ENDEARING STAKEHOLDERS THROUGH CSR COMMUNICATION

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CSR STORIES

Guinness Ghana commissions GH¢208,000 water and sanitation facility for Krowor Cluster of Schools
CSR STORIES

First Atlantic Bank supports Otumfuо’s 15th Anniversary
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Cadbury Ghana honours long serving staff

The Award Winners
WHY CSR AND COMMUNICATION?

- There has been increased global pressure for firms to exhibit more accountability and transparency with regard to their business processes.

- Given the increasingly popular nature of CSR, it only makes sense that the details of these endeavors are made available to stakeholders (Illia et al., 2013).
WHY CSR AND COMMUNICATION?

• There is a thin line between genuine CSR communication by a firm, and a simple public stunt aimed at communicating a false sense of firm responsibility (e.g., Greenwashing).

• Firm’s stakeholders are varied and diverse, and have numerous expectations of the firm in terms of responsibility, making it even more complex to communicate CSR effectively (Motwani, 2012).
CONCEPT OF CSR

- Corporate Social Responsibility (CSR) has been identified as a significant component of successful business operations.

- The idea is that firms throughout their existence, must be able to evolve from the position of mere compliance and harm minimization, to the point of achieving value creation that is sustainable into the future (Jamali & Mirshak, 2007).

**What does CSR mean?**

- It means something to almost everyone, but not necessarily the same thing to everyone.

- Corporate Social Responsibility (CSR) has been defined in various ways by different authors.
CSR DEFINITIONS

• **Hopkins (2003)** explained it to mean the situation where firms treat their stakeholders ethically, with the wider aim of continually increasing standards of living, at the same time preserving the firm’s profitability for the benefit of stakeholders both within and outside the firm.

• **Du et al. (2011)** defined it broadly as a commitment to improve [societal] well-being through discretionary business practices and contributions of corporate resources.
THE COMMUNICATION PROCESS

See Pickton & Broderick (2005)
Communicating CSR initiatives has become an inextricable option for firms, due to the increasing demand for CSR related information by stakeholders (Illia et al., 2013).

Stakeholders refer to the actors located both within and outside of the firm who have the ability to influence, and can be influenced by a firm’s activities (employees, customers, suppliers, and the government, as well as other non-governmental organisations) (Maignan, Ferrell & Hult, 1999).

CSR communication has been largely one-directional.
CSR COMMUNICATION CONTINUUM

Clearly defined CSR activities for communication

Identification of target stakeholder audience

Channels of communication

Feedback

Source: Boateng (2014)
CLEARLY DEFINED CSR ACTIVITIES FOR COMMUNICATION

- CSR commitment, impact and fit (Du et al., 2011).

- Reactive or Proactive circumstances (Guzmán & Becker-Olsen, 2010).

- The specific CSR activity that a firm decides to communicate is determined by the particular stakeholder audience that they intend to target, as well as the channels of communication through which these stakeholders can be reached.
CLEARLY DEFINED CSR ACTIVITIES FOR COMMUNICATION

- **Environment** (creating and manufacturing environmentally friendly products, hazardous waste management, animal testing, energy conservation).

- **Operations in foreign locations** (labour practices overseas, and fair trade practices in foreign countries).

- **Product and Customer initiatives** (product safety, research and development, innovation, customer complaints and satisfaction, as well as cause related marketing).

(Bhattacharya & Sen, 2004; Hinson, Boateng & Madichie, 2010)
CLEARLY DEFINED CSR ACTIVITIES FOR COMMUNICATION

- **Community Support** (support of education, arts and health programs, the less privileged in society).

- **Diversity** (gender, race, family, and disability).

- **Employee support** (concern for employee safety, job security, union relations and employee involvement)

Unilever wins 2013 Catalyst Award, gender diversity

(Bhattacharya & Sen, 2004; Hinson, Boateng & Madichie, 2010)
IDENTIFICATION OF TARGET AUDIENCE OF THE COMMUNICATION

- Audiences largely vary in terms of their information needs, as well as their expectations and what is relevant to them (Du et al., 2010).

- Dawkins (2004) identified that most CSR communication is not designed to capture the varied interests and focus of these distinct groups of stakeholders.

