Conspicuous Corporate Social Responsibility

Dejan Verčič, Ph.D.
University of Ljubljana

Ansgar Zerfass, Ph.D.
University of Leipzig

Abstract

There seems to be an intrinsic linkage between the concepts of corporate social responsibility (CSR) and that of public relations (PR). In large organizations it is the public relations function that is predominantly responsible for CSR and related concepts. Literature suggests a high and rising importance of corporate social responsibility for public relations with positive organizational and social impact. However, longitudinal results of an empirical study among communication managers across Europe disagree.

Since 2007, the European Communication Monitor annually surveys over 2,000 professionals from more than 40 countries on the importance of strategic issues in European organizations. Since 2008 it has included a standard question about which issues respondents perceive will be the most important for public relations within the next three years. One of the offered items in this question is Dealing with sustainable development and corporate social responsibility. Understanding relative weight of corporate social responsibility in relation to other major issues public relations practitioners face may reveal its importance and any changes through time. If corporate social responsibility is gaining in importance this item should be climbing towards the top of the list. But, on the contrary, it fell from the second position in 2008 to the ninth in 2014 (of eleven offered). There is a rising trend of importance for the item Building and maintaining trust, while Dealing with sustainable development and corporate social responsibility and Dealing with the demand for more transparency and active audiences are falling.

Keywords: corporate social responsibility, public relations, corporate communication, strategic communication, European Communication Monitor.
“Corporate activities are increasingly scrutinized for their effect on society and the environment. It is unthinkable that a corporation today will declare publicly that its only goal is to make money for its shareholders. Instead, corporations typically claim to balance the needs of society and the environment against the need to make a profit. That is, corporations say they practice corporate social responsibility.”

Ihlen et al. (2011, p. 3)

The notion of corporate social responsibility (CSR) lives in many, sometimes complementary, often contradictory, stories. For the European Commission (2015) “evidence suggests” that CSR “can bring benefits in terms of risk management, cost savings, access to capital, customer relations, human resources management, and innovation capacity.” On the other hand, Rawlins (2005) notes that, “social responsibility … has been used in so many different contexts that it has lost all meaning. Devoid of an internal structure and content, it has come to mean all things to all people” (p. 58).

In this article we review the basic literature on corporate social responsibility and pose a question on the importance of corporate social responsibility for public relations practitioners today. Based on the literature and common saying, one would expect a high and rising importance. However, empirical data from a longitudinal study of communication professionals across Europe shows another picture.

In opposition to the progressive notion of the increasing value and practice of corporate social responsibility in contemporary corporations, we propose an alternative
interpretation and see a “conspicuousness” of many corporate social responsibility programs: instead of internalising negative external effects companies may have on their natural and social environments, conspicuous corporate social responsibility serves to demonstrate financial wealth and strength.

**Literature Review**

There seems to be an intrinsic linkage between the concepts of corporate social responsibility (CSR) and public relations (PR). Both appeared at the beginning of the 20\textsuperscript{th} century in the United States of America, and both were concerned with linking business and society. Both can be seen as having *inbound CSR*, or behavioural performance, and *outbound CSR*, or symbolic performance. Inbound, behavioural performance of corporate social responsibility starts with “stakeholder expectations” (Podnar and Golob, 2007), and these are covering “four kinds of social responsibility” that “constitute the total CSR: economic, legal, ethical, and philanthropic” (Caroll, 1991, p. 40; c.f. Bartlett, 2008). Fulfilling expectations or, in his words, developing satisfying relationships with a given public is exactly how Paul Garrett, the first Director of Public Relations for General Motors, explained “Public Relations” in GM’s 1939 annual report (dated March 15, 1943):

