
Corporate Social Responsibility Communication

A Multi-method Approach on Stakeholder Expectations and Managers' Intentions

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Organisations need to legitimise their behaviour in order to be accepted and supported by society. This study analyses the different perspectives on corporate social responsibility (CSR) in a multi-method approach. First, a content analysis of the companies' annual and CSR reports and qualitative interviews with the communication executives analyses the social engagement that is communicated and the companies' motives for their activities. Second, the expectations of potential stakeholders regarding the social engagement of companies are analysed via a quantitative survey. Results show that the reporting of philanthropic activities dominates the annual reports. However, as interviews show, these altruistic motives were mostly associated with expectations on economic benefits, where differentiation from competitors is mentioned as the main motive for the CSR engagement. With respect to topics, the CSR activities of the companies correspond in general to the stakeholders' expectations. Nonetheless, hardly any of the stakeholders are able to bring an explicit CSR activity of a company to mind. This might be because this is 'pull-information' for which they actively have to look, but companies might also be failing to effectively communicate their CSR engagement.

- Social engagement
- Sustainability
- Responsibility communication
- Corporate social responsibility
- Corporate citizenship
- Industry comparison
- Multi-method approach
- Content analysis
- Survey
- Qualitative interviews

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GLOBALISATION PROCESSES WITHIN THE LAST five decades have changed the market proportions of market dynamism, governmental regulations and society. This change, on both a national and an international level, has led to increased social pressure and to a need for new mechanisms of legitimisation as governmental regulation of companies decreases.

Not only do the traditional non-profit sectors, such as NGOs, charitable societies and political parties, argue for ethically motivated engagement, but so, too, do economic organisations that are increasingly under pressure to act in a socially responsible manner or to implement a corporate social responsibility (CSR) strategy (i.e. Mohr *et al.* 2001; Sen and Bhattacharya 2001). As a result, 90% of the Fortune 500 companies have explicit CSR initiatives (i.e. Kotler and Lee 2005). We can therefore observe not only an increasing commitment to CSR (Lindgreen and Swaen 2010), but also many organisations struggling with the challenges this creates (Lindgreen *et al.* 2009). Although there exist differing positions about what companies should be responsible for (Crane *et al.* 2008), and how CSR can be best classified and empirically studied (Melé 2008: 48), we might broadly describe corporate social responsibility, from the European Commission definition, 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’.¹

On the one hand, there is a pervasive belief among business leaders that CSR is an economic imperative in today’s marketplace (i.e. Beh 1994; Murray and Vogel 1997) and that stakeholders, being aware of the ethical and moral aspects of businesses, take for granted that companies engage in CSR (Lydenberg 2005). On the other hand, sceptical voices call for a convergence of financial and social aspects and argue that CSR will only be successful if it adds to the bottom line (e.g. Vogel 2005), or even question whether corporations can be citizens at all: for example, by virtue of their participation in processes of governance (Moon *et al.* 2005).

When companies engage socially and communicate about their CSR activities, they risk being accused of engaging simply for marketing purposes (Van de Ven 2008), triggering stakeholders’ scepticism (Schlegelmilch and Pollach 2005) and losing their trust. Companies’ activities can differ from stakeholder demands and therefore appear less trustworthy, particularly when they do not know the stakeholders’ expectations in terms of social engagement. So it has been important to know which activities society expects from the company in order to build trustworthy relationships with the key constituents. Lindgreen and Swaen (2010: 2) therefore outlined a research gap for ‘a systematic, interdisciplinary examination of CSR communication [which] . . . outlines key CSR communications tactics, such as social and environmental reporting’. The present study addresses this research gap by examining companies’ commu-

¹ ec.europa.eu/enterprise/policies/sustainable-business/corporate-social-responsibility/index_en.htm, accessed 8 August 2011.

nication strategies and stakeholders' expectations in a multi-method approach. We focus on the following research questions:

- RQ1: What kinds of engagement are *communicated* by the companies?
- RQ2: What are the *motives* for companies engaging in CSR?
- RQ3: What kinds of CSR activity are *expected* by the stakeholders?

In our study, we use **content analysis** of the companies' CSR and annual reports and **qualitative interviews** with the respective communications executives of the analysed companies in order to investigate what is communicated actively by the company, and what are the motives for their CSR activities. Second, through a **survey** we hope to gain insights into which activities are expected by stakeholder groups. Thereby, we expect to draw conclusions as to whether the expectations of the stakeholders match the CSR activities that are communicated. The CSR 'fit' refers to the perceived logical association of the CSR activities and is an important factor for CSR communication because it affects stakeholders' CSR attributions (e.g. Simmons and Becker-Olsen 2006).

Literature review

There is a wide variety of definitions and approaches in relation to CSR, which might be categorised into four key theories (see Melé 2008 or Lee 2008 for a discussion of the strengths and weaknesses of the different approaches): (1) corporate social performance; (2) shareholder value theory or economic responsibility theory; (3) stakeholder theory or ethical responsibility theory; and (4) corporate citizenship theory.

