

Corporate Social Responsibility Communication and Perception: Media and Risks

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DOI Link: <http://dx.doi.org/10.6007/IJARBSS/v3-i4/112>

Published Date: 07 April 2013

Abstract

The study aims to examine how Corporate Social Responsibility (CSR) projects are perceived from both an individual and organizational perspective. Using the framework used in studies on diffusion of innovations, the spread of CSR projects are examined. An online survey to identify individuals' CSR and communication channel perception as well as interviews with CSR practitioners to have an organizational perspective is realized.

Companies are using CSR as a tool to meet various objectives such as crisis management and recruiting talent. The CSR perception among individuals is shaped by interpersonal and mass media communication; companies are perceived as responsible if their communication is rich in information. The information sources are mostly television and radio but there is a growing part of online channels as well.

The study also suggests several possibilities for future research including the role of social networks and social media platforms in the diffusion of CSR.

Keywords: CSR, CSR Communication, CSR Perception

Introduction

Corporate Social Responsibility (CSR) has been part of the business lexicon and a focus of academic study for a number of years; however, recent media coverage asserts that CSR has now moved from the margins to the mainstream. Looking back at Friedman's statement, we can see that he views the primary responsibility of business as profit-making, but he also expects them to play by the rules and operate "without deception or fraud". To prevent negative social impact, issues of business ethics and corporate governance have been

increasingly incorporated into the CSR landscape. We can also think of CSR as an outcome of the corporate governance mechanisms in operation (Nelson, 2004; 68).

Social demands from business reflect a widely held belief that business lacks a significant concern for how its decisions and operations affect society (Vogel et al., 1981; 55). The proliferation of CSR reports has been paralleled by a growth in CSR ratings and rankings. While rigorous and reliable ratings might constructively influence corporate behavior, the existing number of self-appointed score-keepers does little more than add to the confusion (Porter and Kramer, 2006; 12). On the other hand, how can individuals evaluate whether companies are responsible without the availability of such information? How do individuals identify responsible companies in the first place? Does this affect the extent to which companies adopt and implement CSR? What drives the spread of “corporate social responsibility” across companies and society?

Research Purpose and Outline

The primary goal of this research project is to examine how CSR spreads in terms of perception and practice. Using a theoretical framework that combines literature on CSR with diffusion of innovations theory, this paper seeks to enhance our understanding of the factors that drive CSR. Communication patterns and knowledge-sharing through various means are salient themes to be explored.

If we can identify the process and the factors that enable some companies to effectively adopt and implement CSR, we may then be able to use this knowledge to help less effective companies. Corporate officers and other CSR practitioners often struggle with how to invest limited time and resources to maximize social impact and reputational returns from the implementation of CSR norms. Adding to this practical challenge is the conceptual ambiguity of CSR resulting from many competing expectations and issues described as the proper domain of corporate responsibility.

This paper may also be of interest to scholars examining how certain expectations (or standards) about the role of business in society spread and become accepted. In the course of this project, we will outline factors that promote or facilitate the adoption of CSR norms and practices. Given the variety of information sources and communication channels to which individuals are exposed and have access, identifying which sources and channels are more likely to influence how individuals perceive responsible corporations will enable us to gain a better understanding of perception and risks related to CSR communication media.

The literature review confirms that applying diffusion theory is a new approach that should help to further establish how CSR spreads across and within companies. At the end of our literature review, we establish the following research questions: First, how do individuals identify responsible companies? Second, what factors drive companies to adopt corporate social responsibility (CSR), and what does adoption entail? Based on the literature review, we outline a data collection process that encompasses both qualitative and quantitative methods. This study combines qualitative data from personal interviews with CSR experts and

practitioners with quantitative data from a survey exploring how individuals identify or perceive CSR and about the communication channels that inform these perceptions.

Then we examine how CSR spreads across and within companies using an innovation-decision process framework. At the organizational level, this study finds that CSR helps companies meet various objectives including: crisis/reputation management; recruiting talent and engaging employees; promoting innovation; maintaining competitive position; and market entry. Reasons for adoption vary by company and the competitive context in which it operates; but the context in which adoption occurs shapes the implementation and development of CSR. The spread of CSR perceptions are also analyzed. At the individual level, this study finds that individuals' opinions and perceptions of CSR are shaped by a combination of interpersonal and mass media communication channels; companies are more likely to be perceived as responsible if the communications that shape overall perception also provide useful CSR information. Finally, a summary the overall findings and suggestions for future research including the role of social networks in the diffusion of CSR are suggested.

