

**CSR and its Communication in Multinational Companies  
– Dimensions and Relationships**

A comparative study of Tata Steel and Royal Dutch  
Shell in India and the UK

**by**

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## **Abstract**

The title of this thesis is CSR and its Communication in Multinational Companies. It is a comparative study of Tata Steel and Royal Dutch Shell in India and the UK that explores the dimensions of CSR and its communication in these different contexts. It seeks to contribute to the examination of CSR and its communication and the relationship between the two. It takes an exploratory approach to providing unique empirical evidence of company approaches and is designed to acknowledge the relevance of the context-specific on CSR as a social construct (Burr 2003), and the ever-changing, nature of its communication.

This thesis investigates how company's define and decide on their approach to CSR and whether, in today's business environment, a company's CSR-related activities can be extrapolated from their communication. It also explores how CSR and its communication has evolved to accommodate a changing business environment; the benefits of designing a CSR approach that is synonymous with its communication; and the implications of separating CSR from its communication.

In order to do this qualitative research methods are used, combined with discourse analysis to obtain rich insights into the perceptions of the individuals involved in the CSR communication process and company stakeholders. A total of in-depth 25 interviews took place over more than 25 hours, split between India and the UK. This included interviews with 10 managers and 15 stakeholders. Coombs and Holladay's (2012) motivation matrix is used as a basis for the analysis of the results.

The main academic contributions of the research reveal a move away from the use of the term CSR towards sustainability; the specific reference to 'involvement' as a fundamental element of the CSR definition; the use of psychotherapeutic language as a motivation for CSR; and the imbedded nature of communication within the CSR concept, making the two concept inextricably linked.

The findings reveal how the concept of CSR and its communication has evolved and is being developed by companies as a means of inspiring and giving meaning to stakeholders. They indicate the need for research to keep abreast of this changing environment as a means of informing both academics and practitioners in the fields of both CSR and communications.

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## **Declaration**

This is to declare that:

- I am responsible for the work submitted in this thesis.
- This work has been written by me.
- All verbatim extracts have been distinguished and the sources specifically acknowledged.
- This thesis is unpublished.
- This thesis has not been submitted within a degree programme at this or any other institution.

## **Chapter 1. Introduction**

The subject of this thesis is the relationship between corporate social responsibility (CSR) and its communication in different contexts – the East and the West, India and the UK. Both countries have a tradition of philanthropy that has evolved into an increasing focus on CSR. Both countries also experience very different contextual pressures that influence both how they develop their CSR practice and how this is communicated to stakeholders. The analysis contributes to an understanding of the company objectives for its CSR and communication, and how practices are developed and altered depending on the company and country setting. This is achieved through a comparison between India, an emerging or developing economy, and the UK, a developed economy.

The thesis takes an exploratory approach and aims to provide unique empirical evidence of company approaches to CSR, its communication and how this is perceived by stakeholders. It is designed to acknowledge the relevance of the context-specific and ever-changing nature of CSR and its communication. In order to understand this evolutionary process, two different marketplaces at different stages of development have been selected. The research therefore includes a four- way analysis process that compares the activities of two multinational companies (MNCs) in India and the UK. The research design allows for comparisons to be drawn between Royal Dutch Shell (commonly known as Shell), a company incorporated in the UK and operating in India, and Tata Steel, founded in India and operating in the UK.

The study takes an interpretive epistemology in a grounded theory approach. Data collection involved 10 in-depth interviews with company managers and 15 stakeholders, totalling more than 25 hours of interview time. In order to develop high-quality contacts in both India and the UK, this Western-born and -based researcher committed four years to living and working in India; this helped develop authoritative contacts and a more in-depth level of understanding of the country's social and business culture.

The research findings reveal how new motivations and approaches to implementing CSR activity are appearing within companies attempting to achieve ever-changing objectives in a competitive global environment. As these objectives evolve, so do the attitudes and approaches to communication strategy and practices.

This chapter will outline a brief background to the topics of CSR and its communication as an explanation of the motivations for the research and to identify the existing knowledge gap. It will then outline the research questions and scope of the study, before explaining the structure of the thesis.

## 1.1 Motivation for the Research

CSR was reportedly first written about by Bowen (1953) in the US and since then, despite CSR's "unclear boundaries" (Lantos 2001b p.595), its practice has become a major focus for government institutions, businesses and non-government organisations (NGOs) across the globe. It is encouraged by authorities such as the World Bank, the Organisation for Economic Co-operation and Development (OECD), International Monetary Fund (IMF) and United Nations (UN), through the

Global Compact launched in 2000 (Farashahi and Hafsi 2009; Jenkins 2005).

This global support for CSR has, however, gone hand in hand with highly publicised scandals associated with some of the largest multi-national companies (MNCs) in the world, some of which have received awards for their high-profile CSR programmes. These include Anderson, Coca Cola, Enron, Satyam, Shell, the Tata Group and WorldCom. These highly publicised scandals are indicators that CSR practice can no longer be just a superficial display of altruism.

Internationally renowned events, such as Shell's Brent Spar crisis, are also a reminder of the increasing power of the NGO and the media, and the need for companies to be sensitised to their environment (Georg 2006).

The rise of the MNC is apparent with the advent of globalisation and waves of liberalisation in developing countries (Jamali and Mirshak 2010). Yet, the continued predominance of a voluntary code of CSR involvement (Fox 2004; Palazzo and Scherer 2008) has arguably led to a number of Western-owned companies being exposed for applying different standards in developing countries than they would at home. Cases such as Coca-Cola polluting water in India (Maira 2008; Mitra 2007) and Nike's employment of child labour in Pakistan (Muller et al. 2008) have all had international exposure and alerted the commercial world to the transparent nature of their business and the ever-changing benchmark of acceptable company behaviour. Indeed, it is argued that CSR is so often removed from the reality of the existing capitalist system, it is hard to take many of the positive declarations associated with it seriously (Fleming and Jones 2012).

Despite the criticisms of CSR, pressure remains on global businesses to pursue its possibilities. It has become a highly fashionable management concept and something modern management, working in a global and increasingly competitive market, ignores at its peril (Porter and Kramer 2006). Furthermore, in 2013, India became the first country in the world to mandate a minimum CSR spend for qualifying, larger, companies.

The concept, however, remains a “fuzzy” one (Lantos 2001b p.595) and every company in a specific country is under the influence of a prevailing institutional framework (Whitley 1997), which will influence its practice and outcomes. The vagueness associated with the term and an ongoing debate over its legitimacy as a business practice has, however, clearly not reduced the support for and investment in its practice. Globally, investment in CSR continues to grow (Heath 2006; Henderson 2001; Reich 2008) and its reporting is “undeniably mainstream business practice worldwide” (KPMG 2013 p.10). In the UK, unlike India, while there is no legal imperative to practice CSR, it is encouraged by the European Commission, which promotes CSR in the EU and puts pressure on companies to adhere to international guidelines and principles (European Commission 2016). CSR has thus emerged as a “critical corporate trend” (Dupire and M'zali 2016 p.1).