CSR can therefore be defined with reference to shareholder, stakeholder and societal perspectives. For the shareholders, the company primarily has to act in an economically responsible manner, whereas the stakeholder approach suggests that the company also has to 'balance a multiplicity of stakeholders interests that can affect or are affected by the achievement of an organisation's objectives' (van Marrewijk 2003: 96). From the societal perspective, the company as a 'corporate citizen' is taken into consideration. Maignan and Ferrell (2004: 284) define the objective of corporate citizenship as establishing a win-win situation between society and company. They use corporate citizenship in a similar way to Carroll's definition of CSR. Moon *et al.* (2005) locate corporate citizenship (CC) in political citizenship theory. Thus, it identifies 'specific roles and responsibilities for corporate, governmental, and other actors in society' (Moon *et al.* 2005: 430) and focuses on the role corporations play in society. As described above, the societal perspective of CSR is very similar to this definition of CC (see Matten and Crane 2005: 168; Crane and Matten 2008).²

² In their extended view on corporate citizenship, Matten and Crane emphasise that corporations are not on the same level as 'private' citizens, but 'that corporations have replaced

The reformulation of corporate social performance (CSP) by Wood has attracted great attention. CSP is defined as ‘a business organisation’s configuration of principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm’s societal relationships’ (Wood 1991: 693). With this, motives for CSR activities, the codification of social responsibility in the form of processes and principles, and the selection of social activities, including their results, are considered. Therefore, CSP is defined in a more general way than CSR. Montiel (2008) focuses on how CSR, corporate sustainability (CS) and corporate social performance overlap, and where they differ. For CSP, he states that it refers to ‘the overall social responsibility of business, evolving from the principles of legitimacy, public responsibility, and managerial discretion’ (Montiel 2008: 252), whereas CSR as ‘anthropocentrism’ and CS as ‘eco-centric paradigm’ (Montiel 2008: 259) are converging and focus on the same topics.

In our study, we refer to Carroll’s broad definition of CSR. This states that the company is bound to be economically profitable, to obey the law, to respect society’s values and, finally, to be a good corporate citizen and thus to act in a philanthropic way (Carroll 1979, 1991, 1998, 1999). As Carroll uses the metaphor of a ‘pyramid’, he argues that the sections of responsibility depend on each other in a hierarchical way. However, this hierarchy can be questioned as nowadays all the CSR objectives of modern companies might be reached or at least addressed at the same time.

Companies can only deal with controversial issues if they apply themselves to the ethical values of society. They have to consider all the ethical responsibilities, norms, standards and expectations of their stakeholder groups that exceed the law. For example, when making its products the company should take into account the social expectations of fair working conditions and therefore respect the moral and ethical expectations of society, while combining them with the company’s operations and aims.

Besides the economic, legal and ethical responsibilities, the philanthropic responsibility considers the improvement of life and social conditions, which is desired but not demanded by society and therefore has a completely voluntary origin (Maass and Clemens 2002). Philanthropic responsibilities can be separated from other categories by means of the voluntariness of the activities: whereas ethical responsibility adopts characteristics of legal standards because of its demand by society, and therefore can result in changing legal standards (such as employment rights and environmental protection), philanthropic activities are unlikely to become legally standardised (Carroll 1991).

Through Carroll’s approach, companies can meet the challenge that, on the one hand, CSR is expected by society and thus has to be communicated, and on the other, social activities of companies increasingly suffer from a lack of

some of the functions of the institution deemed the most powerful in the traditional concept of citizenship’ (Matten and Crane 2005: 174). Therefore, corporations play an important role for society and ‘are active in citizenship’ (2005: 175). In this reference to the political citizenship theory the authors distinguish CC from CSR.

credibility if they are not linked to the core corporate activities and if the motives are not obvious (Du *et al.* 2010).

Motives for CSR activities

The key challenge, therefore, is to reduce stakeholder scepticism and enhance the credibility of CSR activities by revealing the *motives* for why they engage in which activity (Du *et al.* 2010). Here we can differentiate between intrinsic and extrinsic motives for CSR. As Forehand and Grier discovered (2003), extrinsic, firm-serving motives in CSR messages increase the credibility of CSR communication. As a consequence, Porter and Kramer (2006) argue that companies should emphasise the link between social and business interests. Maignan and Ralston (2002) analysed which motives for CSR are communicated on websites. They distinguish between performance-driven, stakeholder-driven and value-driven motives for acting in socially responsible ways. The first activity is defined as ‘an instrument to improve their financial performance and competitive posture’ (Maignan and Ralston 2002: 501), whereas the stakeholder-driven activities are a response to the social pressure of one or more stakeholder groups. The value-driven CSR is defined as ‘being part of the company’s culture, or as an expression of its core values’ (Maignan and Ralston 2002: 501). However, as Du *et al.* (2010) put it,

Corporate social responsibility communication is a very delicate matter. While stakeholders claim they want to know about the good deeds of the companies they interact with, they can easily become leery of extrinsic motives when companies promote their CSR efforts.

