

## Corporate Social Responsibility Communication: A Brief Review

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### Abstract

Corporate social responsibility (CSR) has emerged as a major topic of discussion among academics, business leaders, and organisations due to its effect on a company's image and reputation, which in turn affects overall performance. When stakeholders are aware that an organisation places its social responsibility initiatives at the top of its priority list, CSR may always have a beneficial impact on the organisation's corporate performance. Based on a study of the literature, this paper describes the index metrics for communicating corporate social responsibility. Numerous definitions of CSR are presented together with the CSR communication strategies. A conceptual framework is proposed to depict the broad coverage of CSR. This paper has made new contributions to the outgoing discussion on how index measures of CSR communication can be used and applied to achieve a better corporate performance.

**Keywords:** Corporate Social Responsibility, Communication, Index, Measures.

### Introduction

A company's value system and a conduct philosophy based on those principles are the foundation for corporate sustainability. This entails conducting business in a manner that, at the very least, complies with basic obligations in the areas of human rights, labour, the environment, and anti-corruption (Issarawornrawanich & Wuttichindanon, 2019). Accordingly, this serves as the guiding principles in the conduct of a business. Companies are

maintaining their fundamental obligations to people and the environment by implementing the Ten Principles of the UN Global Compact into strategies, policies, and procedures and creating a culture of integrity, but they are also laying the groundwork for long-term success. The 10 Principles of the United Nations (UN) Global Compact presents a global and holistic view, called Corporate Social Responsibility (CSR), which has served as a foundation for subsequent initiatives destined at promoting a more sustainable and responsible private sector (Whitehouse, 2013). Consequently, CSR has become a leading conversation among academicians, industry players and in organisations because of its impact on corporate image and reputation, consequently to the overall corporate performance. Experience on the social and environmental crisis faced by the organisations over the last three decades have also stimulated the concept of CSR to be reinforced. This is due to the fact that the stakeholders have become increasingly more interested in the social and environmental impacts of organisation in the society (Ajayi & Mmutle, 2020). The way that businesses communicate with the public has also changed dramatically in recent years. The online world facilitates instant two-way communication between companies and their users (Soler et al., 2022). As a result, organisations are increasingly putting their efforts in CSR to attract more favourable stakeholders' expectations.

CSR can always influence stakeholders' positive responses towards corporate performance when they are aware of the organisation's social responsibility activities in the top priority. It is believed that achieving the desired corporate image and reputation requires stakeholders' awareness and convincing the stakeholders that the CSR activities were conducted through effective CSR communication (Coombs & Holladay, 2013). It is agreed by several authors that CSR communication enhances corporate reputation (Bayoud & Kavanagh, 2012; Singh & Misra, 2020), give greater stakeholders satisfaction and employee commitment, and attract foreign investors. Therefore, for the CSR to contribute towards a favourable reputation and image, organisations must employ effective communication strategies. At the same time, the organisation needs to understand the meanings and interpretations of the stakeholders in attaching to the CSR activities and communication.

As CSR has increasingly become an essential corporate agenda item, CSR communication has also relatively important given that all organisational activities can only be made known to stakeholders through communication. In this paper, we identify measures of corporate social responsibility communication based on the review of past studies. Consequently, the index measures of corporate social responsibility communication are developed based on the review of literature. Accordingly, the objectives of this paper are; (i) to understand the CSR communication involved by the companies, and (ii) to determine the dimensions of CSR communication that should be considered by the companies.

In light of the above, this paper is structured as follows. Following the brief introduction in the first section, section 2 provides the review of literature on corporate social responsibility, corporate social responsibility communication, and corporate social responsibility communication strategies. Subsequently, the paper provides a background on the index measures of corporate social responsibility communication. The last section presents the conclusion, along with the suggestions for future research.

### **Review of Literature**

Corporate social responsibility has continuously become an essential agenda issue, CSR communication has become crucial given the organisational activities can be made known to their stakeholders by means of communication. Thus, it is important to understand the

principles of Corporate Social Responsibility (CSR) and Corporate Social Responsibility communication (CSRC).