These international guidelines arguably promote integrated internationalisation strategies that help generate efficiencies and responsiveness to particular needs (Ghoshal and Bartlett 1990). When it comes to MNCs that have expanded their influence with the advent of globalisation (Jamali 2010), however, research has identified that local culture is ignored in the development of their CSR policy

(Bondy and Starkey 2012); companies are embedded in a diverse environment composed of associations, customer-supplier relationships, competitive relationships and a socio- legal apparatus that defines and controls the nature and limits of those relationships (Pfeffer and Salancik 1978). By crossing borders and continents, MNCs therefore operate within complex business contexts and are presented with a wide range of business and social issues. This offers both unique opportunities and challenges (Ghoshal and Bartlett 1990). As a global phenomenon, the CSR practice of these MNCs can play a fundamental role in the outcomes for these companies in terms of their stakeholder relationships. These interdependent relationships can therefore not be ignored by companies or stakeholders and fundamental to these relationships is the role of communication, helping to define and shape the terms of these associations (Wright 2010).

International networks of stakeholders have forced organisations around the world “to consider giving greater importance to public opinion and thereby to public relations and communications management” (Sriramesh 2004, p.5). The approaches of MNCs to this communication have therefore needed to adjust significantly over time, being responsive to public opinion (Vallentin 2006) and accommodating the impact of today’s use of digital media, which allows people to connect with organisations and each other in ways not possible before (Hart 2001).

The level of CSR communication has therefore risen with the increase in CSR activity and the understanding that the perceptions of an organisation are largely developed through an individual’s interaction with such narratives (Surma 2004). CSR communication has become an extremely important

aspect of corporate communications, conferring legitimacy on corporate actions and helping prevent the negativity associated with large companies and their activities (Jayakumar 2013). Yet, stakeholders can become intolerant if companies fail to fulfil their obligations (Dawkins and Lewis 2003) or their information requirements are not satisfied (Dawkins 2004).

An expectation for appropriate communication therefore exists for companies to not only engage in CSR activity but also to communicate this engagement (Beckmann and Morsing 2006). Yet companies frequently rely on the “transmission model of communication” (Schoeneborn and Trittin 2013 p.193), which arguably does not satisfy the desire for engagement. In certain contexts, companies also experience ethical dilemmas when communicating CSR activity and the paradox of stakeholders with a high regard for socially responsible companies and a low regard for companies’ “deliberate, conspicuous communication about CSR” (Dhanesh 2015 p.431).

How MNCs manage and evolve their practices to accommodate such diverse attitudes is therefore increasingly important for companies to understand. Today’s highly competitive marketplace demands that companies innovate and evolve constantly, which also applies to the area of CSR and its communication. Keeping abreast of current-day approaches and the sharing of this knowledge is therefore vital to the appropriate investment in and application of CSR activities.

## 1.2 The Knowledge Gap

While much of the CSR literature has been generated in the West (Balasubramanian *et al.* 2005), there is a growing body of literature and research from developing nations (Dhanesh 2015; Jamali and Mirshak 2007; Jamali *et al.* 2009; Jayakumar 2013; Lattemann *et al.* 2009; Planken *et al.* 2010) that studies CSR and its communication. The different and rapidly changing contexts from which CSR practices have arisen is one factor that influences the variety of approaches to the discipline, so learning from the variety of challenges faced has significant value.

Furthermore, there is a call for research into an increased understanding of companies in equitable social development as an integral part of business practice (Gautam and Singh 2010). Evidence from the business and society literature in relation to the CSR activities of MNCs is also “scant, mixed and fragmented” (Jamali and Mirshak 2010), suggesting a need for more research into their CSR activities in developing countries. Indeed, “very few systematic studies of the CSR orientations of MNC subsidiaries are available in the literature, particularly stemming from a developing country context” (*ibid* p.188).

More detailed work on company practices, using qualitative techniques such as interviewing and observation, has also been called for, particularly where, since liberalisation in 1991, companies in India have promoted a more pragmatic and Western-style approach (Balasubramanian *et al.* 2005). There has also been a recommendation from researchers for the in-depth exploration, through interview data, of key corporate and organisational actors” (Dhanesh 2016 p.128) on the drivers of CSR and the interconnections amongst various elements of society. In



this respect, communication plays a significant role and Jayakumar (2013) points to a gap in the understanding of the rationale for CSR communications so that effective strategies may be developed rather than companies simply copying Western communication norms. This research has therefore been designed to fill aspects of these existing gaps in research.

### 1.3 The Scope of the Research

The aim of this study is to gather empirical evidence about the constituent parts of CSR and its communications within two different contexts – India and the UK – and to understand the main contextual factors that influence these practices. The research also seeks to detail the constituent elements of this activity so future research can either replicate this research in other contexts or extend the findings, through quantitative research, to produce a broader and generalisable body of knowledge.

This research has not been designed with the aim of producing generalised results, but to unearth previously unknown factors for further research. For this purpose, India and UK have been selected as the country context and Tata Steel and Shell provide the company context. India, as a developing economy, has a long tradition of philanthropy (Gautam and Singh 2010) and Tata Steel, as the first integrated steel plant in Asia and the world's second most geographically diversified steel producer (Tata Group 2016), was created with the vision of using company resources for the good of society (Gautam and Singh 2010; Lala 2007). The UK, as a developed or mature economy, also has a history of philanthropy (Harrison 1971), but has been exposed to Western media pressure since the 1960s when ethical issues in business were raised on an unprecedented scale (Lantos 2001b).

Shell operates in 70 countries, is known for its CSR activities and claims to spend \$122 million on voluntary social investment worldwide (Shell Global 2016). These four contexts therefore allow the researcher to compare companies in two economies at different stages of development. Both companies are leaders in their field and are known worldwide for their philanthropic and CSR activities.

The design of the research means that this study touches on issues of company culture, the role of public relations (PR) and issues relating to social media. It does not, however, claim to cover these topics or analyse communication process issues in detail. Its focus is on developing an understanding of the foundations of the practices of CSR and its communication within these four contexts.

#### 1.4 The Research Questions

The thesis aims to develop a deeper understanding of current CSR practices and communication in India and the UK, considering how different contexts impact the approaches and how this is perceived by stakeholders within both countries. The master question is: 'What are the characteristics of, and influences on, CSR, its practices and its communication in India and the UK?'

This is supported by the following sub-questions:

- What are the objectives and characteristics of CSR for Tata Steel and Shell in India and the UK, as perceived by company managers and stakeholders?
- What are the perceived objectives and characteristics of the CSR communication for Tata Steel and Shell, as perceived by company managers and stakeholders?
- What are the perceived contextual influences on these practices?

## 1.5 Thesis Structure

In order to answer the research questions this thesis will start with a theoretical framework. This scrutinises the existing literature on CSR and its communication which can later be analysed against the research of this thesis. It will cover definitions, perspectives and motivations. It will then move into the area of CSR communication, discussing the increasing levels of CSR communication, the communication challenge, and the relationship between action and communication. The literature on motivations to communication CSR and communication strategies and approaches are subsequently evaluated. Chapter 3 will consider the research context in relation to MNCs generally and India and the UK specifically, followed by the company contexts of Tata Steel and Shell.

Chapter 4 considers the choice of research methodology and the data analysis process; this will lead into the research findings analysis. The in-depth qualitative nature of this research has provided rich data in the form of interview transcripts. Analysing these results is itself a complex process. In order to allow for a detailed analysis of these texts, each company in each country has been analysed separately, to form separate chapters. India will be followed by the UK and Tata Steel will be followed by Shell. The analysis of company manager interviews will be combined by those of the stakeholders within each context. The conclusions draw on the comparisons between these four chapters and the new knowledge arising from them. The thesis will finish with a review of the limitations of the research and its implications for further research.

