

Strategic communication of CSR in global business networks: A semiotic perspective

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Abstract

Strategic communication is a crucial component of companies' intra- and inter-organizational activities. With the increasing attention to Corporate Social Responsibility (CSR), strategic communication has also become an important part of overall CSR management. In particular, the wide variety of current communication channels requires companies' strategic communication to be extensive in order to convince the actors within the business network of the company's responsible actions. Furthermore, due to the international nature of today's business, understanding communication across cultures and how a specific message targeting different markets should carry the strategic intent would have an important part of the overall successful CSR management process and particularly strategic communication. Nevertheless, the topics of strategic communication, CSR and culture both separately and in conjunction have been given limited attention in business network literature. Thus, there is a need for creating a deeper understanding of the strategic communication of the company's CSR policies to business network's actors in different cultural contexts.

This paper is explorative in its nature and aims to create a deep understanding of strategic communication within global business networks, which is part of the overall CSR management of companies. The paper in particular focuses on how the strategic communication approach to CSR is developed, organised and communicated within global business networks. To reach our aims we conduct a case study, including interviews with key managers in Nordic based companies. We further conduct a semiotic analysis of the empirical data obtained in order to reach a deep understanding of phenomenon under study. The result of the research will consist of a framework for strategic communication of CSR policies within networks from a cultural perspective.

Keywords: Strategic Communication, CSR, Culture, Networks, Semiotics

Paper type: Work in progress

INTRODUCTION

Due to an overall pressure for responsible and sustainable operations in international business, strategic communication of Corporate Social Responsibility (CSR) has become an integral part of companies overall communication to different actors in business networks. Hence, strategic communication of organisations CSR activities has become integral part in the overall strategic marketing activities.

CSR has engaged many sectors of the society, including the private, governmental and academic sector. Due to the wide range of sectors engaged, different definitions have been presented. For example, the European Commission's (n.d.) view is that "corporate social responsibility refers to companies voluntarily going beyond what the law requires to achieve social and environmental objectives during the course of their daily business activities"; whereas an academic definition would refer to a "...socio-political movement which generates private self-regulatory initiatives, incorporating public and private international law norms seeking to ameliorate and mitigate the social harms of and to promote public good by industrial organisations" (Sheehy forthcoming, para. 97) An effect of the wide use of the term CSR is that "the ubiquity of the term CSR threatens its carrying any distinctive meaning. Despite its long history no consensus has been developed among the industry participants, academics or other interested parties" (ibid., para. 1).

With today's globalisation, issues connected to CSR have become far more complex and complicated (Sheehy forthcoming) and unpredictable, as it includes e.g. child labour, environmental issues and economic factors (cf. Morsing & Schultz 2006). Further, different CSR rankings and surveillance institutions have increased and "critical stakeholder attention is not restricted to a company's decision and actions, but also focuses on the decisions and actions of suppliers, consumers and politicians, which may spur criticism towards a company" (Morsing & Schultz 2006, p. 323). Hence, as an effect of this, organisations require more on-going and sophisticated stakeholder awareness, more sophisticated CSR communication strategies (Morsing & Schultz 2006). Further, strategic CSR communication has become an important part of companies overall communication process. A focal point is CSR reporting where presentations of a company's CSR activities are summarized. This has also become the focus point of most academic research into this area of knowledge (see Bakker, Groenewegen & Den Hond 2005). We however do not limit our understanding of CSR communication to CSR reporting, but take a wider perspective and consider other tools for communicating the company's CSR vision to different actors in the business network, including company's website, social media, various visual content, etc.. Thus, we aim to contribute to CSR communication literature by taking a wider, holistic perspective on CSR communication and taking a business network approach to it.

The increasing responsibility of the company not only for its actions, but also for the actions of e.g. its suppliers, require clear articulation of company's CSR vision to various actors in its business network, which play a crucial role in the company's business operations outcome. By applying the concept of business networks we refer to the IMP group theory (Håkansson & Snehota 1995), which regards a business network as a structure where a number of nodes, i.e. business units (actors), are related to each other by specific threads, i.e. relationships (Håkansson & Ford 2002, p. 133). We however take a broader perspective on business networks by regarding as nodes not only business units, but also other actors (i.e. non-business organizations) that play a role in the focal company's business, in particular in relation to CSR activities.