Method

As a sample for the study, we selected the largest branches from the secondary and tertiary sectors of Switzerland, which are vital to Swiss economics. The selection contains the five largest Swiss pharmaceutical companies (Syngenta, CIBA, Clariant, Novartis, Roche) and five banks, namely the two international players (UBS, Credit Suisse), Switzerland’s largest mutual savings bank (Raiffeisen Bank) and the two largest regional banks (Zürcher Kantonalbank, Valiant Holding AG).

One criterion for selecting the banking sector is that banking transactions require a high degree of trust on the part of the customers, because the services used concern time intervals with economically more and less favourable periods. Confidence in the business partner is of substantial importance, since it is difficult for the customer to judge the quality of financial products. Financial

companies have little direct involvement in the consumption of non-renewable resources. In the early days of public interest in social engagement, environmental topics dominated the discourse. Thus, banks were not as affected by the social pressure as sectors like the chemical industry (Jeucken *et al.* 2001). However, in recent years banks have been exposed to increased criticism, because of financial participation in enterprises that have caused serious environmental damage or because of money-laundering activities and financing of terrorism. More recently, the global financial crises have led to further criticism of banks for their irresponsible lending and involvement in high-risk financial instruments. For pharmaceutical companies, the importance of CSR activities is quite obvious. They rank among the 'environmentally sensitive industries' (Roselle *et al.* 2005: 130) because of their research and production processes. In contrast to the financial industry, they were directly concerned with the discussion of environmental topics in the 1990s. The social pressure mounted to make the research and production processes as sustainable as possible and therefore the pharmaceutical companies had to deal with social engagement as an important component of their strategy at an early stage.

We applied a multi-method design integrating content analysis, qualitative interviews and a survey to incorporate both the companies' perspective and stakeholder expectations into the analysis and to compare the results.

Content analysis of annual and sustainability reports

In order to analyse which CSR activities are communicated, a content analysis of the annual and sustainability reports of the above-mentioned sample was conducted. In the empirical analysis, we focused on the ethical and philanthropic levels of company responsibility identified by Carroll. This restriction was made because we presupposed that the companies strive to maximise possible profit (economic responsibilities) and that this effort occurs within the scope of the law (legal responsibilities).

The time period investigated ranges from 2001 to 2005. As a unit of analysis, articles were selected for CSR activities. The articles were selected in the table of contents on the basis of a keyword index. Altogether, 750 articles were analysed. An imbalance between the two industries is clear: while the financial sector contains only 135 articles the pharmaceutical sector reports CSR activities in 615 articles.

We identified the number of pages of the articles and then analysed the CSR activities and topics mentioned in them with reference to our codebook. Thus, one or more activities can be coded per article. For the topic coding, five categories were differentiated: **society**, **environment**, **employees**, **sponsoring** and **volunteerism**.

The category **society** contains the activities of a company regarding the community, with the sub-categories health promotion, medical programmes, art and culture, education and integrity. Integrity identifies whether a company creates standards which apply regardless of the respective national guidelines, or whether they permit legal grey areas.

The category **environment** contains the activities of a company that impact nature in a positive way and which go beyond legal regulations. As sub-categories we coded security, improvement, damage limitation and animal protection.

Similarly, in the category of **employees**, activities were coded that pay attention to the well-being of employees and exceed the legal commitments, with the sub-categories security, education, health, working conditions, and support with personal problems.

The category **sponsoring** (financial support of a person, group or organisation, benefit in kind or services, for which the company receives a return) was included because often the social engagement of companies is combined with sponsoring, as, for example, when Roche sponsors the run for AIDS in Basel. However, there is a difference between social activities that are combined with sponsoring and those that are not seen as sponsoring. We included sponsoring as a discrete category, divided into the subsections of culture, social concerns, education and sport.

The last category, **volunteerism**, is defined as support of a person, a group or an organisation by financial help, benefit in kind or services, for which the company does not receive a return. Volunteerism is divided into three sub-categories: donations for social projects, donations for environmental projects and promotion of voluntary work for employees.

Additionally, every thematic category contains the sub-category 'other topics' for coding activities that cannot be thematically related to another sub-category. Also, each activity is coded as ethically or philanthropically motivated based on Carroll (1991: 41ff.).³ Ethical responsibilities refer to the activities expected or prohibited by society even though they are not codified into law, while philanthropy embraces those activities which promote human welfare and goodwill (Carroll 1991: 42).

Qualitative interviews with communications executives

In order to analyse the motivation of companies for CSR activities, in July 2006 we carried out qualitative, semi-structured telephone interviews with the ten communications executives responsible for CSR in the ten companies analysed, confronting them with the results of the content analysis of the annual reports. We focused on communications executives because they decide which of the companies' CSR activities are communicated to stakeholders and how they are framed. The interviews lasted 15 minutes on average, and were fully transcribed and coded.