## **Chapter 2: Theoretical Framework**

The following theoretical framework provides an analysis of the literature on CSR and its communication in order to understand the current academic theory and understanding. It guides the questioning of the research interviews that took place within two companies considered leaders in this field and their stakeholders, and informs the analysis. By analysing the existing literature alongside the research data, this thesis aims to reveal the gaps between existing theory and practice, and expose the opportunities for theory building.

This chapter explores and maps the background against which this research has been designed and developed, reviewing the definitions, perspectives, motivations and strategies as a means of understanding the relationship between CSR and its communication. As such, it aims to relate the topic of this thesis to existing work in order to demonstrate the contribution it will make to new knowledge.

The chapter starts by exploring the issues involved in defining the CSR concept through different perspectives and how terminology is used to communicate such views. This is then related to the motivations for executing CSR programmes, which are analysed in the context of whether that practice is visible or invisible to stakeholders. How this visibility is managed and nuanced is fundamentally related to the CSR approach so the chapter continues with an analysis of the literature on CSR communication, exploring the motivations and models of practice. The chapter then concludes with an identification of the knowledge gaps that this thesis aims to fill.

## 2.1 The Issue of Defining CSR

The first formal definition of CSR is frequently cited as having been generated by Bowen (1953) though academics such as Motilewa *et al* (2015), Milorad *et al* (2013) refer to Barnard as defining CSR as early as 1938. Since then, however, its practice has become a major focus for companies and their stakeholders around the globe. It is encouraged by authorities such as the World Bank, the Organisation for Economic Co-operation and Development (OECD), the International Monetary Fund (IMF) and the United Nations (UN) through the Global Compact launched in 2000 (Farashahi and Hafsi 2009; Hack *et al.* 2014). As such, much writing has been assigned to framing the term, creating a variety of definitions (Sarkar and Searcy 2016) that continue to be debated, yet the growing interest in this field has simply resulted in an even greater array of classifications (Blowfield and Murray 2008).

Attempts to define it have been confused by the variety of perspectives adopted (Dahlsrud 2008) and the field now contains a proliferation of theories, approaches and terminology as the concept evolves (Sarkar and Searcy 2016). This means the concept is “charged as being chameleon” (*ibid* p.1423) and lacks one clear and unbiased definition (Dahlsrud 2008; Hack *et al.* 2014). Furthermore, every company in a specific country is under the influence of a prevailing institutional framework (Crane and Matten 2010), which will influence its practice and outcomes.

The vagueness associated with the term and an ongoing debate over its legitimacy as a business practice (Fleming and Jones 2012; Jones *et al.* 2009) has, however, clearly not reduced the support for, and investment in, its practice.

Globally, investment in CSR continues to grow (Berry and Junkus 2013; Reich 2008) and its reporting is “undeniably mainstream business practice worldwide” (KPMG 2013 p.10).

Broadly the concept is referred to as the business community’s concern for society (Carroll 1999a), which suggests that charitable giving and philanthropic activity fits within this approach. Indeed, Den Hond *et al* (2014) refer to it is an umbrella term, overlapping with, and being synonymous with, other conceptions of business-society relations. It focuses on companies’ aspirations and attempts to become socially relevant and its rise is irretrievably grounded in the history of industrialisation in the West (Ashcraft and Prasad 2013).

The emphasis of different definitions varies considerably, depending on how a company decides for what and for whom it has responsibility (Kolk 2016). Some definitions focus on the responsibilities of business in general, while others apply to the individual company as the unit of analysis (Vaaland *et al.* 2008). The question of what is meant by CSR therefore differs, depending on a range of social and economic factors, making it a social construct that lacks an ultimate definition (Schultz *et al.* 2013).

Academics, however, continue to attempt to offer an objective definition of CSR (Carroll 1999b; Den Hond *et al.* 2014; Kolk 2016) and since the 1970s Carroll (Carroll 1974) has written extensively about the responsibilities of business and how it can achieve both aesthetic and operational goals (Carroll 1978). His pyramid outlined four areas of responsibility for companies within a model that included the expectations of stakeholders as the motivations by which the moral

management of companies should be guided.

It gave priority to the economic and legal responsibilities of business, with ethical and philanthropic activities as optional, if “expected” or “desired” (Carroll 1991 p.39). Carroll positions CSR as starting where the law ends, giving it a voluntary and self-regulatory nature (Blowfield and Murray 2011).

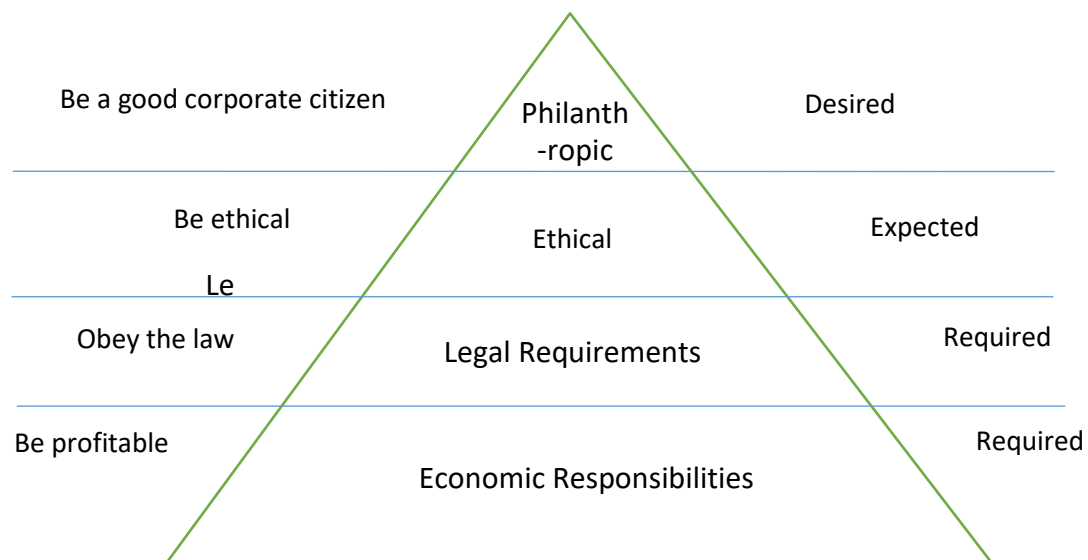


Figure 1. The Pyramid of Corporate Social Responsibility; Toward the Moral Management of Organisational Stakeholders (Carroll 1991 p.39-48)

The ethical issues relating to business practices had been raised on an unprecedented scale as early as the 1960s (Lantos 2001b). It was during this time that Rachel Carson published *Silent Spring* (1962) in the US. This was a book that arguably launched the environmental movement across the globe and created a much publicised era of activism, which began to change the way in which companies interacted and communicated with society (Clarke 2000). Despite this increasing social awareness, however, Carroll’s pyramid of the 1990s failed to offer specific guidance as to the responsibility companies had for society beyond the

economic requirement to be profitable and legal requirements. By adding motivations for action through stakeholder expectations, it did link economics with a social perspective (Schwartz and Carroll 2003), but left ethics as an action dependent on social pressure rather than one driven by company values.

Ethical practices that are stakeholder-dependent have been shown to be an issue repeatedly in what is described by academics and practitioners as an increasingly international and competitive, globalised marketplace (Harvey 2005; Reich 2009). The advent of globalisation has proven the track record of MNCs to be mixed at best when it comes to their involvement in developing countries (Jamali 2010), and recent and egregious scandals have focused attention on the issue of ethics. By being stakeholder-dependent, ethics becomes a social construct. Taking this approach, an MNC working in developing countries therefore has to decide whether to be influenced by the social norms of the country of company ownership or of the country of operation.

