" a concept that was coined by Elkinton (1998) in which sustainability is built on financial, environmental and social grounds.

Stakeholders in CSR Discourse

The relevant partners in CSR communication need to be identified in order to provide grounds for investment in CSR conduct and a meaningful continued dialogue.² These partners sometimes labelled as senders and receivers, are referred to collectively as stakeholders (Maignan & Ferrell, 2004). Internal and External stakeholders (or internal and external publics) are mutually dependent on one another. Internal stakeholders are a part of daily operations (employees) that limit a company's relative strengths and weaknesses on a market. The external stakeholders constitute the framework of the company that may affect company's opportunities and threats involved.

CSR Communication- Creating Brand Image

Communication is defined as the process in which information is transmitted and understood between two or more parties (McShane & Von Glinow, 2003). Communication can be also 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; Shannon & Weaver, 1949).

The communication process implies that what a company "says" (brand character or an image) is not always what is perceived by the receiver (consumer insight, or profile) or based in product characteristics. The communicational aspects of an organization have now become very important strategic issue, emphasizing on communication must be effectively adjusted for the intended target group (Larsson, 1997).

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). 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 option (Keller, 2001) with a wider set of goals for what the communication at and a longer time perspective to do so (Henriques & Richardson, 2004; Thorstensson, 2006).

The important point is that the sender of a message (CSR message) must take active choices in communications and evaluate the results in a long-term perspective, above and beyond sales statistics to establish a solid territory for building a corporate image or brand.

Why is the Literature Reviewed?

Any researcher begins the research by studying other research findings and literatures available on the concerned research topic. It is inevitable for the researcher to be familiar with both previous theories and research work published so far in the field of concerned research study. Hence, a researcher has to build upon the accumulated and recorded knowledge of the past studies. Every research study needs the review of concerned literature for the purpose of determining the right direction for moving ahead on the path of research project.

The term- Review of Literature- is made up of two words, i.e. Review and Literature. In research methodology, the word review means to synthesize the available knowledge of the specific area of the research to evolve a structured body of facts and knowledge.

The term literature means the established knowledge about the concepts, definition and theories used in a particular area of investigation. With the help of Review of Literature, a research scholar gets the evidence to solve the problem of the research study. Research Problems can also be formulated on the basis of facts and knowledge gained by review of literature. Review of literature also provides tentative objectives, hypothesis, analysis, synthesis and interpretation of the facts. So, review of literature is prescribed tool for delineating the results in the form what is, what will happen if concluded positions stay and what

should be, i.e. suggestions. In summary, review of literature helps a researcher identify appropriate methodology, research design, methods of measuring concepts and techniques of analysis to illuminate the darkness of the concerned field of research study.

Review of Literature

Over the past decades, CSR has become an important concept for researchers, scholars, and industrialists and policy makers also. So, the present researchers have also made an effort with this review paper for future researchers, analysts and industrialists who are concerned with communication strategies adopted for Corporate Social Responsibility activities or any other areas related to CSR.

The research paper examined the perceptions of media companies about corporate social responsibility activities done by construction sector industry companies in Sweden.² The case study was done on 'The Skanska Group of Companies' which is a large multinational construction business originally situated in Sweden to do the research on CSR activities and its communication with stakeholders and outside Media in the world.

The objective was to provide a model for how the media coverage affects the corporate image in terms of a brand. Relevant media were selected from the daily business press published in Sweden. These papers covered the major business activities in Sweden. In construction of this case study, interviews and articles published in newspapers have been the primary empirical study data. Throughout the process, the empirical picture was modified and validated in continuous analysis. The study was done with qualitative research design.

The research concludes with 'Communicating CSR requires an understanding of consumer insights'. In the Skanska case, companies have faced two major CSR crises and it was found that media have forced Skanska to develop a more active CSR approach. The negative attention in media has been so harmful for Skanska's image that it had to be turned towards more proactive approach towards CSR.

The paper did the case study on Maersk Group of Companies' Recommunication on Social media - Facebook.³ For the research problem - How does Maersk Group operate in Global Society with its CSR communication on Facebook in the context of stakeholder scepticism towards multinational companies and the paradox of communicating corporate social responsibility engagements.

