The Communication Patterns of Corporate Social Responsibility within and across Industries

by Amy O’Connor and Michelle Shumate

This report examines how American corporations collectively describe their corporate social responsibility (CSR) activities based on an analysis of data collected from 103 Fortune 500 websites. The results suggest that while there is commonality in CSR communication at the institutional level, differences exist across industries.

CSR communication provides an opportunity for corporations to define their rights, roles, and responsibilities in society. Through CSR communication, corporations present value premises, legitimacy claims, and create and maintain positive relationships with diverse groups of stakeholders.*

Corporations use CSR communication to meet stakeholder concerns and define the scope of the corporation’s responsibility to society. CSR communication, therefore, is an inherently value-laden activity that seeks to represent the intersection of societal values and business decisions.

Typically, each corporation’s definition of CSR is considered to be unique to itself, its set of stakeholders, and its operating environment, the latter making it likely that patterns of CSR will be evident within industrial fields.1 However, within discreet industries, corporations often share stakeholders and have overlapping operating environments. Further, the corporate form writ large experiences similar societal pressures and expectations about the role and responsibility of business in society.

* This Director Notes is based on “An Economic Industry and Institutional Level of Analysis of Corporate Social Responsibility Communication,” by Amy O’Connor and Michelle Shumate, Management Communication Quarterly, 24, 2010, pp. 529-551.

CSR has been explained as a response to three forces: societal demands, influential stakeholders, and the ability of CSR to increase competitiveness and stock performance. Some CSR activities are bound to the legal and regulatory requirements of the particular business, while others are voluntary corporate responses to social needs. In either case, CSR is reflective of the economic, ethical, and moral expectations society has of the business world at a given point in time. The CSR literature is replete with case studies and exemplars of best practices. Little consensus exists, however, about what constitutes virtuous corporate behavior and how corporations should communicate their CSR activities to positively influence stakeholders and the broader operating environments.

The Importance of a Macro-Level Approach

In recent decades, corporations have been called upon to advance our economy and provide support for a variety of social issues. Bound by these two distinct requirements, many academics and activists define CSR as a social contract wherein corporations are granted a license to operate in exchange for the responsible use of society resources. For example, the business citizenship perspective suggests that the responsibilities for corporations are all encompassing and should be considered a fundamental moral and ethical obligation. In such a view, CSR is understood as a duty and a responsibility regardless of its ability to enhance the bottom line. On the other hand, welfare capitalism suggests that corporate responsibility extends only to employees and communities in which operations are conducted (see box, right). In this context, CSR is directly associated with the firms’ bottom line and the firms’ responsibilities are limited to its day-to-day operations. Given these contrasting views, this Director Notes investigates the values present in CSR communication corporations themselves and compares them to the definitions of CSR adhered to by academics and activists.

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2 Jacoby, Modern Manors.
3 Jacoby, Modern Manors.
7 Jacoby, Modern Manors.

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Welfare Capitalism

“Welfare capitalism” defines corporate responsibility as taking care of employees and communities where operations are located. Corporate communication, from the 1920s to the present day, emphasizes a definition of CSR as welfare capitalism. In the 1920s, corporations published magazine-style materials to publicize company activities, highlight employee activities, and sell a corporate identity of prosperity and community. For example, General Motors’ house magazine, GM Folks, featured articles about employees’ lives and community accomplishments. Today, corporate websites offer similar “glossy-filled” testimonies. In particular, our research suggests that corporations adhere to a welfare capitalism viewpoint by emphasizing employee and local community benefits when describing how they meet their responsibilities.

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d We conducted our analysis at the institutional level and the industry level. In the institutional level of analysis, CSR communication addresses the social contract between society and corporations through the presentation of the overarching rights, roles, and responsibilities assigned to the corporate form en masse. The institutional level considers how organizations—in this case, the corporate form—are guided by practices and expectations that transcend a particular industry or context.

e An industry-level analysis of corporate CSR communication examines the idiosyncrasies within industries. Corporations within unique industries face additional stakeholder expectations. Among the industry characteristics that influence CSR are:

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• location in the value chain
• use of environmental resources
• attention from activist groups
• industry history
• industry regulation
• similar pool of potential employees
• similar consumer market

Findings

Institutional level of analysis At the institutional level of analysis, corporations shared commonality in their CSR communication. CSR communication at this level creates a framework to understand behavior and make the cost of nonconformity evident. In essence, CSR at the institutional level provides a list of the normative responsibilities that all corporations must meet.