- Identify the main audiences:
  - Opinion leader
  - General public
IDENTIFICATION OF TARGET AUDIENCE OF THE COMMUNICATION

- The opinion leader audience
  - Proactively seek out CSR information
  - More likely to be critical
  - Interested in Commitment and Impact
  - Reporting standards
  - CSR experts, the media and non-governmental organisations (NGOs).
IDENTIFICATION OF TARGET AUDIENCE OF THE COMMUNICATION

• The general public
  • Do not actively seek out CSR information
  • In recent times exhibit a growing interest in accurate CSR information, especially with the advent of social media (Illia et al., 2013).
  • Eg. consumers and members of the local community

• The creative manner in which the messages are articulated for relevance and understandability, by these diverse audiences go a long way to enhance their perceptions of the communication.
Channels of communication

• Both internal and external communication

• Corporate Channels
  • CSR report
  • Corporate website
  • PR
  • Advertising
  • Point of purchase
  • Social media

• Independent channels

***Consistent message

See Du et al. (2011)
Channels of communication

- Both internal and external communication

- Corporate Channels
  - CSR report
  - Corporate website
  - PR
  - Advertising
  - Point of purchase
  - Social media

- Independent channels
  - Media coverage
  - Word-of-mouth

***Consistent message

See Du et al. (2011)
Channels of communication

• In some situations, based on the channel of communication chosen by a firm to report their CSR initiatives, certain information can be taken out of context eg. Social media (Illia et al., 2013; Champoux, Durgee & McGlynn, 2012).

• There is a likely trade-off between controllability and credibility (Du et al., 2011).

• Firms should try as much as possible to communicate their CSR initiatives using independent channels as much as possible, which stakeholders are inclined to find more believable (Dawkins, 2004).
It refers to information available to a firm that indicates how well they are meeting their various goals for undertaking a particular activity, and can lead to a number of benefits for the firm.

A pertinent tool for organisational learning, especially with regard to CSR communication (Mulder, 2013).

A heightened awareness with regard to the outcomes of the communication process.
Feedback can be either positive or negative.

Based on its acceptance or rejection by the receiving firm can either result in a specific behaviour or inaction (Mulder, 2013).

Firm action can lead to better skill proficiency and accuracy, in communicating a firm’s CSR activities.
FEEDBACK

• Feedback provides:

  • Quality information about individual communication channels and their effectiveness

  • Information on how a firm’s CSR initiatives are perceived by their target audience (Edwards & Ewen, 1996).

  • Explains variations between how the CSR message is perceived by the target audiences, and how the firm expected that it would be received (Tourish & Robson, 2003).

• A lack of feedback in organisational communication, both internally and externally, often results in poor decision making.
THE COMMUNICATION PROCESS

See Pickton & Broderick (2005)
**CONTEXT**

- **Company reputation**
  - A company’s existing, or prior CSR record
  - Research has shown that companies with neutral ethical reputations are likely to reap greater business benefits from CSR communication than companies with positive ethical reputations (Strahilevitz, 2003).

- **Industry**
  - The industry in which a company operates will also moderate the effectiveness of CSR communication.
  - Stakeholders are often suspicious of companies in certain industries (e.g., tobacco, oil), an attitude that can pose a major challenge to the communication strategy (Bhattacharya & Sen, 2004).
OUTCOMES

• Internal outcomes
  ▫ Awareness
  ▫ Attributions
  ▫ Trust

• External outcomes
  ▫ **Consumers**
    ◈ Purchase, loyalty, advocacy
  ▫ **Employees**
    ◈ Productivity, loyalty
    ◈ Citizenship behavior, advocacy
  ▫ **Investors**
    ◈ Amount of invested capital, loyalty

See Du et al. (2011)
CONCLUSION

• CSR communication has the characteristic of being able to make bare a firm’s true identity to its varied stakeholder base.

• It has the ability of improving the overall reputation of the firm in a favorable manner, over an extended period of time.

• If the firm remains tactical and committed to the overall CSR communication process (Morsing *et al*., 2008).
CONCLUSION

• The firm must have a clear picture of the nature of the various CSR initiatives they have performed, and determine which ones they would like to communicate to their stakeholders.

• They must aim to achieve a good balance between the communication of both reactive and proactive CSR initiatives in order to present an image of sincerity and trustworthiness to their stakeholders.

• Know their stakeholders, the nature of the message and the channels to reach them effectively.
CONCLUSION

• Pay close attention to Feedback and other Contextual influences.

• They are most likely to experience both positive internal and external outcomes.
THANK YOU
REFERENCES