The guided, explorative interviews offer advantages over fully structured interviews for investigating corporate motives, since the interviewee is able to answer in a free way. Furthermore, a trusting relationship between interviewer and interviewee can develop quickly, whereby the interviewee usually answers in a more exact and open way than within a standardised questioning scheme (Rapley 2004). At the beginning, the interview focused on how the executives

3 Altogether, the Holsti's intercoder reliability is 0.90.

define CSR, and which concrete CSR projects of their companies they remember as successful. Second, we asked about the motives they had for launching these projects. They also had to estimate how CSR activities will develop within the next ten years and give predicted reasons for these potential developments. Finally, we addressed the channels through which social engagement is communicated to the different stakeholder groups.

Quantitative survey of the potential stakeholders

In a quantitative survey, we examined which CSR activities potential stakeholders expect from the financial and/or pharmaceutical sectors. A sample of 300 German-speaking students at Swiss universities in Fribourg, Basel and Zurich were randomly selected and surveyed in the last week of June. Students can be seen as an important group of potential, future or actual stakeholders, as they usually have their own bank account, are familiar with the products of a bank, and might also know some pharmaceutical companies and their products from knowledge of diseases. Many studies prove that young and well-educated people are familiar with the concept of CSR and highly interested in socially mediated investments (e.g. Rosen *et al.* 1991; Tippet 2001; Tippet and Leung 2001). Nevertheless, generalisation of the results is limited. Expansion of the research through participants from another walk of life could improve this constraint.

In our sample, gender distribution is well balanced with 51% of the respondents female and 49% male. Their average age was 23 years and they studied different disciplines, the most frequent being economics (16%), communication studies (12%), psychology (11%), law (10%) and sociology (8%).

First, the students were asked whether they knew the term 'corporate social responsibility'. Subsequently, a definition of CSR was given to all respondents to ensure that they answered the questionnaire by referring to one similar construct. Those who already knew the construct CSR had to answer additional questions. Here we were interested in which concrete social activities of companies they remembered, their interest in CSR, and the extent and sources of their information about CSR. Those who did not know the term CSR were asked directly about their attitudes towards, and expectations of, CSR activities. Finally, the students' socio-demographic characteristics were identified, such as sex, age, field of study and location of study.

To estimate the expectations of CSR activities, Likert scales with five parameter-values were used in each case, thereby requiring students to evaluate activities concerning social problems, environmental protection, education for employees and sponsoring of cultural and sporting events.

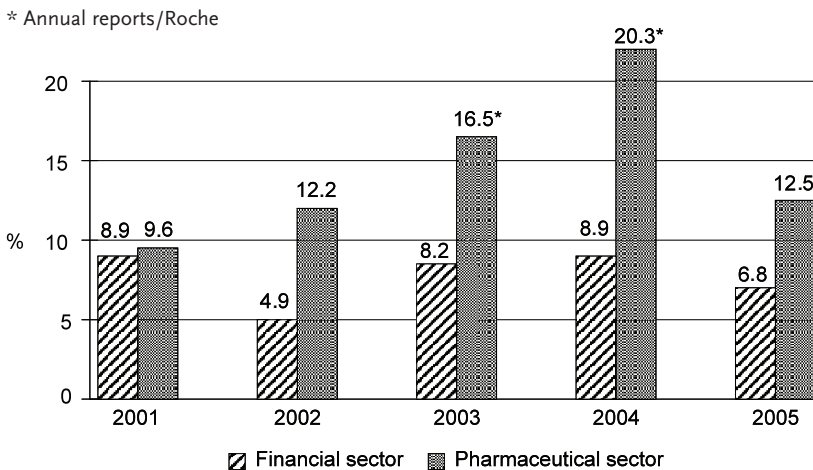
Results

Social activities communicated through the annual and sustainability reports

The content analysis of the annual and sustainability reports shows that the proportion of pages that cover CSR activities does not increase but levels off at 9% in the financial sector between 2001 and 2005. In contrast, the reporting of CSR activities in the pharmaceutical sector increases, particularly in 2004. However, a detailed analysis shows that the coverage of the activities stagnates at 10%, except for Roche. Roche, by contrast, published sustainability reports in 2003 and 2004 which were as extensive as their annual reports. So it is not surprising that the proportion of pages regarding CSR activities during these years increases to 25% and 36% for Roche, and thus the proportion increases to 16.5% and/or 20.3% for all companies (see Fig. 1).

Concerning the kind of activity communicated, we found that 45% of the activities in the pharmaceutical sector and 55% in the financial companies were *philanthropically* motivated. This means that half or even the majority of CSR activities communicated in the annual reports are not directly expected by the stakeholders (Carroll 1991).