The CSR aspects of the business network have received little attention in IMP group studies (Raman 2011). Furthermore, although there has been some research on communication in business networks, most of the studies apply a realist perspective on communication by focusing on the “actual” communications, their typology and consequences (Ellis & Hopkinson 2010, p. 414). However, understanding of how the activity of communication, especially regarding less tangible elements, is socially constructed through interaction with business network actors requires more research (c.f. *ibid.*). Thus, we apply a social constructivist perspective by regarding how managers interpret the firms’ CSR communication practices in business networks.

The aim of this paper is to create a deeper understanding of CSR communication through exploring how companies use strategic communication to communicate their CSR values/vision in global business networks. The research questions are as follows:

1. How is the communication process organised in order to reach different multicultural actors in a network?
2. What tools and strategic messages are used in order to communicate company’s CSR vision to the various actors in the company’s global network?

In order to reach our aims we conduct in-depth interviews with communication and sustainability top-managers in several global industrial companies with headquarters in Finland. We also take into account secondary data from the selected companies, e.g. core CSR messages in a visual and verbal form. We further analyse the collected data following a semiotic structure, which allow us to understand the context in which the communication is encoded and decoded, and what the key CSR message contains in the communication to different actors in the network. The research findings and conclusions will be thus formed based on the scrutiny of a wide range of references and empirical data, in order to form a holistic understanding on strategic CSR communication to different actors in different cultural settings within business networks.

The paper is structured as follows. First, we present the theoretical background concerning strategic CSR communication in business networks and the semiotic perspective on it. Second, we describe how the data was collected and the methods of analysis used in the study. Finally we present the preliminary findings and discussion, as well as outline further steps for the research.

STRATEGIC CSR COMMUNICATION IN INTERNATIONAL BUSINESS NETWORKS

The idea of a business network and the business network approach was developed by IMP group in the 80s-90s (Håkansson & Snehota 1995). This approach is still of high relevance in the current business world, as nowadays any industrial company has to operate in complex business networks consisting of various actors in order to survive on the international business market. The necessity to form business relationships with other actors in the network comes from the limited technical, knowledge and other resources of a company. One of the four core propositions of the network approach (Håkansson & Snehota 2006, p. 261) is the following: “The distinctive capabilities of an organization are developed through its interactions in the relationships that it maintains with other parties”. Following this

proposition the strategy of CSR communication of the organization will also benefit from being developed through company's interactions with various actors in its business network.

IMP studies predominantly regard business organizations as the actors of the business network (see Håkansson & Snehota 1995; Håkansson & Ford 2002). However, in case of CSR communication, non-business actors should also be included in the business network of the focal organization, as they directly or indirectly influence the business processes of the focal company and their outcome. Furthermore, Raman (2011) mentions that the B2B and B2C approaches should be combined in order to provide a holistic perspective on the role of CSR in business networks. In turn, Vaaland and Owusu (2012, p. 159) state that CSR is related to "at least three dimensions; intra-organizational, business-to-business (B2B) and business-to-society (B2S)". We combine these perspectives and present a model of a business network from a perspective of CSR communication activities (see figure 1), which serves as an initial framework for this study.

The concept of CSR as such has been in the spotlight of international academic and professional literature for a long time (Golob et al. 2013). However, CSR communication is a more recent phenomenon within the academic communication management research area. On the other hand, "some potentially valuable work on CSR communication has been done within the fields of management and communication" (ibid., p. 177). CSR communication is in an instrumental sense often seen as a way of communicating CSR values and informing about companies CSR activities and brand identity/reputation (Golob et al. 2013). "CSR communication is hence conceived as a means to influence stakeholders' perception of organisations in terms of the resources of information (specific contents, media, channels or rhetoric arsenals) they use to inform stakeholders about their CSR policies and activities" (ibid., p. 178). The way companies have traditionally communicated their CSR message is through annual sustainability reports and other types of annual review types of reports. However, due to digitalization and increased accessibility of information there is a need to employ and research other methods of communication as well.