In our research, the first trait of CSR language was a commitment to a set of values that did not provide substantive detail to demonstrate the social impact of the organization’s CSR contributions. Second, CSR communication served to limit the scope of corporate responsibility to the communities where the corporation had operations and then to employees and customers. Third, corporations collectively place more importance on philanthropic and ethical responsibilities than on economic and legal responsibilities.

The language of CSR Interestingly, many corporations used identical turns of phrase (e.g., “We believe...”) to describe their CSR activities and refrained from providing specific evidence of CSR (e.g., the amount of money contributed, number of people served, etc.). CSR statements were presented as a creed that stated the values the corporation used to guide business decisions and inform social action. This form was present in over one-third of the CSR rationale statements in the sample. For example, “We believe we grow and prosper as a company with the continued support to our communities” (Air Products); “We believe that our giving programs create yet another opportunity to delight our customers and improve the communities in which they live” (Amazon); and “We believe strong communities are built from the kids up” (Comcast).

Methodology and Sample

This study relied on a sample of 158 corporate websites from 11 industries represented in 2005 online version of U.S. Fortune 500. All corporations in the Fortune 500 in 11 industries were included. The industries examined were: chemical; tobacco; commercial banks; general merchandisers; hotels, casinos, and resorts; mining-crude oil; motor vehicles and parts; petroleum refining; specialty retailers; telecommunication; and utilities.

Corporations were included in the analysis if they provided a rationale for their CSR activities, which led to a group of 103 corporations. The CSR statements analyzed ranged in length from one sentence to two printed pages. The statements were located in the “About Us,” “Community,” and/or “Social Responsibility” sections of the corporations’ websites. In total, 907 lines of single-spaced data were collected and analyzed.

When communicating the practices, people, and places of CSR, corporations relied on ambiguous language to present abstract values that can foster agreement. Sixty-five of the CSR statements made broad generalizations about the benefits of their CSR. For example, “Valero ... has positively impacted countless communities.” Twenty-eight of the corporations communicated their history of socially responsible activities. For example: “For more than a century, the companies that have become part of Reynolds American have created a legacy of helping to build better, stronger, and more enjoyable communities.” Due to the employment of ambiguous language, multiple interpretations of CSR initiatives may exist. For example, distinctions that may exist within different CSR initiatives (e.g., part-time vs. full-time employees, headquarters vs. remote plant sites) may be obscured.

10 Text taken from company websites of Air Products and Chemicals Inc. (www.airproducts.com), Amazon.com Inc. (www.amazon.com), and Comcast (www.comcast.com).
12 Text taken from company websites of Valero (www.valero.com) and Reynolds American Inc. (www.reynoldsamerican.com).
Responsibility preferences At the institutional level, CSR rationale statements limit the scope of CSR to people, places, and practices directly tied to corporate endeavors rather than society as a whole, which suggests a more limited role for corporations. More than half of the corporations in the sample suggested that their responsibility was limited to their local communities. Additionally, employees were the most commonly mentioned beneficiaries of CSR activities. The corporations studied offered general quality-of-life benefits for employees as evidence of social responsibility. Some of the benefits were not regulated by law, such as childcare programs (e.g., Citigroup), while others noted compliance with federal laws as evidence of their social responsibilities (e.g., Burlington’s safe working environment).

People and places Ninety-nine statements identified groups of people who benefited from CSR activities, and the most frequently mentioned group was employees (39 mentions), who were presented as benefiting from work-life initiatives and corporate support of employee interests. For example, companies claimed “to help them meet the challenges of their work and personal responsibilities” (Citigroup) and “support . . . employees through Borders Group Foundation” (Borders). Other beneficiaries included “our neighbors” (19 mentions) and “people” (19 mentions). When specific stakeholders, other than employees, were referenced, the two most common references were to customers (16 mentions) and children/youth (13 mentions). Only six corporations referred to their commitment to shareholders.13