Figure 1 Percentage of the number of pages in annual reports/sustainability reports concerning CSR activities by total number of pages

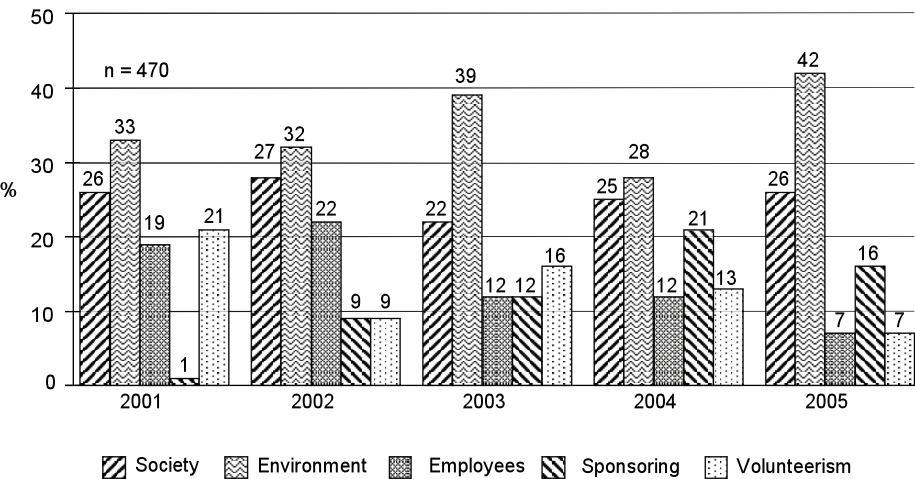


Concerning the *topics* of reported CSR activities in the financial sector (n = 470), we found a noticeable shift regarding the employees, with coverage decreasing from 2001 (19%) to 2005 (7%). This development could be explained by the increase in reporting activities regarding the topics of environment and sponsoring.

Whereas sponsoring activities received just 1% coverage in 2001, the reporting increased to 21% (2004) and 16% (2005). At the same time, the reporting of volunteer activities decreased from 21% (2001) to 7% (2005).

At 26%, the topic of society remains a constantly important field of social engagement, being the second most significant topic after environment, which increased from 33% in 2001 to 42% in 2005 (see Fig. 2).

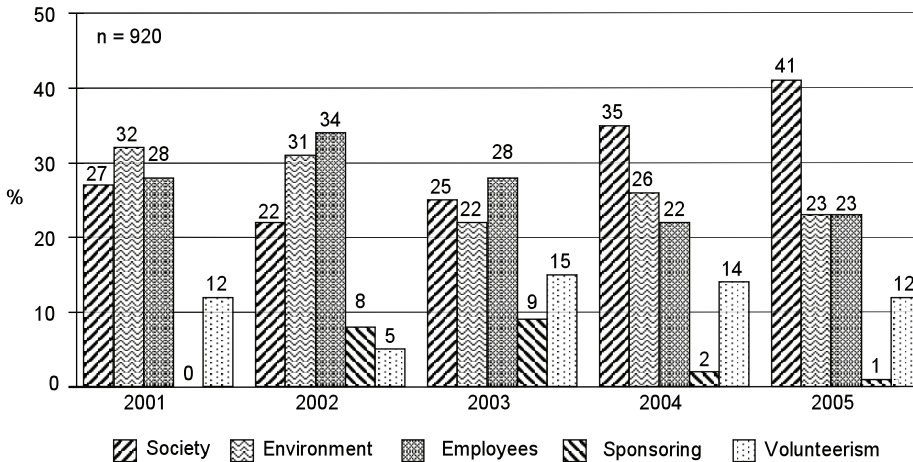
Figure 2 Coverage of the topics of the CSR activities in the financial sector, %



The topic of society also receives most attention in the pharmaceutical sector, with the proportion increasing to 41% in 2005 (see Fig. 3). Therefore, this category represents one-third of the whole reporting. It is understandable that pharmaceutical companies focus on activities for society, because their products apply to the sub-categories of health promotion and medical programmes and therefore offer the opportunity for CSR activities related to their core business. The topic of environment is important as well with a proportion of 27% on average. Again, this is not a surprising result as pharmaceutical companies have had to cope with social pressure for environmentally sound production of their goods.

To sum up, we found that the topics of society and environment are the most reported CSR activities in both industries. The pharmaceutical sector hardly reports at all on sponsoring activities; with an increase in 2003 and 2004 the coverage reaches a proportion of 1% in 2005. By contrast, with an average of 13%, volunteer activities such as donations are constantly present in the reports. Unlike in the financial sector, the category of employees is a continually important topic for the pharmaceutical sector, at 27% on average.