The issues associated with this approach are highlighted in the case of Coca-Cola in India in 2003. The soft drinks products, independently tested by an NGO, were found to contain a “cocktail of pesticides” (Maira 2008 p.58), while contaminating the quality of water around the plants where the products were bottled. Although ostensibly adhering to the law in India, they did not meet European standards of purity for water and were benefitting from ineffective mechanisms to manage industrial growth and its contamination in India (Mitra 2007).

The public debate in India argued that since the MNC’s brand values focused on innovation through technology and product quality, it should uphold their values,



and abide by EU norms, rather than taking refuge behind the poor standards in India (Maira 2008). The company, however, would not concede to the need to improve its standards and the issue spread into the international media. Coca-Cola's bottling plants were shut down for 20 months (Agarwal 2008) and sales of drinks were banned from certain states. Sales fell sharply and the company's image was tarnished (Maira 2008). Stakeholder pressure means Coca-Cola now claims that water management is a priority as it pursues its "4R programme of reduce, recycle, reuse and recharge" (Agarwal 2008) and the company has become "something of a leader in water management practices" (Crane and Matten 2010 p.87). An internet search on the company in October 2016, however, reveals a number of more recent newspaper reports that claim the company continues to face challenges on the appropriate use of water (Chiikoti 2014; Guardian 2014; Rana 2016).

This case highlights the issues related to defining and framing CSR activity and ethical practices from a stakeholder-dependent perspective, particularly when practiced by an economically powerful MNC. Schwartz and Carroll (2003) raised a number of issues with this model and, as a result, designed a three-domain model in the form of a Venn diagram that aims to highlight the overlapping nature of the legal, economic and ethical responsibilities, with philanthropic activity being subsumed within ethical responsibilities (see Figure 2). This was designed to help eliminate the hierarchical relationship of the elements in Carroll's model (*ibid*) and more closely draw ethics into the core business of a company. By integrating philanthropic activity within ethical responsibility, it also incorporates such voluntary activity into the main business activities.

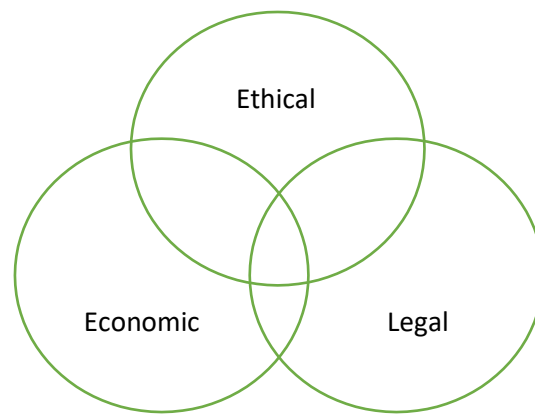


Figure 2. Three-Dimensional Model of CSR (Schwartz 2003)

While the model may help develop a more holistic understanding of a company's practices as part of its CSR approach, and demonstrates a sensitivity to changing social values (Hack et al. 2014) the loss of social expectation as a dimension means this is a company-centric model. It presents the three categories as relative to each other as opposed to the wider expectations of a company's stakeholders and leaves the decision of where ethical boundaries should be drawn to the company. As such, it is a way for a company to be selective about its CSR activities (Font 2012) and is an ineffective model for guiding a company's decision on how CSR activity should be integrated as a strategic business tool.

Furthermore, while both these models refer to corporate philanthropy, there is some debate of an exact definition of the concept as it relates to the competitive environment. Definitions tend to be reasonably consistent in support of Lantos' (2002) description of a company giving time and money in the form of voluntary financial giving and service. They involve altruistic action "beyond the call of duty" (Collins 1993 p.46) and "practical benevolence" (Tokarski 1999 p.34). This may include the giving of cash or the giving up of time (Haynes *et al.* 2012). Strategic

philanthropy is, however, a more recently coined term (Porter and Kramer 2002), referring to the enhancement of company objectives while serving societal causes as a means of survival in today's business world . As such, it is a business strategy designed to give companies a competitive edge. This use of philanthropy as a strategic business tool appears to blur any division with the concept of CSR. Indeed, very public giving could be legitimating the actions of companies, using it as a form of risk or reputation management (Haynes *et al.* 2012), which is also stated as a motivation for executing CSR activity (Graafland and Mazereeuw-Van Der Duijn Schouten 2012). Philanthropy is thus a subset of CSR (Harrow 2013) whereby companies give to society, taking both a strategic and altruistic approach (Gan 2006).

What is also apparent is that, in a similar to CSR, what was once a mostly domestic activity, corporate philanthropy is now practised with a more international orientation (Porter and Kramer 2002) . This could be explained by the need for companies to develop a powerful competitive edge as part of a global economy (Hack *et al.* 2014; Reich 2009). Similarly, companies are increasingly under pressure to engage, and be seen to engage, in socially responsible activities (Beckmann and Morsing 2006; O'riordan and Fairbass 2014) across a range of different business environments. In this respect, having a range of socially focused tools that can be employed according to time and context becomes increasingly attractive to companies.

As a social construct, the development of an objective definition of CSR and its range of dimensions, is thus not possible (Sarkar and Searcy 2016; Schultz *et al.* 2013) even if, like Carroll, academics continue to research frameworks for its

management (Dahlsrud 2008; Johnston and Beatson 2005). Any individual definition will therefore be a relative concept influenced by whoever has created it, and by the context within which it is created.

The context-specific relevance of the CSR concept is of particular interest when attempting to define an approach that is largely a Western concept and “post-World War II phenomenon” (Carroll and Shabana 2010 p.85). National differences in CSR can be explained by historically developed institutional frameworks that shape business systems (Sarkar and Searcy 2016). Yet globalisation is no longer driven by Western MNCs (Friedman 2005); the challenge is not so much for companies to define CSR but to understand how it is socially constructed in a specific context and how this impacts business strategies (Dahlsrud 2008). The social constructs being considered within this thesis include those of India and the UK. Within this context, there is therefore value in considering the current governmental definitions of CSR that influence the context for both these countries.

#### 2.1.i Defining CSR in India

India has a long history of philanthropy (Singh 2014), yet the Government of India recently become the first in the world to make CSR mandatory when it introduced the Companies Act in April 2014 (Government of India 2015b). The Act legislated that companies with annual revenues of Indian rupees (INRs) 500 crore (1 crore = 10 million) or more; or a turnover of 1,000 INRs or more; or a net profit of INRs 5 crore or more must spend 2% of their net profit on charity. While a precise definition of CSR is not provided, the areas in which these companies are permitted to invest this spend are stated as education, health and nutrition, sanitation, gender equality and livelihood. It was also stipulated that the company must publicly

declare the details of this investment, or lack of it. The Government's focus is thus on community development, rather than institutional building, and arguably encourages companies to move from philanthropic giving to a business practice more strategic in nature (Price Waterhouse Coopers 2014). The approach Indian companies take to this CSR investment, however, is not defined, which means that any responsibility for integrating the activities with business benefits is left up to the individual company. It is therefore possible that any such investment could remain disassociated from a company's core business practices, making it a more philanthropic practice.