Literature Review

Despite the definitional ambiguities, researchers and practitioners have established many reasons why companies should be concerned with and should seek to demonstrate CSR. We can group these drivers of CSR into three main areas: 1) individual stakeholders and civil society groups; 2) environmental factors; and 3) competition and globalization.

Stakeholder theory has captured significant attention throughout the field of CSR. Proposed by Freeman in 1984, the term "stakeholder" is frequently used by companies when describing their CSR activities. This concept personalizes social or societal responsibilities by delineating the specific groups or persons a company should consider in its CSR orientation (Carroll, 1993; 292). Individuals (employees, consumers, investors...) can drive the spread of CSR. Recent surveys have shown that CSR matters to today's employees (Googins et al., 2007; 97).

Consumers' expectations and public perceptions are often cited as drivers of CSR. However, the impact of consumers may be limited; either because only consumer-facing companies care about what consumers think, or because ethical consumerism is practiced by a small niche market (Drumwright, 1994; 18).

In recent years, investors have also begun to demonstrate a greater interest in CSR-related matters from ensuring corporate governance to actively seeking companies that demonstrate positive social impact. The Dow Jones Sustainability Indexes, the FTSE4Good Index Series, Innovest, and KLD are some of the investment screens that drive companies to adopt CSR (Mirvis and Googins, 2006; 19).

Other scholars note that the rise of civil society actors and the changing role of government compel companies to adhere to CSR norms. Porter and Kramer (2006; 17) note that activist organizations of all kinds have grown much more aggressive and effective in bringing public pressure to bear on corporations.

Other scholars focus on the role of government in promoting CSR, which contrast with the absentee-government perspectives (Albareda et al., 2006; 126). In other words; as the government downsizes and the public expects the private sector to step in to help solve community problems, it is important that businesses understand why old models of corporate support don't create sustainable change. In partnership with government and nonprofits, businesses need to go beyond the traditional models to tackle the much tougher task of innovation (Kanter, 2003; 45).

Many scholars have identified environmental and global trends that seem to facilitate broader adoption of CSR. A recent book (2008) co-authored by Senge outlines drivers toward a "regenerative economy" which include: increasing industrialization and side effects (material consumption, pollution, and waste generation); emerging "disruptive" technologies that challenge the status quo; as well as global problems (resource depletion, deteriorating systems, and climate change, poverty and inequity, global security, and energy supply) (Senge et al., 2008; 104).

NGOs have played a significant role in defining the CSR agenda over the past several decades. Today, companies are increasingly expected to be responsible stewards of the environment. Freeman points to "changes that have occurred in the external environment of business which necessitate changes in the way that executives think about their organizations and their jobs." (Freeman, 1984; 74). Some believe that "the increasingly negative and very pervasive impact of global corporations in all aspects of social life and in the environment has been the catalyst in the emergence of a diversity of stakeholders demanding accountability about the impact of corporate activity in the life of the planet as a whole." (Regil, 2003; 7). Others contend that the recent resurgence of CSR, which has been more institutionalized and widespread since the early 1990s, is linked to globalization and regulation (the expansion of national and global markets) (Vogel, 2005; 29). Closely related to this rapidly changing competitive context, other writers have proposed that CSR can drive business strategy. Kanter argues that companies are viewing community needs as opportunities to develop ideas and demonstrate business technologies, find and serve new markets; and solve longstanding business problems. In other words, a few leading companies are finding inspiration in the social sector (Kanter, 2003; 81).

Overall, there are a growing number of reasons why companies should be concerned with and should seek to demonstrate CSR. Thus, "as a result of these drivers, corporate social responsibility is becoming more mainstream to business and more relevant to public policy with implications for corporate governance, corporate strategy and risk management, but also for national and global governance." (Nelson, 2004; 71).