Figure 3 Coverage of the topics of the CSR activities in the pharmaceutical sector, %



Finally, we analysed the sub-categories of the three most important topics: society, environment and employees. Here, we found that of the society sub-categories, integrity is frequently picked out as a central topic in both the financial and the pharmaceutical sectors (33 and 28%, respectively). In the pharmaceutical sector, the support of medical programmes is another important sub-category, at 31%. The topic of environment is dominated by the sub-category damage limitation; 36% in the pharmaceutical sector and 75% in the financial sector. Finally, in the employee category we found the support of further education to be one of the most important sub-dimensions (with 18% in the financial and 36% in the pharmaceutical sector). For the banks, the most important sub-category is working conditions at 28%.

Results of the qualitative interviews with CSR communications executives

In the qualitative interviews, the communications executives were asked about the results of the content analysis. They confirmed that CSR has gained in importance and predicted that its relevance will increase even more. They attributed this development to the changing moral values of the stakeholders and therefore to the increasing social pressure the companies are exposed to. Thus, one executive of the financial industry stated: 'Social responsibility of a company will increase in modern society. And that in domains where the state lacks competences'. A pharmaceutical executive gave a similar statement: 'CSR is absolutely the key in maintaining your licence to operate, innovate and grow . . . We have to maintain our "social" contract with society to continue to innovate. Being a good citizen is good business.'

The motives mentioned by the interviewees can be differentiated into **altruistic** and **economic** reasons for CSR.

The interviewees' feeling of being socially responsible because they play an important role in everyday social life could be identified as an altruistic motive for CSR activities. This reason matches the value-driven motivation of Maignan and Ralston (2002). Nevertheless, altruistic reasons were never mentioned in isolation, but were associated with economic advantages for the company. For example, an executive of a pharmaceutical company stated that 'we opt for a project out of our societal responsibility for "doing good"', while also underlining the 'hopefully positive impact on the image of the company'. Another directly stated that:

CSR is part of our business model and linked to our core businesses, sustainability is very important as the product life-cycles are very long. We invest our core competences so that society and business can both benefit from it. Or, let's better put 'main stakeholders' instead of society, as it seems not realistic and credible to be responsible for the society as a whole.

Thus, companies refer to the importance of CSR activities for legitimising the actions of the company, because they show that they adopt social responsibility by accepting the social pressure from their stakeholder groups. Therefore, they mention the **performance-** and **stakeholder-**driven motivations.

The improvement of the company's image, the differentiation from competitors and the health of the employees are also designated as reasons for CSR. A communications executive of the financial sector states: 'In future, CSR will be applied even stronger for standing out from benchmark companies'.

The importance of the economic advantages to the companies matches the results showing the relationship of the activities with the core business: nine out of ten interviewees identified a connection between their CSR activities and the core business. For example, banks offer 'socially responsible investments' by creating responsible investments that take the social engagement of companies into account. Or they support the education of underprivileged children, with the aim of getting future customers. Other interviewees mention that they hope their internal CSR activities, such as supporting health programmes for employees, might also benefit the company through fewer employee illnesses and therefore cost reductions. Regarding the scope, global players tend to focus on projects with international scope, while small and regional banks focus on local or internal activities: for example, developing an internal code of conduct on how to behave ethically with their different stakeholders.

Pharmaceutical companies also focus on CSR initiatives connected to their core business: for example, in developing standards for the responsible handling of resources, supporting soil conservation or engaging in access-to-medicine programmes. As one interviewee put it,

the *raison d'être* of the pharmaceutical industry is indeed to provide treatment to patients. In terms of CSR endeavours which are unique to Novartis, I would mention two core activities: The first is our Institute for Tropical Diseases. Not only is dedicated corporate research on tropical diseases rather unique, but the fact that medicines discovered by the Institute will be made available at cost to poor patients in those countries where they are most needed is a tall order. The second is the Foundation for Sustainable Development and the many projects it undertakes

throughout the world. The Foundation is instrumental in developing excellent relationships with the UN and other key inter-governmental bodies.

Another clear statement in the same direction points out that ‘we set CSR priorities in order to differentiate ourselves from our competitors, defining our company and products through the responsible way we act in relation to the environment, the society, and our business’.

Although nearly all interviewees pointed out the business returns of CSR, differences could be observed when it comes to actively communicating about their CSR engagement. While the majority of the pharmaceutical CSR managers opt for active communication of their engagement, the majority of the banking managers instead choose discreet, indirect communication of their CSR activities.

Theoretically, a wide variety of communication channels exist to disseminate information about CSR activities: for example, through official documents such as the annual or CSR report, press releases, website, TV commercials, magazines, billboard advertisements, social media or product packaging (see e.g. Du *et al.* 2010). However, in accordance with the literature, most of the companies issue CSR reports and/or dedicate a chapter in the annual report, but also acknowledge that the Internet is becoming more and more important.

