

AN INSIGHT INTO STAKEHOLDER-LED CSR COMMUNICATION¹

Abstract: *Although companies have always been engaged in communicating strategically with the main stakeholders, recent developments have shown that the corporate communication function has been redefined as a complex activity of communicating with both internal and external stakeholders. The authors use stakeholder theory to provide insight into CSR on-line communication by analyzing the content available to the general public of three major Romanian companies. The analysis shows that Romanian companies have adopted mainly the engagement rhetoric, one of the explanations being the fact that many domestic stakeholders still fail to understand the key role of CSR in developing corporate identity and reputation via on-line communication.*

Keywords: *CSR, corporate communication, engagement rhetoric, Romania.*

Introduction

Over the past decade, both business and society have reshaped their view of the role of businesses in society and how socially responsible behaviour should be communicated to clients, stakeholders and the general public. The idea of corporate responsibility led to the appearance of corporate social responsibility in the early 50s. Over the years, several definitions have been used by both academics and practitioners to refer to social commitment that corporations must consider in the course of their routine business practices (Shamir, 2005). Today, CSR is viewed as a relationship of firms with society and stakeholders (Clarkson, 1995); (Maignan and Ferrel, 2004); (Smith, 2003).

Thus, businesses have generated a set of communication tools created to communicate their new, socially responsible role to a larger audience. This audience, which now involves both highly informed and less informed recipients of the information, has been researched for several decades. Recent theories have been built around the idea of reciprocal responsibilities among business, society and a range of other stakeholders (Freeman, 1984). These groups of stakeholders have legitimate claims on the organization due to concepts developed by the agency and property theories (Golob & Bartlett, 2007). As corporations seek to maintain their legitimacy, we have to examine how this central notion has influenced the way corporations communicate with the strategic stakeholders and the community.

Cornelissen talks about three main concepts – stakeholders, identity, and reputation – which play a key role in understanding corporate communication within the general framework of legitimacy seeking: a stakeholder is any person or group that can influence or be influenced by the fulfillment of an organization's goals; corporate identity refers to the features of itself that a company conveys to various stakeholders, while organizational identity relates to the characteristics, values, and beliefs about the organization that are shared among its internal stakeholders; *reputation* entails the view of a company developed over time by various stakeholder groups (Ahlering, 2008).

To gain a broader understanding of these strategic elements, we should understand that the corporate communication function starts from the perspective of the “bodily” organization as a whole when communicating to all internal and external stakeholders (Christensen et al., 2008). As a “bodily” organization, it enters into complex relationships with a wide range of stakeholders: people who have direct or indirect ownership in a

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company, employees, and the community. Strategically, organizations need to achieve “alignment” or “transparency”, which is defined as “a state in which the internal identity of the firm reflects positively the expectations of key stakeholders and the beliefs of these stakeholders about the firm reflect accurately the internally held identity” (Fombrun & Rindova, 2000).

Therefore, companies should build their corporate communication around aspects of *corporate identity, image* and *reputation*. This is the reason why organizations implement communication strategies which try to achieve both “alignment” and integration. Businesses have to face pressures described by Robert Heath: “Some companies and other organizations are well known for their ability to conduct a truly integrated communication campaign designed to get the message across even though it is tailored to various stakeholders. Not only is the matter one of providing a coherent and consistent message that fosters an understanding of the company as its management and employees want to be understood, but it also means that key audiences are addressed in terms of the stake each of them holds with regard to the organization.” (Heath, 1994: 55)

ON-LINE CORPORATE COMMUNICATION IN ROMANIA

The past decade brought with it an increased interest of Romanian companies in communicating to the general public the CSR actions they engaged into by using different media. The IT and digital revolution has been a trigger for companies to disclose their activities and communicate with larger audiences. Esrock and Leichty (1999) underlined in their study that websites allow companies to engage in multi-stakeholder dialogue, a practical challenge of CSR communication. Be it action-based or just a mandatory activity, it engages companies in a complex communication strategy which requires constant monitoring of the main stakeholders and adds new ones which come from the online medium. New comers bring with them new challenges for companies as they are faced with additional pressures and challenges.

Romanian companies began communicating their CSR activities via internet as it allowed a more interactive communication with stakeholders rather than a static description of the socially engaging activities in their annual reports. Adopting the latest technology, the most advanced and recent on-line communication tools were used by companies at the same time and pace with highly developed countries. Furthermore, local businesses invested hugely in new technology as they looked at it in terms of developing a competitive advantage in the marketplace.