Although "CSR appears to be becoming mainstream, adoption of CSR by corporations has not been uniform." (Emerson et al., 2003; 1). Many researchers point out that companies are at varying levels of CSR both in terms of their activities and commitment. In some aspects, some firms are innovative and in others they are just getting started. Companies are apt to be ahead in some contexts and behind in others (Mirvis and Googins, 2006; 16). The wide range of corporate adherence and implementation of CSR norms has also been discussed in the popular media. A Special Report by *The Economist* asserts that CSR is now made up of three broad layers, one on top of the other: The first "layer" is traditional corporate philanthropy;

the second “layer” is risk management; and the third and newest “layer” is CSR as a source of competitive advantage (The Economist, Jan.17, 2008).

Absent from the CSR literature is an overt discussion of the dynamics that tie these overarching themes together. In other words, how do some companies become much more effective at embracing and implementing CSR? If we can identify the process and the factors that enable some companies to effectively adopt and implement CSR, we may then be able to use this knowledge to help “less effective” companies – in terms of how they manage their impact on society and how they are perceived.

Diffusion of Innovations Theory and CSR

Diffusion of innovations is a theoretical framework used to explain the spread of ideas, opinions, and products across members of a social system (Rogers, 1983; 98; Valente, 1995; 66). The theory has been used to study social or socio-technical phenomena and innovations, such as the spread of microlending program and sustainable (“green”) IT practices (Kobeissi and Damanpour, 2003; 580). Adoption is a central concept of this framework, which asks questions like:

- What characteristics of an innovation make it more or less likely to be adopted?
- What conditions within the social system make it easier or more difficult for an innovation to be adopted?
- To what extent is an innovation adopted?
- How quickly is an innovation adopted?

Diffusion can also be described “as the process by which the adoption of innovation by member(s) of a social system is communicated through certain channels and over time triggers mechanisms that increase the probability of its adoption by other members who have not yet adopted it.” (Levi-Faur, 2005; 28). In other words, it is “a communication process in which adopters persuade those who have not yet adopted to adopt.”

There are four main elements of diffusion: 1) the innovation, 2) the social system, 3) the innovation-decision process, and 4) communication channels.

An innovation can be a tangible or an intangible artifact – it can be a device, machinery, or some other kind of hardware; it can also be a set of concepts or norms, management practices, a code of conduct or standards. A given innovation possesses certain characteristics that affect the rate at which (and extent to which) it is adopted and implemented. One basic overarching attribute is *relative advantage*, or the degree to which an innovation is perceived as advantageous (in economic terms, social terms, etc). To the extent that CSR helps companies adapt to rapidly changing competitive contexts or it supports business strategy, it can provide a relative advantage. Another characteristic is *compatibility* with the existing values, past experiences, and needs of a potential adopter (at both the individual and organizational levels).

The social system constitutes a boundary within which an innovation diffuses. In research, these parameters are usually established by the researcher. Typically, the defined social system consists of interrelated units that may be individuals, informal groups, organizations,

political entities, subsystems, and other types of units (Rogers, 1983; 71). As CSR spreads within a social system that involves decision-makers at the organizational (company) level and at the individual level, the structure of a social system can facilitate or impede the innovation's diffusion (Collier and Messick, 1975; 345).

The "innovation-decision process" is another critical element of diffusion. The five stages of the innovation-decision process (which are not always sequential) typically encompass the following: *knowledge* (when a decision-making unit is exposed to the innovation's existence and gains some understanding of how it functions); *persuasion* (when a decision-making unit forms a favorable or unfavorable attitude toward the innovation); *decision* (when a decision-making unit engages in activities that lead to a choice to adopt or reject the innovation); *implementation* (when a decision-making unit puts an innovation to use; re-invention is likely to occur at this stage); and *confirmation* (when a decision-making unit seeks reinforcement of an innovation decision that has already been made; they may reverse this previous decision if exposed to conflicting messages about the innovation) (Rogers, 1983; 77). Within this innovation-decision process, members of a social system can be categorized as innovators, early adopters, early majority, late majority, and laggards, depending on when a member adopts the innovation relative to other members. Research has shown that a potential adopter's "threshold level" (or the point at which the perceived benefits exceed the perceived costs) impacts time of adoption, which means "individuals can be classified as low or high threshold adopters in addition to being classified as early or late adopters." (Valente, 1995; 89).

