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**Corporate Social Responsibility (CSR):  
The Role of Internal Communication and  
Employee Engagement**

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## Abstract

The purpose of this study is to get a deeper understanding of how companies communicate their CSR initiatives and issues to internal stakeholders. The main research question is: “How do companies communicate their CSR initiatives in order to create engagement and commitment among internal stakeholders?”. This is followed by four supplementary research questions: 1) “To what extent are internal stakeholders aware of and engaged in the companies CSR initiatives?”; 2) “To what extent are internal stakeholders involved in CSR initiatives?”; 3) “Which message channels are being used for communicating CSR initiatives?” and 4) “How does the company’s external communication affect internal stakeholders?”.

The research questions are answered through a qualitative case study consisting of three large regional companies in the municipality of Hedmark in Norway. The data was gathered through semi-structured interviews with both managers and employees, in total 14 respondents.

The main findings show that the awareness and engagement of CSR is high among most of the employees. The main underlying cause of this, in this case, is the degree of involvement, which seems to be the utmost important factor for increased commitment and engagement to CSR and their associated activities. The most used communication channels are intranet, e-mails, face-to-face, department-, house- and video meetings. However, the preferred channel among internal stakeholders turned out to be face-to-face communication, with the desire of having the opportunity to give feedback and suggestions for improvement. The companies in this study seemed good at involving employees on top- and middle manager level. On lower positions, however, the involvement was arguably at a bare minimum, with the consequence of low commitment and engagement. The company’s own websites and annual reports seem to have little to no significant impact on employees, whereas social media and newspaper articles stand higher on the perceived impact – something perhaps overlook, but a considerably important channel for reaching employees.

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# 1. Introduction

Ever since the social movements in the 1950s and 1960s (Carroll, 2015), the concept of corporate social responsibility has climbed higher and higher up on the agenda among academicians and business executives. Today the concept is one of the hottest discussed topics (Skarmeas and Leonidou, 2013), ranging from the motives and validity of the concept, and how it can be used to create competitive advantages (Du and Sen, 2016). Corporate social responsibility, often referred to as CSR, can be defined as “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (Commission of the European Communities, 2001).

For the past few generations, employees had lower expectations of their employers, where job security and a fair salary was often more than enough (Golob, Podnar, Elving, Ellerup Nielsen and Thomsen, 2013). Current employees, however, have completely different expectations of their employers (Crane and Glozer, 2016). Today’s employees want to support causes they care about outside of work and make a positive impact on society as a whole (Crane and Glozer, 2016). As such, they expect the same from their employers (Golob et al., 2013). For a company to be able to attract and retain such employees in a time of change, one has to be mindful of the communication to employees about CSR issues – something that can increase their satisfaction and commitment through CSR (Birth, Illia, Lurati and Zamparini, 2008). Bevan and Wilmott (2002) find that there is a relationship between employees’ loyalty and CSR, while Joyner and Payne (2002) find that employees are more committed to ethical and socially responsible companies. A company’s CSR communication is thus believed to affect future employees, another important objective for CSR communication being to reduce employee turnover, since ethical and socially responsible behavior are important criteria’s in the choice of employer (Joyne and Payne, 2002; Bevan, Isles, Emery and Hoskins, 2004; Keeler, 2003). Employees are less likely to leave socially responsible companies (Bevan and Wilmott, 2002), as its believed that employees have similar values as the organization (Maignan, Ferrel and Hult 1999).

Malik (2015) argues that protecting different stakeholder interests results in a variety of benefits, where Kotler and Lee (2005), along with Du, Bhattacharya and Sen (2007) are convinced of and emphasize a range of benefits that underline the enthusiasm among firms

for CSR, such as increased sales and market share; strengthened brand positioning; enhanced corporate image and influence; decreased operating costs; increased appeal to investors and financial analysts as well as increased ability to attract, motivate, and retain employees. According to Hoeven and Verhoeven (2013) engaging employees in CSR activities allows them to feel better about themselves and the organization, but more analysis is needed on how they are involved into the communication process (Morsing, Schultz and Nielsen, 2008), which has earlier been overlooked by researchers (Hoeven and Verhoeven, 2013). Former studies on internal CSR communication show that internal communication is the most used channel, which highlights the importance attributed to CSR communication for internal stakeholders (Birth et al., 2008). Even though employees are believed to be key components in building trustworthiness around a company's CSR initiatives, ultimately maximizing business benefits from their investment in CSR, there however lack of research in getting a deeper understanding of how to communicate more effectively to internal stakeholders (Du et al., 2010). Another aspect is how internal CSR communication affects internal stakeholders (Brunton, Eweje and Taskin, 2017), as internal stakeholders play a key role in CSR, being advocates for companies' CSR programs (Bhattacharya, Sen and Korschun, 2011; Coombs and Holaday, 2012; Morsing, 2006). However, according to Crane and Glozer (2016) the voice of internal stakeholders seems to somehow still be marginalized in research.

In order to engage employees and build trustworthiness around CSR initiatives, there is a need for an inside-out approach (Morsing et al., 2008), combined with a two-way conversation with greater emphasis on the role of the employees (Goodstein and Wicks, 2007). Higher satisfaction and commitment to CSR among employees will among other increase the company's publicity through positive word-of-mouth (Birth et al., 2008). Thus, the reach of employees as CSR communicators should not be underestimated (Dawkins, 2004). As far as the information from internal stakeholders goes, it seems more often than not to be perceived as an increased credible source of information (Du, Bhattacharya and Sen, 2010), which is believed to reduce CSR skepticism among external stakeholders. Employee involvement in CSR initiatives is there for essential in increasing positive word-of-mouth by employees (Dawkins and Lewis, 2003).

The main objective of this master thesis is to examine how companies communicate their CSR initiatives to internal stakeholders in order to create engagement and commitment among internal stakeholders, with the main research question being:



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## **How do companies communicate their CSR initiatives in order to create engagement and commitment among internal stakeholders?**

In order to answer the main research question, four supplementary research questions have been framed, and are as follows:

1. To what extent are internal stakeholders aware of and engaged in the companies CSR initiatives?
2. To what extent are internal stakeholders involved in CSR initiatives?
3. Which message content and channels are being used for communicating CSR initiatives?
4. How does the company's external communication affect internal stakeholders?

The thesis, from here on referred to as the study, is conducted as an exploratory case study in three major regional businesses in the eastern part of Norway. The three aforementioned companies represent three different industries with different types of ownership. One of the companies is a large regional savings bank, the other one a large grocery wholesaler, and the third represent the gaming industry. All three companies had a strategy for CSR and were actively working with it in various ways and areas. The companies provide the study an insight into a wide range of various areas of CSR, with one company being highly engaged in energy savings and global climate, while another is a world leader in gaming responsibility and the third taking responsibility for their customers by giving good advices not based only on earnings, but making an effort on helping local businesses through tough financial times as well as contributing with donations for good causes.

The paper is structured as follows: First, a theoretical framework is established with a background of the responsibility of companies, the history of CSR with a brief review of central concepts and theories, CSR in a European context, followed by motives and benefits of CSR, CSR communication and internal marketing for CSR. Secondly, the research methods chapter aims to explain the research methods used and choices made in addition to a description and details regarding the data collection, validity, reliability and analysis. Third, the results are presented, structured with a brief background on the companies CSR work, and later on the basis of the supplementary research questions: 1) awareness and engagement, 2) involvement, 3) content and channels, and 3) external communications influence. Fourth, the results are discussed in comparison to previous findings. Finally, the concluding chapter, where theoretical and managerial implications are discussed and suggestions for further research are proposed.

## 2. Theoretical Framework

The following chapter presents and discusses the theoretical framework used throughout the study and for answering the research question. First, the responsibility of companies is discussed, followed by a presentation of the history of CSR and further CSR in the context of a Europe. Finally, the main research on CSR communication and internal marketing for CSR is presented.

### 2.1 The responsibility of companies

In addition to disagreements about the concept of CSR, vast discussions about the concept of validity have occurred, making the contradictions between both sides of the discussion large (Granum Carson, Kosberg, Skaug and Laudal, 2015). One part of the discussion can be seen as political, where the biggest controversy is the view of companies as part of the solution to major social and environmental problems, or simply the source of the problems (Granum Carson et al., 2015). Although there is somewhat of an agreement of the companies' impact on the environment the debate about their responsibility is still loud. On one hand, Friedman (1970) argues that the responsibility of businesses is to increase its profits. On the other hand, companies can, among other, be seen as a moral person (French, 1979), having responsibility regarding four areas (Carroll, 1991) or even holding a corporate citizenship (Zadek, 2001; Matten, Crane and Chapple, 2003). This subsection presents the main critique related to CSR and discussions of what responsibility means for a company, as well as how the concept can be understood.

Friedman (1970) being among the most well known opponents of the CSR concept, with his famous article "The social responsibility of business is to increase its profits", argues his point of view by showing that companies cannot be held responsible, only people can. In addition, he argues that neither business leaders can be held responsible, because they can only be regarded as an employee of the company, where they only have obligations towards the owners. Friedman (1970) goes far in asserting that it is immoral of businesses to engage in charity, because it involves the use of others (the owners) money at their discretion. The belief that the only responsibility held by managers is towards the owners, and most often to make as much profit as possible within the basic legal and ethical rules (Friedman, 1970).

Regardless of how Friedman's opinions might seem old fashion, one that has taken the opinions on companies social responsibility seriously, is however Bakan (2004), who argues that companies are like psychopaths, which only follows their own interests without taking other people into account. Bakan (2004) agrees with Friedman (1970) in most areas, both arguing that there is no such thing as a corporate social responsibility: If a company promotes taking responsibility for society, it is merely only for marketing or "green-washing", and such an act is always immoral because managers only have responsibilities towards the companies' shareholders. According to this, it is immoral handing out the shareholders money based on the managers own opinion, where Friedman (1970) is quite positive regarding the capitalist economy and profit maximization, but Bakan (2004) argues thought that company's power, influence and psychopathic traits is harmful to society. The underlying cause for this development is according to Bakan (2004) that there is a distinction between people as a private person and as an employee or manager, believing that this distinction facilitates us to put our values and ethical guidelines at home – making decisions in favor of our employer or shareholder as a consequence. According to Bakan (2004) this distinction arises because structural factors are more important than individual morality, with the belief that a situation or a special form of structures can make us behave in the most terrible way. It is highly arguable whether one can put moral and ethics aside with the consequence of making decisions that is harmful to society, other people or the planet, but the reasoning does seems to prevail.

With quite a similar reasoning as Bakan (2004), French (1979) argues that a company has responsibility and moral, with the belief that companies have internal structures as fixed procedures for decision-making. This view implies that responsibility can be attributed to groups of people and not just individuals. In addition, these structures and procedures create an identity, which is unique for every company (French, 1979). In the same way individuals make decisions based on a fixed set of structures, companies are believed to do it as well. Such view implies that an organization is more than a random group of people, but on the other hand, the consequence of treating businesses as moral actors means they must be attributed to the same rights as other citizens, which in turn will increase power of private companies. Taking this reasoning into account, by looking at companies as citizens, has become a well-known phenomenon in recent years (Granum Carson et al., 2015). Treating companies as citizens implies that the requirements we hold for individuals are valid also for companies.

Zadek (2001) argues that companies have an extended responsibility for sustainable development. Zadek's (2001) concept distinguishes between three generations of corporate citizenship among companies: First generation is about philanthropy; second generations is about implementing a corporate citizenship strategy and use it as a competitive advantage. Third generation is about how companies' efforts can make a difference in solving global issues (Zadek, 2001). Whereas Zadek (2001) argues for companies' responsibility, Matten et al. (2003) use this concept to describe how companies take responsibility in an attempt to solve social problems. In other words, Zadek (2001) believes companies should take responsibility while Matten et al. (2003) describes how they do it, without having opinions of one way or the other. Another way to describe a company's responsibility is through Carroll's (1999) CSR pyramid, where companies' responsibility are divided into four areas: 1) economic, 2) legal, 3) ethical and 4) philanthropic. Economic responsibility constitutes the lower dimension of the pyramid and can be seen as fundamental. The idea behind the model is that companies can climb the pyramid, where the highest level is volunteering or philanthropy. The contents of the different levels, or dimensions, change in line with stakeholders' demands of companies.

Where Bakan (2004) goes far in asserting that companies are the main cause of problems, Porter and Kramer (2002) claim that companies' interests are coinciding with the society's interests. Porter and Kramer (2002) believe that the private sector's legitimacy is declining and thus increased regulation and control as consequence. These mechanisms mixed together create a bad spiral. Porter and Kramer (2002) argue that private companies can be part of the solution of global problems and social issues, but it requires that companies take a wider look on the term value-creation. Such a view implies a further understanding of business goals, from a narrow profit maximizing view to implementing social issues into the company's strategy and core activities.

As can be seen, there is a large gap between many of the opinions regarding the topic of CSR, where Granum Carson et al. (2015) consequently makes an easy to understand distinction between two types of rationality, in order to group the different opinions. While the first type of rationality describes purpose and attributes to the opinions of Friedman (1970) and Bakan (2004), the second encompasses value rationality and can be said to cover the opinions of Zadek (2001), Porter and Kramer (2002), Carroll (1999) and French (1979). Purpose rationality means taking decisions that are in one's own interest (Friedman, 1970; Bakan, 2004), where the value rational perspective involves emphasizing values and ethical

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arguments in decisions for the purpose of preserving the interests of society (Zadek, 2001; Porter and Kramer, 2002; Carroll, 1999 and French, 1979). However, if the company already has implemented CSR in its business model, it may still be a case of having the decisions affected with a perspective of purpose rationally yet takes values and ethics into account too.

Moving to the root of the issue, being the main topic regarding the sole concept of CSR: the term responsibility. This term does not seem to be problematic when one is talking about individuals, but when we apply the term to a group of people, such as an organization, many complications arise. One can to a certain extent penalize companies, for instance in the form of fines or by boycotting their products (Granum Carson et al., 2015). However, companies should not be equated with a person as an individual, as it is argued that it cannot be said to be a moral actor or having a form of conscience, thus has no ability to feel guilt and responsibility. Among the critics of CSR the interpretation of the term has been very literal where it can be argued that the term should be interpreted more metaphorically (Granum Carson et al., 2015). In spite of the moral responsibility of businesses being questioned, the concept of CSR appears to be more of a pictorial explanation of the responsibilities that individuals with decision authority have in an organization (Granum Carson et al., 2015).

## 2.2 History of CSR

Setting a starting point in time for the concept of CSR is virtually impossible and poses therefore a challenge of making a complete review, which the following carries a touch of, and is rather meant to highlight the most important contributions. According to Carroll (2015) one has to go back hundreds of years to find the roots of CSR, where the signs might even be older. However, Bowen with his book “Social Responsibilities of the Businessman” in 1953 is by Carroll (2006) titled as the father of CSR, trying to making executives reflect on their role and overall impact their companies have on society – where the very first definition of corporate responsibility appeared in print:

*It (SR) refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action, which are desirable in terms of the objectives, and values of our society (Carroll, 2008, p. 25).*

According to Carroll (2015) the most important pioneers to the CSR movement led the way to the emergence of social movements like the civil-, consumer’s- and women’s rights

including other environmental engagements. These movements were driven by the rising expectations of consumers, employees and citizens, who shaped the idea that companies had responsibilities towards a wider set of stakeholders (Carroll, 2015). Murphy, Kangun and Locander (1978) identifies four CSR eras before and after the 1950s, which he classifies as follows: 1) the period up to the 1950s was the philanthropic era, 2) the period from 1953 to 1967 was the awareness era, 3) the period from 1968 to 1973 was the issue era, and 4) the 1974-1978 period was the responsiveness era (Carroll, 2008). Within CSR the main topics were employee improvements and philanthropy, although there was more talk than action (Carroll, 2008). Later on, the stakeholder approach became more important (Freeman, 1984). In 1971 Johnson describes responsible companies as:

*A socially responsible firm is one whose managerial staff balances a multiplicity of interests. Instead of striving only for larger profits for its stockholders, a responsible enterprise also takes into account employees, suppliers, dealers, local communities, and the nation (Carroll, 2008, p. 28).*

Even though CSR was higher on the agenda of academics than it was for companies, a study by Eilbirt and Parket in 1973 shows important CSR issues that large firms were engaging in (Carroll, 2008). The activities were as followed: Minority hiring and training, ecology, contributions to education and arts, hard-core hiring and training, urban renewal and civil rights (Carroll, 2008). Regarding the discussion whether managers should be able to engage in CSR issues, Carroll (1979) argues for the importance of a basic definition, understanding of the issues and a philosophy, or strategy, of responsiveness to the issues. Based on these arguments, Carroll (1979) offers the following definition:

*The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time (p. 500).*

On the basis of the definition above, it was later developed a CSR pyramid, where the economic responsibility forming the foundation of the pyramid, charted by legal, ethical and philanthropy (Carroll, 1991). In the 1980s many complementary concepts were established. Some of them were business ethics, stakeholder theory, corporate social performance and public policy (Carroll, 2008). During this period, the focus moved away from the outcomes of CSR to seeing CSR as a process (Jones, 1980), followed by how it can be operationalized (Tuzzolino and Armandi, 1981). According to Carroll (2008) the two most important alternative themes to CSR developed in the 1980s were stakeholder theory and business ethics. Although Freeman's theory was basically a management strategy, it has recently had

a major influence on CSR theory (Carroll, 2008). At the same time, research on the relationship between CSR and profitability (Aupperle, Carroll and Hatfield, 1985), has become a hot topic. The most important issues for companies in that period were employment discrimination, consumer abuses, employee health and safety, quality of work life, environmental pollution, deterioration of urban life and practices of multinational companies (Carroll, 2008).