“It is apparent that there is a growing realization in this country that nothing is more vital to the maintenance of a corporation’s position in industry, and to its future development, than a satisfactory relationship with the public or good public relations. Public needs and viewpoints must be interpreted by the Corporation through its engineering, manufacturing and sales organization in the form of satisfactory products and services. This in turn places a definite public relations responsibility upon every General Motors employee and General Motors dealer, each
in his or her own particular sphere, to build good will for General Motors by being public minded member of a public-minded institution. In addition to furnishing satisfactory products and services, it is of equally vital importance that the public should have an understanding of the motives that actuate the corporation in everything that it does. In harmony with this conception the Corporation makes every effort to keep the stakeholders and the general public properly informed as to the corporation’s policies in dealing with the various problems that arise.” (quoted in Arnold 2015, p. 12)

After analysing both concepts, Clark (2000, p. 376) concluded that “public relations and CSR have similar objectives; both disciplines are seeking to enhance the quality of the relationship of an organization among key stakeholder groups.” While Ruler and Verčič (2005) defined public relations as “a strategic process of viewing organizations from the outside, or public view (p. 253),” Ihlen (2013) concluded: “Corporate social responsibility can also be seen as a business strategy that helps corporations negotiate their relationships with the wider society” (p. 208). In that spirit, Dyaram and Rajagopal (2013) proposed a corporate social responsibility (CSR) oriented approach to stakeholder management through stakeholder dialogue.

Frederic (1994a; 1994b) developed an evolutionary model of corporate social responsibility. He termed the period at the beginning of the twentieth century CSR1 – corporate social responsibility. Its core idea was that corporations are not responsible only for making money for owners but they are responsible also for the improvement of society. The idea was “enlightening, normative and unclear” (Verčič & Grunig, 2000, p. 28). In the 1970s, a more managerial idea of CSR2 – corporate social responsiveness developed. (This
was the environmental decade that on the side of public relations produced issues management).

For Frederick the major distinction between the periods was that in CSR1 the key question was still whether companies have any responsibilities, while in CRS2 it is assumed that this question has been positively answered and the question to work on is how. In the 1980s, Frederick invented CSR3 – *corporate social rectitude* – by adding values and ethics to responsiveness. He later even expressed an expectation that CSR3 will develop into CSR4, which he left unnamed, while Verčič and Grunig (2000) proposed to read it as *corporate social reason* (p.30-31).

In the contemporary world, corporations may be uniquely endowed and positioned to solve the major natural and societal problems. And here lies a Catch 22 of CSR and PR. In an alternative history of public relations in the USA, Olasky (1987) explained how large businesses ensured permission (legitimacy) to grow even bigger by claiming that their mergers and acquisitions were in the public interest (e.g. the railroad system). Social, public responsibility of businesses, when it becomes generally acceptable, merges business and political interests with questionable consequences. Ihlen (2013) noted that the concept of corporate social responsibility was developing slower in Europe, where the “social welfare system began to take shape in the 1920s (p. 207). While May (2008)optimistically stated that “CSR offers substantive opportunities for constructive social change” (p. 380), ideas about what social change is constructive and what is destructive may often lay in disputed territory.
Rawlins (2005) provided four explanations or reasons for why companies engage in CSR. Firstly, “organizations must acknowledge the responsibilities beyond financial obligations” (p. 211) to preserve legitimacy. Secondly, “[R]ather than a focus on short-term profit maximization, socially responsible behaviour is based on enlightened self-interest” (p. 212). Thirdly, “business will benefit from a better public image by acting responsibly” (p. 212). And fourthly, “social responsibility is enhanced autonomy” (p. 212) – “Organizations that behave within the socially responsible parameters established by society maintain more autonomy and establish trusting relationships with their publics.” (p. 212). To summarize the four areas, then: legitimacy, self-interest, image (reputation) and autonomy.

While a notion of corporate social performance (Rundle-Thiele et al., 2008) may offer a way to further develop the notion of inbound CSR, Rawlins’ explanations and reasons for CSR clearly point towards outbound, symbolic performance: communication is the primary driver of corporate social responsibility. In Ihlen’s (2013) words: “Most research seems to conclude that corporations engage in CSR out of concern for their reputation,” (p. 3), while CSR reporting is a communication signal contributing to that corporate reputation (Hetze, 2013). That is not far away from Sethi’s (1979) claim that a major driver of corporate social responsibility is legitimacy.