For the research questions - What rhetorical strategies does Maersk Group on Facebook use to persuade the audience about its CSR message and how? How does Maersk Group engage its stakeholders on Facebook? How does Maersk Group use storytelling to support persuasion? The authors

used "Descriptive type of Case Studies" method. This case study is placed within the ontological paradigm and secondarily the epistemological and subjective paradigm, where methodology is influenced by qualitative methods.

In the result of the study, it is found that Maersk Group does successfully persuade its audience through Maersk Group FB page. It fulfils all three steps of Hovland's Yale Model of Communication and Persuasion and succeeded in persuading its stakeholders effectively. The rhetorical strategies used by Maersk Group to establish an exemplary successful reputation of CSR that should be learned from and used as inspiration.

The research paper presented a three-stage model of CSR development. This study is based on Sykes and Matza's theory of techniques of neutralization.⁴ This study is to link together about- How BAT (British-American Tobacco company's managers made sense of the company's declining political authority in the mid-1990s; and how they subsequently justified the use of CSR as tool of stakeholder management while aiming at diffusing the political impact of public health advocates. How CSR works ideologically to shape stakeholders' perceptions to tobacco control.

Research methodology was used as Documents Analysis method. 143 searched terms were used for retrieving 7,987 documents. Interview method was used for analysing the viewpoints of Managers of BAT Company (British-American Tobacco Company).

Techniques of Neutralization and Issue-Framing were also used for analysing company's political impact on its customers. This study has shown that neutralization can resolve contradiction in the way in which company's management makes sense of the two quite different concepts of stakeholder's engagement and stakeholder management. Analysis of company's documents has shown that a key purpose of this approach was to break up and therefore weaken opposition to BAT's efforts to optimize its commercial freedom.

Research paper examined the relationship between Communication of Corporate Social Responsibility programs and activities done by companies in Ethiopia and its impact on the Goodwill of Stakeholders earned by companies.¹⁰ CSR information is a double-edged sword; the companies becomes stressed about the responses of skeptical consumers.

The paper investigates about many risks, myths and roles of CSR communication upon the brand image and values and stakeholders' goodwill earned by companies.

The research paper is based on "interactional view theory" formulated by Paul Watzlawick. The study is based on Analytical Research design and analysed via many CSR

communication theories and models. The analytical study has resulted in findings that “for every organization its necessary to communicate their CSR programs and activities and it is one of the ways to win the goodwill of stakeholders and consumers.

Peltola N (2014) her paper was to analyse about companies’ corporate social responsibility activities and its impact on consumer based brand equity. The aim is to analyse consumer’s perspectives about responsible brands.

Empirical research method is adopted in this research study and through qualitative case study; the researchers have found that consumers’ corporate social responsibility awareness is necessary if corporate companies wish to become perceived as responsible. The case study company (Sample no. is 1) was Swedish Outdoor-clothing company. The empirical data has been gathered mainly from using focus group interviews. Three focus groups were conducted for interview method and company’s customers were interviewed. The research study reveals that Consumers’ CSR awareness can be enhanced through companies CSR information and responsibility filled marketing messages. If consumers are aware about corporate social responsibility, they can evaluate whether CSR is relevant and meaningful to the Brand. The empirical study has found that consumers actually evaluate CSR industry fit, CSR brand-fit, and CSR customer brand fit.

In this research study it was investigated about corporate companies ‘awareness level regarding CSR activities roles and its impact on Brand-Image and Brand-Identity.¹¹ The author did the research to know the level of CSR education among corporate companies in U.K. and Bulgaria Countries. The researcher has applied Secondary data and did review of literature of CSR reports and information about CSR activities of Bulgarian Companies provided by Bulgarian Business Leaders Forum as a research method to analyse the current situations of CSR practices adopted by Bulgarian companies.