#### 2.1.ii Defining CSR in the UK

The Companies Act (UK Government 2006) details the responsibilities of a company director as promoting the "success of the company for the benefit of its members as a whole" in the "interests of the company's employees", to "foster relationships with suppliers, customers and others" and with consideration to "the impact of the company's operations on the community and the environment". This Act covers the responsibilities companies have for their stakeholders generally, beyond simply its shareholders, but does not define how this should be achieved, leaving companies to interpret these guidelines themselves.

To supplement these guidelines, the UK Government in its document *Good for Business & Society* (UK Government 2014) encouraged companies to practice CSR and defined it as:

*"the voluntary action businesses take over and above legal requirements to manage and enhance economic, environmental and societal impacts. It is about being a responsible business and as a part of an integrated and strategic approach creates shared value for business and society.(p.3)"*

This definition builds on the responsibilities detailed in the Companies Act and goes beyond describing the legal requirements to emphasise the wider social impacts that offer shared value for both business and society. This directly links CSR investment with business strategy, unlike the Indian definition.

While in June 2016 the UK voted to leave the European Union (EU), it is currently still a member and has been for more than 40 years. As such, the UK Government continues to abide by EU membership rules and UK companies take direction from European Commission (EC) strategies. Its definition of CSR therefore has relevance for the UK context:

“CSR refers to companies taking responsibility for their impact on society. The European Commission believes that CSR is important for the sustainability, competitiveness, and innovation of EU enterprises and the EU economy. It brings benefits for risk management, cost savings, access to capital, customer relationships, and human resource management” (2016).

This EC definition is more specific than that of the UK in defining the expected benefits of CSR, which it identifies as being both reactive strategies through risk management, and proactive strategies through innovation and competitiveness. Both the UK and EU identify CSR as a voluntary responsibility, but one that is aimed at creating “value” for business and society, and enhancing business “competitiveness”. The focus is thus on adding strategic value for the wider society, rather than the more society-focused scope of the Indian definition, which appears to focus more on social uplift than business benefit.

The possibility of defining CSR thus remains elusive for a theory and practice that is “notionally contingent, essentially contested and dynamic” (Matten and Moon

2008 p.405). The implementation of CSR will thus be different for every company in any given period of time, making it important to update the research on the evolution of its practice in different contexts. What is also relevant is to consider the perspectives that form the CSR approach and the motivation behind these perspectives as the concept evolves.

## 2.2 CSR Perspectives

The vagueness of the concept (Lantos 2001b) and the impossibility of developing an objective definition of CSR (Dahlsrud 2008) forces academics and companies back to the discussion of responsibility for what and for whom (Moir 2001). As a social construct, companies aiming to decide on an approach will take a perspective influenced by the company environment. For MNCs, however, this environment includes a complex network of stakeholders and pressures (Jamali and Mirshak 2010) that will change over time.

When it comes to scoping the various perspectives on CSR that influence this decision-making process, a broad spectrum of positions appears. They include such differing views as the Utilitarian perspective, made famous by the economist Friedman (1970) and his neo-liberal view that business has no legitimate social role, and Dahl (1972), who supported a social enterprise model of business. In the 1970s, Friedman's economic perspective of the responsibilities of business focused on the need to maximise shareholder value. He was part of a group who viewed neo-liberalism as an antidote to threats to the capitalist order and he was committed to the ideals of personal freedom (Harvey 2005). This neo-liberal approach shaped a new economic configuration in the late 1970s and early 1980s, often subsumed under the term globalisation, and characterised by "strong

property rights, free markets and free trade” (*ibid* p.2). It had a transformative impact around the world and, Flemings and Jones (2012) argue, led to a loss of national state economic power to commercially-focused, global business.

It is probably no coincidence, then, that many of the more well-known NGOs were founded around this time. The 1960s and 70s saw the birth of Amnesty International, Friends of the Earth, Greenpeace and Human Rights Watch, and numbers since then have continued to proliferate (Georg 2006). As MNCs have expanded the scope of their reach and influence with waves of liberalisation and privatisation in developing countries (Jamali 2010), government responsibilities have rolled back in developed economies (Georg 2006) and institutional pressures are catalysing higher levels of CSR involvement (Bansal and Roth 2000).

Reich (2008), in his book *Supercapitalism*, acknowledged Friedman’s (1970) single stakeholder perspective, but argued that CSR is an appropriate reaction to a changed environment, where the competitive environment is greater than that when Friedman formed his ideas. As such, because competition has become increasingly intense, companies progressively recognise the need to be seen to be taking a more socially responsible approach to business in order to satisfy the expectations of their consumers and investors (Reich 2009). This view is one reinforced by the EC’s definition of CSR, which acknowledges the activity as adding value through reactive and strategic market practices.

This interdependent nature of business and society as a means of success in a global business environment was recognised and developed by Freeman (1984). His stakeholder management model is probably the most popular and influential



theory to emerge (Stark 1993), leading to a wide range of books and articles on the approach (Berman et al. 1999; Bhattacharya et al. 2009; Bronn and Bronn 2003; Brummer 1991; Clarkson 1995; Fooks et al. 2013; Verbeke and Tung 2013; Wood 1991). This strategic model focuses on identifying the people or groups that participate as part of a company and for which the company has responsibility (Freeman 1984). While there are numerous definitions of what constitutes a stakeholder, Crane and Matten (2010) have more recently added clarity to the confusion by describing stakeholders as an individual or a group that is either “harmed by” or “benefits from” the company, or “whose rights can be violated or have to be respected” (p.62) by it.

Whatever the definition of stakeholders, however, there remains a range of theories and approaches relating to stakeholder theory that Donald and Preston (1995) sought to simplify through a taxonomy of stakeholder theory types that included the normative and instrumental approaches.

Normative theory focuses on the use of moral or philosophical guidelines to interpret the function of the company (Donaldson 1982), based on ethical or instrumental rationales (Fleming and Jones 2012). Ethical rationales are “derived from religious principles, philosophical frameworks or prevailing social norms” (Fleming and Jones 2012 p.4). A normative approach thus offers an alternative to the stakeholder versus shareholder debate, giving normative reasons for stakeholder-responsive action where the market fails society (Agle *et al.* 2008). The result of such social improvements will, it maintains, allow the company to succeed in the long run (Davis 1973).

The normative approach, however, requires the question of which norms should be adopted. Fleming and Jones (2012) also argue whether, designed in this way, CSR can claim to “modify the systemic negatives of a world that it is supposedly remedying” (p.5) and they ask if ethical responsibilities should be in the hands of business.

These questions are brought into focus by companies such as Acer, Amazon, Apple, McDonald's, Google, and Starbucks, all of which continue to grow and claim significant profits. This is despite some of them being amongst those companies avoiding paying corporation tax in the countries where their revenues are generated (*Ethical Consumer 2016; Real Business 2016*). As such, the debate persists that they are abiding by the law even if critics believe the actions to be unethical. Indeed, Fleming and Jones (2012) describe CSR as a “discursive system” (p.xii) that professes to correct world issues while actually preserving the status quo, increasing profits, reducing costs and increasing consumer dependence. Furthermore, Christian Aid (2004) has argued that CSR is a completely inadequate response to the sometimes devastating impact that MNCs can have in an ever-more globalised world and used to mask that impact. A normative approach to CSR is thus, perceived by some, as an inadequate tool solution to the world's problems.

An instrumental model of CSR depends on a calculation that CSR activities will benefit the company in achieving the traditional objectives of profitability and growth (Donaldson and Preston 1995) over time. This rationale views CSR as a means of doing well by doing good (Bhattacharya and Sen 2004; Kotler and Lee 2005; Watson 2011). It is described by Lantos (2002) as “strategic CSR” (p.206);

the underlying premise being that if companies are more sensitive to their stakeholders, their shareholders should do better (Porter and Kramer 2011; Verbeke and Tung 2013).