In the context of the above discussion, a question emerges on the importance of CSR in the work of public relations practitioners. We know that in large organizations they are responsible for CSR and related concepts. Goodman (2013), in his study among the chief communication officers (CCOs) of the 500 largest US corporations, found that 80.4% of these officers were responsible for Reputation Management and 55.4% for Corporate Citizenship.
In a similar study Swerling (2013) found that 85% of CCOs were responsible for Corporate Communication/Reputation (other than Advertising), 66% for Issues Management, and 65.4% for Community Relations. So, we know that public relations practitioners deal with corporate social responsibility. The question we are asking here is:

RQ: How important is corporate social responsibility for public relations practitioners?

Understanding relative weight of corporate social responsibility in relation to other major issues public relations practitioners face may reveal its importance and any changes through time.

Method

Reported results are based on an analysis of data from the European Communication Monitor (ECM). This is a large survey in public relations practice across Europe, where “public relations” stands for all related denominations: communication management, corporate communication, public relations and strategic communication. The European Public Relations Education and Research Association (EUPRERA) initiated the ECM and it has been running annually since 2007. From 2008 the core research team managing the project has consisted of Ángeles Moreno (University Rey Juan Carlos, Madrid, Spain), Ralph Tench (Leeds Beckett University, United Kingdom), Dejan Verčič (University of Ljubljana, Slovenia), Piet Verhoeven (University of Amsterdam, Netherlands), and Ansgar Zerfass (University of Leipzig, Germany, and BI Norwegian Business School, Norway) who acts as a coordinator. Recent respondents come from over 40 countries (it started with 22 countries in 2007, went
to 34 in 2008, 34 in 2009, and has been stable at above 40 since 2010: 46 in 2010, 43 in 2011, 42 in 2012, 43 in 2013, 42 in 2014 and 41 in 2015).

Each spring a personal invitation is sent to over 30,000 practitioners throughout Europe via e-mail based on a database provided by the European Association of Communication Directores (EACD) and supplemented with promotion by national practitioners' associations. Numbers of fully completed questionnaires that enter analysis vary from 1,087 in 2007 to 2,777 in 2013. Questionnaires are developed by the core research team based on literature and in collaboration with academic colleagues in EUPRERA. Each year questionnaires are pre-tested in several countries and refined based on feedback received. All correspondence is carried in English. The ECM is not a representative survey – it is based on purposive sampling and it can be said to belong to elite interviewing (respondents have to know English and be in a practitioner database, and demographic data also show that respondents come primarily from higher echelons of the practice). So, its results are not generalisable to the population of public relations practitioners in Europe, but they give a good picture on perceptions of the top people in the profession. Each year a research report is produced (Zerfass et al., 2007; Zerfass et al., 2008; Zerfass et al., 2009; Zerfass et al., 2010; Zerfass et al., 2011; Zerfass et al., 2012; Zerfass et al., 2013; Zerfass et al., 2014; Zerfass et al., 2015) and they are all publicly available on the project website at www.communicationmonitor.eu.

The questionnaire is divided between longitudinal questions that are the same each year or are repeated periodically and questions which are of special interest in a certain year. Some years there is also a third battery of questions to enable inter-continental
comparisons: E.g. in 2012 we coordinated some questions with a similar study performed in the USA at the USC Annenberg School of Communication (Swerling et al., 2012). Another question asking respondents to “Pick those three (3) issues which you believe will be most important for public relations/communication management within the next three years” is a longitudinal question repeated in all ECM surveys.

Results

Since 2008, the ECM lists *Dealing with sustainable development and corporate social responsibility* among potentially the top three issues practitioners have chosen from a larger list of options. Figure 1 shows how *Dealing with sustainable development and corporate social responsibility* entered the list of the top five issues at the second spot in 2008, to lose one place in 2009, and then becoming the least important of the five listed since 2012.