A unique contribution to CSR occurred in the 1990s, where the concept of CSR was proposed to serve as a base point for complementary concepts, such as corporate social performance, sustainability, stakeholder theory, business ethics and corporate citizenship (Carroll, 2008). At the same time, more and more companies started building their business strategies around CSR and managed to succeed in creating a competitive advantage (Carroll, 2008). In the 2000s, very few new concepts were developed, but instead many of the previously developed frameworks were empirically tested, which resulted in the greatest advances in CSR in the current period being business practices (Carroll, 2008). In the newly emerged business practices, many new companies chose to start implementing CSR strategies, leading to CSR becoming one of the hottest topics among business managers (Carroll, 2008). The many complementary concepts have created a zone that is quite challenging to navigate in, where one of the latest complementary themes is the idea of creating shared values (Porter and Kramer, 2006). Even though CSR has been rather controversial, Carroll (2015) argues that it will continue to expand in support, both by the academics and in business. The reason being for companies engaging in CSR has much to do with the potential benefits, which both the company as well as society can take advantage of – by no means being pure altruism (Carroll, 2015). With increasing global support, the concept of CSR will arguably be around for a while, and for everyone's sake, hopefully forever – regardless of its nametag.

## 2.3 CSR in Europe

The role and rights of employees has been one of the more longstanding and primary topics of CSR in its original context in the USA, where fair wages, working time and conditions, healthcare, redundancy, protection against unfair dismissal have been key issues to which CSR policies have been addressed (Matten and Moon, 2008). The absence of CSR policies in European companies in many employment related issues has, according to Matten and

Moon (2008) been due to the fact that the institutional framework of the economy, in particular formal and mandatory rules or laws define the responsibility of companies and other societal actors for particular social issues. CSR as a voluntary corporate policy in Europe appears unessential because these issues seem to not be left to the discretion of companies or a part of the legal framework.

As European Union (EU) has for a long time viewed corporate social responsibility as voluntary in nature (Ahern, 2016), a policy focus on sustainability as a long-term driver of the social market economy within Europe has coincided with a shift in regulatory approach concerning corporate social responsibility. Sustainability can be defined as “Development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (Carroll, 2015, p. 92), the further introduction by the Non-Financial Reporting Directive of mandatory non-financial reporting for large companies heralds in a regulatory approach focusing on sustainability disclosures (Ahern, 2016). Given the considerable discretion given to companies in relation to the form of such disclosures, it still remains to be seen how effective such disclosures will prove in practice in terms of achieving consistent transparency and sustainability gains in the future. However, an increasing number of tools for CSR proposed by the EU, such as ISO 9000, United Nations Global Compact, EFQM Framework for CSR, etc. seems to be a guarantor for the rapid rise of CSR seen in Europe (European Union, 2014). These can be seen as an initiation of several international guidelines such as the ISO 26000, the Global Reporting Initiative (GRI, s.a.) and the UN Guiding Principles on Business and Human Rights (United Nations, 2011), which offer concepts that serve as guidelines to align understanding of its social responsibility with societal expectations (European Union, 2014).

Since the European Commission’s CSR implementation in 2009, stating that CSR communication can increase or improve customer satisfaction and loyalty, employee motivation and productivity, company, brand or product reputation, cost savings, as well as relations with the local community and public authorities (Moisescu, 2014), CSR has gained unprecedented momentum in Europe in recent years. From the increased CSR reports in Europe, it has become clear that companies try to undertake investment projects aimed to improve environmental sustainability, while being aware that CSR turns out to be a source of competitive advantage (Nielsen, Thomsen, Golob, Elving, Schultz and Podnar, 2013). Companies seem to extend CSR to their supply chain by imposing more or less rules about the environment and work to their suppliers (Nielsen et al., 2013), similarly to what



European Commission is trying to achieve with their CSR initiatives (Moiescu, 2014). These CSR initiatives can be described as the activities and actions that influence the effectiveness and relationship between the stakeholders and the company regarding CSR. As CSR is subjected to internal controls, but often with external members, something that the EU according to their reporting guidelines, is well aware of. In addition, companies try to obtain external recognitions for their CSR, as being accepted in sustainability stock market indices (Nielsen et al., 2013). They widely insist on the good environmental properties of their products, which also become relevant for the companies that use them as inputs. Corporate focus on financial sustainability and value creation is of course central and CSR, without losing its defining features, is adapted to them (Nielsen et al., 2013). All in all, CSR in Europe regarding general and environmental sustainability in particular still pose two challenges to companies: being able to create the synergy between CSR and value creation and creating the same synergy again by communicating this message to shareholders and also to the rest of stakeholders (Nielsen et al., 2013). Making the market aware of the synergy that managers aim to create was EU's first step in a society that demands CSR (Nielsen et al., 2013), where the corporate goal in this respect is to become the leaders of it instead of its passive subjects.

## 2.4 Motives and benefits of CSR

Vallaster, Lindgreen and Maon (2012) find that in general practitioners remain in a state of confusion when it comes to deciding how to tackle CSR in a way that benefits both the company and society at large (Polonsky and Jevons, 2009), although the myriad of benefits are increasingly apparent according to Malik (2015). A summary of various CSR-related benefits are provided in this chapter, while the costs and constraints that may entail are relatively small compared to the potential benefits (Kotler and Lee, 2005; Malik, 2015), and thus left out. Bhattacharya, Korschun and Sen (2009) suggest that the degree to which a company realizes benefits from its CSR activities can be moderated by a number of contingency factors, where the most important of these are characteristics of the company, such as the company's reputation, and the industry which it operates in (Scarlett, 2011); such characteristics will however be ignored at this stage for the benefit of a broader overview of potential benefits.

Basu and Palazzo (2008) and Moisescu (2014) state that the last three decades have witnessed a lively debate over the role of companies in society, where businesses have started to acknowledge the importance of CSR, leading to a wide variety of initiatives becoming known. It is therefore not without a reason that Basu and Palazzo (2008) argue the spate of corporate scandals, accounting frauds, allegations of executive greed and dubious business practices have given the ammunition to critics who have leveled a variety of charges from deception and manipulating perceptions to piecemeal adhocism: “Today’s climate of heightened scrutiny toward corporate behavior underscores, perhaps as never before, the need for conceptual robustness to guide CSR initiatives undertaken by firms” (p. 122). This is evident by the European Commission’s (Moisescu, 2014) work, and the increase in the number of annual company CSR rankings, such as Forbes Magazine's 100 Best Corporate Citizens, Ethisphere's World's Most Ethical Companies, the Global ESG 100 by RiskMetrics Group including the increased disclosures of activities in the annual report (Scarlett, 2011). Thus, the observable fact becomes even more obvious that the public has expectations on business that extend beyond providing goods and services, providing jobs and benefits, and making profits – although the latter certainly rank the highest (Carroll, 2015).

### **2.4.1 Motives**

According to Carroll (2015), and as mentioned earlier, CSR has never been pure altruism, where businesses mainly engage in CSR because they see the benefits in doing so for themselves and as well as society. This enlightened self-interest has come of age and there is no going back: “It represents the most widely held form of conscious capitalism seen thus far, and as long as the worldwide economy continues to grow it is expected that CSR will as well” (Carroll, 2015, p. 95). Du et al. 2010 suggest that a company has two types of motives when engaging in CSR activities, represented by extrinsic and intrinsic: A company’s extrinsic motives encompass the desire to increase its bottom line, while intrinsic motives portray the company as having a genuine concern for the cause and outcome of their CSR activities. Mixed motives unfold as win-win situations, where both society and the company benefits, arguably being the sweet spot of the previous two (Du et al. 2010).

With that said, consumers do however seem to be more sensitive to “irresponsible” than to “responsible” corporate behavior, where “doing bad” hurts more than “doing good” (Bhattacharya and Sen, 2004). These views have not only become commonplace by

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customers, but even so in the business press and among business and political leaders, where Campbell (2007) points out the increasing emergence of academic literatures around it. Lindgreen, Swaen, Harness and Johnston (2009) claim that theorists and practitioners alike have even come to believe that: “not only is doing good the right thing to do, but it also leads to doing better”. Regardless the approach, this remains consistent with earlier work by Maignan and Raiston (2002), which separate motives for participating in CSR activities into three types of approaches: value-, performance- and stakeholder-driven. The fact that companies exhibit multiple motives was one of the conclusions from the legitimacy theory (Deegan, 2002). Stanaland, Lwin and Murphy (2011) argue that the multi-faceted nature of CSR indicates that reputation and loyalty tends to be more pragmatic reasons for engaging in this practice, while consumer trust might be viewed as being rather morally based.

### **2.4.2 Benefits**

However, Vallaster et al. (2012) find that practitioners in general remain in a state of confusion when it comes to deciding how to tackle CSR in a way that benefits both the company and society as a whole. Lindgreen, Swaen, Harness and Hoffmann (2011) point out how earlier literature mitigate that organizational CSR is nothing more than marketing communication in response to shifting governmental and social expectations or “window dressing”, but also points out that by embedding CSR into policies and everyday business practices, the company reduces the potential that CSR decouples from decision making when the organization confronts economic challenges. The differences in the motives and driving forces is by Lindgreen et al. (2011) argued as to ultimately reflect the debate about whether CSR is appropriate because it provides instrumental benefits, because it supports wealth maximization for shareholders, or because it provides moral benefits and enables the organization to “do the right thing”. However, Lindgreen et al. (2011) argue that that the motives all arrive at the same place: CSR becoming the “glue” that binds and unites the organization’s activities.

Tangible benefits from participating, investing and engaging in CSR activities are fairly extensive, and can be found in various facets of a company’s performance (Malik, 2015). The large extent of potential benefits a companies can yield by engaging in specific CSR initiatives can be illustrated by mentioning merely the most common ones: expanded product benefits, product diversification, unique brand reputation, establishment of brand equity, improved corporate branding, improved relationships with customers and suppliers,

customer loyalty, increase customer retention, attract, motivate, and retain a satisfied work force, organizational identification, improved employee productivity, improved job satisfaction, employee commitment, employee motivation, increased employee morale, decreased turnover, better managerial skills, helpful/supportive organizational behavior, better operating performance, enhanced operating efficiency, saved operating and energy costs, capital market advantages, earnings quality, lowered cost of capital, reduced litigation costs, provide access to investment and funding opportunities, better risk management, decreased information asymmetry, corporate reputation benefits, positive media coverage, generate positive publicity and media opportunities, supplier support/partnership, improved relations with regulators, society, and other stakeholders increase companies' revenues as well as higher profitability, which ultimately leads to higher market value of the company, carrying over into future periods, making CSR performance positively affects company value and help improving companies' profitability as well as economic value, both in the short run and long run. The benefits are, needless to say, plenty, whereas disadvantage are more of a needle in a haystack set-up.

### **2.4.3 Values**

These CSR benefits may take different forms, and some benefits may influence a company's value both directly and indirectly (Polonsky and Jevons, 2009), depending upon the structure and goals of their CSR programs, where Malik (2015) argues that companies realize different CSR benefits that in the end still improve the overall value of the company. Companies that are strongly committed to CSR activities desire to also be identified in this manner and, as the literature indicates, this positioning does tend to enhance a company's legitimacy in the eyes of society and its stakeholders (Stanaland et al., 2011).

CSR-related values should however be gained through organizational and individual levels, thus ensuring that CSR is embedded into the culture of the company (Vallaster et al., 2012; Yusri and Amran, 2012). For instance, employees who work in remote locations, far away from corporate headquarters, feel that participating in the company's CSR initiatives helps them feel connected to fellow employees; meanwhile, other employees benefit from the same initiatives because the CSR activity reduces the stress in transitioning between their home and work lives (Mory, Wirtz and Göttel, 2016), thereby providing work-life integration (Bhattacharya et al., 2009). Such internal CSR integration can be defined as communicating about CSR to individuals in a company with the purpose of creating stronger

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identification, engagement and commitment among internal stakeholders (Crane and Glozer, 2016). Thus, employee engagement can be defined as the emotional commitment the individuals in a company have to the organization and its goals (Kahn, 1990). Thus, one can argue that the more an employee identifies with the organization, the more they will seek opportunities to contribute to the company performance. Because attending customers' needs is a vital way enabling employees to help the company maintain and deepen relationships with colleagues and customers (Polonsky and Jevons, 2009). Affected employees may view their own efforts to contribute to customer loyalty and thus helping to drive long-term organizational success (Korschun, Bhattacharya and Swain, 2014; Stanaland et al., 2011). Some employees recognized engagement with organizational CSR as being personally advantageous and beneficial, serving to increase their willingness to act as organizational citizens (Slack, Corlett and Morris, 2015). Different CSR provisions, such as meeting labor union demands, providing better health care and retirement benefits, and paying wages above the market level, help to increase employee productivity (Malik, 2015). A working environment based on praise and support, ongoing training, and education turn assist companies in building a reputation as a good employer, which attracts better talent and motivates personnel (Vallaster et al., 2012).

By aligning social actions with corporate objectives to facilitate CSR programs, companies can maximize their value, which is generally considered the ultimate goal of all companies (Malik, 2015). CSR may also be employed as an important strategic tool to maximize shareholder value as well as company value by protecting other stakeholders' interests (Malik, 2015; Virvilaite and Daubaraitė, 2011) and creating a "mutualistic" relationship (Chong, 2009). Thus, shareholders benefit from CSR programs because of their influence on consumer purchasing behavior and potential to increase employee productivity (Scarlett, 2011). This positive perception may then consolidate mutually beneficial bonds of cooperation between the organization and key stakeholders (Suh, 2016), as it should naturally be foreseen in the CSR strategy (Sueldo, 2016). Companies can develop a business model with basic value propositions designed for different stakeholders, such as employees, customers, suppliers, regulators, the community, and investors (Martinez, 2012; Malik, 2015). Biloslavo and Trnavcevic (2009) likewise argue that value and the importance of reputation for an organization above all adds to the increase in sales of products or services since it reduces the risk at the first purchase and stimulates the future purchase, which ultimately leads to customer loyalty. It also helps to attract better staff, provides company

employees with more satisfaction, which in turn leads to higher productivity. From the point of view of a green reputation, one can add that its importance is perhaps even higher in relation to investors who prefer to invest in a more reputable organization, since their investment represents a lower environmental and bad image risk (Pomeroy and Johnson, 2009).

#### **2.4.4 Returns**

Bhattacharya et al. (2009) indicates that CSR initiatives are successful in generating returns to the company to the extent that they foster strong and enduring relationships with stakeholders. Companies' social and environmental initiatives increase company-value directly by influencing their stock market returns positively (Malik, 2015). Du et al. (2007) suggest that CSR contributes to brand equity, which along with value equity (i.e., objectively considered quality, price and convenience of the offering) and relationship equity (i.e., customers' switching costs from learning curves, user-community benefits and other considerations) determines customer equity. Knopf and Mayer-Scholl (2013) argue that implementing a CSR strategy can help focus on certain procedures and practices, often leading to unforeseen benefits, such as putting policies, visions and business cases into writing facilitates better communication inside the company and with customers and stakeholders by increasing trust and predictability.

Brand equity and improved customer satisfaction driven by CSR initiatives give competitive advantages to the companies, which results in increased sales as well as in increased profitability (Yusri and Amran, 2012; Scarlett, 2011). Increased sales and increased profitability results in higher economic value for the companies (Malik, 2015). Du et al. (2007) findings suggest that when a brand is positioned on CSR, its efforts in this domain may contribute to relationship equity as well, making it more difficult for customers to switch to competitors they do not feel as committed to. Pelozo (2011) finds that when a brand positions itself as a "CSR" brand (as opposed to a brand that just engages in CSR activities), consumers' awareness levels increase. Their study suggests that product related CSR activities are related to higher levels of awareness, while Du et al. (2007) propose that CSR might be one way to build meaningful, long-term relationships: it satisfies consumers' essential self-definitional and self-enhancement needs, turning them from mere buyers of a brand into its champions.

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Du and Sen (2016) argue that participation is more effective than awareness, where consumers who have participated in and tangibly benefitted from the CSR initiative showed added favorable attitudinal and behavioral outcomes relative to those who were merely aware of the initiative. Participants form a strong, trust-based relationship went beyond just purchasing the brand to engage in a range of championing behaviors such as recommending the brand to others and volunteering for it (Du and Sen, 2016). Bhattacharya and Sen (2004) claim that companies that are perceived to have distinguished themselves on the CSR platform seem to enjoy a loyal following among a segment of their customers. Consumers reward companies for being socially responsible are through their “resilience to negative information about the company” (Bhattacharya and Sen, 2004, p. 19). Consumers’ motivations to downplay or minimize negative information about a company (e.g., in the event of a crises) that they perceive to be socially responsible is a key reason why investing in CSR is akin to “building a reservoir of goodwill” and why companies need to view CSR as a long-term, strategic investment (Bhattacharya and Sen, 2004).

Another aspect of these CSR initiatives also positively affect consumers’ support of the issue or cause in a variety of ways – including donations of money and time as well as word-of-mouth (Bhattacharya and Sen (2004). One of the key behavioral outcomes of positive CSR activities is consumers’ willingness to talk positively about the socially responsible company, such as to friends, family and colleagues, where positive word of mouth is often a key behavioral outcome of an individual’s identification with an organization (Chong, 2009; Bhattacharya and Sen, 2004). Bhattacharya and Sen (2004) even argue that certain types of corporate involvement in the social issues arena can also motivate consumers to undergo some form of “behavior modification” themselves. Bhattacharya and Sen (2004) suggest that price-cutting by a competitor may outweigh a consumer’s CSR-based input into a product purchase decision, just as a competitor’s clear communication of its CSR activities at the point of product purchase may overpower existing positive attitudes towards the focal company due to its CSR activities.