Locally, the social involvement of companies has been mainly an *imported behaviour*, closely resembling a brand consolidation strategy rather than a process. Mother companies have played a major role in the promotion and implementation of CSR campaigns using both print and online media. At the same time, local companies have responded to this call and started their own campaigns (recycling of used home appliances when buying new ones, recycling old cars). Even though CSR communication has mainly been viewed as a strategic management decision, it has helped companies in reshaping their role in society and has given them a new meaning.

Analysis of CSR Communication - A Case Study

CSR reports are currently used by Romanian corporations to communicate their commitment to socially responsible behaviour. One of the features of this new rhetoric is that of full engagement. The study analyses some online samples of corporate

communication issued by three Romanian companies listed in Top 100 most profitable companies in Romania. The top was published by Ziarul Financiar on August 24, 2011 (<http://www.zf.ro>). All three companies are among the first 5 most profitable companies in our country: OMV Petrom holding the first position, Orange the second position and Vodafone the fourth one. All companies are multinationals operating in Romania.

The OMV Petrom's history goes back to 1856 when the first oil production was used for street lighting in Bucharest. However, Petrom as a name was not used until 1991. It turned into OMV Petrom in 2004, when the Romanian company was bought by the OMV group and thus became an Austrian affiliate. OMV Petrom is by far the most representative company in the Romanian business environment since not only that it has been on top 100 most profitable companies in Romania for the last 6 years but it also received the distinction for the largest company in South-Eastern Europe (2009, 2010) as well as for the most Convincing and Coherent Strategy in Romania within the "Best Managed Companies in Central & Eastern Europe" survey, carried out by Euromoney (2010) (<http://www.petrom.com/>).

Orange is a rather "young" company in our country. It entered the Romanian market as Dialog in the post revolutionary years and was renamed Orange in 2006. As shown above, Orange is the most important GSM operator in Romania (www.wikipedia.org). One of the main reasons for its success is undoubtedly its tendency towards customer-oriented policies. As the top published by Ziarul Financiar clearly illustrates, Orange has become one of the most popular telecommunications companies in Romania in a short period of time. Moreover, the data recently published on the official corporate responsibility website (www.responsabilitatesociala.ro) in Romania shows that Orange is the market leader in terms of mobile telecommunications, having over 10 million customers at the end of 2009.

Orange's most important competitor on the Romanian market is Vodafone. Vodafone launched the first GSM network in Romania back in 1997 (as Connex) and takes pride in its constant concern for innovation and creativity. According to the Forbes Global 2000 top for the year 2009, Vodafone is among the biggest companies in the world, being placed by Business Week and Boston Consulting Group among the most innovative companies worldwide. Also, according to a survey carried out by Reader's Digest, Vodafone was nominated Romania's most trusted brand in the field of telecommunications (2009). It is also worth mentioning that the analysis carried out by Ethisphere places Vodafone among the most ethical companies at a global level (www.vodafone.ro). At present, Vodafone gathers a number of 9.5 million customers, thus managing to hold a top position among the most profitable companies in Romania.

The three companies generally address a large as well as varied audience and thus, an annual report, in which aspects such as social, environmental and economic responsibility are discussed, becomes mandatory, as part of their communication strategy. Their most recent CSR reports available online form the basis of our research. We intended to identify common features as well as differences among the three companies in terms of the narration techniques they make use of in order to build effective engagement rhetoric, more precisely to deliver a new and convincing message to the general public. Our analysis comprises the following elements: type of narration, use of metaphor, agency/actors, audience, intertextuality.

The samples analysed are comparable in terms of form of address and register: the company is generally referred to as "we" or "it", the public is rarely directly addressed. They all appear to address a varied target audience, irrespective of age, profession or sex.

However, despite the complex audience the three reports address, the prerequisite for the message to be successfully transmitted is that the public be adult. As far as the use of vocabulary is concerned, the texts revolve around key terms such as: *responsibility, social cases, education and environment*.

The CSR report issued by OMV Petrom (2011) is by far the most accurately built and comprehensive among the three case studies. It is focused on two major issues – people and environment – each of them approached from various perspectives. It unfolds in no less than 38 pages and it makes reference to: health, security, environment, sustainability, human resources, community, human rights, ethics. Among the key terms used in the text, we may refer to *responsibility, dialogue, partnership, volunteering, motivation*, all of them being centred on the idea of successful cooperation and social cohesion. As for the type of narrative, the OMV Petrom CSR report is highly descriptive and lacks testimonials, an aspect which together with the frequently used jargon (although not excessively) and passive voice, contributes to the objective mood which dominates the OMV Petrom discourse. The report lacks any direct address of the CEO and insists on the use of “we” as a clear sign of intended involvement and solidarity.