Seventy-nine corporations limited their CSR responsibilities to the communities in which they “live and work.” For example, Radio Shack explained its organization as “enhancing the quality of life in neighborhoods we serve.” More directly, Kohl’s described its CSR as occurring in “Kohl’s communities.” Eighteen statements did not mention where CSR activities occurred, and only six statements expanded their explanation to include specific locations (e.g., Pepco Holdings limited its CSR to the communities it serves: portions of Delaware, Maryland, New Jersey, Virginia, and all of the District of Columbia).14

Taken together, these results suggest that corporations perceive CSR as a form of welfare capitalism rather than a requirement of business citizenship. The focus on employees and communities in which the firm has direct operations indicates a preference to limit CSR to areas in which the corporation has control. One interpretation of this finding is that corporations do not consider CSR a social contract that extends beyond the community. The “our communities” language also suggests that only those communities that are hospitable to corporate activities are eligible for CSR efforts. In addition, the depiction of employees as beneficiaries of corporate largesse harkens back to a bygone era of corporate paternalism that is at odds with current employment practices.

Practices According to the business citizenship perspective, the responsibilities of all corporations are (in ascending order):15

- economic
- legal
- ethical
- philanthropic

Through stakeholder—particularly shareholder and government—engagement, corporations can gain a relatively clear understanding of their economic and social responsibilities and legal requirements. However, corporations have more latitude in meeting their ethical and philanthropic responsibilities even though it is these responsibilities that often provide the most challenging scenarios and highest potential for reprisals.

In contrast to the business citizenship perspective, the corporations in this study described their CSR practices in terms of primarily in terms of philanthropic activities, with fewer corporations emphasizing ethical standards, or economic and legal responsibilities. The majority of corporations in the sample defined CSR practices solely in terms of philanthropic responsibilities (94 mentions), specifically “quality of life” (58 mentions). For example, Eastman Chemical Co. explained its CSR activities as “participating in efforts to enhance the quality of life where we live and work.” In addition to monetary and in-kind contributions (25 mentions), corporations in this study promoted employee volunteerism (21 mentions) as a form of philanthropic responsibility.

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13 Text taken from company websites of Citigroup Inc. ([www.citigroup.com](http://www.citigroup.com)) and Borders Group Inc. ([www.borders.com](http://www.borders.com)).

14 Text taken from company websites of RadioShack Corp. ([www.radioshack.com](http://www.radioshack.com)) and Kohl’s Illinois inc. ([www.kohls.com](http://www.kohls.com)).

Marriott said its employee volunteer program reflected Marriott’s “genuine desire of our facilities and associates to find resources, time, and energy to help make a difference in the lives of others and the communities in which we live and work.” Ashland Chemical said, “Volunteerism is a way of life at Ashland.”

At 39 mentions, ethical responsibilities were the second most frequently cited practice of CSR. These responsibilities, however, were not universally present in CSR rationale statements across industries (see the industry findings on page 6). The most frequent ethical responsibility indicated by corporations was environmental stewardship in business operations (21 mentions). For example, Johnson Controls said, “Look around at any of our locations and you’ll find clean manufacturing processes, higher pollution controls, diligent attention to waste reduction and recycling.” In each of the 21 mentions, the corporation suggested it had an ethical responsibility to conduct business operations in a way that preserved the environment.

Fourteen statements also identified the health, safety, and development of employees as an ethical responsibility. For example, Amerada Hess states, “We are committed to meeting the highest standards of corporate citizenship by protecting the health and safety of our employees.” In addition, some companies identified ethical CSR practices as how employees performed their jobs. Twelve CSR statements explicitly mentioned an employee or company code of ethics. For example, DuPont’s code of ethics “provides information to guide employees so that their business conduct is consistent with the company’s ethical standards and to improve the understanding of the company’s ethical standards among customers, suppliers, and others outside the company.” Only seven CSR statements suggested that ethical CSR practices included listening and responding to stakeholders concerns. Altria was an exemplar of this responsibility: “Our various management teams know that building long-term business success requires them to listen, consider, and respond appropriately to stakeholders’ expectations.”