The Media

Communication channels enable messages to go from one individual to another. Earlier diffusion theorists did not differentiate between different forms of mass media and interpersonal channels; but with the advent of the Internet and other technological advances, it is necessary to further differentiate. Mass media channels can be divided into traditional mass media (print newspapers, radio, television) and "new" media (web-based versions of traditional mass media, organizational websites, personal websites, blogs, and other content generated for webbased consumption). Interpersonal channels involve contact between two or more individuals, such as exchanges with classmates, peers, work colleagues, friends, family, and acquaintances (members of one's social network). This contact can be face-to-face conversations or electronically-facilitated interactions (such as phone conversations, text messaging, and online social networks).

Different types of communication channels can play a distinct role during the innovation-decision process. Mass media channels allow a source to reach a large audience quickly. Diffusion theory predicts that mass media channels are more effective at generating "awareness knowledge" and are thus relatively more important at the *knowledge stage* of the innovation-decision process (Rogers, 1983; 92). In contrast, interpersonal channels allow for two-way exchange of information or communication to take place. Diffusion theory (along with other communication theories) predicts that interpersonal communication channels are more likely to shape attitudes, which means that interpersonal channels are relatively more important at the "persuasion stage".

When we apply diffusion theory to the existing literature on CSR, we can define CSR as an innovation, or a tool, that companies adopt to serve a specific purpose or to achieve certain objectives. However, we find that scant attention has been paid to communication channels. This theoretical framework leads us to ask what kinds of communication channels facilitate the flow of CSR information between which types of decision-makers/adopters? How might these communication channels facilitate or impede companies' adoption of CSR? The study will focus specifically on how do individuals identify responsible companies? And which factors drive companies to adopt corporate social responsibility?

Research Design

CSR is an innovation, or a tool, that companies adopt to serve a specific purpose or to achieve certain objectives. The theoretical framework established in previous section of this paper suggests that CSR spreads within a social system that involves decision-makers at the organizational (company) level and at the individual level. Thus, we are interested in exploring how CSR spreads across society from both an organizational perspective and an individual perspective.

The data collection process includes both interviews and survey methods to explore the CSR diffusion process from both the organizational perspective and the individual perspective. We gather qualitative data through personal interviews with CSR practitioners from various organizations to identify the kinds of activities and/or information involved at each stage of the innovation-decision process. Second, we use a survey instrument to gather quantitative data about how individuals perceive CSR and evaluate companies, as well as about the communication channels that inform these perceptions.

CSR among companies

We interviewed thirty-six experts/practitioners in corporate social responsibility. Twenty-six of the interviewees come from corporate backgrounds and represent twenty-two companies. These companies have invested significant resources into their CSR programs and have received recognition for their activities. Four interviewees represent an academic perspective. Other six interviewees represent a government/economic development perspective. The literature review indicates that corporations are beginning to partner with governments to meet community needs. This range of perspectives provides us with a broader view of the current CSR landscape.

The questionnaire covered four basic themes: 1) professional background, 2) organizational environment, 3) communication practices and challenges, and 4) sharing practices. To capture the breadth of each person's experience, the questionnaire included 3-7 questions under each of the four themes. The design of the questionnaire was realized primarily by literature on networks of practice and communities of practice.

Each interview lasted for approximately 40-60 minutes. Interviews were recorded for transcription purposes. The audio files were then transcribed by the researcher and then analyzed. Finally, informed consent forms were obtained from interviewees. The transcribed interviews were analyzed for the followed themes (based on diffusion theory): 1)

characteristics of the innovation (CSR); 2) characteristics of adopters (companies); 3) CSR implementation; and 4) additional communication channels/tools. Second, after the content was grouped into these four areas, the data was analyzed for the emergence of themes regarding the purpose and value of CSR. These themes were collected and will then be compared with trends in the current CSR literature.

CSR among individuals

Individuals' perceptions (as employees, consumers, investors and citizens) are a significant driver of CSR. This second part of data collection focused on the role of information/knowledge and communication channels in the identification of responsible companies by individuals. The survey is designed to collect data on: 1) Familiarity with CSR (overall company context and company-specific context), 2) communication channels and information sources that influences perceptions about companies in general and that provide useful information regarding CSR, 3) examples of companies associated with CSR and degree to which the company is responsible.