The underlying hypotheses for the research questions were tested with a Web based empirical study. The situation of Bulgarian companies for social responsibility is still unclear and they still apply policy-based compliance approach as a cost of doing business. Companies try to minimize loss of economic value in the medium term due to ongoing reputation and litigation risks. So, they are inhibitive in their approach towards CSR activities and its communication.

In this paper various models were reviewed related to ‘Sustainability/CSR adoption’ and Communication Models and this review of literatures has done the mapping of field in both management and communication disciplines.¹² The study has highlighted the research area gap in current research to the effective communication of Sustainability and CSR and dependency on the level of Sustainability

adoption. The researchers have proposed a very early stage model seeking to link elements from both the strategic management and communications discipline. The proposed early stage model helps comprehend the types of interconnections and relationships between managing sustainability efforts in the company and the communications of these efforts to various stakeholders.

From the management point of view, it provides valuable awareness about how companies can effectively communicate sustainability or CSR depending on the stage of Sustainability/CSR transformation for which companies are at. Business and corporate communication can be an important catalyst to educate stakeholders, especially consumers in relation to sustainability and CSR. The successful communications of sustainability/CSR claims will also help the overall sustainability project in the society.

The researchers here adopted Experimental research design and analysed about how the extent of CSR communication affects a media company’s legitimacy.¹⁴ The study has found that the company can strengthen its legitimacy through communicating about far-reaching CSR engagements. Other side, stakeholders become skeptical and doubt on self-disclosures done by companies as CSR communication.

Hence authors hypothesized that the extensive CSR communication both directly increases and indirectly decreases a media company’s legitimacy. As a result, it was found that both assumptions were incorrect. CSR communication is not the crucial factor in determining whether or not stakeholders perceive a media company as legitimate but rather the perceived corporate credibility. The results state that the extent of CSR communication has neither a direct positive effect nor indirect negative effects on a media company’s legitimacy. Instead the perceived corporate credibility – with its two sub-dimensions, trustworthiness and expertise- is the crucial factor that explains best about whether or not a media company is perceived as legitimate by its stakeholders.

These researchers have done the study by using the Empirical Research design and adopted the survey method by using the questionnaire with samples of 247 communication managers in Germany and China.¹⁵ The research study investigates about the governance of CSR communication in terms of organizational frameworks having formal and informal rules, allotted resources, communication strategies, activity scopes and basic concepts guiding CSR communication in the operations.

The paper also identifies “years of CSR Communication Experience” as the factor predicting the establishment of such governance in German and “ownership” and “CSR approach” in China. An online survey was done for the study in China and Germany separately with corporate communication specialist responsible for CSR. The surveyed

companies as samples for both countries belonged to wide range of industries.

Results state that Chinese companies, regarding CSR communication tools, mainly used Social Media platform and then Media relations tool and then corporate companies (itself) website.

On the other hand, German corporations mostly used corporate websites, followed by media relations tools and then by annual reports on sustainability or CSR. German companies rarely use Social media or events to communicate about their CSR information with target Stakeholders.

The development in CSR in Germany has not significantly contributed to advanced CSR communication governance in German companies.

This research study attempts to explore a new research dimension in CSR and more research is needed to verify the theoretical and practical aspects of CSR communication governance. Also, future research is needed to get a clearer picture of the development of general trends of CSR communication governance in a country and the impact of the governance on different aspects of CSR communication performance. Future research can be done for examining the relationship between CSR communication Governance and CSR communication Strategies in detail. Another one more area is left to be studied i.e. the Governance of CSR Communication by using Social Media.

The Researchers set the objectives with the view that marketing communication can be employed for ethical and corporate social responsibility purposes.¹⁶ It states that the negative perceptions that consumer and many businesses have of marketing in general and marketing communication tools.

There is still a great deal of public scepticism and suspicion in relation to CSR per se. For instance, Frankental of Amnesty International, views CSR as a PR invention. Communications will be essential to their survival, as well as maintaining ethical image (and reputation) or safeguarding their competitive advantage through CSR. Advertising, PR and sponsorship (cause-Related marketing) have the potential to make major contributions to publicizing and highlighting a transparent, consistent and socially responsible corporate image.