Recently CSR communication literature began emphasizing the need to have a constructivist approach, implying the need to involve various stakeholders in a dialogue when developing CSR communication strategy (Golob et al. 2013). Nevertheless, while the stakeholder perspective in CSR literature traditionally accounts for dyadic relationships between the focal company and its direct stakeholders (Lindfelt & Törnroos 2006), employing network thinking to CSR communication strategy development also allows to consider the role of relationships between other actors in the network for the focal company strategy. For example, if the focal company's customers have some problems with CSR, then the focal company may also need to participate in CSR communication to media and local community in relation to that (see figure 1). Thus, we regard interaction with various actors as of crucial importance for the construction and constant development of the company's CSR communication strategy and message.

Furthermore, in order to operate effectively a company may establish relationships with various actors in and between countries and regions, which implies the importance of considering the global and local cultural contexts when communicating its CSR vision to the actors in the multicultural business network. We however regard culture not only from a national perspective, but also according to actors' organizational cultures and beliefs towards CSR. For example, NGOs concern about CSR is very high in general, due to core organizational beliefs being in operating for the benefit of the society. Media might regard

CSR as a “hot” topic, due to their core beliefs being in delivering a critical perspective on matters important for the society. The customer company may have selection criteria for choosing its suppliers based on its vision of CSR. Therefore the communication to these various actors should be built with an understanding of these actors’ beliefs.

Finally, when dealing with international actors based in different cultures, - what you say rather than just focusing on how you say it - is also of great importance for a successful communication. This implies a need for an interpretive stance towards CSR communication, which has been given little attention in previous academic literature on CSR communication (Golob et al. 2013). A semiotic approach towards communication, which we elaborate on in the next section, represents itself one way of accounting for the cultural background of various business network actors in the company’s CSR communication strategy and delivering a meaningful CSR message.

Figure 1 represents the theoretical framework of this article based on the foregoing discussion. CSR communication is thus constructed in three contexts. The first one relates to the internal company context and the message that is constructed based on the core organizational beliefs of the company as well as taking into account the specifics of various local subsidiaries. The second context relates to the business network context and construction of specific CSR messages through interaction with various actors within the business network. Thus, CSR communication is adapted in accordance to each specific actor. Furthermore, although the company does not require constructing CSR messages for some of the actors in the business networks, e.g. competitors, these actors still play a role in the company’s CSR strategy development by providing a learning experience (e.g. competitors may face similar problems in relation to CSR). Finally, the first and second contexts are embedded in the local and global contexts, which play a role when constructing CSR communication strategy both on the internal company level and on the business network level.