The survey contained 24 questions, including one informed consent question and seven demographic questions. Questions in the survey were informed by diffusion theory (particularly the role of various communication channels in the diffusion process), as well as communication theories that delineate between mass media channels (traditional and new) and interpersonal channels (face-to-face and electronically facilitated). Initial versions of the survey were tested among several students and survey questions were clarified based on this feedback. The survey was released on October 25, 2011. The survey was distributed widely via email, via listserv (student and alumni listservs) and in class. This array of distribution channels was utilized in order to draw responses from individuals with a variety of backgrounds (in terms of age, education level, work sector, work experience, and overall familiarity with CSR). Responses were collected over a two-week period, when the survey closed; a total of 512 out of 824 respondents had completed the survey in its entirety (62% completion rate).

The following demographic information was collected at the end of the survey: 1) Age, 2) gender, 3) geographic origins, 4) level of education, 5) sector of employment (current and/or future/planned for respondents who are students), 6) and years of work experience. The survey instrument is divided into two parts (aside from the informed consent page and the last section containing demographic questions): 1) "Familiarity with CSR" and 2) "Evaluating corporations".

The first part primarily gathers information about the respondent's overall level of knowledge (or "familiarity") regarding CSR in a general company context. The second part asks the survey respondent to identify a specific company that s/he associates with CSR. Then the respondent evaluates this company using the same criteria for companies in general (questions from the first part of the survey are reapplied in the second part). The juxtaposition between the general-company context and the specific-company context is intended to measure the consistency of respondents' perceptions and usage of (or exposure to) various communication channels and information sources.

First, the survey aims to establish a sample population of responsible companies based on the perception of individuals. Survey respondents are asked to identify a company that he/she associates with CSR and to evaluate the company's level of responsibility. Second, the survey gathers data on the communication channels and information sources that influence perceptions of companies overall and those that provide useful information regarding CSR. Based on the literature review, mass media channels can be divided into traditional mass media (such as print newspapers, radio, television) and "new" media (such as web-based versions of traditional mass media, organizational websites, personal websites, blogs, and other content generated for web-based consumption). Interpersonal channels involve contact between two or more individuals, such as exchanges with classmates, peers, work colleagues, friends, family, and acquaintances (members of one's social network). This contact can be face-to-face conversations or electronically-facilitated interactions (such as phone conversations, text messaging and online social networks). Four different questions are used to approach this communication channel/info source variable with responses measured using a 5-point Likert scale. Questions were derived from previous surveys (i.e. Fleishman-Hillard and National Consumers League, Veleva et al., 2007)

Five different questions are used to determine familiarity with CSR (overall company context and company-specific context) with responses measured using a 5-point Likert scale.

Finally, the survey includes questions that gauge respondents' CSR expectations in terms of a company's responsibilities (across 11 different dimensions) and attitudes toward CSR overall. Previous surveys have taken this approach to highlight the importance of CSR among members of the general public (and to emphasize public perception as a driver of CSR). Responses from this survey will be compared with results from previous CSR surveys to provide a richer profile of the research population.

The survey was initially intended to attract responses from individuals with a variety of backgrounds. Instead, the sample population is fairly youthful, with over 90% between the ages of 18-35 years old. Almost twice as many women as men (64% to 36%) completed the survey. This is also a very well-educated sample of the population, with 97% possessing at least a bachelor's degree or higher and 82% having at least some graduate level education. In line with the younger population who completed the survey, almost 45% are current students, with 23% of these students planning to work for either a large corporation or a small to medium-sized company. Approximately 33% of the students have no preference or are not yet sure where they plan to work after graduation; 21% plan to work for a nonprofit organization, while 11.5 % plan to work in government and another 11.5% plan to work in academia. In terms of work experience, almost 70% have 3 or more years of experience, with almost 37% working in the private sector, 42% working in the nonprofit sector or academia, 7% working in government, and 13% currently unemployed. To summarize, the sample population is youthful, very well educated, primarily female, and currently pursuing (or planning to pursue) careers in a variety of sectors.