**Figure 1. Top five issues for communication management in Europe since 2008**
Source: Zerfass et al. 2015, p. 43. Data based on responses from n = 2,253 PR professionals (2015), n = 2,777 (2014), n = 2,710 (2013), n = 2,185 (2012), n = 2,209 (2011), n= 1,955 (2010), n = 1,863 (2009), n = 1,524 (2008). Question: “Please pick those three (3) issues which you believe will be most important for public relations/ communication management within the next three years!”

While *Coping with the digital evolution and the social web* gained the top spot in 2007, *Linking business strategy and communication*, which was on the second spot in 2007, became the first in 2008 and 2009. It then lost the top spot again to *Coping with the digital evolution and the social web*, but regained it and has held it since 2013. There is a rising trend of the importance of *Building and maintaining trust*, while *Dealing with sustainable development and corporate social responsibility* and *Dealing with the demand for more transparency and active audiences* are falling.

Table 1 presents percentages for *Dealing with sustainable development and corporate social responsibility* through the years, and the diminishing support for the issue is clear.
Table 1. Important issues for communication management: Sustainable development and social responsibility

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dealing with sustainable development and social responsibility</td>
<td>41.3%</td>
<td>38.0%</td>
<td>36.7%</td>
<td>37.2%</td>
<td>20.7%</td>
<td>19.7%</td>
<td>16.2%</td>
<td>16.3%</td>
</tr>
<tr>
<td>( n )</td>
<td>1.524</td>
<td>1.863</td>
<td>1.955</td>
<td>2.209</td>
<td>2.185</td>
<td>2.710</td>
<td>2.777</td>
<td>2.253</td>
</tr>
</tbody>
</table>

Notes. Question: “Please pick those three (3) issues which you believe will be most important for public relations/communication management within the next three years.”

While 41.3% of respondents selected Dealing with sustainable development and corporate social responsibility in 2008, the percentages fell to 20.7 in 2012 and then to around 16 in the last two years. When thinking about the near future, public relations practitioners have other issues on their mind, not Dealing with sustainable development and corporate social responsibility.

Results in Figure 1 and Table 1 list Dealing with sustainable development and corporate social responsibility among the top five issues because of the initial high position of the item in 2008. Table 2 presents all responses to the question in 2015 and in this snapshot picture we can find Dealing with sustainable development and corporate social responsibility in ninth place. The following items will be more important for public relations/communication management in the next three years than Dealing with sustainable development and corporate social responsibility: Linking business strategy and
communication, Coping with the digital evolution and the social web, Building and maintaining trust, Matching the need to address more audiences and channels with limited resources, Dealing with the speed and volume of information flow, Strengthening the role of the communication function in supporting top-management decision making, Dealing with the demand for more transparency and active audiences, and Explaining the value of communication to top executives. For respondents in the ECM 2015, corporate social responsibility is far from being an important issue in their work.

**Table 2. Important issues for communication management: All items 2015**

<table>
<thead>
<tr>
<th>Issue</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Linking business strategy and communication</td>
<td>42.9%</td>
</tr>
<tr>
<td>Coping with the digital evolution and the social web</td>
<td>37.2%</td>
</tr>
<tr>
<td>Building and maintaining trust</td>
<td>36.6%</td>
</tr>
<tr>
<td>Matching the need to address more audiences and channels with limited resources</td>
<td>33.4%</td>
</tr>
<tr>
<td>Dealing with the speed and volume of information flow</td>
<td>31.9%</td>
</tr>
<tr>
<td>Strengthening the role of the communication function in supporting top-management decision making</td>
<td>31.4%</td>
</tr>
<tr>
<td>Dealing with the demand for more transparency and active audiences</td>
<td>24.2%</td>
</tr>
<tr>
<td>Explaining the value of communication to top executives</td>
<td>17.6%</td>
</tr>
<tr>
<td>Dealing with sustainable development and social responsibility</td>
<td>16.3%</td>
</tr>
<tr>
<td>Implementing advanced measurement and evaluation routines</td>
<td>15.8%</td>
</tr>
<tr>
<td>Establishing monitoring and listening strategies</td>
<td>12.6%</td>
</tr>
</tbody>
</table>
Notes. Question: “Please pick those three (3) issues which you believe will be most important for public relations / communication management within the next three years.”