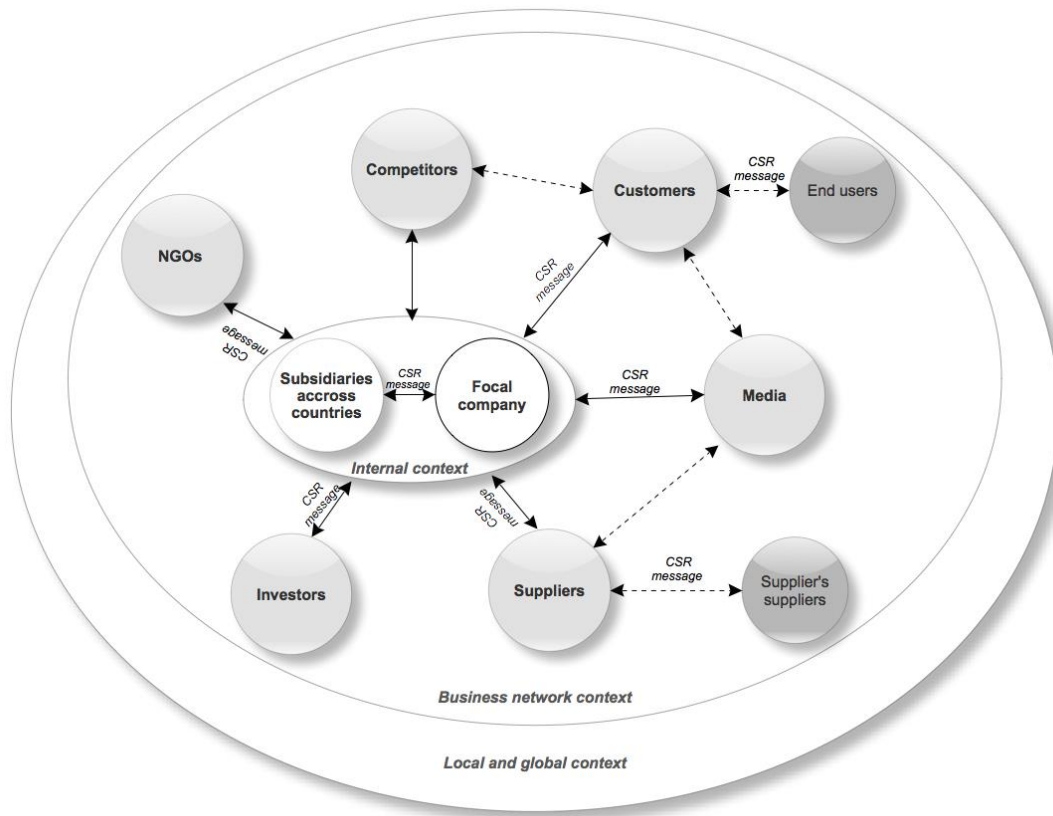


Figure 1. Strategic CSR communication in business networks

STRATEGIC CSR COMMUNICATION FROM A SEMIOTIC PERSPECTIVE

Different approaches in the development of new knowledge and understanding of communication have been developed over previous decades, from the founding research of Lasswell (1948), Shannon (1948) and Shannon and Weaver's (1949) models of communication, representing the transmission theories of communication to semiotic models of communication by Jakobson (1960), Eco (1976) and Guiraud (1975). Fiske (1990) has summarised the discussion into two main schools. The first school applies a functionalist approach and has its focus on the transmission of the message in an efficient way through different media and channels, but also on how the sender and the receiver develop the coded message and how the codes in the message are understood. The second school focuses on communication as a creation and interchange of meaning and applies an interpretive approach towards communication. The interaction between people to create an intended meaning of the message is central to this school, where the "text", culture and receiver(s) are important parts in the success of the communication.

In order to apply an interpretive approach we turn to semiotics, which is the study of signs and sign processes, signification and communication, including the study of how meaning is formed, understood and communicated. Chandler (2007) finds that signs are found everywhere and so to be able to function in the world one needs to obtain an understanding of not what the signs appear to mean but what the signs actually mean. Semioticians include the understanding of communication by focusing on the circumstances under which communication and the message is formed (cf. Eco 1976). Hence, creating a strategic CSR

language that is interpreted and understood in accordance to a specific context is of importance in succeeding with implementing CSR communication activities, both strategic and operationally. As mentioned in the previous section the specific contexts focused on in this study are 1) intra-organizational context; 2) business network context and 3) local and global context.

Two scholars that are seen as the founding members of what we today know as semiotics are Ferdinand de Saussure (1857-1913) and Charles Sanders Peirce (1839-1914). The two focused on explaining the meaning of signs in text and in other means of communication. Saussure’s contribution to the development of semiotics came from a linguistic perspective whereas Peirce focused on a logical philosophical perspective. Different researchers through the years have taken different routes when developing the understanding of semiotics. In our study we apply Jakobson’s communication model (Jakobson 1960; Guiraud 1975). Roman Jakobson’s ideas were based on Saussure’s research and further developed the understanding of the communication process by including the context in which the message, the channels used in communicating the message and the codes forming the message are included (ibid.). Jakobson’s communication model thus provides a framework for understanding the main issues in connection to a successful communication process in various contexts, which is relevant for our study. We further adapt this model in accordance to our needs (see figure 2).

The model includes: 1) the *Emitter* or the sender of the message, which in our case refers to the focal company; 2) the *Referent* or the content of the message, which is based on the executive management understanding of CSR; 3) the CSR *message* itself; 4) the *codes* used to define the meaning and the intention of the message; 5) the *Medium* or the means of communication used in carrying the message; and 6) the *Receivers* understanding of the message sent, which in our case refers to the understanding of the message by various actors in the business network. Further, based on the receivers understanding of the emitters message and two-way interaction between the receiver and emitter, the emitter may adjust the CSR message.