This raises the issue of the prioritisation of stakeholders. Freeman (1984) acknowledges the need to prioritise stakeholders according to the potential influence they have on a company. His approach also recognises that the influence between the company and its stakeholders occurs in both directions. Donaldson and Preston (1995) claim however, that there is “no prima facie priority of one set of interests and benefits over another” (p.68). Yet, if stakeholder theory is designed to be a strategic management approach for business, presumably some level of prioritisation will be required, whether an ethical or instrumental approach is taken. Fleming and Jones (2012) highlight the examples of The Body Shop, which famously promoted the human rights and environmental sustainability of its suppliers, compared to Starbucks, which has more narrowly targeted employee welfare. Prioritisation thus takes place, depending on the strategic intent of a given company. Munshi and Kurian (2005) support this argument by referring to CSR’s focus on “elite publics at the expense of marginalised publics” (p.513).

This debate implies that CSR will always focus on the perspective of the company (O'Dwyer 2002), which accommodates stakeholders depending on how much negative or positive impact they could potentially have on the company. Jenkins (2005) acknowledges this issue by arguing that in order to become legitimate business practice, CSR must prioritise the business case. This suggests that the publics marginalised by society will also be marginalised by business. Indeed, if the measure of success is increasing profits, reducing costs and increasing

consumer dependency, the poor will arguably not be critical stakeholders (Fleming and Jones 2012).

The concept of CSR has thus been criticised for being self-serving and masking the profound role of business in society (Matten *et al.* 2003). This idea is also supported by critics who view CSR as a PR tool, used to communicate positive stories and manage reputation, focused on an elite few (Munshi and Kurian 2005), but not positively changing behaviour. Frankental (2001) goes as far as to say that CSR is “an invention of PR” (p.23) and Beder (2002) describes it as “greenwashing”, whereby companies employ images of environmental, social and cultural responsiveness (Munshi and Kurian 2005) to gain favour with stakeholders. CSR thus becomes a tool for achieving business success, not equitable stakeholder success.

The case for greenwashing is given weight by the public scandals surrounding companies found to be corrupt and fraudulent, but who have paradoxically also been received awards for their CSR activities. These include Satyam Computer Services in India and Enron in the US. Satyam Computer Services had collected numerous awards for being a responsible business. These included the Asian Social Responsibility Award in 2007, under its poverty alleviation category from the Byrraju Foundation; the Golden Peacock Global Award for Excellence in Corporate Governance in 2008; the Citizenship Partner of the Year Award in 2007 from Microsoft; and the Corporate Citizen Award for Corporate Social Responsibility from *Business World* magazine and the Federation of Indian Chambers of Commerce and Industry (FICCI) in 2008.

Similarly, Enron received the Corporate Governance Award from the Council for Economic Priorities and the Climate Protection Award from the Environmental Protection Agency (EPA) in 1997. Both companies invested heavily in stakeholder programmes where they were actively concerned in community programmes. The programmes gave them positive recognition within their markets through media stories and their own corporate literature and websites.

These criticisms of CSR and the stakeholder approach as being self-serving (Matten *et al.* 2003) and of greenwashing (Beder 2002) should also to be considered alongside Matten and Moon's (2008) concepts of "explicit" and "implicit" (p.405) CSR. They define explicit CSR as the articulated responsibility a company has for certain societal interests. Implicit CSR refers to the company's role within its wider network of governmental and non-governmental institutions that uphold a society's interests. These include the values, norms and rules that require companies to address stakeholder issues and define the collective action of companies, rather than the actions of an individual company. Explicit CSR thus fits Porter and Kramer's (2006) instrumental model of CSR as a voluntary, strategic business approach that sits within a company dominated framework (Fleming and Jones 2012). As the visible activities of a company, they are more likely to be responsive to stakeholder pressure argue Matten and Moon (2008), and they are also likely to come under closer scrutiny by stakeholders attempting to distinguish between "truly virtuous" (Parguel *et al.* 2011 p.15) companies and those taking opportunistic advantage of sustainable development trends.

Implicit CSR can be related back to Carroll's (1991) pyramid of CSR, whereby a company is acting responsibly by complying with the law, paying taxes and being

ethical, but not making these actions explicit or visible. This approach is thus closely related to a normative approach to CSR and its associated issues. While CSR exhibits the core characteristics that exemplify the spirit of capitalism (Fleming and Jones 2012; Kazmi et al. 2015), the exposure of these less visible activities can arguably support the criticism of stakeholder theory as being self-serving (Matten *et al.* 2003). Examples, such as Google being chased for unpaid taxes (Vasagar 2016) and the consistent violation of human rights and declining labour standards in factories that supply other companies (Prieto-Carron et al. 2006), support criticisms of this approach and how companies differ in what can be regarded as socially responsible (Schultz 2009). Alternatively, implicit CSR may be a conscious approach by companies to act ethically but not make those actions explicit.

Thus, despite the extensive literature and professional approaches based on stakeholder theory, Agle *et al.* (2008) conclude that it remains a “work in progress” (p.182) in terms of its practical use and simplicity in implementation. The complex and geographically dispersed organisational network MNCs inhabit, focused on achieving competitive advantage through efficiency and economies of scale, results in a range of tensions between a company and its stakeholders. In addition, the concept is clearly inextricably linked to that of its articulation and communication, and the issues that surround such practice.

Beyond these normative and instrumental stakeholder approaches, there are also those that argue for a social enterprise model. Dahl, in his paper *A Prelude to Corporate Reform* (1972) argued that every large company should be considered a social enterprise, an entity whose existence and decisions can be justified only

in so far as they serve a public or social purpose. He contended that companies should be both a political system and a social enterprise. While this may on the face of it present a powerful and socially altruistic idea of large companies, his example of the British East India Company raises concerns for some.

Acting as an arm of the British state in India, the British East India Company is described in John Keay's book, *History of India* (2000) as "a company of base, quarrelling people and foul dealers" (p.371). The company's responsibilities moved from trade to collecting taxes to the governing of India, with well-documented, brutal outcomes (Dalrymple 2006; Gandhi 1929; Keay 2000; Tharoor 2003). The idea of large business as a social enterprise may thus seem appealing as it appears to frame CSR through a social lens, but without a clear definition of how the public or society are served, who makes that decision and who is to gain? As such, the Dahll's social enterprise model remains ambiguous and the outcomes a reminder of the West's colonial past.

Mahatma Gandhi (1929) also recommended that businesses conformed to the prevailing norms of the day. While he never used the term of CSR to refer to the role of business in society, his approach reminded business leaders of their deeper relationship with society, going beyond the customer-supplier relationship and being the trustee of society's wealth, working on behalf of and for society (Maira 2008).

Gandhi endorsed the absence of the state and a self-regulated society, believing that business should regard itself as both a trustee and servant of the poor, working for their benefit (Mitra 2007). This approach, however, relies on a

commercial sector that will self-regulate for the benefit of society and, with the many corruption scandals around the world, including Andersen Consulting, WorldCom, Enron and Satyam, to name a few, it is questionable whether many societies would trust their commercial sector to this level. In this respect, Gopinath (2005) reviews the value of Gandhi's concept of trusteeship and argues that making decisions on a moral basis requires CEOs to take the lead, which is a challenge when they are answerable to a variety of owners, stakeholders, and financial interests. This requires the definition of leadership to act more ethically which, argues Mostovicz *et al.* (2009), is not the prevailing norm.