**Corporate Social Responsibility**

Corporate Social Responsibility (CSR) is also interchanged with corporate sustainability, corporate citizenship, social enterprise, sustainable development, triple bottom line, corporate ethics, and corporate governance (Ajayi & Mmutle, 2021, p. 2). They have one common factor embodied in their character, which are the social, economic, ethical and environmental commitment in the society. Previous studies have also categorised CSR into various areas. For instance, Epstein (2008), emphasised that CSR must be constructed based on nine areas known as ethics, governance, transparency, business relationships, financial return, community involvement, product value, employment practices and environmental protection.

Table 1

*The Broad Definition of Sustainability Performance – Nine Principles*

1.	Ethics	The company establishes, promotes, monitors, and maintains ethical standards and practices in dealings with all of the company stakeholders
2.	Governance	The company manages all of its resources conscientiously and effectively, recognising the fiduciary duty of corporate boards and managers to focus on the interests of all company stakeholders
3.	Transparency	The company provides timely disclosure of information about its products, services, and activities, thus permitting stakeholders to make informed decisions
4.	Business Relationships	The company engages in fair-trading practices with suppliers, distributors, and partners
5.	Financial Return	The company compensates providers of capital with a competitive return on investment and the protection of company assets
6.	Community Involvement/ Economic Development	The company fosters a mutually beneficial relationship between the corporation and community in which it is sensitive to the culture, context, and needs of the community
7.	Value of Products and Services	The company respects the needs, desires, and rights of its customers and strives to provide the highest levels of product and service values
8.	Employment Practices	The company engages in human-resource management practices that promote personal and professional employee development, diversity, and empowerment
9.	Protection of the Environment	The company strives to protect and restore the environment and promote sustainable development with products, processes, services, and other activities.

Another scholar, Carroll (1979, 1991, 2016) categorised CSR into four main elements which include economic, legal, ethical and discretionary/philanthropic expectations that the society has. The four elements, are also referred to as the CSR pyramid by Carroll (2016) and adopted as one of the most famous CSR models. Carroll's CSR pyramid is simple yet holistic by engaging two primary motives for CSR engagements; (i) the society-serving motive and (ii) the self-serving motive. The four main elements of Carroll's CSR address different aspects of business, with the intention to enhance organisation's ability to fulfill different stakeholders' needs and expectations. Carroll (1991, p. 40) stated that for CSR to contribute towards the company reputation, "it should be framed in such a way that the entire range of business responsibilities are embraced." Irrespective of the area(s) of CSR an organisation choose to focus on, appropriate communication strategies and channels must be used by these organisations to yield the desired results.

**Corporate Social Responsibility Communication**

CSR communication is one of the most important corporate strategies in several industry sectors, not only due to its economic position, but also because it produces goods to fulfill human needs (Luhmann and Theuvsen, 2016). For instance, today, people are more concerned about the quality of products that they consumed due to many issues with regard to the food crisis. Consequently, CSR communication become an important tool to communicate CSR efforts and initiatives employed by the companies.

CSR communication may benefit an organisation in many ways. CSR communication can be used as a channel to influence stakeholders' expectation towards the organisation. For instance, when consumers spread positive remarks by words about the organisation's commitment towards CSR initiatives, CSR communication also increases the awareness of social concerns with respective stakeholders (Crane & Glozer, 2016). Stakeholders' engagement with the organisation leads to increased support and the other supporting behavior such as customer loyalty and referrals (Maignan and Ferrel, 2004).