Hong and Andersen (2011) demonstrate that companies with greater social responsibility have better quality accruals and less real activity-based earnings management. Chih, Shen and Kang (2008) document that a strong commitment to CSR activities reduces companies’ earnings smoothing and loss avoidance behavior, while Kim, Park and Wier (2012) finds that socially responsible companies are less likely to manage earnings through accruals and real activities, and in addition less likely to be the subjects of investigations by securities and

exchange commissions. Furthermore, Malik (2015) claims that an acquirer's positive CSR leads to faster deal completion, thereby overcoming home country disadvantages. Thus CSR initiatives give benefits to the companies in the mergers and acquisitions market as well. By considering surveys of business practitioners, Carroll (2015) claims that the business benefits of carefully implemented CSR policies even help companies win new business.

### **2.4.5 Strategies**

Companies that address CSR strategically can leverage CSR to benefit both the company and society, whether as CSR entrepreneurs, CSR performers, vocal CSR converts, or quietly conscientious (Vallaster et al., 2012). On the subject of quietly conscientious companies, Vallaster et al. (2012) argue that these companies are well aware that CSR efforts do not add brand value for everyone, where sometimes CSR benefits only the local community or local employees. These benefits still may create brand value at the corporate level though, because they enhance corporate reputation and image, which helps the company attract talented people and investors (Korschun et al., 2014), as well as maintain good relationships with business partners (Vallaster et al., 2012). Similarly, Vallaster et al. (2012) suggest that CSR efforts benefitting the environment can invoke brand value at the product level, because they may minimize costs or improve quality.

Lindorff, Johnson and McGuire (2012) suggest that even companies in controversial sectors (gaming, alcohol, tobacco, abortion, prostitution, etc.), also known as "sin-companies" in the literature, are able to contribute to society in the same manner as companies conducting business in mainstream sectors. Thus, not only mainstream business sectors, but also controversial business sectors, can realize benefits from high-quality CSR performance (Lindorff et al., 2012). Superior CSR performance is likewise associated with good corporate governance, leading to better social and environmental performance, which results in several benefits for the public companies (Malik, 2015). The governance mechanism of a company not only protects the shareholders' interests, but also cares about other stakeholders of the company, and thus can influence company performance significantly through their monitoring mechanism (Malik, 2015).

Brown, Dacin, Pratt and Whetten (2006) have documented that companies with good CSR performance are also more likely to receive positive media coverage and favorable treatment from policymakers. Companies with superior CSR performance receive favorable treatment



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from the regulators and favorable coverage from the media that help to build corporate branding and improve company reputation (Brown et al. (2006) CSR also enables companies to avoid costly government imposed fines. Especially in highly regulated industries, CSR has been found to promote better relations with regulators (Malik, 2015). Some of this is giving due attention to the two “C”s of marketing communications: contact and convince (Jahdi and Acikdilli, 2009), where one can argue that communication of CSR is a “cheap” market promotion and realization of the benefits of non-market instruments. On the other hand, communicating CSR encourages other organizations to start or intensify their activities in the field of social responsibility and in a certain way creates an extra dimension to compete in business, which again benefits the society – as discussed earlier.

## 2.5 CSR communication

The basis of CSR as communication can according to Golob et al. (2013) be found in Habermasian critical theory of communication: in the social-constructivist understanding of communication, as well as the theoretical perspective where communication constitutes organizations. Two main aspects of CSR communication have derived out of these epistemological foundations, which Golob et al. (2013) highlights as the idea of CSR communication as a form of democratic communication, echoed in multiple and often contradicting voices of different stakeholders. The second aspect views communication as encompassing the organization as a whole, both in terms of individual social activity as well as formal communicative practices such as institutionalized practices, symbols, texts and artefacts (Golob et al., 2013).

Birth et al. (2008) identifies, despite the heterogeneity CSR definitions, three recurring arguments defining CSR and consequently CSR communication: the relationships between companies and society, the relationships between companies and their stakeholders, and the orientation of CSR to ethics. Baldassarre and Campo (2016) argue that while sustainability is an ethical issue, it is also becoming relevant from a marketing standpoint and can be particularly decisive in stakeholder relationships. Companies can approach this issue in different ways, choosing whether to publicize their good conduct or to rather project a responsible attitude that does not reflect what they effectively achieve, making the interconnection between sustainability and marketing closer than it appears (Baldassarre and Campo, 2016). Although Baldassarre and Campo (2016) state that the two concepts are

incompatible because sustainability is attainable through the reduction of consumption while the objective of marketing is to increase it, this incompatibility strikes as not being entirely correct, as sustainability has in fact emerged as a new marketing paradigm in the last few decades (Crane and Glozer, 2016).

For instance the real-life example of the Volkswagen automobile company, recently overwhelmed by an emissions scandal where after accusations of the installation of defeating devices to falsify pollution emissions tests in a large number of its light-duty diesel vehicles in order to conceal a negative impact on the environment (Baldassarre and Campo, 2016). The automaker's poor sustainability behavior directly reduced its sales and profits, where Volkswagen registered its first quarterly loss in at least 15 years (Reuters, 2015), clearly shows how communication represents the cornerstone of sustainable marketing, whether or not it is oriented to transparency (Baldassarre and Campo, 2016). The Volkswagen instance is merely one example of many in recent decades, where the corporate world has become public enemy number one due to financial scandals, environmental disasters and human rights violations. Inevitably, the public's trust with regard to decisions made by companies decreased and corporate activities are increasingly scrutinized by activist groups and non-governmental organizations (Goncalves, 2013), not to mention real-time news coverage in online media. Goncalves (2013) suggests that stakeholder demands have therefore led organizations to communicate their social viewpoint in a more strategic manner in order to gain and maintain legitimacy.

This significant increased attention to CSR communication has emerged in the academia as well, as indicated by the first special issue in *Journal of Marketing Communications* on CSR communication-related topics issued in 2008 by Podnar and the first comprehensive handbook of CSR communication being issued in 2011 by Ihlen, Bartlett and May. The overall number of academic papers on CSR communication has also slowly been increasing, although being very fragmented (Golob et al., 2013), as well as the impact from the technological and communicational advancements of the last decade (Birth et al., 2008).

### **2.5.1 Organizational legitimacy**

As mentioned earlier, corporate communication is viewed with suspicion (Birth et al., 2008), that is, as a strategic approach to instrumentally manipulate and deploy evocative symbols in

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order to garner social support (Goncalves, 2013), which lead to a rather brilliantly placed question by Forehand and Grier (2003):

*Should firms acknowledge the presence of self-serving motives to lessen consumer skepticism or will this acknowledgment merely direct consumer attention away from the prosocial aspects of their involvement?* (p. 349).

This introduces the term organizational legitimacy, which can be understood as the congruence between public expectations and organizational actions and values, therefore being an essential process for all organizations, even to such a degree that it forms the core of all strategic communication practice (Goncalves, 2013). Even though Pope and Wæraas (2015) conclude that in order for a company to benefit from their CSR activities, the company has to be more active in communicating the activities, Stoeckl and Luedicke (2012) underline that consumers have learned not to blindly trust marketers' promises, and rather tend to evaluate such practices through a critical filter: "Consumers therefore tend to render even ostensibly positive marketing practices as purely instrumental for reaping profits (as in blue- and greenwashing debates) rather than authentic expressions of moral marketing agendas" (p. 2461). Stoeckl and Luedicke (2012) suggest that very few, if any, profit oriented companies enjoy the benefits of unbounded consumer trust, hence why positive contributions of most companies do not stand beyond such doubts.

According to Goodwin and Bartlett (2008), CSR reporting is the most popular theme in public relations literature, presented in three strategic ways: 1) as information dissemination, which suggests that CSR is essentially a communication technique (Golob and Bartlett, 2007); 2) as a two-way communication mechanism and 3) the interactive approach to CSR that highlights how organizations must nowadays engage in dialogue to meet stakeholders' concerns. Schlegelmilch and Pollack (2005) list three factors that can lead to success in CSR communication, namely, 1) the source credibility of the communicator, 2) honesty of the statements and 3) involvement of the audience with the topics that are being communicated. Such involvement can be viewed as the encouragement of participation in deciding how work is done, allowing suggestions for improvement, goal setting and planning.

## **2.5.2 Communication strategies**

Ethics awards, reports from independent ethics audits, evidence of contributing to non-governmental organizations, and news coverage of the company's ethical affairs can also be

used as evidence to enhance source credibility (Goncalves, 2013). Goncalves (2013) in addition argues that whilst CSR communication is often channeled through corporate advertising, websites and CSR reports, external media coverage has even greater credibility among consumers and the general public than communication from the companies themselves. Inspired by Grunig and Hunt's four models of public relations and following a sense making approach (Goncalves, 2013), Morsing and Schultz (2006) present three CSR communication strategies which companies should be able to employ in a combined way: 1) the stakeholder information strategy, 2) the stakeholder response strategy and 3) the stakeholder involvement strategy. The stakeholder information strategy is based on one-way communication, indicating that organizations are concerned with talking and not listening to stakeholders (Goncalves, 2013). This means that the purpose is to inform stakeholders of their good intentions and actions in relation to their CSR efforts without any use of third party endorsement. In this manner, the company has full control of the communicative effort (Goncalves, 2013).

On the other hand, the stakeholder response strategy is a two-way asymmetric communication strategy, giving stakeholders the opportunity to respond to CSR communication (Goncalves, 2013). The overall aim in engaging in dialogue with stakeholders is to determine if the company's CSR actions are accepted, where the feedback then is then used to plan a better way to create a positive image, which satisfies the demands of stakeholders. This kind of dialogue is therefore merely instrumental, where companies listen in order to be able to talk better (Goncalves, 2013). According to Morsing and Schultz (2006), only the third strategy offers an opportunity for dialogue, participation and involvement. As a result, the stakeholders are not just the receivers in the communication process, but become proactively involved, which enables companies to continuously understand and live up to the stakeholders' changing expectations (Goncalves, 2013). Goncalves (2013) suggests that third party endorsement, being the use of the opinions of external stakeholders, is a common way to involve more stakeholders.

### **2.5.3 Internal factors**

Goncalves (2013) demonstrates the importance of communicating about the responsible positioning of organizations, but in a well-balanced manner, so that CSR communication doesn't become a boomerang of external communication: a communication that turns against its own messenger. To avoid the latter, Goncalves (2013) suggest to first of all take the

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decision to communicate only when the subject of CSR is at the heart of the organization's mission; secondly, communication should be developed humbly and moderately, especially without resorting to gigantic advertising investments; and finally, messages should be found about the organization's action that could be endorsed by opinion leaders or non-governmental organizations. As a whole, the adoption of these basic principles are meant to help affirm not only a level of responsibility that underlies CSR communication, but also the fundamental role of the communication professional in the strategic management of communication in organizations and in the construction of long-lasting relationships with different publics (Goncalves, 2013).

Golob et al. (2013) acknowledging that internal factors are as importance as the external, especially the importance of vertical communication in building awareness of CSR activities, giving an insight into the effects of CSR communication on internal stakeholders, who are often neglected in terms of CSR communication. Internal stakeholders are seen as the individuals and parties that are part of the organization, with employees being another word and often used as a synonym to the former. As Golob et al. (2013) argue the link to higher commitment goes through communication, which increases employee awareness of CSR activities, thus an organization that values the well-being of its most important stakeholders, the employees, might benefit from employees being more willing to commit themselves to the organization.

#### **2.5.4 Internal communication**

Despite the great possibilities associated with being a potentially powerful advocate of a company's CSR initiatives, internal stakeholders, or employees, are often underestimated in the CSR communication field (Dawkins, 2004). Like CSR research, CSR communication research is a complex field with conflicting theoretical foundations consisting of multiple overlapping fields (Crane and Glozer, 2016). With the purpose of organizing different concepts in CSR communication, Crane and Glozer (2016) label four different approaches to CSR communication. They define CSR integration as communicating about CSR with the purpose of creating stronger identification, engagement and commitment among internal stakeholders. According to Birth et al. (2008) study among Swiss companies, their communication objectives revolved around increasing employees' satisfaction and commitment, creating publicity and a good reputation through positive word-of-mouth, increasing the appeal of the company for future employees, and decreasing employee

turnover. Commitment can be defined as interest in and connection to an organization (Steers, 1977), and seen as the strength of the feeling of responsibility that the individuals in a company have towards the mission of the organization. This for instance also shows that internal communication is the most used channel by Swiss companies, and is prioritized by management above customers and shareholders (Birth et al., 2008). Even though internal communication is one of the most important critical factors for the success of CSR programs (Chong, 2009), and the fact that companies seem to recognize the importance of communicating to internal stakeholders about CSR initiatives (Brunton et al., 2017), there is still a lack of research and understanding of how CSR initiatives are being communicated.

If CSR communications is not to be perceived as top managerial rhetoric, an inside-out approach is appropriate (Morsing et al., 2008). This method suggests communicating to internal stakeholders before external stakeholders (Sueldo, 2016), as well as ensuring employee commitment to the companies' CSR initiatives (Morsing et al., 2008). According to Morsing et al. (2008) this approach to CSR communication builds strong commitment, ownership and support for CSR initiatives among employees and founds the basis of trustworthy CSR communication among external stakeholders. As mentioned earlier, Morsing and Schultz (2006) unfold three types of stakeholder communication strategies, where an involvement strategy in most situations seems to be the preferred communication strategy regarding internal stakeholders, as Lozano (2013) argues that unless the initiatives recognize employee attitudes they are unlikely to be integrated into daily work and employee behavior. For internal CSR communication to be effective and increase commitment to CSR there needs to be a two-way communication process (Morsing et al., 2008; Brunton et al., 2017).

According to Kataria, Kataria and Garg (2013) study of employees' preferred CSR communication, the preferred channel are informal face-to-face meetings followed by e-mail. Intranet, and bulletin boards and memos share the third place. Even though the numbers of respondents are fairly few, the results show that channels with the opportunity to provide feedback and a greater degree of involvement is preferred, where other well-used communication channels include newsletters, websites, internal personnel magazines, sustainability reports, annual reports and staff meetings (Kataria et al., 2013; Morsing et al., 2008; Brunton et al., 2017). Face-to-face meetings give the opportunity to respond with immediate feedback (Kataria et al., 2013), and are positively associated with employee initiatives regarding community, environmental and organizational CSR (Brunton et al.,

2013). In contrast, Brunton et al. (2017) show that non-face-to-face communication lacks a relationship with employee initiatives, except for environmental initiatives. Even though electronic media such as intranet is a widely used channel, Barret (2002) confirm that the best way to reach employees is still face-to-face communication. Reaching out in large organizations using face-to-face communication can however be considered as an impossible task (Echeverri and Edvardsson, 2002). Nonetheless, instead of treating internal stakeholders as a single public, an employee segmentation based on relevant criteria can help in ensuring that information from the management is relevant and meaningful for every employee (Barret, 2002). For When engaging employees, according to Kataria et al. (2013), it is crucial to tailor customized messages to different groups of employees based on what is relevant for their daily work. On busy workdays, employees seem to prefer explicit communication explaining the message straight and simple to detailed and somewhere hidden (Kataria et al., 2013).

Kataria et al. (2013) argue for the need of a dedicated person working with CSR in every organization or even department. As with a concept like CSR, covering vast areas and issues, difficulties could arise among employees when wanting to know whom they should point their feedback and suggestions for improvement, where having a dedicated employees working with sustainability and CSR related matters might solve this. A CSR manager could then communicate about what should be done (Kataria et al., 2013), allocate resources as well as incorporate CSR into the organizational culture. Because of the crucial role that internal communication plays, some companies have chosen to group both communication and sustainability functions into the same department (Chong, 2009). For companies that might have challenge with implementing CSR, employees can be a great source of input within the field, as Brunton et al. (2017) stress with the importance of building an organizational culture that heightens awareness of initiatives from employees. This in turn, will increase the employees' identification with the organization and enhance involvement in CSR matters. One can thus argue that for employees to be committed to CSR and for the initiatives to be integrated into the daily work, employee involvement poses as the main critical success factor. Brunton et al. (2017) concludes this assumption by recently claiming that:

*“Although CSR communication has an important role to play, it is whether organizations are perceived to be consistently “walk the walk” that is crucial to employee perceptions of authentic commitment to CSR programs.” (p. 46).*

Rodrigo and Arenas (2008) identify three types of employee-based attitudes towards newly implemented CSR programs or initiatives: 1) the committed worker, 2) the indifferent worker and 3) the dissenting worker. Employee attitudes conceding CSR are both towards society and the company, making it a complex process where the employees' worldview and social conditions play an important role (Rodrigo and Arenas, 2008). The committed worker is typically concerned about social justice and welfare, has a positive response to new CSR initiatives and identify with them quite fast (Rodrigo and Arenas, 2008). The indifferent worker, on the other hand, is more oriented towards their own career than social issues (Rodrigo and Arenas, 2008). These types of workers are quite pragmatic with a prevailing focus on their own work tasks (Rodrigo and Arenas, 2008). Usually they don't have negative attitudes towards the CSR initiatives, but rather seem to search for the best way of solving the issues and implementing the new guidelines into their own daily work (Rodrigo and Arenas, 2008). Rodrigo and Arenas (2008) argue that the last type of approach does not necessarily increase commitment, however, the initiatives will still be initiated. The third employee typology is the dissident worker, and according to Rodrigo and Arenas (2008), they ask questions to why the company should spend money on social issues instead of increased salaries. These employees often feel marginalized, have low overall commitment to the organization and see the work only as a source of income (Rodrigo and Arenas, 2008). These three different types of employees and their reactions to CSR initiatives are important to keep in mind in search for a best possible internal CSR communication strategy with the aim of creating engagement and commitment among internal stakeholders, as the chosen communication strategy has to be customized by each organization and group of employees for the CSR initiatives to succeed (Rodrigo and Arenas, 2008).