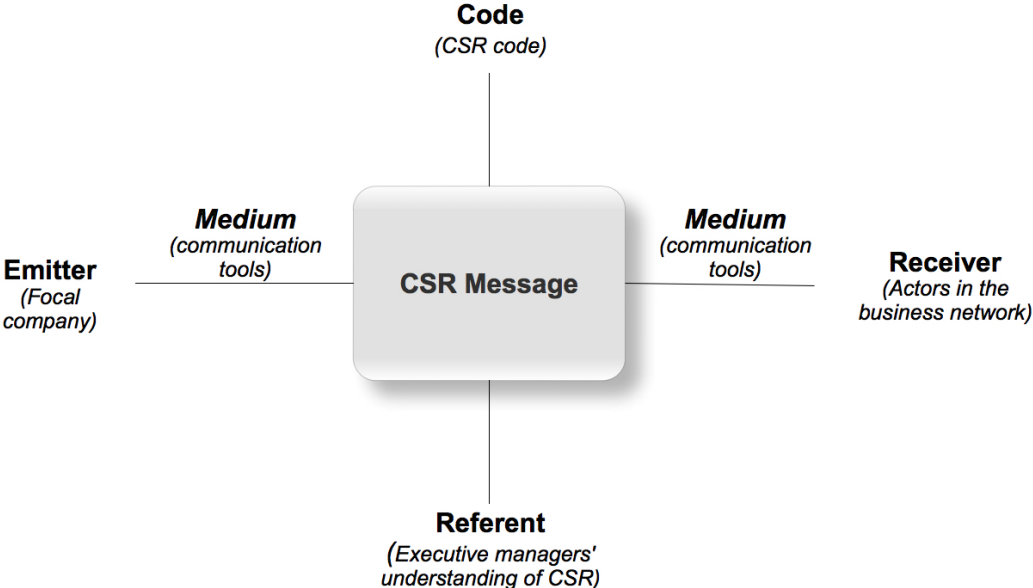


Figure 2. CSR communication model (adapted from Guiraud 1975, p. 5)

Following this model, communication is “the act of sending information from the mind of one person to the mind of another person” (Smith, Berry & Pulford 1997, p. 28). What (denotative

and connotative) meaning and understanding the emitter and the receiver connect to the message (the signs and codes), what signs are used in signifying the codes carrying the strategic intent of the message (signifier) and under what circumstances and through what channels the message is sent affects in the end the success of the communication process. We however focus on the emitter's perspective regarding 1) the development and construction of the CSR message; and 2) the emitter's understanding of how the message may be perceived by the receiver.

METHODOLOGY

Due to the exploratory nature of the paper, qualitative approach is chosen as the most suitable for its purposes. We have conducted in-depth unstructured interviews with 6 managers responsible for CSR communication in 4 multinational business-to-business companies. The main criterion for choosing the firms was high level of experience in CSR related matters. We also attempted to interview companies in different industries (e.g. industrial raw materials and machinery) in order to obtain a multifaceted view on strategic CSR communication. The interviews lasted from one to two hours each and were conducted in English. We further transcribed the interviews verbatim and analysed them by applying the semiotic communication model presented in the previous section. It should be noted however that in this work-in-progress paper the findings are based on data from only two interviews, as the other interviews were done in the end of April, a few days before the deadline for the submission of the paper to the conference. We further plan to also include secondary data, as company videos, website and CSR reports, in order to obtain an in-depth understanding of the CSR messages constructed by the company for specific network actors.

INITIAL RESULTS

We present the initial results in stages, describing the activities in relation to CSR communication from the focal company perspective. These stages are however interlinked with the frameworks presented earlier and include the concepts discussed in the theoretical part of the paper.

Pre-communication activities - The strategic platform for CSR communication

Sustainability is part of the interviewed companies overall strategy development, and included in definitions of vision, mission, values and code of conduct in a transparent and holistic way. The companies conduct different types of qualitative and quantitative research that are conducted with different actors across the network in order to understand for example the intercultural reality but also the strategic perspective of the company's CSR/sustainability. Shared values and beliefs, described in the code of conduct, forming a company specific culture towards sustainability, were considered by the respondents as important when developing strategically sustainable approach. Further, sustainability has become part of the companies' differentiation, competitive advantage and therefore part of their everyday business activity including R&D and product and service development. Accordingly, our findings show that sustainability is no longer just an exercise in presenting statistics in a CSR/sustainability report it has rather become an integrated part of the overall marketing and communication process. A result of this is also that the context in which the communication of CSR/sustainability is conducted includes all employees of a company.