Although CSR communication has many advantages and benefits organisations in a number of ways, CSR communication faced challenges such as conflicting CSR expectations from different stakeholder groups (Carroll, 1991; Porter & Kramer, 2002). Stakeholders, such as customers may expect product safety and quality, whereas community may expect ethical compliance with regards to charitable giving or volunteerism. In the context of increasingly critical customers, the information obtained from CSR communication. This is proven by several studies, CSR communication positively affects the purchasing intention of customers, and stimulates a positive response from stakeholders, thus, improving the company's reputation (Ali et al., 2015; Du et al., 2010; Russo & Simone, 2017). In particular, Russo and Simone (2017) emphasized that customers perceived a firm much more reliable when providing detailed information about their commitment to social responsibility, preferring more specific information when the organisation engages in a single issue, although more general information achieves the same result in the case of a multiple portfolio. In contrast, very few studies in the economic literature are focused on the usefulness of CSR communication but rather concentrates more on CSR communication strategy.

**Corporate Social Responsibility Communication Strategy**

The companies' commitment to respond to growing social and environmental concerns which is translated into the concept of CSR needs to be strategised in today's environment. The growing CSR communication strategy among companies act as a tool to communicate effectively the companies' CSR efforts, in order to build relationship and trust between the internal and external stakeholders (Galati et al., 2019). One of the great challenges faced by the companies nowadays, is to integrate corporate social responsibility with the social and environmental aspects related to the products and processes. For this part, an effective CSR communication strategy has become a vital issue in building and maintaining the legitimacy and image of the companies from the stakeholders' perspective. The way in which companies communicate their CSR efforts has changed over a period of time in line with the development of new information technologies, in which has transformed the way companies interact with their internal and external stakeholders. CSR communication strategies offer the opportunities to enable stakeholders to respond to the CSR message in a two-way communication between companies and stakeholders.

To perform this, the company should build a relationship with the stakeholders by various ways of communication strategies such as newspapers, corporate websites, and CSR reports, which also defined as traditional communication strategies. With the advent of modern information and communication technologies, nowadays, companies communicate with their stakeholders primarily through social media. The use of social media as a CSR communication strategy tool is encouraged and recommended as it creates an effective communication environment inclusive of interactive and dialogic aspects (Cho et al., 2017).

Furthermore, CSR communication strategies through social media platforms is able to link the companies with a large number of stakeholders (either direct or indirect stakeholders) through the exchange of online messages. Online users can affiliate themselves with virtual groups that express values and shared responsibility. The companies are able to take shared responsibility for environmental, ethical, cultural or community-related issues (Galati et al., 2019) by strengthening the companies' reputational capital.

### **Methodology**

This study compiles information regarding CSR reporting that might be creatively used as a tool for the communication of CSR information for corporations. There were three parts to the process: a literature search, article screening and selection, and synthesis and analysis of the chosen papers. Using keywords linked to CSR reporting, sustainability, ethical business practices and their pertinent synonyms, related papers have been found in the literature search. Scopus, Web of Science, and Google Scholar were the most frequently used databases. The articles are scrutinised to ensure that the selected sources are from reputable and reliable authors or publishers. All of the searching resources were added to the Mendeley Reference Management Software for the second stage of article screening and selection. To determine each article's relevance to the pertinent topic of this study, each was carefully examined based on the titles, abstracts, keywords and complete content to ensure that it is in alignment with the research objectives. The qualified and preferred articles were synthesised and further examined in the third stage to learn more about how the context is interrelated. The index measures for CSR communication are then developed as a balanced approach to representing the existing body of knowledge.

### **Index Measures of Corporate Social Responsibility Communication**

CSR has evolved from philanthropy to a more complex concept (Diez-Cañamero et al., 2020). Previously, the performance of companies was measured traditionally based on the amount donated for specific project. Recently, based on the interconnection of multiple environmental and social dimensions, together with the multifaceted relationships among stakeholders, there is a need for more complex tool to measure CSR communication. In this regard, Chung et al (2014) identified three dimensions of company's efforts to CSR communication named as intensity (the volume of messages posted by a firm; richness (the information of messages posted a firm) and responsiveness (the extent to which a firm respond to consumers' messages). Chung et al (2014) used this approach to explain how company's efforts influence consumer behavior (in terms of engagement and attention) towards performance of the company. The model proposed by Chung et al (2014) was adopted by (Vlachvei and Notta, 2015; Galati et al., 2017).