## 2.6 Internal marketing for CSR

Traditionally, marketers have played the role of understanding customers' needs and conveying their voice, where Kotler and Keller (2015) now rather argue that marketers must today more than ever think holistically by using creative win-win solutions to balance conflicting demands, develop fully integrated marketing programs and meaningful relationships with a range of constituents. Doing right things both on inside company and at the same time considering the broader consequences in the marketplace, where every level of the company can interact directly with customers (Kotler and Keller, 2015): "Marketing no longer has sole ownership of customer interactions; it now must integrate all the customer-



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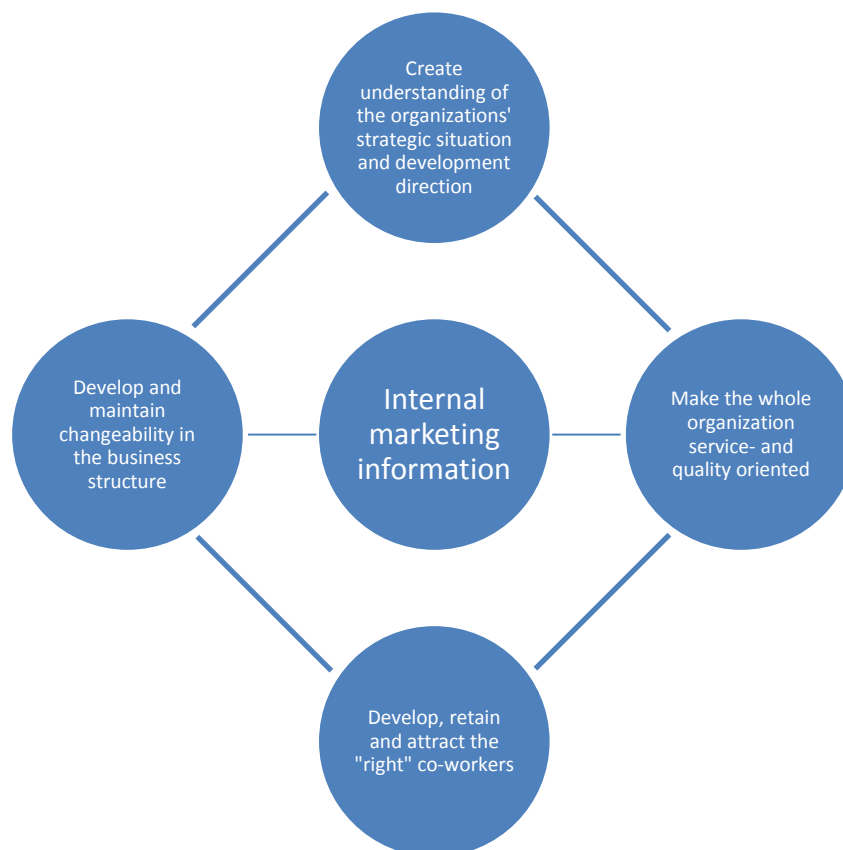
facing processes so customers see a single face and hear a single voice when they interact with the firm” (p. 680). To achieve this, the concept of internal marketing is by Echeverri and Edvardsson (2002) argued to be necessary, where they define internal marketing as “all the activities that can be implemented to create the conditions that motivate employees to make a commitment and effective action both internally and at customer contacts”.

One can understand this by means of rather thinking in terms of marketing, which combined with CSR purposes, sharpens a company’s proactive stance regarding their CSR activities (Nielsen and Thomsen, 2012), while also being closely tied to a service culture (Enquist, Edvardsson and Sebhatu, 2007). This introduces the concept of internal marketing for CSR, which Sanchez-Hernandez and Grayson (2011) define as: “Any planned effort to align, motivate and integrate employees towards the effective implementation of corporate responsibility and the organization’s sustainability strategy” (p. 282). This type of marketing does not necessary suggest manipulation of employees, in terms of taking shortcuts, and rather pose as an opportunity to implement authorization of the employees aimed at thinking and acting on their own (Echeverri and Edvardsson, 2002). This is achieved by a conscious and systematic internal marketing in which the CSR initiatives, guidelines and overall business objectives are formulated, thus enabling the embedding of corporate responsibility into employees’ mindset and actions – being a crucial step in developing an innovative CSR approach (Sanchez-Hernandez and Grayson, 2011).

### **2.6.1 Motivation and cooperation**

Although the goal of internal marketing is that the entire company works towards the same objective, Echeverri and Edvardsson (2002) argue however that it is usually impossible to apply in the same way to all employees, regardless of background factors such as their particular task in the company. Therefore, in internal marketing, just as in external, defining different target groups and segmentation should be carried out to influence development in the desired direction. The internal segmentation can take its starting point in e.g. job roles and functions, but also different levels of the company. With this approach one tries to ensure that employees at all levels in the company understand and feel being a part of the company's joint development (Echeverri and Edvardsson, 2002). The ultimate goal of internal marketing can be seen as getting employees to perform services that the customers are satisfied with, where the central task of internal marketing thus is to create motivation among employees. Employee motivation, as in methods for motivating employees, is by

Mitchell (1982) defined as “those psychological process that cause the arousal, direction, and persistence of voluntary actions that are goal oriented” (p. 81). A successful internal marketing can thus lead to more motivated and better-informed employees and overall a higher job satisfaction, ultimately leading to less absence (Echeverri and Edvardsson, 2002). Furthermore, the level of cooperation and collaboration skills are also believed to improve, which leads to employees taking more responsibility for their actions and follow through with their responsibility for the company's operations (Echeverri and Edvardsson, 2002). Achieving all the above-mentioned states, an atmosphere rises in the company that makes everyone work towards the same objective, at the same time improving the level of communication within the company, such as between management and employees (Echeverri and Edvardsson, 2002). As more information flows through the organization, both vertically and horizontally, it enables the organization to work with less friction and more flexible in the long-term when it comes to changes in both external and internal environments – making the company proactive and faster reacting (Echeverri and Edvardsson, 2002). Echeverri and Edvardsson (2002) purposes a model with specific tasks when implementing and strengthening a company’s internal marketing:



*Figure 1. The internal marketing's four main tasks (Echeverri and Edvardsson, 2002, p. 361, own translation).*

The internal marketing can often be as significant for external marketing measures as it is for internal, which Echeverri and Edvardsson (2002) explain with that you can't sell something to customers that you can't sell to your own employees. It is through internal marketing one aims to equalize the internal readiness to external expectations, thus, requiring that everyone in the organization accepts the concepts and goals of internal marketing and engages in identifying, providing, and communicating customer value (Kotler and Keller, 2015; Echeverri and Edvardsson, 2002). Only when all employees realize their job is to create, serve, and satisfy customers does the company become an effective marketer (Kotler and Keller, 2015), which is something that service culture can aid in introducing (Echeverri and Edvardsson, 2002).

### **2.6.2 Empowerment**

Echeverri and Edvardsson (2002) suggest that the key to success of a service company is to treat their customers as employees and their employees as customers. The latter way of thinking requires a deeper understanding of the company's culture – namely the service culture (Echeverri and Edvardsson, 2002). The modern service marketing puts individuals first in the organization's overall marketing function, where employees work in a positive environment and in turn provide the same to customers, as mentioned earlier. An essential aspect of this is that employees feel they have the management's confidence, which not only means having the necessary authority, but in addition the opportunity to go deeper into necessary matters (Echeverri and Edvardsson, 2002). This means that employees should feel that they have the sufficient authorization to act on their own intelligence and judgment – described by empowerment, which is by Echeverri and Edvardsson (2002) defined as a state of where employees feel they have the management's confidence and permission as well as having the authorization to act on their own intellect and opinion.

This belief and view on humanity tends to regard individuals as owners and operators of free will (voluntarist), equipped with a fair-minded attitudes in relation to other people (altruistic), emphasizing the obligation and loyalty to the company's own projects (commitment) and to its realization (involvement) (Echeverri and Edvardsson, 2002). Echeverri and Edvardsson (2002) assume that employees want to contribute with good ideas of improvement if they are properly socialized, trained and kept informed. Furthermore, it is assumed that they can be internally motivated to act effectively and more capable of self-control and self-routing. Characteristics and behaviors that are often expected of senior

officials and managers are now expected to also occur at lower levels in organizations, even on the so-called front-line (Echeverri and Edvardsson, 2002).

According to Echeverri and Edvardsson (2002), for an internal employee development program to have a successful outcome, a strong commitment from the company's management is required, where a barrier in many companies are posed by the middle managers who usually instead are being trained to reduce costs and increase revenue. Too often employees know too little about the company they work in, or the goods and services it has to offer. Echeverri and Edvardsson (2002) claim that if employees do not have the necessary enthusiasm for their work and the company's offerings, which makes creating enthusiastic customers gets even more challenging. Thus, the need and importance for employees getting regular and necessary information about their company, such as the company's history, its current business, goals and visions becomes a crucial success factor (Echeverri and Edvardsson, 2002). Unfortunately, it is not unusual that employees, especially on the front-line, are left outside the circle of communication of the company, where the marketing divisions for instance informs managers and supervisors about upcoming products and promotions, but seem to oversee the front-line staff (Echeverri and Edvardsson, 2002). In some companies the internal marketing is so lacking, that many employees even see the company's advertisement for the first time in external communication channels such as on TV or media.

### **2.6.3 Communication channels**

In addition to the concept of empowerment, Echeverri and Edvardsson (2002) argue that two other important and basic resources for the company's internal marketing relies on the actual information channels and their creation of meaning and context on the basis of the company's business concept and overall objectives. Without a clear, market-oriented business concept, it is increasingly difficult to get employees to strive in the same direction (Echeverri and Edvardsson, 2002). It is important to note that the concept of internal marketing has its origin in the idea of "selling" jobs in the service economy, that is, make jobs more attractive for potential employees, a concept earlier mentioned and further developed by researchers such as Berry (1981) and later Grönroos (2000). Echeverri and Edvardsson (2002) claim internal marketing is in addition essentially about selling business idea internally, where the aim is to develop a climate throughout the company that enables good interactive communication to occur between all levels of the company. Returning to the

focus on front-line employees, which often gather valuable information in customer contacts that should be passed further into the organization, thus requiring effective communication channels. In small organizations, however, spoken word and informal meetings might work just fine, but larger organizations usually require other types of information channels (Echeverri and Edvardsson, 2002). Regardless of the information channel used, the information must be tailored to the target audience, in the same way individuals are different and have different abilities to receive and give information (Echeverri and Edvardsson, 2002).

#### **2.6.4 Internal communication**

According to Echeverri and Edvardsson (2002), one cannot take responsibility if one is not informed, and similarly someone who has the necessary information can't avoid taking responsibility. However, Echeverri and Edvardsson (2002) argue that problems arise regarding the difficulty of actually knowing what "good" or "effective" internal communication really is. Often one has to try different forms of communication prior knowing what forms really work. Zeithaml and Bitner (2000) identify a number of factors that often form the circumstantial causes of internal communication problems, misunderstandings and ultimately organizational slowdowns, where some symptoms are seen to be repeated lack of information (too much or too little), unclear information (when employees finally get to know it), information at the wrong time (too late or too early), information to the wrong person or information conveyed in the wrong way. Other causes may be that people don't bother searching for the necessary information or stop contributing with ideas on improvements (Echeverri and Edvardsson, 2002). Grönroos (2000) furthermore points out that in general it is a necessity to distinguish between the usage of communication and management attitudes, where communication should be the means by which to create a joint business dialogue, and not the other way around. A popular notion is that the management has a great responsibility to communicate the right attitude and that it then applies to other employees to latch on the management's ideas (Echeverri and Edvardsson, 2002).

#### **2.6.5 Internal dialogue**

Effective dialogue between employees is a prerequisite for the delivery of quality services, where Echeverri and Edvardsson (2002) argue that it is more difficult to establish a dialogue

between organizations and employees than one might consider. Echeverri and Edvardsson (2002) claim that the internal dialogue works by an established business pattern, where the need for discussion and information lays, but it doesn't necessary mean that employees don't experience frustration regarding the pattern not being smooth enough. Dialogue is by Echeverri and Edvardsson (2002) defined as something more than information dissemination, where the sole concept focuses on mutual, two-way elements of interpersonal communication. Echeverri and Edvardsson (2002) draws attention to Habermas' theory of communicative action to understand the notions of such communication and shows positive results from efforts of establishing a democratic dialogue in organizations, based on Habermas validity criteria: intelligibility, sincerity, veracity and legitimacy.

### 3. Research methods

This chapter explains the research methods used and choices made in light of the research objective and the study phenomena. The chapter also contains a description and discussion regarding the data collection and analysis, the study's reliability, validity, objectivity and limitations of the study.

#### 3.1 Research objective

The research objective is to get an understanding through a case study of how three companies communicate their CSR initiatives to create engagement and commitment among internal stakeholders. From the main research question: "How do companies communicate their CSR initiatives in order to create engagement and commitment among internal stakeholders?", four underlying research questions are formulated:

1. To what extent are internal stakeholders aware of and engaged in the companies CSR initiatives?
2. To what extent are internal stakeholders involved in CSR initiatives?
3. Which message content and channels are being used for communicating CSR initiatives?
4. How does the company's external communication affect internal stakeholders?

#### 3.2 Research philosophy

On the ontological level of research philosophy, this research follows relativism, which assumes multiple realities having multiple meanings, with findings that are observer dependent and their point of view: "the doctrine that denies that there are universal truths" (Yin, 2015, p. 23). The research objective is to examine how studied companies communicate their CSR initiatives and create engagement and commitment among internal stakeholders, which this approach fits well to. This study's objective is to investigate how people understand and share these understandings, making it fall under social constructionism in the epistemology of research philosophy (Easterby-Smith, Thorpe and Jackson, 2012). This approach fits well with the assumption that there are different opinions regarding the concept of CSR and CSR communication. This research aims to gathering data from a small case number, chosen based on certain criteria's, where the themes then are

chosen. Another objective of the research is to increase the understanding of the studied phenomena, where the themes are set to emerging from the data, by which the motivation of the study is in people's interest, as a socially constructed research can be understood (Easterby-Smith et al., 2012).

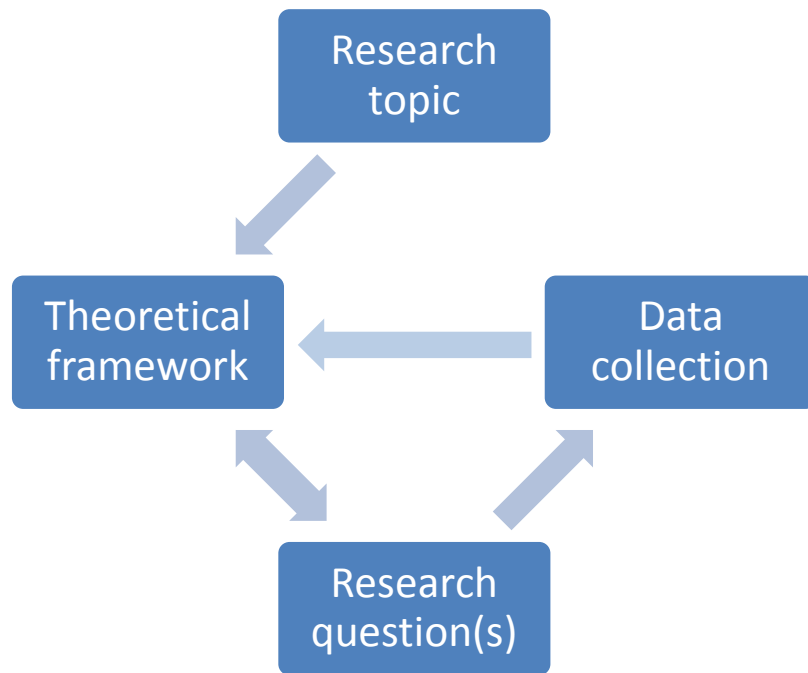
A qualitative case study appears to be most suitable to be able to fulfill the research purpose (Maxwell, 2005), as a qualitative research approach emphasizes words rather than numbers and focuses on specific situations or individuals. Case study is the method of choice when the phenomenon studied is not easily distinguishable from its context, where according to Yin (2014) one of the most used qualitative methods is case study research. Case study is a method mostly used to in depth investigate a single, or in this case three companies (Easterby-Smith et al., 2012). The reason of choosing a qualitative research method lays in the importance of keeping a form of openness in the interview guide questions, so that the respondents can show their opinions and meanings of CSR communication, which is assumed to be different across companies. In addition, as the theoretical framework shows, there is a lack of concluding research and an in depth understanding of CSR communications' influence on internal stakeholders. Another suitability reason of case study for this research is in that case study focuses and provides a thorough overview of an particular matter (Yin, 2015), thus to gain depth but still retain a broad enough perspective, still identify deviations and being able to compare finding within the case, multiple companies instead of one was chosen. The number of three companies in the particular case should still manage to keep the research focused, as qualitative case studies rely heavily upon qualitative data obtained from interviews, observations and documents (Yin, 2015). According to Yin (2015), evidence might come from six different sources when building up case studies. Documentation, archival records, interviews, direct observation, participant-observation and physical artifacts are the sources that enable qualitative researchers to collect data, however not all sources are relevant for all case studies (Yin, 2015).

This particular study is built on qualitative data from in-depth, semi-structured interviews with managers and employees in three large Norwegian companies, and because of anonymity requirements, with rather limiting volume of respondents, the purpose of the case study is rather limited to portrayal of an ideal type (Yin, 2015). Thus, there is inadequate reason of disclosing the true identities, of the informants and their companies. The identities of the participants are therefor in the entirety of the case disguised with the use of generic names such as Comp1, Comp2 and Comp3 corresponding to the companies, followed by



Comp1Resp1, Comp1Resp2, Comp1Resp3, etc. matching the informants. The numbers are randomly assigned, and should meet the anonymity conditions while still being able to differentiate companies and individuals apart. Comments and quotes from the case participants used in the study are however not being subject to disguise, as case participant (or other readers) should not be able to infer the direct likely source (Yin, 2015). The three participating companies all operate in three different business sectors, and are not directly related to each other, where Comp1 is a savings bank, Comp2 is part of the gaming industry, and Comp3 is a grocery wholesaler. None of the companies are listed on the stock market at this point in time.