The sample population evaluates the idea of corporate social responsibility, particularly in terms of stakeholder relations, transparency, and environmental impact. All of the respondents agree that treating employees fairly is a "very important" facet of a company's role in society. As the literature on CSR notes, employees are increasingly viewed as

stakeholders and a critical driver of CSR (Googins et al., 2007; 49). “Provides good paying jobs” is ranked 5th out of 11 dimensions, which again highlights the importance of treating employees well. We should also emphasize that treating employees fairly and providing good paying jobs is considered much more important than providing quality products and services for the lowest price. Meanwhile, a company’s external stakeholder relations – or how the company “listens/responds to public concerns” – are considered “important” by over 90% of the sample population.

Interestingly, financial transparency is considered more important (with 48% of the sample agreeing) than environmental or social transparency (i.e. “monitors and reports on environmental and social impacts”). Closely following financial transparency, the environment (i.e. “does not harm the environment”) is considered “important” to “critical” by approximately 95% of respondents. Overall, there is very high agreement among this sample population that the dimensions of CSR listed below are important aspects of a company’s role in society. Traditional philanthropy (i.e. “supports charities/community projects”) is the lowest ranked dimension, yet it is still considered “important” to “critical” by almost 80% of the sample. In other words, this sample population has fairly high expectations of companies.

CSR is more important to individuals as employees than as consumers, approximately 82% of the sample population “agree” or “strongly agree” that “corporate responsibility is very important to me as an employee” – compared with only 66% who “agree” or “strongly agree” that “corporate responsibility is very important to me as a consumer.

Finally, we can compare the attitudes of this sample population with executives’ attitudes toward CSR and find several differences. Both the sample population and corporate executives “agree” or “strongly agree” that CSR “needs to be a priority for companies” – though survey respondents are more likely to agree with this statement (85%) compared with executives (73%). A very large majority of the sample population (83%) also believes that “the public has a right to expect social responsibility from companies” while a smaller majority of executives (66%) agree with this statement.

Respondents also seem to hold a somewhat cynical view of companies’ commitment to CSR – with almost 80% agreeing or strongly agreeing that “many companies promote corporate social responsibility but are not truly committed to it”. Interestingly, 63% of executives also agree with this statement. 61% of executives “agree” or “strongly agree” that CSR “makes a tangible contribution to companies’ bottom lines”, with a slightly smaller portion of the sample population (56%) also agreeing. We see a significant divergence in terms of CSR visibility and regulation. Only 49% of the sample population agrees that “many companies do a great deal more for their communities than is talked about or known.” In contrast, 72% of executives agree with this statement. Finally, 70% of corporate executives agree that CSR “should be complete voluntary – no laws/regulations should govern it”; but only 29% of survey respondents agree with this statement.

Findings CSR among companies

This first part of the analysis focuses on the factors driving companies to adopt CSR. In the discussion below are the results of statements collected from in-depth interviews with CSR practitioners and experts.

During the Knowledge and Persuasion Phases of the innovation-decision process, a company is exposed to the innovation's existence and gains some understanding of how it functions. The company eventually forms a favorable or unfavorable attitude toward the innovation.

Some companies may have minimal awareness of what CSR encompasses, as well as uninterested or indifferent top management. Limited or one-way interactions with external stakeholders shape attitude towards CSR. The data collected during interviews with CSR practitioners and experts did not yield any specific examples of companies with minimal awareness of CSR. Given the extent to which CSR may have already diffused across society, perhaps it would be impossible to find a company that is entirely ignorant of this concept. At this phase, companies begin to identify the purpose of CSR; and existing societal expectations means that all businesses generally understand what it means to be "responsible". So, companies form a favorable attitude towards as executives begin to adopt a new outlook on the company's role and responsibilities to their communities and society. The corporate executives interviewed in this study agree that a network or community of CSR practitioners exist, which facilitates the exchange of information across companies. Distinct from the competitiveness that dominates other areas of practice across business, the community of CSR practitioners is open and non-competitive.