Stage one: Sender/emitter – Focal Company

In the interviewed companies the communication managers and/or CSR/sustainability managers and/or executive group are all involved in the process of developing a communication strategy and process based on the core of the company's CSR activities. In order to develop the CSR communication strategy, the interviewed companies use for example a) *Expert groups* within the company, representing key people from different departments, e.g. R&D, Communication and Marketing, Sales and Human Resource b) *Executive groups* including CEO and other top managers c) organizations within the industry cluster. In regards to the inclusion of the perspective of the business network actors in the CSR communication strategy, one of the companies noted that it has recently introduced a CSR advisory board with members representing different areas of the business network (customers, suppliers, NGOs, universities). This advisory board task is to act as a sparring entity for the company in relation to CSR issues, thus discussing and providing the company with some qualitative feedback on CSR matters. Other companies use mostly surveys in order to obtain the perspective of the actors in their business network and take it into account in their strategy. All the companies also mentioned that day-to-day interaction with the actors in their business network provide a certain input for developing the CSR communication strategy.

Stage two: Referent and CSR Codes - Encoding of the meanings

Information management and marketing management departments jointly encode the strategic message in accordance with the strategic understanding defined in the previous stage. The informants noted that the CSR message of the focal company is tailor-made in accordance to various contexts for which it is intended (e.g. according to the specific function of the network actors or local context). Thus, even though the core of the CSR message will be based on the strategic intent of the company in relation to CSR matters, the specific definitions and meanings applied in the CSR message may vary depending on the context to which it is applied.

The informants stated that the codification of the message is built on industry and company specific CSR signs and codes, creating a company specific language. The specific language is used in the communication towards different actors in the network. The CSR message is also further encoded in different international markets by local representatives in accordance with the local cultural conditions and circumstances. Stories are used to exemplify the core values and strategic intent.

Stage three: Medium – a holistic communication approach

Several communication tools are used in order to communicate the message to different actors in the network. Firstly the informants mentioned that all employees are seen as being part of the communication process, through their action and their personal communication with different actors in the network. Sustainability reports together with theme-based magazines are used as “information banks” for building CSR messages delivered via other mediums. The social media platform is widely used in the communication process and is also an important part in both internal and external communication of the company's CSR message. The informants mentioned communication techniques like face-to-face interaction, workshops and seminars, e-mails, company's YouTube channel, Facebook, Twitter, LinkedIn. It was noted by the informants that nowadays they use less traditional media (e.g. ads in newspapers) in

their CSR communication to the actors in their business network. It can be thus concluded that companies strive to use tools for two-way communication, which may provide them with a feedback from the receivers of the CSR message, rather than one-way communication.

Stage four: Decoding of the message by different actors in the network

The different actors in the focal company's business network decode the message in accordance with their position in the network and their cultural understanding. The informants stated that the receivers (i.e. actors in the business network) include the supply chain, customers and investors, but also universities, media and NGOs. Based on how the actors in the network decode the message and communicate their understanding to the focal company, the companies may modify the CSR message and strategy. Even though no specific CSR message is constructed for the companies' end users and suppliers' suppliers, they still try to consider these actors' possible perceptions regarding CSR when constructing and developing the message. This study, however, does not regard the receivers' perspective and how they decode the message; therefore this may serve as a promising avenue for further research.

CONCLUDING NOTES AND FURTHER STEPS

The initial result from the interviews with internationally/globally operating companies' shows that sustainability has become part of strategy development and also part of the overall communication of the company's strategic differentiation and competitive advantage, within the network. The companies seek to apply a pro-active strategic approach towards CSR communication (see also Morsing & Schultz, 2006) by involving the actors of their business network in a dialogue and taking the actors' perspective into account when constructing the CSR communication strategy. In relation to cultural aspects, the companies apply an emic approach (see e.g. Morris, Leung, Ames & Lickel, 1999) by trying to understand the specifics of CSR in various countries from an "insider" perspective through interaction with local communities and own local personnel. The findings of the research thus accord with the semiotic approach to communication, where the context in which the communication is conducted affects the result of communication process.

The next step in the process towards completing this article is to analyse the remaining two interviews, which have been already conducted (i.e. in total interviews with 6 managers from 4 companies have been conducted) and conduct more interviews. In total we aim for having 8-10 interviews with global industrial business-to-business companies. Based on the findings of the interviews and secondary data from the interviewed companies (e.g. verbal and visual content related to CSR), we will then include a more in-depth analysis of CSR message from a semiotic perspective.

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