### 3.3 Research design



*Figure 2. Research design process*

The existing literature on CSR communication was approached via a systematic review by searching within academic papers in two of the most central management and communication databases, namely EBSCOhost and ProQuest. All articles including the keywords “CSR+communication”, “communicating CSR”, “CSR+internal stakeholders”, “CSR+employee”, “sustainability communication”, “communicating sustainability”, “sustainability+internal stakeholders”, “sustainability+employee”. Prior to the literature review, a review was made of CSR and sustainability topics, using keywords such as “CSR+review”, “sustainability+review”, “CSR+communication+review”,

“sustainability+communication+review”. This provided a report of what is known and less known about the specific question or theme according to the purpose of the study and the nature of the available data (Briner, Denyer and Rousseau, 2009). The research questions, as well as the theoretical framework, were formulated and based on the literature review. Additionally, by the inclusion of the theme internal marketing the theoretical framework was extended.

The empirical data was gathered through 15 in depth interviews with questions based on the main research question and the initial literature review. The semi-structured interviews with employees and managers from different hierarchy levels, such as analyst, consulting, managers to senior managers and on director level, were conducted. Interviews focus directly on the case study topics, providing insightful explanations as well as personal views (Yin, 2015). All questions were open-ended, enabling different views and new themes to emerge during the interviews. Some theoretical starting point was still needed to guide the conversation in the interviews, which was achieved by creating and using an interview guide. Although a short, standardized interview guide was used to drive the interviews; the process included topics as they emerged from each interview and acknowledged the unique aspects case by case. On the basis of the underlying research questions, general question pertaining to the main dimension were formed. In order to cover the companies’ views of their challenges and the new emergent themes and issues, the research questions and theoretical framework were adjusted accordingly.

The interviews were tape-recorded and later transcribed, to allow necessary coding by identifying CSR communication themes appearing in the responses, resulting in: **1)** CSR awareness and engagement, **2)** involvement in CSR initiatives, **3)** internal CSR communication content and channels and lastly **4)** external CSR communications influence on internal stakeholders. The results chapter presents the data based on these four themes. Quotes are presented to illustrate raw research findings, and since the interviews were conducted in Norwegian, the quotes are freely translated by the authors. The results were then analyzed within the same above-mentioned four themes in which the results were presented under. Next, the results were discussed and compared with the previous research findings.

### 3.4 Informants

The companies in the case study were chosen purposely based on few certain criteria's, for one being Nordic, which present an interesting case for CSR as they are often referred to as one of the most advanced in the field of CSR (Strand et al., 2015). Because of the author's nationality being Norwegian, choosing Norwegian companies would offer the opportunity of conduct the interviews in both parties' native language and thus in close vicinity, something that is essential when investigating communication (Crane and Glozer, 2016). In addition, the companies needed to be participating in some kind of CSR reporting, where the reasoning being that having an actual CSR strategy would hopefully provide views on a not too unfamiliar topic (Crane and Glozer, 2016). The last criteria was larger companies, reason being that larger companies are more likely to have the necessary sustainability and corporate responsibility matters in place than smaller companies (Baumann-Pauly, Wickert, Spence and Scherer, 2013). After the criteria screenings, companies in different industries were then contacted, which out of the contacted companies, three Norwegian companies agreed to an interview within the timeframe of the study writing. Four or five employees from each company were then chosen for the interview, making it 14 respondents in total divided by 10 employees and 4 managers. The table below shows the respondent's positions and associated company:

<b>Name</b>	<b>Position</b>	<b>Industry</b>
Comp1Resp1	Manager	Savings bank
Comp1Resp2	Employee	Savings bank
Comp1Resp3	Middle manager	Savings bank
Comp1Resp4	Employee	Savings bank
Comp1Resp5	Middle manager	Savings bank
Comp2Resp1	Manager	Gaming industry
Comp2Resp2	Employee	Gaming industry
Comp2Resp3	Employee	Gaming industry
Comp2Resp4	Manager	Gaming industry
Comp2Resp5	Employee	Gaming industry

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Comp3Resp1	Manager	Grocery wholesaler
Comp3Resp2	Middle manager	Grocery wholesaler
Comp3Resp3	Employee	Grocery wholesaler
Comp3Resp4	Employee	Grocery wholesaler

### 3.5 Data collection

The primary data was collected through face-to-face semi-structured in depth interviews. Since CSR communication is highly individual to a specific company (Crane and Glozer, 2016), it was important to keep the questions open-ended so that the individual views could be detected in the interviews (Yin, 2015). The open-ended questions were assisted with an interview guide, which was prepared based on the theoretical framework and the four themes, mentioned earlier, and can be viewed in the appendix. Open-ended questions are suitable for discovering opinions, since it lets the respondents express themselves more freely (Yin, 2015). That is why semi-structured interview guides were chosen, as they aid in keeping direction on the research topic (Johannessen, Tufte and Kristoffersen, 2010), but do not restrict addition of related or otherwise interesting elements that might come up during the interviews (Ringdal, 2013).

Since physical face-to-face interviews were possible, it seemed as an appropriate method for the data collection and allowed for introduction meetings prior actual interviews, enabling to get in touch with the right respondents (Mehmetoglu, 2004). The introduction meetings began with broad CSR questions that enabled the company to present the factual material on their own terms. Specific prompts helped induce greater insights into specific lines of inquiry, such as details about potential themes and respondents. The respondents were also available for additional questions after the first interview, but further interviews were not conducted. An introduction of the study with few key points was sent over to the chosen companies before the interview took place. The interviews were conducted in Norwegian and the authors freely translate the quotes present in this study, as discussed earlier.

Secondary data was gathered from the companies' sustainability reports to support and add to the information from the interviews. Another secondary source was gathered from the corporate websites that were used as an example of a communication channel that the companies use for CSR communication. The company website is something that the

company considers the main communication tool over which they have complete control over (Lee, Park and Lee, 2013). The company website are also an official look at a company's CSR as a whole regarding all of its stakeholders (Wanderley, Lucian, Farache and Sousa Filho, 2008). However, this research did not fully analyze the contents of the sustainability reports available nor entire contents on the websites and provides a mere indication of communication channels.

### 3.6 Analysis

While in quantitative research there are certain standardized ways of analyzing quantitative data, for qualitative research the situation is quite different. Although there are a wide variety of analysis strategies, there are no clear rules for how the data should be analyzed in qualitative research, which requires the researcher to be engaged in the design of his own method of analysis (Mehmetoglu, 2004). However, Mehmetoglu (2004) states that are two different perspectives regarding the latter, namely data processing and data transformation. In the former perspective, the analysis is based on encoding, indexing, sorting, retrieving, or manipulating the data (Mehmetoglu, 2004). This can be done either manually or using a computer software tools (Friese, 2012). In the latter, the researcher primarily uses his interpretation of the data, and uses secondary data processing in advance of the interpretation (Mehmetoglu, 2004). There is however no standard data processing or data transformation method (Mehmetoglu, 2004; Yin, 2015). There are as many different analytical approaches to data processing methods for analyzing qualitative data, as there are analytical approaches to data transformation methods (Mehmetoglu, 2004; Yin, 2015). But, while analysis is structured and unstructured in empirical theory and ethnography, analysis in case study is regarded as semi-structured (Mehmetoglu, 2004). In other words, case study analysis has elements from both empirical theory and ethnography.

This study uses Wolcott's (1994) method of data processing, which suggests that the researcher should not settle for only one data processing method, such as rigid analysis of the data, but should also use some additional analytical methods (Mehmetoglu, 2004). Wolcott therefore divides such qualitative data analysis in three phases: description, analysis and interpretation (Mehmetoglu, 2004). The purpose of the first phase is to provide a description of the context in which the phenomenon or action occurs, so that the reader can go through the findings of the study based on it (Mehmetoglu, 2004). During the analysis phase, the

researcher selects one of the data processing methods that suits the data, being Wolcott's analysis method in this study. In the final phase, the researcher begins to provide his version of the data by incorporating his interpretation and understanding of the data (Mehmetoglu, 2004). The recorded interviews were thus transcribed word for word and then coded to generate categories, themes and patterns. The study employed In Vivo Coding (Saldana, 2009), which is a manual analysis process that uses terms and phrases from the actual language found in the interviews as a code. This has been useful, as some informants have used their own distinctive label on certain common terms. The next stage after the initial coding was to assign themes to the coded data, leading to the four themes based on the supplementary research questions.

### 3.7 Validity, reliability and objectivity

According to Mehmetoglu (2004), the three main criteria used to assess quantitative research are internal- and external validity, reliability and objectivity. Internal validity is based on assessing whether the conclusions of the study are credible, while external validity represents an aspect of the generalization principle (Mehmetoglu, 2004). Internal reliability is based on the conclusions of the study being consistent and reproducible, while external reliability, on the other hand, assumes that if the entire research is repeated in another setting or at an armed time, the same results and findings will be generated (Mehmetoglu, 2004). Mehmetoglu (2004) argues that this principle comes from a natural science perspective, and can therefore be regarded as an unrealistic requirement for qualitative research. Objectivity is about whether a study's findings and results are neutral, so that the conclusions of the study reflect the views of the informants and not the researchers own ideas (individual perceptions, prejudices, interests or perspectives) (Mehmetoglu, 2004).

It is however debatable whether these terms should be related to qualitative data, as Ringdal (2013), Mehmetoglu (2004) and Johannessen et al. (2010) argue, where the main reason being that the three aforementioned terms are closely related to quantitative data measurement. Taking some of the criticism about not being able to meet the positivistic criteria into consideration, four alternative criteria for use in qualitative research arise: credibility, transferability, dependability and confirmability (Ringdal, 2013; Mehmetoglu, 2004; Johannessen et al., 2010). Although they have different names and somewhat different content, they were all still influenced by positivist thinking.

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### **3.7.1 Credibility (internal validity)**

Credibility is based on constructing trust that findings and results of a study are true, and equals the criterion of internal validity in quantitative research (Mehmetoglu, 2004). Mehmetoglu (2004) states that credibility refers to the truth as shown, experienced and felt by those who are studying, which means the researcher uses the emic (insider) perspective instead of telling the truth from his own opinion. The terms used by the researcher in the interpretation of the data should likewise be evaluated according to their suitability. That is, to investigate the degree to which the established concepts reflect the phenomenon's content (Mehmetoglu, 2004), something that the creation of themes was a means of assuring in this particular study. Mehmetoglu (2004) furthermore suggest multiple strategies that can be used to meet this credibility criterion in qualitative research. Among these strategies, method-, researcher-, data-, researcher- and theory triangulation was in addition to the “member check”-technique (Mehmetoglu, 2004) used in this research. The “member check”-technique assumes that the researcher displays his raw data and/or processed data to those with whom the data is collected from (Mehmetoglu, 2004), which in this case consist of the second researcher in the study. Mehmetoglu (2004) argues that this is done to give the informants an opportunity to express their opinion in relation to how they have been interpreted or presented by the researcher, which was something the researchers briefly performed in the end of every interview. When it comes to the triangularity criterion according to Mehmetoglu (2004), method triangulation combines multiple qualitative data collection methods (in this case intro meetings and interviews), while data triangulation means to combine primary and secondary data (in this case websites, rapports, intro meetings and interviews). Researcher triangulation is about using more researchers to analyze the same data set (two researchers in this case), while theory triangulation means analyzing and interpreting the data from several theoretical perspectives, but it can also be done by combining partial perspectives (in this employees and managers).

### **3.7.2 Transferability (external validity)**

Transferability corresponds to the criterion of external validity in quantitative research, and refers to whether certain findings and results can be transferred to another similar setting, situation or context (Mehmetoglu, 2004). Since the objective of qualitative research is not generalization, but rather to gain insight into a phenomenon, transferability in qualitative research focuses on general common findings under the same circumstances (Mehmetoglu,

2004). Mehmetoglu (2004) thus states that transferability in qualitative research is done by familiarizing the reader with the circumstances and conditions that determine the researcher's conclusions, which this study provides on multiple occasion throughout the case. Transferability in this research is supported by attempting to provide a detailed description of the situation being studied, for the purpose of the reader gaining necessary background data to be able to assess how useful the study's conclusions are for other contexts or situations.

### **3.7.3 Dependability (reliability)**

Mehmetoglu (2004) suggests that dependability is equivalent to the reliability criteria in quantitative research, and can be achieved by using the “auditing”-technique. This technique is used to evaluate the researcher's data documentation and production, methods and decisions taken during the research as well as the conclusions (Mehmetoglu, 2004). This study attempts to enable the reader to see how the researchers have reached the conclusions by shedding light on the data with theoretical and practical notes (results chapter), the selection- and data retrieval/collection process (research methods chapter) and interpretation of the themes and concepts, and their relationship with the existing literature (theoretical framework chapter).

When it comes to reliability regarding coding and calculating values that determine the degree of agreement between two or more coders, as the case is with this study, it can be achieved with the help of computer software such as ATLAS.ti (Friese, 2012). This enables one to upload data coded by different coders to the free web-based software CAT (the Coding Analysis Toolkit), resulting in a figure between 0 and 1, which shows how good the level of agreement is between two or more coders (Friese, 2012). However, Friese (2012) argues that this is suitable for studies with a large database where only few codes are used, for instance analyzing public comments on issues like climate change etc. This is therefore less of a reliability issue nor of crucial relevance in this particular study and thus has been left out.

### **3.7.4 Confirmability (objectivity)**

Confirmability corresponds to the objectivity criteria in quantitative research (Mehmetoglu, 2004). According to Mehmetoglu (2004), this criterion is in qualitative research based on the fact that the researcher provides direct and often repeated statements or confirmations of



what has been received from the informants regarding the phenomenon being studied. Confirmability is thus to gain empirical evidence from the informants about the researcher's findings and interpretations, and by using the “member check”-technique one is able to increase the eligibility of a qualitative study (Mehmetoglu, 2004). In this study, occasional requests for confirmation has been conducted throughout the interviews, and varied in relation to various factors such as setting and data collection method (websites, rapports, intro meetings and interviews) – similar to the credibility criterion.

### 3.8 Limitations

The drawback with a case study design is that it does not usually provide generalizations to any larger group (Yin, 2015), where the same limitation is present in this study, but lessened by the effort of meeting the transferability criterion (Mehmetoglu, 2004). In addition, interviews are susceptible to bias due to potentially poorly articulated questions or response bias, something even by ensuring the confirmability criterion might not suffice (Mehmetoglu, 2004), where inaccuracies due to poor recall or reflexivity followed by the interviewer providing what interviewer wants to hear (Yin, 2015).

Another limitation to this study comes from the lack of multiple perspectives; even with greatly taking the credibility criterion into account (Mehmetoglu, 2004), where one simply cannot cover all (Yin, 2105). As in all forms of communication, there is always several parties involved, wishing for an all-encompassing matter, which this research cannot provide in means of displaying an entirely complete picture of the wide-ranging communication process – thus investigating from the companies’ perspective. Furthermore, the companies studied are not from the same industry, making such fairly small number of cases not generalizable to any larger group, thus the results are to be understood in the context of the case.

It is also worth to mention that the available information and its format on CSR are normally loosely and in-consistently defined across different industries and even companies (Visser, 2007; Strand et al., 2015; Dahlsrud, 2008). Therefore it’s often rather difficult to assimilate and identify CSR activities properly. Information found on the web also has its limitations, where for instance an internationally agreed format on which to report CSR activities to this date is lacking (Ahern, 2016), unlike financial reporting (European Union, 2014).

## 4. Results

The purpose of this chapter is to present the results from the study. The results are, in addition to a background chapter, presented in four themes based on the supplementary research questions: 1) awareness and engagement, 2) involvement, 3) content and channels, and 4) external communications influence on employees.

### 4.1 Background

All three companies had a present association to CSR related plans in place, where the majority already were applying strategic initiatives regarding their CSR work, goals and measurements. This insight and information was obtained by having introductory meetings ahead of the interview process, as a means of establishing contact by getting to know the organizations and further arrangements around formal and practical matters of data collection.

#### 4.1.1 Comp1

Comp1 informs to have been facing major pressures and expectations from environmental and ethical interest groups regarding investments. Laws and regulations merely only exist on reporting, where the lack of guidance to the actual operation are yet to be found. However, Comp1 states that guidelines for investments abroad are more rigid and regulated, especially around child labor, employment conditions and such. Aspects regarding the balance and separation between a commercial bank and a savings bank have led to questions of whether the bank can retain and strengthen the conscious relationship among the younger generation, which are increasingly aware of social responsibility. Even though Comp1 has the clear idea that a savings bank implies social responsibility, the terms corporate responsibility and sustainability are perceived to be rather unclear. Comp1 is conducting measurements on a daily basis of how conscious the employees' relationship with the terms and the banks overall goals regarding CSR are, stating that intro course are mandatory for all employees, where the company's values, ethics, anticorruption, environment, initiatives, policies and guidelines are mentioned being topics. The internal communication and cultural building is shared between HR and the communications manager. This enables the company to make comprehensive reports, where all new reports are available both internally (intranet) to 1250

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employees (750 in bank and 500 in subsidiaries) throughout Hedmark, Oppland, Oslo and Akershus, and externally (websites) to 260,000 customers – making it the fourth largest savings bank in Norway. The reports referred to encompass energy and climate accounting (GHG-emissions), community involvement (ethics, sustainability, gifts, employee and human rights, environment, funds, industrial development, stakeholders and suppliers) and United Nations Global Compact to mention a few (UN Global Compact, s.a.), which are published annually. Comp1's goal to keep a close proximity to customers has contributed to a more divided decision-making and authority assignment compared to large foreign banks, putting forth demands such as environmental friendliness on companies that request credit support from the bank. Furthermore, all offices are scheduled to be certified as Eco-lighthouse.