In the decision phase, a company either decides to adopt or reject the innovation (CSR) based on the information it has gathered during knowledge and persuasion phases, actually, none of the companies interviewed in the course of this study rejected CSR. If a company forms an unfavorable attitude or fails to identify a purpose for CSR, it remains at the "Elementary" stage. If a company forms a favorable attitude towards developing its CSR, it moves to the "Engaged" stage. A company adopts by defining its perspective on CSR (its role and responsibilities), defining the company's CSR perspective may be immediately coupled with disseminating this perspective across the company. Then the company decides to adopt a more comprehensive agenda and assumes more of a stewardship role.

A variety of activities take place during the implementation phase. When company puts an innovation (CSR) to use, re-invention is likely to occur. The implementation or non-implementation process transmits information across various channels, which shapes individuals' perceptions and expectations. Companies at the "Engaged" stage of CSR implements policies to enhance compliance and minimize risks. For example, in the 1980s and the 1990s, Nike was "plagued by a series of labor incidents and public relations nightmares: underage workers in Indonesian plants, allegations of coerced overtime in China, dangerous working conditions in Vietnam." In a crisis situation such as the one that Nike and many other companies have faced, CSR also seems to function as a reactive tool used to repair damage to the company's reputation. Companies may also seek to use CSR to enhance their reputation outside of crisis situations. At more advanced stages of CSR, implementation typically involves two-way communication with stakeholders. High-levels of innovation and learning occur through participation in forums, conferences. At the most advanced stages of

CSR, implementation involves the formation of an extensive network of partnerships with other businesses and NGOs.

During the Confirmation Phase of the innovation-decision process, a company seeks reinforcement of an innovation decision that has already been made. If there are no conflicting messages about the innovation (CSR), the reinforcement of company's decision to adopt may include refinement of company's CSR perspective. Even at more advanced stages of CSR, it necessary to confirm the company's CSR commitments.

At the organizational level, this study finds that CSR helps companies meet various objectives including: crisis/reputation management; recruiting talent and engaging employees; promoting innovation; maintaining competitive position; and market entry. Across the various stages of CSR above, companies may use CSR as a reactive tool (to manage a reputation crisis) or a proactive tool (to promote innovation). The reasons for adoption of CSR vary by company and the competitive context in which it operates; but the context in which adoption occurs shapes the implementation and development of CSR.

Furthermore, this study finds that CSR information (i.e. practices) is exchanged between companies and other organizations across phases of the innovation-decision process. We find evidence that knowledge-sharing occurs through social networks. This exchange of information facilitates adoption, implementation, and reinvention across and within companies. Even if an innovation has demonstrable value, this will not automatically lead to adoption. This is why it is important to identify the process that actually facilitates adoption. If practitioners and academics are interested in sustaining or increasing the spread of CSR, then we must be able to identify the elements of diffusion. This evidence of a CSR "networks of practice" or "communities of practice" may require further exploration: For example, what kinds of networks of practice exist within the CSR industry? How do social networks increase the spread (or the rate of adoption) of CSR?

Findings CSR among individuals

CSR is an innovation that spreads across society in two forms: At the organizational level, it is a tool that companies adopt to achieve specific objectives. At the individual level, it is individuals' expectations and perceptions of companies shaped by both interpersonal and mass media communication contexts. Some companies may already be beyond the "elementary" stage (at least in some aspects) when a "new" version of CSR begins to spread; at which point, the company may be perceived as a late adopter or even a laggard. The company can then decide whether to adopt the new innovation or to maintain its status. Thus, how is the implementation (or non-implementation) of CSR perceived by individuals? What kinds of companies do individuals perceive as responsible, and what shapes their perceptions?

In this second part of the analysis, we examine how individuals identify responsible companies. Overall, this study finds that individual' opinions and perceptions of CSR are shaped by a combination of interpersonal and mass media communication channels;

companies are more likely to be perceived as responsible if the communications that shape overall perception also provide useful CSR information.

In the second segment of data collection, this study employed a survey instrument to explore how individuals identify responsible companies. The 512 respondents who completed the entire survey yielded 98 unique, for-profit companies. We observe that almost all of the cited companies are consumer-facing companies (B2C). When we compare the companies by size/revenue and by industry, we find a wide variety of products and services.