Discussion

While there seems to be a general feeling on the rising importance of corporate social responsibility in public relations, results of this study give a different picture. Corporate social responsibility has been losing its relative position to other major issues constantly since 2008. More fine-grained results of the ECM 2015 reveal that this fall has been dramatic, as it has fallen to the ninth place of eleven in total. It is also interesting to note that this fall is parallel to a similar fall of Dealing with the demand for more transparency and active audiences, which could be seen as complementary to Dealing with sustainable development and social responsibility. It is tempting to explain away this trend and the firm position of Linking business strategy and communication with the recent financial and economic crisis in Europe. But then there is Building and maintaining trust, which is rising. There is no easy explanation to this complexity of trends.

Siahaya (2013) presents an interesting case study in how cigarette companies, which are practically banned from communicating their products to consumers, can use corporate social responsibility initiatives to by-pass government restrictions and, giving money for good causes can even build reputation, based on which they count on more sales. Similar cases can be written for a whole list of sectors: fast food, gambling, soft drinks... How can companies in intrinsically socially harmful sectors engage in socially responsible behaviour without stopping production and migrating to another business?
Schultz and Wehmeier (2010) were the first to alert us on a possibility of “downward spiral of legitimacy and upward spiral of CSR institutionalization” (p. 9). Corporate social responsibility may have become institutionalized as a kind of good corporate mannerism, as a sign of political correctness, but what if it is really “a strong public relations tool” (Kim, 2014) focused solely on projection of a desirable image? In that respect CSR programs get properties of conspicuous corporate social responsibility, spending money on programs that look desirable to the largest shares of markets and citizenry. That way CSR programs may signal good corporate business performance and corporate wealth. It has been around since the Romans that those in power should provide games as well as bread. Is it possible that displaying goodness has become a corporate game?

Results of this study are based on self-reports by public relations practitioners on the relative importance of corporate social responsibility in their work over the next three years. It doesn’t report their attitudes on CSR, and a co-orientation analysis of attitudes of corporate communication practitioners on one side and of their key stakeholders and the general public on another side could give different results. That has yet to be tested. So, there is a strong possibility that attitudes communication managers hold and practices they perform may not be synchronised. There may be distinctions between what communicators think (their attitudes and cognitions), what they say (their communications), and what (and why) they do (corporate behaviour): believing and preaching corporate social responsibility may be self- and public communication, but supported only by symbolic corporate behaviour, one that appears agreeable to key stakeholders it is targeting with its
communications. In this respect corporate social responsibility communication would serve as a surrogate for proper corporate social responsibility.

**Limitations and Future Perspective**

This study has not provided any definite answers on why public relations practitioners seem to value corporate social responsibility as they do. It has only alerted readers about the falling trend of corporate social responsibility as a major issue in corporate communication practice in the last nine years in Europe. It offered some possible explanations for this trend, but these explanations have not been empirically tested and remain speculative proposals for some future research.

The study is based on data from a larger study and serves as a counter-intuitive signal to a question that may seem obvious: that the notion and practice of corporate social responsibility is becoming more and more pervasive. The question to be asked in further studies is: what are material realities of CSR, why are CSR programs performed and with what effect for whom? Can CSR legitimise otherwise illegitimate (or even illegal) practices (like cigarette advertising dressed as CSR advertising)? Can CSR communication serve as a surrogate for proper actions? There must be something wrong with a construct of CSR if the primary beneficiaries of its actions are companies themselves. To address these questions, a more focused research in CSR practice would be needed.
Acknowledgements


The authors declared no potential conflict of interest with respect to the research, authorship, and publication of this paper.

References


Siahaya, I. A. (2013). The cigarette’s identity construction through corporate social responsibility advertising, in Nielsen, A.-E., Thomsen, C., Golob, U., Elving, W., Schultz,