### **4.1.2 Comp2**

Comp2 has 412 employees, and has since 2008 had a dedicated person in the position of coordinating the CSR initiatives, stating however that the position is rather new and that the communication regarding the company's ongoing and future CSR are yet to be fully implemented and communicated internally in an organized manner. Comp2 mentions laws and regulations regarding the industry they operate in, namely gaming, which happen to just briefly resemble CSR elements, although with different terms used. Much of the company's operations are in one way or another under public control, where the company's main mission is to channel the customers desire to game towards their offerings, but at the same time safeguard players from generating unwanted consequences – being among their core CSR task. Crop2's CSR activities involve policies that shape and confine matters of environmental friendliness, procurement, monitoring, anti-corruption, money laundering and terrorism. These policies are set to be fully implemented within 2017, based on a significance analysis according to GRI G4 and a review of ownership expectations. On a day-to-day basis, Comp2 informs that a quality/management system for businesses documents is in place, contributing to the development of right policies, which lead the way for guidelines and routines. Comp2's objective of being at the forefront, recognize and yield inventiveness, innovative and the world's best company at gaming, is a means of correctly balancing CSR and profit. This is something Comp2 supports by displaying their knowledge about the younger generation's demands for social responsibility, where taking position is no longer enough and requires more than compliance, namely innovation – especially with 2 million customers. With a mandatory E-learning model for new and current employees,

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where different versions exist for different roles in the company. The CEO is being understood by the company as being clear on social responsibility: the meaning of having direct dialogue, encouragement, routines, training (intranet), frequent meetings (CSR on the agenda), necessary contact networks, stakeholder dialogue, Eco-lighthouse certification, clear internal and external communication and gifts to charitable purposes, to name a few.

### **4.1.3 Comp3**

Comp3 states that safety, sustainability and trust are all equal goals and the supporting beams of the company, where horizontal employee development, openness, responsibility and loyalty is a means of achieving them. With 260 employees and high demands to their suppliers regarding CSR, communication is suggested to be key, especially when having the ambition of being climate neutral within 2020. Comp3's win-win mindset sets requirements to supplier and engages in government dialogue, with their basic assumption of starting with the things that make the biggest difference, namely optimizing every link in the organization for sustainability – the best way they can. This is something Comp3 speaks highly of, and demonstrates the effectiveness by revealing their dedicated recycling center, keeping unnecessary energy waste to a bare minimum and even making their own renewable power and environmentally friendly fuel – adding that gone are the days of pure fossil fuel, where hydrogen and electricity is the way ahead. Comp3 is so deep into the sustainability mindset and life, where even Eco-lighthouse certification doesn't seem to be enough, as their leading the creation of having their very own energy wells, by water recycling, for purposes of heating and cooling offices – for now. Equality, another term frequently used with great pride by the company, choosing to face the challenges of inclusion of individuals with different backgrounds and ones that have ended up slightly on the less fortunate side of the society. Corp3 mentions to have also established an environmental fund for the employees, believing that sustainability is a way of life, both on and off work.

## **4.2 Awareness and engagement**

Since there is a wide range of CSR definitions (Dahlsrud, 2008), the interviews were started by asking how the respondents would define CSR and what their associations with the term were. Some of the respondents had the following associations:

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- Comp1Resp1: Many people and companies define CSR as handing out gifts, but CSR for us means responsible business or operations – in a wider sense. That means giving advices that are good for our customers, preserving the environment, the people and other circumstances.
  - Comp1Resp3: I relate the term to taking care of the environment, and social and ethical factors. We need to comply with requirements, ensure that we are professionals and to do everything in a good way.
  - Comp1Resp5: I think that there are some things in society that we all have a responsibility for. There are some things we cannot expect others to do. Everyone has responsibility for a functioning society. As a consequence of our position we have a great responsibility. I believe that we are aware of it and work actively with it in the organization. One thing is supporting sport clubs and non-profit organizations; another one is educating our customers in how they can use our product in a better way. We also have a responsibility in giving good advices to customers without necessarily getting the highest possible profit.
  - Comp2Resp1: It is about taking responsibility for the impact one has on people, communities and the environment. To do as little damage as possible while making a positive contribution to social development. It is also about finding areas where one can do a little bit more, as a virtue of ones business having the opportunity to contribute.
  - Comp2Resp2: It is something that is slightly larger than we are. CSR is something that has emerged in recent years. You need to operate in a manner that benefits the entire community, and then there are many considerations, such as environmental responsibility. It is about something more than maximizing business profits. If you take responsibility, it may even involve generating a lower profit.
  - Comp2Resp3: It is big. It is all about the profits that we are giving to charitable causes. In addition, it is about engaging in a sensible way. For us this is something we work with daily. It is a part of the everyday life.
  - Comp2Resp4: It is the responsibility we have for the kind of impact on either communities or society as a whole. An example is that we “raise” our customers to make decisions that are good for them. We do not only think about our own profits.
  - Comp2Resp5: That means that we should be accountable to all the people we have an influence on.

- Comp3Resp1: For me it can be many things. It may be about our planet and how we can take care of it for future generations. That means not using more resources than we need, and to use renewable resources in our production and operation. It can also be about integration, for example. That we, as a major actor in the local community, take responsibility for integrating those who fall outside the community of society a second chance.
- Comp3Resp2: The first I think about is that our company is a major actor in the local community and has a responsibility by virtue of this. It is also about the environment, and how we can contribute to a positive development. Another example is how we supports local sports clubs and helps people getting back to work.
- Comp3Resp3: Taking responsibility for the environment, for example with recycling. If I should relate the concept to my company, then it would have to be environmentally friendly vehicles and being great at recycling.
- Comp3Resp4: For us it is about environment. For example environmental friendly packaging, which we handle a lot. I believe we take a social responsibility when we are recycling, using environmental friendly fuel, wind power and solar energy. It could also be that we support non-profit organizations and local schools. Also, we're helping those who have fallen outside the employment market to get back into a workplace.

When asked to give a definition and associations regarding sustainability many employees were not able to answer the question. They reported either that they didn't have any thoughts about the term or that it wasn't a part of their daily vocabulary at work. Others made a distinction between sustainability and CSR, where they had immediate associations to environment and climate when talking about sustainability. One manager says (Comp3Resp1):

*When you say sustainability you talk about environment, at least that's how I see it. For me it's about renewable resources and to withdraw resources that nature can replace. It can also be about economy, that the economy is sustainable and proper.*

On the other hand, another respondent did not have the same distinction between the two concepts (Comp2Resp1):

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*The terms CSR and sustainability are used interchangeably. We talk about them interchangeable and I believe they mean about the same.*

Another distinction between the terms that are made by many respondents is that they tend to think more long-term when talking about sustainability, and more in the direction of responsibility and reporting when talking about CSR. One respondent says (Comp2Resp2):

*When I hear sustainability I think of survival and something that is long-term. The first time I heard about it was back when Gro Harlem Brundtland spoke about sustainable development and it was very focused on the environment.*

Another employee says (Comp1Resp5):

*I think it's about solidity, and being able to stand for something, that's what I think. It's about long-term, for example by having products that are good for our customers.*

In order to extract benefits from CSR there is a prerequisite that employees are aware of their employers CSR initiatives. Interviews with both managers and employees give a greater perspective on the case with firms' practices. Managers in all companies believe that the employees are well informed when it comes to CSR initiatives. However, there are some concerns about how the information is received by employees. One manager reports (Comp3Resp1):

*I hope they are well informed on our initiatives. I'm unsure to what extent the information adheres among employees and we could certainly have been better to involve a wider range of employees and communicate better. That being said, all information should have been shared as it has been the topic of many meetings and are posted on the intranet.*

A manager in another company also believe that the employees are well informed (Comp1Resp1):

*I think the employees are well aware of what we do when it comes to sponsoring and handing out gifts for charitable causes. They also know very well that we take great responsibility towards our customers. When it comes to the environment, all of our offices are "Miljøfyrtårn" [Eco-lighthouses], which employees should be familiar with.*

The third company is in an initial phase on some areas of CSR, and has therefore been customizing the amount of information (Comp2Resp1):

*We have not communicated as much about CSR since we are completely on the initial phase. We have a policy for CSR, but it's not communicable yet. We must create an understanding among employees in order to generate the interest and desire to contribute. On other topics related to CSR that we have worked with for a longer time, I believe the staff is well informed and engaged.*

When it comes to engagement among employees many of the managers report that they believe the employees are most engaged in sponsorship to the local community and gifts for charitable causes, as well as what is relevant for their own job. Every employee in all three companies seems to be well informed by the companies CSR initiatives. However, when being asked to tell about some of the initiatives most of the employees report about what reaches their department or affects their everyday work. Many respondents started talking about very specific things such as energy savings, recycling or environmentally friendly fuel. One team manager says (Comp3Resp2):

*I know a lot about what goes on in my department. The information is easily available but it is up to me to update myself on projects. Since I'm a team manager, I get more information than other do.*

Another employee in the same company says (Comp3Resp4):

*We get to know about projects through meetings where all employees are included. I'm most concerned about what is specific for my job and affects my everyday work. A lot of information is available, but I don't have time to read it due to heavy workloads and time pressure.*

Although all employees are most concerned about things that affects their job, many also request more information about what is going on elsewhere in the company (Comp3Resp4):

*We get well informed of things that affect our everyday work, but we are getting lacking information about what goes on in other departments.*

In another company the employees seem to be well informed about their initiatives and many respondents highlight their culture by talking about their positive impact on society. Employees in different departments say that they are really proud of working there because the company provides financial support to many good causes. All three companies are sponsoring local clubs and non-profit organizations, which seems to generate great



engagement among employees, and it even makes them feel very proud of their workplace. For one employee it even had a major role in the choice of employment (Comp1Resp2):

*I felt that when I was searching for a job, social responsibility was something that appealed to me. This is a workplace that wants to give something back to society and I think that's great. It was an important factor for me when I applied for a job.*

Feeling of pride toward the employer also seems to be the case in another company (Comp3Resp2):

*I am proud of working here. When I'm attending sports arrangements with my kids I use to wear a hat with the company logo on and that makes me proud. What we stand for as an employer and contributor to the local community is something that I can identify myself with and be proud of.*

Overall, among all respondents, the impact on everyday work seems to be small. For every company, the CSR initiatives are well implemented and are therefore seen as a part of their everyday work and routines. Employees from both Comp1 and Comp2 underline that education and shared values make it feel natural to make decisions that benefit society without necessarily being aware that it is about CSR, where one respondent says (Comp2Resp2):

*I believe that for me it is like a second nature. I don't feel that I need to change my behavior as a result of taking responsibility. I think this applies to the majority of us.*

Although the commitment is fluctuating, all respondents believe that it's very positive that their company takes responsibility, even though it also can present challenges as one respondent says (Comp3Resp2):

*We are proud to work here because of the environmental profile. But when it creates problems for the work we do, it creates negativity in daily life as well. You feel the challenge with being amongst the first to test new environmentally friendly methods.*

### 4.3 Involvement

When it comes to involvement, there are different practices used by the three companies. At one company, most of the CSR initiatives and objectives come from the stockholders, as a manager from the company tells (Comp3Resp1):

*Our employees are in less extent involved because the stockholders set the ambitions. If you speak with the staff, they will reply that they have not been involved. But we also have local initiatives where the focus is on what the employees are doing and what impact they have on energy savings.*

An employee confirms this when asked to describe how they are being involved in enunciation and implementation of CSR initiatives (Comp3Resp4):

*No, the staff on the floor don't have anything to do with it. We don't have the opportunity to give input. Everything is settled on a higher level. I think other departments and team managers are more involved. We only get information about what is going to happen. We try to give input sometimes, but we are not always listened to.*

On the other hand, it seems as the team managers are being more involved. A team manager tells that he is highly involved in projects across departments by being in a project group, and thus has the opportunity to provide input and suggestions. These project groups are often composed of managers from different departments for the purpose of implementing or enunciate new initiatives. The team manager seems to really enjoy the opportunity to contribute, and believes this way of working is great for finding good solutions on CSR issues. Even though many of the employees are not able to get involved, they answer that they really are not interested in being involved either. In this particular case, the engagement and willingness to contribute come as a consequence of getting involved.

However, a manager from another company seems to have quite a different approach to involving employees in CSR. When implementing new CSR initiatives they create project groups across departments in order to bring in all relevant knowledge. In this way, they manage to create a commitment to the initiative. In addition, they argue that they are more likely to succeed when they utilize all knowledge in the organization. This method is also used to identify which CSR areas they can perform better. Two employees from the same organization confirm this and add that there has been a positive development related to a culture of openness, involvement and feedback from employees. All respondents' from that company highlight that they always get involved when there are new initiatives to be implemented that directly affect their work. However, they usually get involved in the implementation phase and not in the idea phase.

At another company, there is a lower degree of involvement in CSR by employees, where a communication manager reports (Comp1Resp1):

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*We hand out an annual Christmas gift to charitable purposes where employees are present and decide who will get the gift. Beyond that, we seldom involve employees, except that we expect the staff, for example, to follow the guidelines for environmentally friendly choices.*

This way of involving employees seems to create great commitment for CSR among employees. Another company is also doing this, where employees say that it tends to be a great contest of voting for the purpose one preferably wants the money to go to. When asked to describe why they think it creates commitment, employees answer that they really like the way they can influence the decision and be able to support something they care about outside work. On other areas, there is limited opportunities to give input on current or future CSR initiatives. There seems to be differences in involvement linked to working position, as many of the employees report that they very rarely get involved, where another employee says (Comp2Resp5):

*It is always possible to provide input on the challenges we see and which need to be addressed. But we don't get involved in the actual assertion of the initiatives.*

In all three organizations, when employees talk about involvement, those who describe themselves as being involved seem to speak with great enthusiasm and pride of the work they do. In the companies that all respondents feel involved, they also describe the culture in the organization as very open, which seems to be an important dimension in involvement. In one company the involvement seems to stop at the team manager level. The workers don't get involved at all and they report a feeling of not being listened to by the management. Without drawing conclusions, the engagement for CSR seems to be really low by these respondents.

#### 4.4 Content and channels

The most frequently used channels for communicating CSR initiatives are intranet, face-to-face meetings in departments, face-to-face house meetings for all employees, video meetings and e-mail. In all three companies the main communication channel seems to be intranet. This is the first thing that comes to mind for both managers and employees when asked about internal CSR communications. If there are special projects that have an impact on a department or group of employees, they usually get the information through face-to-face meetings or e-mails. Middle managers typically are invited to meetings with the top

management, and have the responsibility to further pass on the information through meetings in each department. For other projects or results regarding CSR the most common channel is intranet. In one company a large amount of the employees don't have access to a PC during work. As a substitute, the company has installed large screens around the workplace with the purpose of giving information to all employees in a simple and convenient way. In addition, they have installed stationary tablets where every employee can interact and search for needed information.

In another company, where there is greater geographical distance between departments, video meetings are used as a supplement to intranet. This type of meetings are using a one-way communication channel, where the CEO talks in real-time to all employees in the organization. The other companies, which are located at the same place, arrange large meetings three to four times a year where all employees are presents. On these meetings, CSR initiatives and their results are always a discussed topic, even though the threshold for asking questions seems to be quite low, which are revealed as rather one-way communication meetings.

Among employees, the preferred communication channel is face-to-face meetings. Moreover, there are various opinions on what type of face-to-face communication works the best, where one employee believes that larger meetings where all employees are presents work very well (Comp2Resp2):

*House meetings work very well. You set the tone. When the CEO stands up it gives a strong signal and effect.*

Another employee shares the same opinion (Comp2Resp5):

*I think face-to-face meetings work very well because we have the opportunity to ask questions and really make an impact.*

The opportunity to make an impact by suggesting adjustments for a current and new initiative seems to be an important factor for employees. For one respondent, this option is valued higher than face-to-face communication (Comp2Resp3):

*I am a big fan of personal involvement, and that the affected people take part in the process. When you are responsible for something, you want to have control of it. One can happily agree with one or the other, but the main thing is that once you have*

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*agreed on it, it stands until it becomes a reality. I would like to get involved personally. Whether it's digital or face-to-face, that is not the most important, as long as you take part in the process.*

The main argument for this is a desire to influence to make it the best possible implementation of a new initiative. In addition, the respondent feels that this is a more effective way of working because all the relevant people are involved.

Even though the most used channel is intranet, there are different opinions about how well it works. All employees seem however to be satisfied with the amount of information that is published. However, in large companies with hundreds of employees, the information is seldom perceived as relevant everywhere. One employee thinks that it is only trivial cases that get published and as a consequence it doesn't feel that relevant. Respondents in Comp1 for instance, which are scattered around on a larger geographical area, reflect that intranet is a great and effective way of communicating CSR issues. For employees in Comp3, that have access to a stationary tablet and large screens instead of PC, the intranet is reported to work quite bad, since they rarely have time to search for information because of excessive time pressure accompanied by performance-related salaries. For these employees, the preferred communication channel is smaller face-to-face meetings, as it provides a bigger opportunity of asking questions and giving feedback.

The communication channels that are being used to communicate CSR initiatives and results have varying ability to provide feedback. The intranets in all three companies have a comments function, but as one respondent states, the function is hardly in use (Comp3Resp2):

*There is a comments function on the intranet, but it is not being used. I have never seen someone use it.*

This quotation is common for employees in all three companies. In addition, being able to give feedback directly on the intranet requires access to a PC, which not all employees have. In order to reduce this challenge and make it easier to give feedback, Comp2 has created a page with all the information on CSR in one place. On this page, employees can in addition find contact information for giving direct feedback on CSR issues. Nearly all employees report that they have a great desire to give feedback, but they are either not being heard or feel that the proper communication channel is not present. Consequently, the preferred

communication channel to encourage and get more feedback from employees seems to be small informal face-to-face meetings. Another important factor mentioned by several respondents is having an open culture, where it's acceptable to ask questions and provide feedback. Without having face-to-face meetings, employees from Comp1 for instance, feel a strong sense of being heard and the opportunity to provide feedback. The reason for this is an open culture, although the best communication channels for feedback are not necessarily in place, yet.

