

CSR Communication Strategies: Stakeholder and Institutional Theories Perspective

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Abstract : Corporate scandals have made stakeholders apprehensive of large companies and expect greater transparency in CSR matters. However, companies find it challenging to strategically communicate CSR to intended stakeholders and in the process may fall short on maximizing on CSR efforts. Given that stakeholders have the ability to either reward good companies or take legal action or boycott against corporate brands who do not act socially responsible, companies must create shared understanding of their CSR activities. As a result, communication has become a strategy for many companies to demonstrate CSR engagement and to minimize stakeholder skepticism. The main objective of this research is to examine the types of CSR communication strategies and predictors that guide CSR communication strategies. Employing Morsing & Schultz's guide on CSR communication strategies, the study integrates stakeholder and institutional theory to develop a conceptual framework. The conceptual framework hypothesized that stakeholder (instrumental and normative) and institutional (regulatory environment, nature of business, mimetic intention, CSR focus and corporate objectives) dimensions would drive CSR communication strategies. Preliminary findings from semi-structured interviews in Malaysia are consistent with the conceptual model in that stakeholder and institutional expectations guide CSR communication strategies. Findings show that most companies use two-way communication strategies. Companies that identified employees, the public or customers as key stakeholders have started to embrace social media to be in-sync with new trends of communication. This is especially with the Gen Y which is their priority. Some companies creatively use multiple communication channels because they recognize different stakeholders favor different communication channels. Therefore, it appears that companies use two-way communication strategies to complement the perceived limitation of one-way communication strategies as some companies prefer a more interactive platform to strategically engage stakeholders in CSR communication. In addition to stakeholders, institutional expectations also play a vital role in influencing CSR communication. Due to industry peer pressures, corporate objectives (attract international investors and customers), companies may be more driven to excel in social performance. For these reasons companies tend to go beyond the basic mandatory requirement, excel in CSR activities and be known as companies that champion CSR. In conclusion, companies use more two-way than one-way communication and companies use a combination of one and two-way communication to target different stakeholders resulting from stakeholder and institutional dimensions. Finally, in order to find out if the conceptual framework actually fits the Malaysian context, companies' responses for expected organizational outcomes from communicating CSR were gathered from the interview transcripts. Thereafter, findings are presented to show some of the key organizational outcomes (visibility and brand recognition, portray responsible image, attract prospective employees, positive word-of-mouth, etc.) that companies in Malaysia expect from CSR communication. Based on these findings the conceptual framework has been refined to show the new identified organizational outcomes.

Keywords : CSR communication, CSR communication strategies, stakeholder theory, institutional theory, conceptual framework, Malaysia

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