Results of the quantitative survey of the potential stakeholders

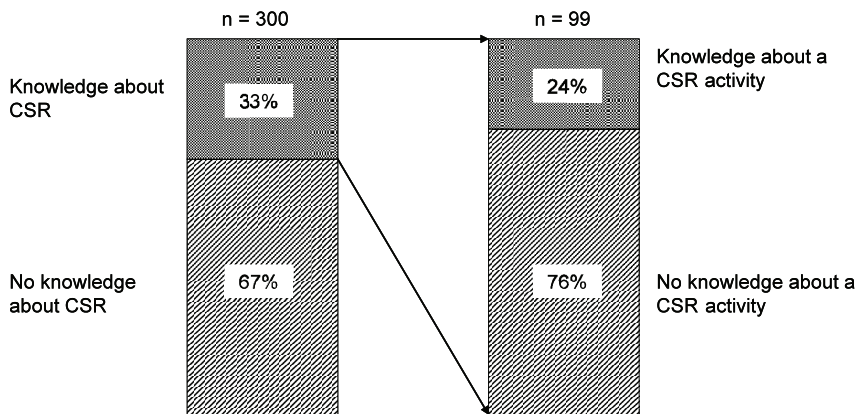
After analysing the company’s perspective, we identified the expectations of potential stakeholders towards CSR by surveying 300 students in German-speaking Switzerland.

First of all, it was surprising that only a third ($n = 99$) of the respondents were familiar with what corporate social responsibility means, and just 24% of the students who knew about the concept of CSR could actually name a concrete activity of a financial or pharmaceutical company, while the remaining 76% could not bring any CSR activity to mind (see Fig. 4).

Furthermore, the respondents rarely mentioned the particular activities they expect in a precise way, but only remembered (cultural/sport) sponsoring activities. Credit Suisse is mentioned most frequently (five times). In the pharmaceutical sector, Novartis is the company most often mentioned (four times).

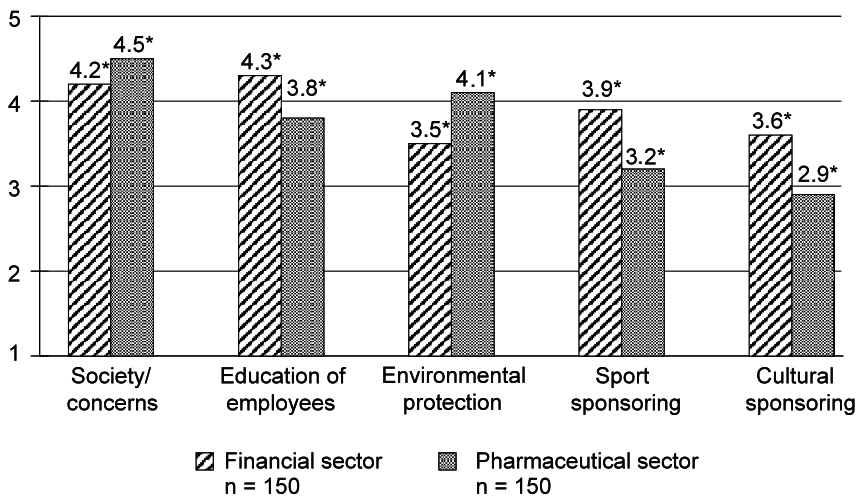
When we investigated which kinds of activity the students would expect we found significant differences between the two sectors. Whereas the students regarded the support of social concerns and activities for employees, such as support for further education, as very important for both the pharmaceutical and the financial sectors (albeit more important for the pharmaceutical sector), environmental engagement is ranked as particularly important by the students who evaluated the activities of pharmaceutical companies. This result corresponds to the findings of the content analysis of the annual reports. Here, the same three topics are most frequently covered, and environment is focused on particularly by the pharmaceutical companies.

Figure 4 Percentage of respondents familiar with CSR and percentage of those respondents who could name a concrete CSR activity



The support of cultural and sporting events is expected in particular for the financial companies, which also corresponds to the analysis of the companies' perspective (see Fig. 5).

Figure 5 CSR activities the stakeholders expect from financial and pharmaceutical companies



Note: 1 = does not apply at all, to 5 = applies completely; * mean difference significant at $p \leq 0.05$

When we asked which channels the respondents evaluate as being most effective to communicate about CSR, corporate publishing products, annual reports and similar were ranked highest (45% evaluated them as most effective), while TV was ranked second highest (41%).

Conclusion and discussion

The analysis of the CSR phenomena from both the companies' viewpoint and stakeholders' expectations makes it possible to compare different perspectives on CSR.

In the first and second research questions, we asked what kinds of engagement are *communicated* by the companies and what their motives are for implementing CSR activities. We looked at the content analysis of annual and sustainability/CSR reports as the most important channel to communicate the CSR message from the point of view of the CSR officers. We then conducted qualitative interviews with ten CSR communications executives of the respective companies. Finally, potential stakeholders were investigated via a survey in order to answer the third research question and to analyse whether companies match their expectations with respect to CSR topics.