The content of the companies' CSR communication is somewhat different. Comp1 mostly communicates about results and appears to follow the guidelines and take ethically right decisions. Unlike Comp2, who doesn't communicate about their results, and according to the managers mostly because of the challenge of creating sufficient measurement parameters. Instead they communicate more on why the companies CSR initiatives are important, as well as what employees can do to help implement them. In Comp3 the main content of CSR communication is results, but as respondents seem disagree whether it's interesting. Some employees perceive it only as numbers and thus don't find it interesting enough. On the other hand, another employee finds it rather interesting since it's great seeing that the initiatives and the hard work is giving results.

## 4.5 External communications influence on internal stakeholders

All three companies have an external communication for CSR, with minor differences between them. Comp1 communicates about CSR issues and initiatives to external stakeholders, mainly by using their websites and annual reports. On its websites, one can read about their core values and how they work to have a positive impact on society. The website is to a small extent focused around results, but also includes general descriptions. The company's annual reports include climate accounts, which show the company's development of environmental measures. Comp1 does not have a distinct marketing of CSR, nor does it have an open strategy to use CSR actively in marketing. On Comp3's website there is largely comparable information to Comp1's website, even though it is slightly more specific. Comp3 clearly focuses on communicating the environmental objectives of the company, with specific descriptions of how to achieve their goals. In addition to reports and websites, Comp3 also develops its own social report, where the CSR work and results are

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summarized annually. This is, among other, distributed to employees. Although there is no known communication strategy, the company has recently been well visible in the media due to its environmental profile. Comp2 has less information about CSR on their website, but instead has a comprehensive report that includes measurement parameters on their CSR work. Even though all profits from the company are handed out to good purposes, it is used to a limited extent in their marketing.

On the external communications influence on employees the results show a clear distinction between CSR reports and websites, and media reports. With only few exceptions, there are no employees who are familiar with what the company writes about CSR on their websites and in their reports, which one manager confirms (Comp2Resp4):

*The staff clearly has the knowledge about what we communicate externally. It should be well known to the employees. I don't think that they are exactly getting a [negative] surprise if they sit down with the annual report. These things are well known among all employees.*

The employees confirm this, but argue their low interest in the external communication as they knew about it anyway, and they just see it as old news. Consistently communicating on CSR issues to internal stakeholders before external stakeholders is also an important point in Comp2's communication strategy. According to the respondents, this is the best way of doing it, since it feels uncomfortable to get to know about things first through media or external communication channels.

There is a much greater engagement among respondents for media reports and positive news, for example, in local newspapers. Respondents from all three companies report that these communications makes them feel very proud about working for their organization and for contributing to good causes. One respondent would also wish that people knew more about their contributions (Comp2Resp5):

*I think we aren't good enough in telling other people about the great things we do. All of the employees here know it very well, but I would really wish that the public knew it as well.*

Other respondents from all three companies also desire for more external CSR communication. They feel that their company does a lot of great things for society, but that only few people know about it. Even within external communication, the seemingly

important factor of involvement remains. Although for one employee, media reports do not matter at all. The reason being is explained as having a sense of not having participated and being involved, thus the employee does not identify with the media report. Another employee in the same company expresses that it gives a great feeling of pride when the company is visible in media, especially in projects that he or she has been involved in.



## 5. Analysis and discussion

The results were analyzed within the same four themes as they were presented in the results chapter: 1) awareness and engagement; 2) involvement; 3) content and channels; and 4) external communications influence on internal stakeholders. The following discussions aims to give a comparison of the results with the former research findings presented in the theoretical framework.

### 5.1 Awareness and engagement

In order to use CSR as a competitive advantage and make CSR initiatives succeed, the roles of employees are crucial (Golob et al., 2013; Kataria et al., 2013). If employees are to be able to implement initiatives, take responsible decisions and work as marketers for their company's CSR, awareness and engagement of the companies CSR initiatives must be in place. The findings of this study show that employees in all three companies have great awareness on the respective companies' CSR initiatives, even though there are minor discrepancies in one company.

As the results show, there is a wide and unclear understanding of the term CSR, just as it is in the academia (Dahlsrud, 2008). Since employees and managers are being asked about their CSR affiliation with their workplace, they respond with a perspective from their company's standpoint. Employees and managers from Comp3 quickly start talking about the environment since the company is working a lot with this issue. The same can be seen in the two other companies. In Comp2 for instance, many of the respondents starts talking about gaming responsibility, while respondents from Comp1 frequently mention their responsibility as part of the savings bank industry. In all three companies the term "CSR" is seldom used in their everyday speech. In combination with the CSR term's complex understanding and its intangible properties, it can be grasped why it seems so difficult for many of the respondents to make direct associations to the term. However, all respondents believe that their company has a responsibility towards society and they do appreciate the initiatives. It seems that those with a higher position in the company's hierarchy have made more reflections and thoughts around the term CSR than employees, who possess positions on lower levels. When it comes to the term sustainability, some of the respondents indicate distinctions between CSR and sustainability, and where the main focus of CSR is the

company's responsibility, the term sustainability gets associated with the environment, resources and long-term effects. The findings of this study are comparable, and have surprisingly many similarities, to the findings of a study on employees in India (Kataria et al., 2013). Associations around the environment and the long-term perspective can be found in both studies. Where Kataria et al. (2013) find that many respondents mention future generations, where this study finds that the terms seem to be used interchangeably, while some respondents report that it is rather about solidity and products that are good for their customers.

In all three companies, managers report that employees are well informed about their CSR initiatives and should hold a high awareness of CSR. In Comp2, which is an initial phase on some areas of CSR, there is still a lack of communication as they have just started working on CSR issues. On the other hand, gaming responsibility, which is an issue the company has worked with for a longer time, every employee from all departments seems to be well informed – showing a high awareness. Even though many aspects of these initiatives do not affect all employees, they are all familiar with it and seems well implemented. In Comp1, which is part of the savings bank industry, many aspects of CSR are tied to low awareness among employees because it is implemented in a way that makes it a part of their everyday work. The same can be said about Comp3, where most initiatives either are changing their work tasks fundamentally or making CSR look like any other work task, such as changing the fuel type, which in most ways hardly affects their work at all.

For both Comp1 and Comp3 the awareness among employees are largely limited to what concerns their own department. In both companies, the feeling of great awareness of CSR that directly affect their job is great, but there is a lack of information regarding other departments. Without being able to draw meaningful conclusions regarding this based on this study, there seems to be certain job positions that are decisive for the degree of awareness on CSR issues in Comp3. Middle managers, in comparison with ordinary employees, seem to be in a position of having greater information on CSR issues. This situation can arguably cause both negative and positive outcomes. The lack of information from what is done in other departments can be interpreted as a weakened sense of commitment, in the sense that one is not a part of the greater picture. On the other hand, some employees from all companies report that they only care about and want information that directly affect their daily work. No decisive conclusions can be drawn from this, although it appears to greatly be an individual preference. However, information on

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initiatives that affect employee's daily work is mostly important, but as the respondents can confirm, information on what is going on in other departments should be available across departments as well.

In total, the results show various CSR engagements among the respondents. One common feature that can be identified among all employees in every company is the feeling of pride because of their company's support of good causes like local sports clubs, schools and non-profit organizations. This type of CSR initiatives seems to be a great source of higher satisfaction and commitment among employees, confirming Bevan and Wilmott (2002) study of the relationship between employee's commitment and CSR initiatives. For employees in Comp3, with a lower position, however, these initiatives may seem to have a slightly lower effect on commitment, since they do not feel involved, as part of the contribution or feeling empowered (Echeverri and Edvardsson, 2002).

Many studies show that an ethical and socially responsible behavior is important in the choice of company for potential employees (Joyne and Payne, 2002; Bevan, Isles, Emery and Hoskins, 2004; Keeler, 2003). These findings are consistent with the findings from Comp1, Comp2 and people working on higher positions in Comp3. Employees in Comp3 value a good salary and work environment over the employer's responsibility. In contrast, employees at all levels in Comp1 and Comp2 argue that CSR was among the most important factors when applying for a job, and even a prerequisite for some. The respondents that would not seem to be affected by the employer's CSR are typically older than the respondents from the other companies and have work positions that don't require higher education, which may be a part of the explanation (Schmeltz, 2012).

According to Welch and Jackson (2007), employees should be segmented based on relevant factors in order to create as relevant and meaningful communication as possible and increase employee's awareness on CSR. The practice among companies in this study is that information mostly is communicated via intranet. This information is reported to very seldom be relevant, and therefore often overlooked. Oppositely, when there are initiatives that directly affect a department, the employees usually get information directly through face-to-face meetings. There exist great contradictions and different opinions among respondents since some feel that a lot of information is not relevant. On the other hand, some employees say that there is a lack of information regarding CSR initiatives. An employee segmentation as argued by Welch and Jackson (2007) and Echeverri and Edvardsson (2002)

may be beneficial in order to communicate more effectively and on more fitting and relevant issues. At the same time, it can be argued that there is no obvious solution since several respondents believe that they have a bad overview and lacking information on what is going on in other parts of the company. A possible way to solve this issue would be in posting more and better information on the intranet, where anyone who is interested can go and read on their own initiative. The most important condition to this solution is that employees need to have time and easy access to the information, such as through intranet. In Comp3, where a large amount of the employees do not have access to a PC during working days, this assumption is rather challenging. Due to heavy workloads and time pressure, they seldom read information on the intranet. As some employees request for more information about what is happening outside their own department, while others only want relevant information, thus a suitable solution seems to be the use of intranet, or a solution where employees themselves can retrieve information on their own – during work, that is. However, this solution assumes that employees have time for this during working hours and that it is easily accessible. For some industries, this might not be achievable without some severe profit loss, and as time often equals money, certain employees are paid for their time bringing the company money and not the other way around.

All three companies have implemented CSR initiatives that affect employee's work in different ways. Because of these processes, employees will have different attitudes towards the changes (Rodrigo and Arenas, 2008). Even though Rodrigo and Arenas (2008) identification of three different types of employees attitudes towards CSR programs are stereotypical and doesn't catch the nuances among employees, one can see a clear connection between the stereotypes and respondents in this study. While some respondents don't fit into these stereotypes, other respondents can be placed within several of them. Regardless, employees will have attitudes towards society and company at the same time, making it a complex process (Rodrigo and Arenas, 2008). As it is easy to use and understand, the framework can still contribute a lot in understanding employee's attitudes towards CSR. The committed worker that quickly identifies with the initiatives and has a positive reaction to new CSR initiatives can be found in all three companies. In Comp1 and Comp2 they can be found on all organizational levels. In Comp3 the committed workers can only be found among middle managers and top managers. Among employees in Comp3, both the indifferent worker and the dissident worker can be identified. One of the employees is not against the initiatives nor highly committed to it either. New CSR initiatives are just

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being seen as a new way of doing work. The same employee also responds that the commitment to the organization has not increased since CSR came on the top of the agenda. It is difficult to increase engagement, motivation and commitment among these employees. However, new initiatives are implemented fast and quickly become a part of new practices. Another employee can be identified as a dissident worker since he or she reports that taking care of employees should be addressed before environmentally friendly operations. That being said, the employee's attitude towards CSR is not negative, but rather indifferent. This type of employee often feels marginalized (Rodrigo and Arenas, 2008), which fits well with the findings in this study. By isolating the attitudes towards the company from attitudes towards society, a possible explanation for the feeling of being marginalized is about involvement as the respondent states that he or she doesn't feel involved in CSR, and has a feeling of not belonging to the same organization nor wanting to contribute to the results. Both of the latter respondents believe that CSR is great. On the other hand, they rarely relate to it or get an increased commitment from it.

Other respondents can be placed into two different employee typologies, namely the commitment worker and the indifferent worker. According to Rodrigo and Arenas (2008) the indifferent workers will not increase their commitment. Interpretations of the findings shows that some respondents aren't that concerned about social justice and welfare in their private life even though they have a positive reaction of new CSR initiatives with an increased commitment as result. For some of those employees their workplace has been an important source of higher awareness for CSR, e.g. making more environmentally friendly choices in private life. Despite the weaknesses of Rodrigo and Arenas (2008) typology, the framework may nevertheless be an important contribution to understanding how different employees respond to CSR initiatives. Having this knowledge in advance gives the opportunity to make adjustments to the internal communication so that one can succeed in creating employee commitment and thus extracting several of the benefits of CSR.

In order to increase awareness, engagement and commitment for CSR issues among employees, internal marketing for CSR, as conceptualized by Sanchez-Hernandez and Grayson (2011), can be part of the solution. This framework explores the opportunity to use the marketing mix (McCarthy, 1960) for engaging employees in CSR. When a company is oriented towards internal marketing, managers can influence the behavior of their employees and increase their commitment and motivation (Sanchez-Hernandez and Grayson, 2011). In addition, it is then possible to create a culture for CSR based on shared values throughout the

organization. According to Sanchez-Hernandez and Grayson (2011), these way employees can get more involved in CSR initiatives and achieve increased job satisfaction. However, before engaging in CSR, employees need to be aware of the companies CSR, as seen in this study.

## 5.2 Involvement

All three companies have different involvement practices, but a common thing is that most of the CSR initiatives and objectives come from the stockholders, where managers in particular claim that the “employees are in a small extent involved because the stockholders set the ambitions” (Comp3Resp1), but adds that “if you speak with the staff they will reply that they have not been involved” (ibid.). It seems managers are aware of the discrepancies between involvement perceptions (Morsing and Schultz, 2006), where “local initiatives” seem to merely be ways that managers justify the lack of employee suggested initiatives – feedback on ongoing initiatives being entirely missing (Brunton et al., 2017). Although employees were frequently mentioned by managers as important stakeholders for CSR in the interviews along with what Dawkins (2014) discusses regarding certain CSR issues directly concerning the employees. One employee confirms this directly, by describing how involvement in assertion and implementation of CSR initiatives are followed through or the lack of therein: “the staff on the floor don’t has anything to do with it” (Comp3Resp4), claiming that there is no opportunity to give input and that everything is settled on a higher level. The last remark leads one to believe that input might have been given, to some extent, but not been taken further up in the system or even gone through the relevant authority.

In addition to comprehensive legislation of employee matters, in Norway strong labor unions have made employees important stakeholders, which companies are imposed to have constant dialogue with, enlightening why employee concerns are a thorough part of CSR in Norwegian companies. When employees are actively involved in the CSR functions and programs, it develops organizational culture (Morsing et al., 2008), making companies who realize this importance of CSR communication to employees, are strengthening the organizational anchoring of the company’s CSR agenda. According to Morsing et al. (2008) this is a precondition for creating credible CSR communication, otherwise successfully involving employees. The reason for this is given by the remark that “other departments and team managers are more involved” (ibid.), which could be understood that departments less

involved are thus making the choice to be less involved overall, where one-way communication about “what is going to happen” seems sufficient, yet several employees stress that “we try to give input sometimes, but we are not always listened to” (ibid.). The latter statement makes contradictory views a matter of argument and further interpretation.

With that said, multiple respondents do in fact confirm that team managers in general are being more involved, something which one could expect, but seemingly the job of further dissemination and involvement by the managers are not let trough. A team manager expands this understanding by claiming of being highly involved in projects across departments and has the opportunity to provide input and suggestions, where such project groups are often composed of managers from different departments for the purpose of implementing or articulating new initiatives. As mentioned earlier, one might argue that a specifically appointed person who is working with CSR would solve some of the lack of involvement (Echeverri and Edvardsson, 2002). It is therefore a case where the system has to be in place for involving the employees in every single one of these departments, meaning that the involved managers have to better manage the relations regarding employee involvement, which potentially would give the necessary insight and response both parties seem to need (Brunton et al., 2017). The team manager seems to really enjoy the opportunity to contribute, and believes this way of working is great for finding good solutions on CSR issues, unfortunately not recognizing the elephant in the room, mentioned earlier. Even though many of the employees feel they are able to get involved, they answer that they really aren't interested in being involved, something that confirms the assumption of not wanting to be involved by choice, which indicates a failed involvement strategy (Morsing and Schultz, 2006). In most cases it seems that engagement and willingness to contribute does in fact come as a consequence of actually getting involved, whether the employee wants it or not, in means of feeling the need to give something in return for being acknowledged in the matter of the greater good (Joyner and Payne, 2002).

However, a manager from another company seems to have quite a different approach to involving employees in CSR, namely by creating project groups when implementing new CSR initiatives. This is a means of introducing structured involvement (Morsing and Schultz, 2006), something that Lozano (2013) argues, where unless the initiatives recognize employee attitudes they are unlikely to be integrated into daily work and employee behavior. This enables communication across departments in order to bring in all relevant knowledge,

something that could be seen as a way of solving the former discrepancy and thus create a successful involvement towards the initiatives (Brunton et al., 2017). The understanding that while one manages to utilize all knowledge in the organization, issues and challenges emerge earlier, thus making the CSR initiative more likely to succeed in the long run (Malik, 2015), thus enabling organizations to communicate their social viewpoint in a more strategic manner in order to gain and maintain legitimacy (Goncalves, 2013). This has as much to do with legitimacy (Goncalves, 2013) as it has to do with enabling all involved parties to feel a sense of ownership and an obligation to jointly succeed (Birth et al., 2008). Such approach can furthermore be used as a method to identify which CSR areas can be approved upon (Vallaster et al., 2012; Yusri and Amran, 2012), where even two employees from the same organization confirm that this in fact allows positive development related to a culture of openness, involvement and feedback from employees (Kataria et al., 2013). All respondents' from the company highlight that they always get involved when there are new initiatives to be implemented that directly affect their work. However, they usually get involved in the implementation phase and not in the idea phase, being a mere opinion, but might have something to do with the way the overall communication is set up in the organization (Golob et al., 2013).