According to the average rating of responsibility, we formed three groups where 58 of companies were rated as “more responsible than most companies”; while another 19 received an average rating of being at least “as responsible as other companies”. 21 of the companies were evaluated as “less responsible than most companies” or “not responsible”. Respondents’ level of knowledge and familiarity with companies CSR activities are limited. Individuals are least familiar with company financial reports and whether or not companies are ensuring a responsible supply chain.

In terms of communication, as expected, 82% of respondents indicate that “advertising or marketing” shapes their *overall* perception “somewhat” to “very much.” However, only 44% of respondents agree that “advertising or marketing” provides useful info about CSR. This 38% difference indicates that far fewer individuals derive useful info to help them evaluate whether a company is being responsible from “advertising or marketing”. The impact of “advertising or marketing” seems to lessen when it comes to companies associated with CSR. In the company-specific context, “advertising or marketing” is far less likely to shape individuals’ *overall* perception only 56% compared with 82% for companies in general.

In this final section, we examine how various communication contexts shape the diffusion of CSR perception among individuals. The survey yielded a pool of companies ranging from “leaders in responsibility” to “not responsible”. To examine the impact of communication contexts, we divide these companies in two groups – those that individuals perceive as “more responsible” and those perceived as “less responsible.”

The contrast between communication contexts associated with companies perceived as “more responsible” and those associated with companies perceived as “less responsible” is significant. When we compare the communication contexts that shape overall opinion with those that provide useful CSR information, we find that these contexts are consistent for companies that individuals perceive as “more responsible”. In contrast, we find significant disparity when we compare the communication contexts that shape overall opinion with those that provide useful CSR info when it comes to companies that individuals perceive “less responsible”. The communication contexts that inform individuals’ overall opinion do not seem to yield useful CSR info for companies perceived as “later adopters” of CSR. For companies perceived as “less responsible,” the survey results indicate that the context most likely to shape overall opinion (“socializing/talking to friends or family”) is also least likely to provide useful CSR info. “Newspapers, magazines, or books” are also more likely to shape individuals’ overall opinion, but again, this context yields limited useful CSR info. In contrast, “publications by noncorporate/ non-profit organizations” are likely to shape overall opinion *and* provide useful CSR info. Sources most likely to provide useful CSR info are the “corporate

website” and “advertising or marketing”. However, the “corporate website” is far less likely to shape overall opinion.

In contrast to companies perceived as “less responsible,” if we look at the data for companies that individuals perceive as “more responsible”, we find that communication contexts are consistent. For these companies, “work/professional settings” are the most influential communication context – both in terms of “overall opinion” and providing “useful CSR info”. In contrast to companies that individuals perceive as “less responsible”, the websites of “more responsible” companies are significantly less influential in the CSR context.

Open-ended responses from survey participants provide additional insight into this contrast between communication contexts. As we would expect for “more responsible” companies, several interpersonal contexts provide useful CSR info, which fulfills the independent confirmation required to spread a more positive perception of a company. Given the evident mistrust of individuals towards information distributed by corporations, it is not surprising that those individuals who obtain CSR info from the corporate website end up viewing the company as “less responsible.”

Conclusion

Overall, this study suggests a number of areas for future research. Online social networking sites seem to have limited impact on individuals’ overall opinion, yet this communication context becomes much more influential in terms of providing information about “less responsible” companies. This leads us to ask to wonder about the kinds of information that flow through social networking sites that may cause individuals to perceive some companies as “less responsible”. Advertising/marketing may be another communication channel that has interesting effects on how individuals perceive responsibility.

Future research could explore the extent to which advertising actually shapes what individuals expect from companies. Corporate social responsibility carries meaning and norms that influence corporate behavior. The expectation of responsibility is constant, but the definition and perception of responsibility depends on where you stand. What it means to be responsible varies across individuals and organizations.

This study has looked at how CSR diffuses across society both from an organizational perspective and an individual perspective. We find evidence that an innovation-decision process guides the spread of CSR across and within companies. We also find that a variety of communication contexts – involving both interpersonal and mass media channels – inform individuals’ perceptions when it comes to companies and CSR.

Acknowledgement

We would like to thank Galatasaray University; this research is supported by Galatasaray University. Scientific Research Projects Commission under project number 12.102.004

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