Results show that the percentage of CSR coverage in annual reports did not increase substantially from 2001 to 2005, but it was classified as a very important and a prominent issue by communications executives. It is noticeable that half of the covered activities are philanthropic, which means that they are not directly demanded by stakeholders or regarded as unethical if firms do not provide the desired level of engagement (Carroll 1991:42). So we can assume that companies try to stand out positively from their competitors and to differentiate themselves by choosing those activities. This assumption was acknowledged by the communications executives who mentioned the competitive advantage as a reason for CSR activities. Altruistic motives were therefore mostly associated with expectations on economic benefits. Here, it becomes apparent that companies often follow long-term economic targets with their CSR activities.

Concerning the CSR topics of **environment**, **society** and **employees**, it becomes apparent that the first two are the most important categories for both industries for implementing CSR activities. As a CSR activity, environment plays an important role and is an established topic in the discussion about sustainability. This is particularly so as the debate about climate change becomes increasingly newsworthy. Within this category, the sub-category of **damage limitation** plays a major role in both industries. This result implies that the limitation of existing damage is emphasised as a proactive activity, rather than support for the environment and improvement of conditions.

Society-driven activities are constantly increasing in the pharmaceutical industry. Here, the **support of medical programmes** is the most important sub-category for pharmaceutical companies. This is not surprising, as activities such as providing developing countries with health programmes and medicine might be ideal for pharmaceutical companies in tackling such issues as access to medicine or generic drugs. But society activities are also important for the banks, especially in the sub-category of **integrity**. This indicates that many activities are concerned with the creation of moral standards that extend Swiss legal regulations, in order to regulate legal grey areas: for example, by developing an industry-wide standard such as the Wolfsberg Principles to address the

issue of money laundering, or supporting developing countries by establishing schools.

Employee topics are especially important for the pharmaceutical sector because of their human resource potential, the core source in developing medicine and registering patents. This assumption is supported by the fact that **education** is the most important sub-category. Also, health programmes contribute to reducing illnesses and therefore costs. So the economic link to the CSR activities becomes quite obvious, as also supported in the interviews. This finding is supported by studies by Hansen *et al.* (2011), too, who found evidence for CSR–firm performance linkages and their effects on internal stakeholders such as employees.

There is a significant difference in **sponsoring** activities: for banks we noticed a distinct tendency to communicate sponsoring activities, which was clearly more pronounced than for pharmaceutical companies. The continual increase in sponsoring activities for banks might also be another indicator of an increasingly profit-oriented CSR. Sponsoring ensures that the company is named and therefore the effect on publicity and reputation might be higher than with volunteer activities. This assumption is supported by the result that the reporting of volunteer activities decreases over the years in the financial sector. In contrast, the pharmaceutical sector is highly involved with volunteerism, which seems understandable in light of their products.

In order to compare these results with the expectations of stakeholders and to answer the third research question, the quantitative survey of Swiss students was considered. This data revealed that only one-third of students knew the term corporate social responsibility at all, and that they were rarely able to name an explicit activity. Overall, the respondents regarded the social activities as most important, but the issues of environment and employees were also classified as important. This result corresponds to the results of the content analysis of the annual reports. Here, these topics are the categories most often communicated. Banks are particularly expected to engage in sponsoring activities, which also fits with our findings regarding communication on the part of the companies.

Overall, the results demonstrate that the companies meet the stakeholders' expectations, but fail to use publicity effectively in order to make them stand out positively from their competitors and improve their image. This is noticeable from the small proportion of respondents who were aware of CSR and could mention a particular activity. Clearly, the pharmaceutical and banking industries are very prominent in Switzerland, yet the public seemed relatively unaware of their CSR activities. However, that could also be ascribed to the fact that CSR can be characterised as a 'pull-information'; that is, the recipient has to actively search for it. This information is rarely found as 'good news' in mass media such as daily newspapers, radio or TV. Therefore, companies might think about how and through which channel they can communicate their CSR initiatives, possibly exploring the new challenges of social media and the latest Web developments.

Also, the low level of information about CSR activities leads to the conclusion that the companies' social engagement might not be noticed enough, meaning

that the link from the company to the public is insufficient. An explanation could be the so-called ‘attitude–behaviour gap’ regarding socially responsible investing. Authors such as Vyvyan *et al.* (2007) and Lewis and Webley (1995) refer to this attitude–behaviour gap, arguing that people expect an activity such as socially responsible engagement, but do not behave in the same manner by changing their own (e.g. purchasing) behaviour and informing themselves about products or brands produced in a socially responsible way. This might also explain the low level of information on the part of the stakeholder with respect to knowledge of particular activities in this area.

Our study has several limitations—the small number of executive interviewees for the qualitative study, the focus on students as a potential stakeholder group as well as the clustering sample technique which lacks representativeness—leading to the fact that the results may not be generalised. Therefore, a further analysis of the demonstrated relationship in other stakeholder groups would be desirable in order to uncover differences between the key constituencies. In addition, to measure long-term influences, a longitudinal research period should be chosen for future studies.

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