At another company there is a clear lower degree of involvement in CSR by the employees, where the communication manager reports that they "seldom involve employees" beyond their annual Christmas gift to charitable purposes (Comp1Resp1), but do "expect the staff, for example, to follow the guidelines for environmentally friendly choices" (ibid.). This way of involving employees seems to create great commitment for CSR among employees (Chih et al., 2008), where a loss in income would pose as a treat to charity, and thus be a good balance between empowerment and involvement (Echeverri and Edvardsson, 2002). Another company is also using the same method, where employees utter that it tends to be a motivating contest to vote for which purpose the annual charity money should go to. When asked to describe why they think it creates commitment, employees answer that they really like the way they can influence the decision and being able to support something they care about in their private life. On other areas there is limited opportunities to give input on current or future CSR initiatives, where it seems to be dissimilarities between involvements linked to different work position. Many of the employees report that they get involved very rarely because of the latter: "It is always possible to provide input on the challenges we see and which must be addressed. But we don't get involved in the actual enunciation of the



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initiatives” (Comp2Resp5). One can argue how much sense it would make to ask every individual about how to do certain things, being a personal preference, but as long as the responses cater to wanting more influence and not backing off on that, the path seems to still be on the right way. This is something in line with already having the necessary motivation to make a difference, but unfortunately not getting the chance (Echeverri and Edvardsson, 2002).

In general, regarding all three organizations, when employees talk about involvement, those who describe themselves as being involved seem to speak with great enthusiasm and pride of the work they do, while the remaining either have no interest in contributing or simply aren't heard. In those companies that all respondents feel involved, they also describe the culture in the organization as very open, which seems to be an important dimension for successful involvement (Echeverri and Edvardsson, 2002). In one particular company, the involvement seems to stop at the team manager level, where the workers don't get involved at all and report a feeling of not being listened to by the management at all. Needless to say, the aforementioned company sadly experiences low CSR engagement by these respondents, further emphasizing the importance of managing the internal as well as external arena, which not does not only motivate consumers to undergo some form of “behavior modification”, but also employees (Bhattacharya and Sen, 2004).

### 5.3 Content and channels

In the three companies that are part of this study the most frequently used communication channels for CSR are intranet, face-to-face meetings in departments, face-to-face house meetings, video meetings and e-mails. These findings correspond with the findings of Kataria et al. (2013) study of internal CSR communication, except for the use of video meetings, but as the study was conducted a few years ago, this seems reasonable to have caught on just lately. In addition, none of the respondents in this study reported that the companies' websites were an important channel for internal CSR communication. Like Kataria et al. (2013) study, this study also show that face-to-face meetings are the preferred channel of CSR communication. In addition, a large amount of the respondents prefer smaller informal meetings instead of larger meetings. The main reason for preferring smaller informal meetings is the opportunity to ask questions and make an impact, which involves a more symmetric two-way communication, as highlighted by Morsing et al. (2008). In order

to increase commitment and engagement among employees, the preferred channel is face-to-face communication, as confirmed by Brunton et al. (2017).

On the other hand, face-to-face communication is almost impossible to completely manage in larger companies (Echeverri and Edvardsson, 2002). Even though the companies in this study are not global actors, the amount of employees is too large in order to gain effective internal communication by face-to-face meetings. The companies have solved this by communicating directly to each department or by using middle- and team managers. In this way it is possible to tailor customized messages based on what is relevant for their work. This type of communication is preferred by some respondents in this study, as well as in Kataria et al. (2013) study. Even though the majority sees this way of communicating as most favorable, there are also different opinions among the respondents. One respondent believes that larger face-to-face meetings with every employee included works well as it is motivating and gives a strong signaling effect when the CEO speaks.

The most used channel when communicating to larger groups or all employees is intranet. Some respondents believe this works great, while some believe that none of the information is relevant. The intranets at the three companies do not have the opportunity to share information to different group of employees, resulting in a lot of irrelevant information and lacking employee segmentation as recommended by, among others, Barret (2002) and Echeverri and Edvardsson (2002). Others report that intranet works well for general information for the entire company. In addition, all intranets in this study have a comment function, however, this is never in use. It is unclear why the function is not being used, but it emphasizes that intranet isn't a suitable channel for two-way communication. Although the feature is present, it can hardly be called an asymmetrical two-way communication, but as the technology progresses this might change in the future.

In Comp3, which is a company with a high amount of employees without access to PC during working days, effective internal communication poses as a big challenge. Even though stationary tablets and large screens have been installed, the biggest challenge is having enough "free" time to stop at these to retrieve the necessary information. In addition, this channel implies that every employee must obtain the information they want by themselves, and as employees have different interests, the management can never be sure that the employees have got the information they were meant to read – unless of course they have login capabilities or content monitoring.

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The content of CSR communication is to a small extent different in this study. Where Comp1 mostly communicates about results and appeals to follow the guidelines and takes ethically good decisions, Comp2 communicates more on why the company should engage in CSR, and Comp3 communicates a lot on results of their CSR initiatives. However, according to Kataria et al. (2013), the best way of communicating to employees about CSR initiatives are with short and easy to understand messages, that tell directly what the employees can do for either the environment or the society. However, this study shows that the message content in CSR communication is slightly more complicated, as there are different opinions regarding the preferred message content. While some are interested in results for the company as a whole, others prefer to get information on what they can do. In addition, others report that it is important to be informed about why the CSR initiatives are important and what impact it will make when it is completed. A major issue for management in choosing which type of content to employ can be seen as the main consequence of this finding.

In order to get a deeper understanding on wants and needs among employees on communication channels, content and related matter, it could be favorable having a dedicated person working with CSR (Chong, 2009; Kataria et al., 2013), as they have chosen to do in Comp2. Having a dedicated person working with CSR, or one person in every division in larger companies, may potentially offer many advantages, as it is arguably easier for one person to get a good overview of employees' wants than having to orchestrate different parts of a company with the overall responsibility for CSR. As this study shows, many of the employees have a strong request getting more involved and desire giving feedback on initiatives. It will thus be easier for each employee to know how to proceed with new suggestions, especially when it is clear who is on the receiving end and in charge of answering questions.

## 5.4 External communications influence on internal stakeholders

The interview responses regarding external communication were in line with Goncalves (2013), where the external communications influence on employees shows a clear discrepancy between CSR reports, websites, and media reports. The extent to which the respondents felt like corporate image could be affected by the company's own and others' communication varied to some degree. All of the respondent agree that CSR communication

can affect image to some extent, but whereas some think that it is to a great extent in some industries. It is not without reason that in some industries the affect can be larger than in others (Scarlett, 2011).

With few exceptions, there are no employees who are familiar with what the company writes about CSR on their websites and in their reports. However, it seems to be a matter of not being interested more than unknowing, and as one manager puts it, the knowledge around the external communicated information is merely a summary of the knowledge that the employees already possess: “I don’t think it is so that they will know that they are getting some surprises if they sit down with the annual report” (Comp2Resp4). The employees confirm this and explain their low interest in the external communication, claiming that they already knew about it anyway, and thus it appeared to just be old news. In line with Golob et al. (2013), such observations can lead one to believe that these reports should have been presented internally; in fact, it should have been done without exception prior any external publication (Goncalves, 2013). Speaking of which, regular communication on CSR issues to internal- before external stakeholders is also an important point in Comp2’s communication strategy which, according to the respondents, is the best way of doing it since the uncomfortable feeling related to getting to know about them through media or external communication channels are avoided (Brunton et al., 2017).

Now, whether it being positive or negative messages in social media, they can spread fast and be very influential in shaping attitudes towards a company (Lee et al. 2013). This means that responsible companies can have wider online presence, which also acts as a motivation to be responsible. An example of positive social media coverage was given in multiple interviews. There is a much greater engagement among respondents for media reports and positive news, for example, in local newspapers. Respondents from all three companies report that these communications makes them feel very proud about working for their organization and for contributing to good causes. One respondent would also wish that people knew more about what they contributed with: “All of the employees here know it very well, but I really wished that the common man knew it as well” (Comp2Resp5). Other respondents from all three companies also desire more external CSR communication. They feel that their company does a lot of great things for the society, but that only few get to know about it. Even within external communication the seemingly important factor of involvement appears (Bhattacharya and Sen, 2004). For one employee, media reports do not matter at all, because of a sense of not having participated and being involved, the employee

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doesn't identify with the companies initiatives and thus disregards the media report. Another employee in the same company utters that it gives a great feeling of proudness when the company is visible in media, especially in projects that they have been involved with. Individuals are different, but the responses speak of a truth that puts a desire to show off the good deed (Brunton et al., 2017), making the issue about when and how to properly communicate CSR activities evident (Baldassarre and Campo, 2016). Such importance of media as external communication, represents an indirect channel, was frequently brought up by the respondents, where companies arguably want to communicate to media in hopes of generating positive media coverage (Du et al. 2010).

One interview respondent, in charge of marketing, reflects desires of better media reach, as there always seems to be something to improve on regarding external communications (Goncalves, 2013). While the great reach and convenience of the Internet gives many the opportunity to search for information, media still has power to frame perceptions and attitudes less favorable for the company (Scarlat and Maxim, 2009). This by all means can be a big influence in driving companies towards responsibility, where irresponsibility and negative publicity has a bigger influence on perception of a company than responsibility and positive publicity have (Malik, 2015), where employees could well be the receiving end. Now, where gaps exist between internal and external matters, there is a high chance of scandalous outcomes (Baldassarre and Campo, 2016). These potential failures in external CSR communication were also seen by the respondents as negative for a corporate image, but as the companies studied had similar communication in both channels, where even internal could be directly used as external, such challenges are limited. Furthermore, negative word-of-mouth might also be spread, both by internal and external communication, therefore it is important to provide matching sustainability information on both internal and external corporate websites, making it easily found and easily understood (Brunton et al., 2017). Regardless of what the current state of the studied corporate websites are, be it a dedicated sustainability section with external recognition and awards earned or brief CSR information, one should strive to communicate the corporate CSR story with the company as a whole aiming for an unanimous message (Goncalves, 2013). Ultimately, no matter how well the external communication is, third party messages will arguably always be more credible than those directly from the company, and its therefore important to understand that employees belong to both external and internal customers – employees must be convinced of a company's vision and worth just as customers (Dawkins, 2004; Echeverri and Edvardsson (2002).

## 6. Conclusion

The aim of this study was to get a deeper understanding of three companies' internal CSR communication practice. Although some conclusions can be drawn, this study has shown that the procedures with internal CSR communication and their impacts on internal stakeholders are rather complex; therefore no clear conclusions can be drawn. In addition, it must be noted that the other potential conclusions must take the limitations as described in the research methods chapter into consideration, with particular emphasis on the case study's lack of ability to generalize the results.

Initially, among the three studied companies, CSR is on top of the agenda, resulting in a high awareness among internal stakeholders. As a consequence, the engagement among internal stakeholders is equally high, even though there are some variations. In one company the CSR engagement seems to stop at the middle manager level, since employees in lower positions report a low degree of engagement. In addition, the awareness of CSR is lower here than in higher positions. The most important aspect to note regarding internal CSR communication is being sure that the employees affected by an initiative get good information about it and how it can be implemented. On the other hand, many respondents show to be interested in having an overall view of the company and appreciate information on what is going on in other departments. It would be recommended having this type of information available, e.g. somewhere visible on the companies' intranet. To ensure that the employees get the information they need, and information written in a way that underlines the relevance for their work, employee segmentation seems the most appropriate. This study also shows that CSR can make the company more attractive in the labor market. For almost all respondents working on a higher position, the companies' CSR has been crucial for their choice of employer.

Secondly, the involvement of employees in the design and implementation of CSR initiatives is vital for creating commitment and engagement to CSR. In order to benefit from CSR, employees should be involved in the process as early as possible. This study's respondents report that a high degree of involvement is the most important source of successful commitment to CSR.

Thirdly, the most used channels for internal CSR communication are intranet, face-to-face department-, house- and video meetings, followed by e-mails. Among the used channels,

smaller face-to-face meetings are indisputable and the widely preferred channel. The reason being is the opportunity one gets to give immediate feedback and at the same time getting more involved in the process. For larger companies this might be difficult to obtain, but in situations where employee segmentation is based on relevant criteria's and having a dedicated person working with CSR, can well be the deciding factors for succeeding with CSR.

Fourthly, company's websites and annual reports do not have any impact on employees, and is seen as an irrelevant CSR communication channel. Social media and newspaper articles, on the other hand, have a great impact on employees. If employees get the feeling of being involved in the process, newspaper articles can be an important source of commitment and engagement, where they can see and share the results, and is commonly believed by nearly all respondents in generating a feeling of pride. In addition, many employees are proud of what their company is doing and desire more people to about it, meaning more external communicated from the company about CSR.

## 6.1 Managerial implications

Internal stakeholders' attitudes towards CSR are without doubt among the most important critical success factors for a good CSR strategy. In order to increase commitment and engagement among employees, managers should strive to involve employees as early and as comprehensively as possible. Since there are big differences in how much and in what ways employees can and want to be involved, as well as in what extent, what the information consists of and how they can get the information, managers need to understand the way this all interrelates and how to embrace employees wishes for involvement, based on employee segmentation.

When it comes to CSR, managers should attempt to communicate more face-to-face instead of using intranet, e-mail and one-way communication channels. Employees can potentially be a great source of new emerging initiatives and improvements, if given the change to share them. Two-way communication in combination with an open culture will be of great support in engaging employees in a higher degree and a more rewarding manner – for both parties and ultimately the society. It's important to not forget that external communication can be one of the most important channels for communicating effectively to employees, as what goes around, comes around. When deciding what to communicate externally, employees as a

target group should be defined among the most important ones. Having employees dedicated to CSR can possibly be the key to success even though they are often a forgotten and overlooked target group within a company's CSR activities.

## 6.2 Theoretical implications

This study does to certain extent confirm previous findings on the subject of internal CSR communication. The study confirms former findings in a different context than previously researched, as to our knowledge – that is, highlighting the importance of great individual differences regarding communication channels, content and attitudes towards CSR among employees. In addition, it shows the importance of involvement in creating engagement and commitment to CSR, as well as how this may vary on different organizational levels, although the limitations of the study have to be taken into account.

## 6.3 Suggestions for further research

This study helps to bring the knowledge about internal CSR communication and its impact on internal stakeholders a step further, but there can still be argued to be a lack of research regarding this subject. A deeper understanding of different attitudes towards CSR among employees is needed in order to differentiate the communication and increase the commitment and engagement among employees at all organizational levels. The difference in engagement on CSR related manners in relation to organizational levels, which shown in this study, needs to be investigated further, as well as the reasons that may lie behind them. This study confirms that face-to-face two-way communication is beneficial for internal CSR communication, therefore; what type of communication can be used as a substitute in larger companies needs to be investigated further. In addition, there is a need of greater knowledge regarding the external communications influence on internal stakeholders. Connecting other fields of study with internal CSR communication could potentially be very beneficial for further develop and broaden the knowledge in the CSR field. Greater unity about the definition of the concepts and the right placement of studies could help develop models that may be useful in practice for managers, as CSR is a challenging and difficult field to maneuver for managers seeking its increasingly important knowledge. Lastly, quantitative empirical research should perhaps be combined with qualitative research and conducted in



different contexts to confirm the findings made in this study as well as findings in previous other studies.

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## Appendix

### Appendix 1. Interview guide – employees

1. How long have you had/worked in this position?
2. What do you associate with the term corporate social responsibility (CSR)?
  - [State the definition of CSR] Is this familiar? Clarification of terms
  - How can you relate this to your job?
3. What do you associate with the term sustainability?
  - [State the definition of sustainability] Is this familiar? Clarification of terms
  - How can you relate this to your job?
4. Are you familiar with the initiatives and actions related to CSR that have been introduced at the workplace?
  - Which one are you most engaged in?
  - Which one do you think managers or other colleagues are most engaged in?
  - Are there any initiatives related to CSR that should have been implemented?
5. Are you involved in the design of these initiatives?
  - In what way?
6. How does the CSR initiatives affect your workday?
7. How do you get information about initiatives that have been initiated?
  - Which channels is being used?
  - How would you prefer the communication to be? Which channel?
  - Does this channel provide feedback and suggestions?
  - What type of content does this communication have?
8. Are you familiar with what the company communicates about CSR on its own websites and in annual reports?
  - Do you agree with it?
  - How does this affect you?
  - Does this communication correspond to what is communicated internally?
9. Is there something that you would like to add or comment on which we have not been talking about?

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## Appendix 2. Interview guide – managers

1. How long have you had/worked in this position?
2. What do you associate with the term corporate social responsibility (CSR)?
  - [State the definition of CSR] Is this familiar? Clarification of terms
  - How can you relate this to your job?
3. What do you associate with the term sustainability?
  - [State the definition of sustainability] Is this familiar? Clarification of terms
  - How can you relate this to your job?
4. To what extent do you think the employees are familiar with the initiatives related to CSR that have been introduced at the workplace?
  - Which one are you most engaged in?
  - Which one do you think managers or other colleagues are most engaged in?
  - Are there any initiatives related to CSR that should have been implemented?
5. To what extent are the employees involved in the design of these initiatives?
  - In what way?
6. How does the CSR initiatives affect your workday?
7. How do the employees get information about initiatives that have been initiated?
  - Which channels is being used?
  - Does this channel provide feedback and suggestions?
  - What type of content does this communication have?
8. How do you think the company's external CSR communication on its own website and in annual reports are affecting the employees?
  - Does this communication correspond to what is communicated internally? Is there something that is only communicated internally?
  - Is there a different content on the external communication?
9. Is there something that you would like to add or comment on which we have not been talking about?