To begin with, Wagner et al (2009) conceptualises two types of CSR practices by companies and they are (i) proactive CSR and (ii) reactive CSR. Proactive CSR refers to the use of promotional method of reputation management strategy. This takes place when the company



voluntarily begins CSR activities prior to a potential crisis. On the other hand, reactive reveals a defensive method of reputation improvement where the company engages in CSR activities to respond to or after a crisis.

As an alternative, Morsing (2006) proposed CSR communication index measures in the form of model divided into “informing” and “interacting” dimensions. Both dimensions are public relations’ two-way communication models. Interacting CSR communication dimensions involve organisations making efforts to engage with publics when developing and implementing CSR programs. The interacting part of this dimension includes (1) having social partnerships with community leaders and non-profit organisations; (2) local articulation, which is denoted as corporate engagement with a community by inviting or being invited to external publics for open communication; and (3) receiving proactive endorsements from external publics about company good deeds. In contrast, the “informing” strategy demand coherent messages to the public in order to enhance organisational and gain public trust. This is to ensure that effective communication through (1) emphasising CSR as a shared concern between the organisations and public, (2) link CSR to core business objective, (3) contain visible evidence that shows organisational support, and (4) contain CSR results (Morsing, 2006). Both of the above strategies suggest a two-way continuous communication channel and interaction with stakeholders.

Though some scholars Capriotti (2011); Morsing (2006); Morsing & Schultz agreed and assert that organisations should engage the two-way continuous communication as a means to involve the public, studies conducted by Cho and Furey (2017) have found that organisations should not engage the stakeholders when communicating CSR. Cho and Furey (2017) found that the organisations involved more on internal activities and do not encourage feedback on stakeholders’ participation.

CSR communication through social media platform is merely for philanthropic purposes rather than strictly for economic purposes only (Galati et al., 2019). One widely adopted definition of CSR communication by European Commission in the Green Paper which states the companies’ CSR integrate the social and environmental aspects together by engaging the stakeholders on a voluntary basis.

A more comprehensive classification of CSR communication by Jones et al (2007) which seen CSR as a core business activity, but operates in a socially responsible manner with the objectives of creating value for the company. One of the features of CSR communication is to link it with the opportunity of exchanging messages or the level of interaction to the users. This is proven when some of the empirical studies evaluated the efforts of CSR communication through social media by the number of likes or fans, taking into consideration number of comments and posts, or quality of richness of the content messages, and the intensity of updates (Chung et al., 2014). These dimensions are closely related to CSR communication, for example, the intensity of interaction is increased when there are more expectations by the stakeholders towards the firms. With regards to the quality of richness, Korschun and Du (2013) stated that the interactions on social media rich in multimedia content (such as text, video, audio and animations) allow an effective communication of information that is able to engage the users in a cognitive and emotional way and to deliver complex information rich in meaning and value. Lastly, the level of interaction and response of the customers (responsiveness), or potential customers, to the communication activities of CSR initiatives on social media, in terms of number of likes, followers, comments and shares, is able to identify how popular a firm is and then to evaluate the degree of the organisations’ approval among network users (Westerman et al., 2012).

CSR activities can vary from fundamental aspects, which related to the minimum standards set by the economic, legal and ethical responsibilities. Quantitatively, a multivariate modelling has also been used in order to verify the relationship between the social media effort and their engagement in CSR communication initiatives, using the Probit model which taking into consideration four CSR dimensions (Green CSR, Ethical CSR, Community CSR and Cultural CSR). In Chung et al.'s (2014) study, the findings show that wineries most involved in corporate social responsibility initiatives. They are in fact are the one that interact most with their web users, triggering in them some reactions that lead to the sharing of content and, therefore, having a significant impact on the dissemination of CSR communication information.