Only 29 corporations included economic responsibilities in their CSR statements. This set of responsibilities included contributing to economic growth and community development (20 mentions) and producing goods or services that are of use to society (nine mentions). For example, Capital One stated, “We apply the same principles of innovation, collaboration, and empowerment to our work in the community that we do in our business.” Twenty-seven corporations explicitly linked their economic well-being to community enhancement. For example, Newmont Mining Corporation said, “We are committed to helping our communities benefit from the success of our business.” Similarly, Verizon said:

| Being responsible members of our communities makes us better at what we do. As we succeed, we will produce not only a good return for our shareowners and a good living for our employees, but also something of lasting value for society. |

PNC, a commercial bank, said “Put simply, we succeed only if our communities succeed, and our communities succeed only if their corporate citizens contribute to their strength.”

Only two companies explicitly communicated legal responsibilities as part of their CSR practices. Exxon Mobil stated that its responsibilities included obeying “all applicable laws and regulations,” while Key Span is committed “to design, construct, operate, and maintain its facilities in compliance with applicable environmental laws and regulations.” This was surprising given the regulatory requirements for many of the corporations included in this study.

Collectively, corporations communicated CSR as encompassing voluntary philanthropic and ethical responsibilities. Rather than a set of expectations placed upon the corporations by society, the corporations in this study communicated CSR as being initiated by the corporation based on benevolence. For example, corporations identified worker health and safety as being an ethical responsibility rather than a legal responsibility. This was surprising since worker health and safety is governed by federal and state regulation in the United States. Such a move suggests that corporations are recasting their legal responsibilities as discretionary to bolster stakeholder perceptions of the corporation.

16 Text taken from company websites of Eastman Chemical Co. (www.eastman.com), Marriott International Inc. (www.marriott.com) and Ashland Inc. (www.ashland.com).
17 Text taken from company website of Johnson Controls Inc. (www.johnsoncontrols.com).
19 Text taken from company websites of Capital One (www.capitalone.com), Newmont Mining Corp. (www.newmont.com), Verizon (www.verizon.com), and PNC (www.pnc.com).
20 Text taken from company websites of Exxon Mobil Corp. (www.exxonmobil.com) and Key Span Corp. (now part of National Grid USA) (www.keyspanenergy.com).
Industry level of analysis At this level of analysis, value chain position emerged as a factor in the type of CSR communicated. While an institutional-level of CSR communication is evident in most cases, specific industries tailor their messages to reflect their unique industry operating environments. Industries presented idiosyncratic CSR communication with regard to people and places. For example, only companies in the utilities industry identified specific states in which CSR occurred, which may be reflective of geographic and regulatory restrictions placed on utility, gas, and electric companies. Similarly, commercial banks identified people with less economic opportunity, which is likely reflective of the 1977 Community Reinvestment Act that requires banks to act in ways that address the needs of low- to moderate-income neighborhoods. Industries that were further up the value chain that relied on the exploitation of natural resources and/ or had the potential to do significant community harm (e.g., chemical, mining and crude oil production, petroleum refining and utilities, gas and electric industries) focused more on environmental responsibility. In contrast, industries that had more direct contact with customers (e.g., commercial banking; general merchandisers; hotels, casinos, and resorts; specialty retailers; and telecommunications) were more likely to define CSR in terms of philanthropy and focus on education.

People and places At the industry level of analysis, corporations predominately indicated employees as the primary beneficiaries of CSR. However, unique industry patterns were evident. For instance, the general merchandisers industry was the only industry that identified consumers as beneficiaries more often than employees. Further, only companies within the utilities and commercial banking industries identified minority groups as beneficiaries. Five of the 20 utilities, gas, and electric industry corporations in the study identified minorities, special needs customers, and families in financial crisis as beneficiaries. In contrast, three of the companies within the commercial banking industry identified individuals with limited financial resources as beneficiaries of CSR. Children and customers were featured as beneficiaries more prominently by general merchandisers (four mentions and one mention, respectively) and specialty retailers (5 mentions and 4 mentions, respectively) than by other industries. In contrast, four of the chemical industry companies identified neighbors and one of the tobacco industry companies discussed CSR as only benefiting shareholders.

Only six statements identified specific locations in which CSR activities occur. Of these six statements, five occurred in the utilities industry. For example, Pepco Holdings Incorporated, a utilities company, limited its CSR to “the communities we serve, which include portions of Delaware, Maryland, New Jersey, Virginia, and all of the District of Columbia.” Similarly, Dominion’s CSR is “directed primarily to the states where it provides electricity and natural gas: Virginia, Pennsylvania, Ohio, North Carolina, and West Virginia.”