These perspectives on CSR therefore appear to uphold the criticism of Fleming and Jones (2012) who argue that, with the rise of neo-liberalism and the increasing privatisation of parts of society, CSR becomes a vehicle for "corporatizing non-business ways of life" (p.6). CSR thus becomes a business tool formed as a result of, and relative to, the external business environment. These arguments highlight the limitations of CSR as a practice if it is only pursued as a means of enhancing or protecting a company's position across its relevant markets (Jensen and Meckling 2008; McWilliams and Siegel 2000) and filtered through an economic lens (O'Dwyer 2002). Others, however, argue that this distinction between economic and social ends is seldom so clear cut (Blowfield and Murray 2008), as economic decisions have social consequences and vice versa. Indeed, it is argued that there is a demand for a new social contract between business, government and civil society that taps into the business opportunities that emerge from the seemingly paradoxical field between economics and humanism (Ellis 2010). This more nuanced relationship between business and society was articulated by the Indian government in 2007 under



Prime Minister Manmohan Singh (Confederation of Indian Industries 2007) when he encouraged companies to play a role in inclusive growth. Mahindra Modi's government has since forced large companies to play a role in social uplift through the implementation of the Companies Act of 2013.

The growth in the CSR activity globally appears to acknowledge that legitimacy is critical to the successful operation of a company, achieved by conforming to the social rules and expectations established by stakeholders (Schultz 2009). Indeed, as companies cross different continents and nations, they become exposed to unique opportunities and challenges as they become embedded in different contexts that present diverse social and stakeholder pressures (Reich 2009; Verbeke and Tung 2013). Furthermore, this network of stakeholders is now more closely connected than ever before. Through the internet and sources such as websites, blogs, news feeds and social media sites such as Facebook, the power of each individual to communicate multiplies by 1,000 (Capriotti 2011).

The power of stakeholders to influence companies has thus increased. Indeed, as a social construct, CSR practices are increasingly pressured to give greater focus on the stakeholder perspective in an attempt to understand and satisfy stakeholder perceptions and needs. Various academics have focused their research on considering the stakeholder perspective either generally (Arenas *et al.* 2009; Jamali 2008) or specifically relating to one stakeholder group (Boulstridge and Carrigan 2000; Leal *et al.* 2015; Sasidharan Dhanesh 2012).

The increasing responsiveness companies have with stakeholders reveals a sensitising of companies to their stakeholder environment. This arguably helps them develop an internally and externally shared frame of reference in relation to CSR objectives, activities and results (Nijhof and Jeurissen 2006).

It thus becomes apparent that CSR is both a means and an end (Werther and Chandler 2011), a process and an outcome (Coombs and Holladay 2012). It is an integral part of a company's strategy and a way of maintaining the legitimacy of its action. It also acknowledges that multiple motives are assumed to be the norm in large organisations, managing complex decisions and stakeholders (Di Norcia and Tigner 2000). This will impact the way CSR is approached and described. As a result, the motivations and terminology used to describe the concept will vary depending on the company and its contexts. Understanding how companies develop CSR strategies within this pressured and networked environment thus becomes increasingly important. Indeed, understanding the motivations that drive the terminology and practices used is also relevant and will now be analysed in order to understand the implications of their use.

### 2.3 Motivations for CSR

So far, the questions of responsibility for what and for whom have been considered, together with the concepts of explicit, or visible, and implicit, or invisible, actions. While the approach chosen by a company is clearly relevant to any given strategy, it is also germane to understand the drivers of this approach. Motive is therefore an essential part of this analysis, which is defined as the reason, intent, purpose, goal, need or want that influences a decision or choice (Di Norcia and Tigner 2000).

This debate is dominated by distinct, though not mutually exclusive, perspectives. These include moral, or intrinsic drivers; strategic, or extrinsic drivers (Bansal 2003; Dhanesh 2016); and reactive and proactive drivers (L'Etang 1994). A plurality of motivations is thus as typical in companies as in social life and indeed, it appears that such motives overlap.

Research by Hemingway and MacLagan (2004) reveals how the commercial imperative as a driver of CSR practices is closely associated with the personal values of individual managers, which find expression through the exercising of discretion via personal initiatives. Similarly, Dhanesh (2014), through research involving business leaders in India, found a more complex process of negotiation taking place between apparently contradictory notions of economic and moral imperative. The moral imperative was based on an intrinsic sense of duty while the economic imperative was based on extrinsic pressures. Furthermore, participant narratives mostly centred on the moralistic perspective, supporting Capelli *et al's* (2010) argument that the duty-based driver of CSR takes priority over the economic, or instrumental, case in India.

In identifying both extrinsic and intrinsic motives for CSR activity, Graafland and Mazereeuw-Van Der Duijin Schouten (2012) add to these findings through research involving managers within Dutch companies. They identified the extrinsic motive as financial performance and the intrinsic motives as being ethical and altruistic, with the social and environmental aspects of CSR being the strongest intrinsic drivers. Furthermore, research into the “complex attribution process of CSR initiatives” (Kim and Lee 2012 p.168), as it relates to consumers, also reveals how certain stakeholders are willing to accept company-serving

motives when they also perceive that sincere public-serving motives exist behind a companies' activities.

Ellen *et al's* (2006) research on attributes of CSR motives, represented as a matrix by Coombs and Halladay (2012), reflects this tension between motives and perception by mapping the duty-serving dimension, which may be enacted to meet stakeholder expectations or help others, against the economic dimension that maybe self-serving or other serving (Fig. 3).

While Coombs and Holladay acknowledge that this is an oversimplification of CSR motives as there will be a mix of motives, the interaction between perceptions of a company's motives and the company's efforts is a useful tool when considering the communication of CSR. Indeed, they describe communication as the "glue that binds together" (p.41) the different elements.