### Conclusions

CSR has become a core organisational activity and through a proper CSR communication, it could be a major stimulating factor for the enhancement of a company's image and reputation. Meanwhile, as stakeholders' expectations of the organisational social and environmental impact in the society continues to increase, more discussions on how organisations can effectively communicate their CSR activities are required. More important to note is that there seems to be a gap between the literature and the actual practice in the organisational strategies on the most appropriate channels for effective CSR communication. In addition, stakeholders play an important role in the organisational CSR communication. To sum up, a framework adapted from Morsing (2006); Chung et al (2014) is formed. With reference to Figure 1, a summary of the CSR needs to take into consideration (a) CSR communication dimensions and (b) communication strategies. According to Morsing, two main dimensions are important for a successful SCR communication, and they are (i) informing and (ii) interacting. These communication dimensions are then used when using the three CSR communications strategies by (Chung et al., 2014). The strategies employed need to have (i) intensity, (ii) richness, and also (iii) responsiveness.

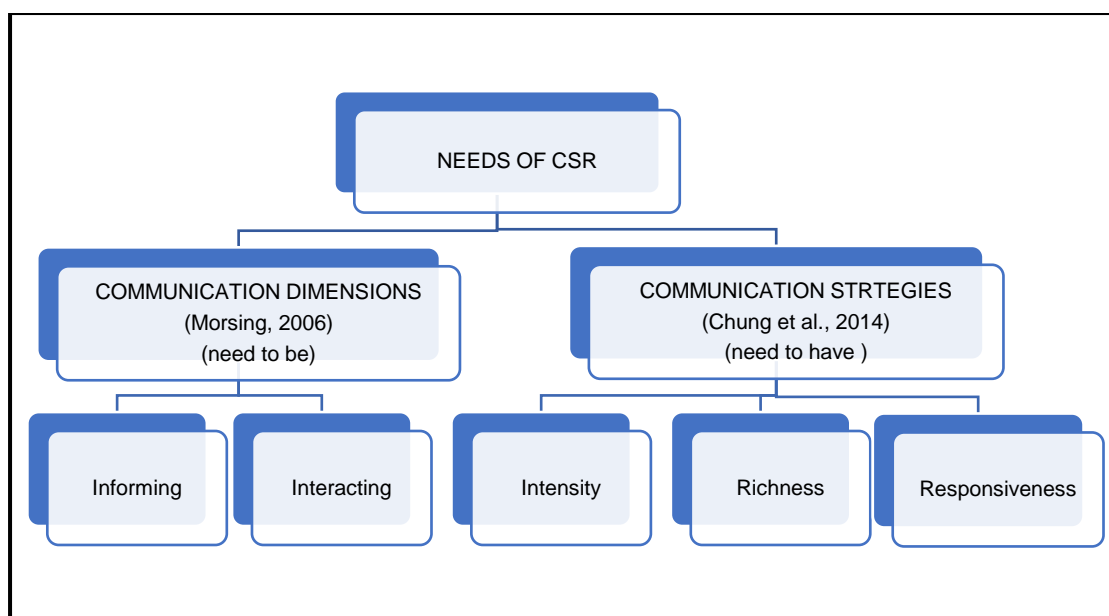


Figure 1. Conceptual Framework of the Study-Needs of CSR



In light of these considerations, future research could expand the analysed sample and take into consideration other CSR communication channels and different time periods in order to compare the empirical results. In particular, it is desirable to identify new dimensions that are able to embed the company's commitment to CSR communication and, therefore, to the strategies implemented by them. Finally, it might be interesting to investigate the reasons that push users to show greater responsiveness to some types of CSR initiatives rather than others, and in the research of the relationship between CSR social media effort and commitment in CSR communication in other types of industry.

In conclusion, this paper contributes significantly to knowledge as it revisits and reviews the literature on the dimensions of CSR communication to be taken into consideration in the development or enhancement of the index measures for CSR communication. Review of literature from this paper is significant for all other public listed companies from various sectors across all levels (national and international), for several dimensions on CSR communication can be applied for a better performance of the companies.

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