The authors have used literature review method for the study on the subject of CSR Communication on the social media to establish the theoretical foundations for the analysis of the subject.¹⁷ This research focuses on the examination of companies' presence in social media and online reputation. The researchers used qualitative case studies to analyse the CSR communication programmes

and projects carried out in these environments by the sample of companies, in particular in Facebook, which is the social network most used by brands in Spain (60%), according to the "Study of the influence of brands in the society 2.0" conducted by the NCA and IE Business School among 100 brands.

The results of the research show that companies use spaces 2.0 as channels of business communication and advertising, although the CSR programmes do not have a prominent presence. Despite the possibilities for interaction and dialogue offered by these spaces, the social media are still little used for CSR communication.

The Researchers have adopted the research methodology was – analysing paper and pulp industry companies on social media in 2012 by the use of tool content analysis.¹⁸ The aim of the study was to examine the content and determinants of voluntary corporate social responsibility disclosures by analysing letters of CEOs and Social media posts and messages.

The Sample design and size was selected from the 100 largest pulp and paper companies globally. But for better generalization of results, the future research can be done for analysing from small and medium companies and from other categories of Industries also. The results of the study state that big size of company and big resource were found responsible for increasing the quality of traditional 'sustainability' or CSR communication.

Environmental issues were found big factor for Companies' CSR disclosures and it was followed by second factor, i.e. community issues. The results of the study are useful for company's self-evaluation benchmarking of disclosure activities (CSR communication) by other businesses across the pulp and paper industry.

The research study involves the framework of the new ISO 26000 standard in CSR implementation and describes the growing importance of social media in communicating CSR.

Line S (corporate social responsibility) communication and activities of the companies.¹⁹ The methodology for this study was Survey design in which electronic online survey questionnaire was used to gather the data. The objective of the research was to find out consumer's mind-set about companies CSR activities and its disclosure or communication. Results state that big part of sampled consumers, around 84.1%, think that Companies should engage in Corporate social responsibility activities, but they do not know that companies really do CSR activities already. It is lack of awareness on the part of consumers.

Consumers mainly notice companies' CSR communication on its packaging, on television promotions or advertisements or its web-sites.

The data in this study shows consumers believe that companies engage in CSR in order to gain profits (69.7 per cent), but at the same time, the majority also think that companies engage in CSR due to a wish to improve corporate image (90.9 per cent) and to increase competitive advantage (75.7 per cent), whereas only 54.5 per cent are of the opinion that companies engage in CSR for moral reasons.

This Research Study explores to identifying the barriers in companies' stakeholders dialogue and corporate social responsibility activities on social media platforms.²⁰ What constraints corporate companies face during their CSR communication for ethical and community concerns activities.

Research design and method was used as Case Study. With a single Case of company- In-depth study was adopted to analyse the implementation of a communication strategy of recently launched CSR-Twitter-Account of a European Pharmaceutical Company leading in CSR. In the results- Five factors reducing Stakeholder Dialogue were found, they were- Lack of resources, unfamiliarity with social media, managerial scepticism, internal guidelines and culture, and external regulations. These barriers prevent basic principles of relationship building online, such as regular updates or conversational human voice.

The Research Study concludes that Companies Constraints need to be addressed for implementing a successful social media strategy. The authors emphasized on organizational aspects of Corporate Communication.

Conclusion

The above review of literature reflects on various aspects of CSR (corporate social responsibility) communication and the companies in various sectors of industries adopting different communication strategies for enhancing their brand image before consumers and their stakeholders. Various concepts and theories related to corporate communication, management and CSR adopted by the above different research scholars and researchers showed that CSR communication is the emerging field of CSR research area.

All over the world, the researchers and scholars have given the attention and focused upon the relationship between Brand image and customer loyalty; the CSR communication strategies and consumer behaviour towards the products and services provided by companies. Further research studies are needed to establish new concepts and theories in the areas of CSR communication, corporate social responsibility and Brand image and brand value and customer satisfactions and their loyalty towards brands of companies.

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Date of Submission: 2017-12-4

Date of Acceptance: 2018-1-3