Practices Our analysis of communicated CSR practices suggests that corporations within the same economic industry favor similar CSR initiatives. The two most commonly identified social issues were the environment (32 mentions) and education (27 mentions). The environment was a focus for industries whose operations are directly linked to environmental concerns (e.g., chemical, mining and crude oil
production, petroleum refining and utilities, and gas and electric industries). For example, “Visteon Corporation is committed to community citizenship through making contributions that improve the environment.” Conversely, among commercial bankers, general merchandisers, and specialty retailers, education was featured prominently. For example, Best Buy stresses its commitment to fund “innovative programs that make learning fun for kids.” Only the hotels, resorts, and casinos industry did not mention the environment or education in its CSR.22

Corporations within the chemical, mining and crude oil production, petroleum refining, and utilities industries identified practices associated with three of the four types of corporate social responsibility (philanthropy, ethical, and economic). Within the chemical industry, corporations communicated their commitment to philanthropy through employee volunteerism (nine mentions) and to their ethical (nine mentions) and economic (five mentions) responsibilities. Among corporations in the mining and crude oil production and the petroleum refining industries, CSR practices were primarily explained as ethical responsibilities to care for the environment (eight mentions) and the safety and health of workers (six mentions). In contrast, corporations in these industries only mentioned philanthropic responsibilities sparingly (four mentions). The utilities industry communicated CSR as respecting the environment (12 mentions), an ethical responsibility, and providing a safe and reliable product (nine mentions), which is an economic responsibility. In addition, corporations within the utilities industry promoted their commitment to philanthropy (16 mentions). Northeast Utilities, to cite one of these companies, demonstrated philanthropic responsibility by “making financial and in-kind contributions and encouraging employee volunteerism.”23

Table 1

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<th>Industry Idiosyncrasies of CSR Communication</th>
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<tr>
<td><strong>People</strong></td>
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<tr>
<td>Utilities (n = 20)</td>
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<td>Commercial banks (n = 13)</td>
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<tr>
<td>General merchandisers (n = 8)</td>
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<td>Chemical (n = 9)</td>
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<td>Tobacco (n = 2)</td>
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<td><strong>Places</strong></td>
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<td>Industries further up the value-chain</td>
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<td>Chemical (n = 9)</td>
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<tr>
<td>Mining and crude oil production and petroleum refining (n = 14)</td>
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<tr>
<td>Utilities (n = 20)</td>
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<td>Industries closer to the customer in the value-chain</td>
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<td>Overall (n = 50)</td>
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22 Text taken from company websites for Pepco Holdings Inc. (www.pepcoholdings.com) and Dominion (www.dom.com).
23 Text taken from company website: Northeast Utilities (www.nu.com).
Corporations closer to the consumer in the value chain (e.g., in the commercial banking; general merchandising; hotels, casinos, and resorts; specialty retailing; and telecommunication industries) limited their CSR communication to philanthropic responsibilities. Within these industries, financial support of education (17 mentions) was the most commonly communicated CSR practice. In addition, 13 companies in these industries identified philanthropic giving programs (e.g., Toys R Us Children’s Fund, Comcast Foundation). The commercial banking and the hotels, casinos, and resorts industries also included ethical responsibilities in their CSR communication. Commercial banking addressed ethical responsibilities such as sustainability and business practices (six mentions), whereas hotels, casinos, and resorts (two mentions) addressed core principles for interacting with guests, community, and employees.

Conclusion
This study examines CSR communication produced and disseminated by corporations across 11 industries to unpack the values presented in CSR communication. The results present evidence of mimicry of CSR communication within industries, and they demonstrate that, at both the institutional and economic industry level of analysis, corporations give communication primacy to ethical and philanthropic responsibilities over legal and economic responsibilities. Such primacy suggests that corporations present CSR as a voluntary form of self-regulation. The results of our analysis also identify welfare capitalism as a persistent institutionalized conceptualization of CSR. These findings suggest that, while CSR communication gives primacy to ethical and philanthropic responsibilities, CSR remains limited in its scope to those ethical and philanthropic responsibilities that benefit the bottom line.

24 Carroll, “The Pyramid of Corporate Social Responsibility.”
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