As shown above, one of the key terms constantly occurring in the text is “dialogue”: “dialogue with local stakeholders”, “dialogue with internal stakeholders”, “dialogue between top management and employees”, “dialogue with the unions”, an aspect which clearly contributes to the actively involved company image that OMV Petrom struggles to convey. A particular aspect which undoubtedly contributes to the coherent message as well as to the degree of credibility that OMV Petrom transmits is the structural pattern it employs at the beginning of every chapter of its report - every theme is illustrated in three stages: 1. what was planned for 2011, 2. what has been done, and 3. what is going to be done.

The visual elements that the report uses on the front page revolve around the idea of growth as supported by OMV Petrom (a small tree held in the hands of an unknown person) as well as around that of safety and cooperation as suggested by a sailing boat illustrated on page 18 of the report.

The tree seems to represent a popular choice among CSR reporters for Orange uses the same symbol on the front page of its 2009 CSR report. The aim of this choice seems to be to suggest incessant creativity – the Orange tree is in blossom and is carefully taken care of.

Unlike in the case of OMV Petrom, the Orange CSR report opens with Thierry Millet’s discourse focused on the economic, social and environmental context. At the same time, he describes the crucial role that corporate social responsibility has within this particular case. He continues by giving a short introduction to the actions Orange has taken in order to fit the international standards of corporate social responsibility and closes by promising to focus on creating business models able to allow sustainable development in all fields connected to Orange Romania (environment, products, people): “(...) we shall focus (...)”. His message lacks any use of metaphor, being mostly built by means of description. The Orange CSR report relies on fact sharing and thus manages to address all actors involved in its activities: employees, customers, and suppliers. We can conclude that Orange is clearly an experienced CSR reporter - its aims are eloquently stated and all technical indicators are present in the report:

1. Strategy and Introduction – the CEO’s statement;
2. The Profile of the Organization – eg. “(...) one of the greatest communication companies in the world (...)”;

3. Work Responsibility – eg. employees’ safety, health and motivation;
4. Environmental Responsibility – eg. the newly-adopted ecologic packaging; partner in a project whose aim is to preserve bio-diversity in South-Eastern Transylvania;
5. Social Responsibility – eg. the newly-launched service destined to the responsible use of mobile phones and the internet;
6. Product Responsibility – eg. the launch of Cronos Vocal, meant to satisfy the needs of customers with sight disabilities;
7. Business/ Economic Responsibility – eg. the relationships established among employees, customers, suppliers, shareholders, NGOs, public authorities.

Unlike OMV Petrom and Orange, Vodafone does not have a link granting immediate access to the most recent CSR report. Vodafone’s CSR activities are revealed on the Vodafone Foundation site which is aimed at responding to the public demand for environmental, social and economic care. In a similar manner to the one used by the above-mentioned companies, Vodafone uses description in the 1st person as a narrative technique. The key words around which discourse is created are: involvement, care, responsible/ethical behaviour, community, environment, education, culture. The business jargon dominates to the same extent as in the first two cases. The major topics around which the report evolves are: programs, children and the internet, mobile technology and environment.

In terms of use of visuals, we have noticed that Vodafone was not as inspired as OMV Petrom or Orange and the consequence of this lack of inspiration is obvious in the front page image which depicts a tropical scenery which fails to suggest anything to the Romanian public.

Intertextuality represents a common feature in itself. This applies not only to the three examples we have discussed so far but also to any form of communication which can be identified as corporate social responsibility reporting. The CSR structure is based on intertextuality: the three “pillars” on which CSR reporting is built are environmental concern, social and economic responsibility. These three issues are present, in one form or another, in any CSR report and they stand for the fact that companies are no longer profit-oriented and that they have learned to pay attention to the world beyond their companies’ boundaries. In all three above-mentioned cases, the active interest in the surrounding world is translated in environmental concerns, in employee-focused policies as well as in charity and volunteering activities.

CSR reporting has become an important form of engagement rhetoric by means of which companies identify themselves as active participants in the social, economic and environmental efforts and respond to the expectations of their stakeholders (employees, customers, partners, general public).

Conclusions

Our analysis revealed that all three Romanian companies show commitment to implementing socially responsible behaviour. Therefore, CSR communication has become an integral part of their overall corporate communication. All three companies included CSR into their annual reporting. Being still in its infancy, their CSR communication has been built by an intensive use of engagement rhetoric. It is generally addressed to a wide range of stakeholders and to a varied audience. Engagement rhetoric has also helped them in getting closer to people and local communities. We contend that reporting on CSR communication practices will help Romanian corporations in reshaping their role,

developing a more responsible corporate behaviour and could even contribute to changes in the behaviour of individuals within the community where these operate.

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