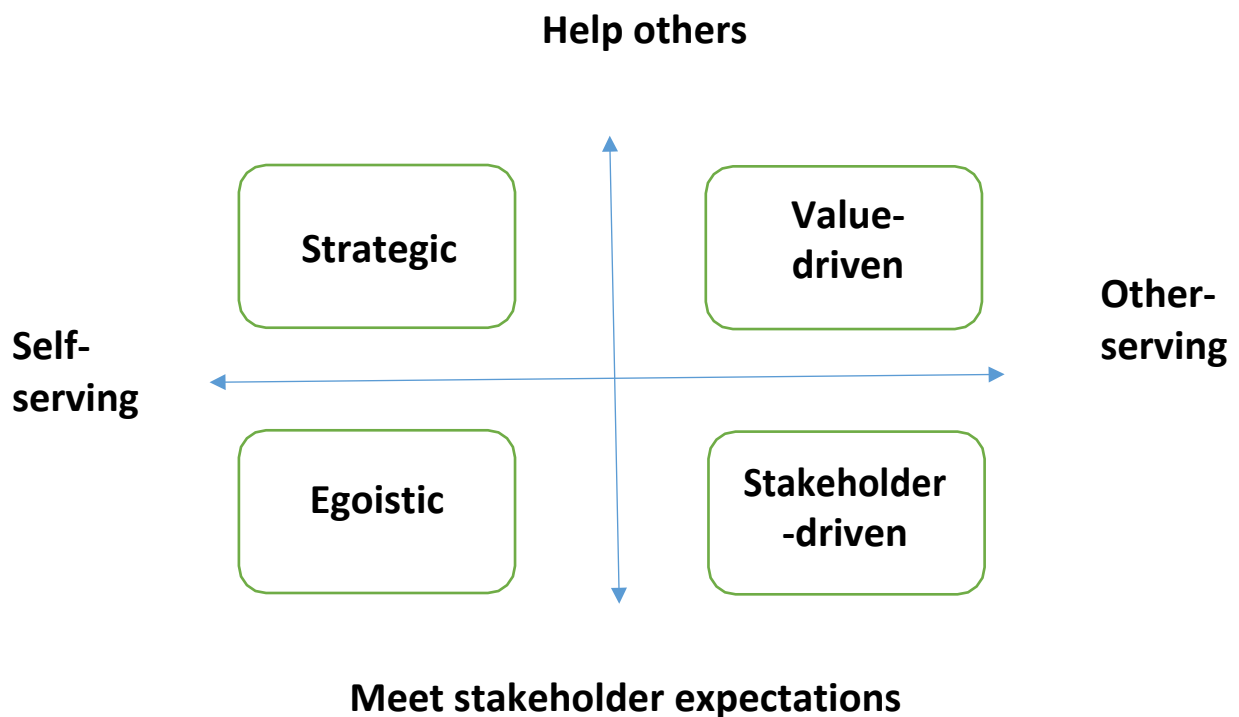


Fig. 3 Matrix of CSR motives, Coombs and Halladay (2012)

It is argued, however that, despite this multi-dimensional approach, decisions relating to CSR continue to be made through an economic lens (O'Dwyer 2002). This economic argument is also described by Hartman *et al.* (2007) in a comparative study between US and European companies as “enlightened self-interest” (p.374) and described by Porter and Kramer, (2002) as creating a halo effect for the company, resulting in improvement in the company’s competitive context.

The motivations behind the CSR decision-making process therefore appear to be dependent on the philosophical approach the company takes to CSR; its values; mission; stakeholder expectations and its impact on society (Coombs and Holladay 2012); the larger sociocultural context (Dhanesh 2014); the personal values and interpretations of individual managers (Hemingway and MacLagan 2004); and how stakeholders perceive company motives (Kim and Lee 2012). The result is to see the company decision-making process as implying dilemmas that assume multiple economic or strategic motives and ethical or moral motives (Dhanesh 2014; Di Norcia and Tigner 2000).

The implicit motives or contracts that bind industries, companies and economic systems into moral communities can, however, be difficult to expose and are not always clearly disclosed by companies out of concern over negative responses (Donaldson and Dunfee 2000). This can cause difficulties in interpreting motives (Di Norcia and Tigner 2000; L'Etang 1994) yet deducing these motives is an essential step towards understanding actions.

The terminology given to the CSR activities of companies, on the other hand, provides an indication of the explicit intentions for companies. Waddock (2004) identified an array of terminology used over the years, in the development of what is broadly referred to as CSR, to illustrate the evolution of the concept. This has more recently been updated by Hartman *et al.* (2007), who found a wide variance in the use of CSR-related terminology in US and European companies that communicate their rationale for CSR engagement with stakeholders. With respect to the European-based companies researched, they found a preference for the use of sustainability arguments in their communications, yet they identified “myriad” (p.386) meanings with which the term sustainability has been associated. In India, an analysis of the online CSR narratives of companies mainly focused on balanced, inclusive and sustainable growth for the well-being of all stakeholders, but with particular emphasis on the welfare and empowerment of local communities in and around the company’s site operations (Dhanesh 2016).

The sustainable terminology is therefore regularly used in both the East and the West. It was coined by Brundtland in the World Commission on Environment and Development report, *Our Common Future* (Brundtland 1987), which recognised the needs of current generations alongside those of future generations. It was developed in response to the UN General Assembly’s recognition of the need to unite countries to pursue sustainable development goals together. By linking the principles of sustainability with CSR, a strategic management approach is developed that offers a means of developing a competitive advantage through sustainability, rather than as a cost (Aras and Daidj 2015). Yet Hartman *et al.* (2007) reveals it as being used as a “buzzword in every possible meaning” (p.384). It combines the objectives of maximising short-term profitability demanded by

shareholders with the need to grow in the longer term (Aras and Daidj 2015). Indeed, as customer expectations evolve and regulation shifts, human resource issues and environmental concerns become important influences on business strategy (Prahalad and Hamel 1994).

The relevance of sustainability for companies was apparent in the ways the concept has evolved over time. Elkington (1998) developed the sustainability principles into the Triple Bottom Line approach. This offers companies sustainable solutions through the recognition of the symbiotic relationships between the economic (profit), social (people) and environmental (planet) approaches. Elkington (*ibid*) explored how effective, long-term partnerships played an essential role in the movement towards sustainability and should be a driver, by the company, in the formation of new alliances. This focuses the idea of achieving long-term growth on the need for a different approach to a company's network of relationships.

The sustainability terminology has also evolved to focus on new market opportunities. The bottom of the pyramid label, developed by Prahalad (2002a), offers such an example. It is the terminology used to label an approach that recommends seeing the poor as a market opportunity that offers individually small returns but in large volumes. Furthermore, Prahalad describes the idea of converting "the poor into active consumers" (*ibid* p.7) as an opportunity for companies to innovate. Such programmes have been successfully employed in countries such as India. The ethical dimensions of such business ventures have, however, been challenged as they target the 2.6 billion moderate and extremely poor who are both cognitively and socially vulnerable (Arnold and Valentin 2013).

Sustainability terminology thus appears to be as vague as that of CSR. It may suggest an environmental motivation or an approach that allows a company to thrive economically in the long term.

This focus on specific motivations, and thus priorities, is also apparent in CSR-related concepts such as cause-related marketing. It has been defined as a strategy that aims to communicate a company's striving for corporate social responsibility and improve brand image specifically (Baghi *et al.* 2009). It offers a means of gaining benefit, through promotion and in partnership with social connections. This approach creates company ventures and customer relationships by building business and reputation through an association with an ethical or socially responsible dimension (Menck and De Oliveira Filho 2014; Porter and Kramer 2006).

A famous example of the potential pitfalls of cause-related marketing was Cadbury's Get Active campaign in 2003. The initiative required school children to spend more than £2,000 on chocolate to earn a set of volleyball posts (Lee 2006). It drew international, negative attention to the Cadbury brand and the potentially adverse health effects of eating chocolate. It also generated discussions on the limitations of the cause-related marketing approach. The case of Cadbury appeared to highlight the issue of a company using a CSR-type activity led by its marketing strategy. The responsibility of marketing is predominantly to focus on the product-customer, or consumer, relationship. As such, its attention gives priority to one set of stakeholders without a consideration to the wider business environment. By ignoring the wider stakeholder environment of its business, Cadbury appeared to be using CSR techniques merely to sell more product, whatever the potential



cost in terms of health, to its stakeholders. CSR therefore appears to have limited value unless it considers stakeholders through a broader business lens.

These variations in terminology are just a few of those used by companies and appear to provide only a limited indication of the motivations behind them. What is clear, however, is that various approaches to CSR have been individually developed and adopted in different ways, and evolved as a function of national, social, political and economic conditions (Chapple and Moon 2005; Kimber and Lipton 2005).

CSR thus continues to evolve as a means of doing well by doing good (Kotler and Lee 2005; Watson 2011); as a method of promoting trade (Prahalad 2002b); and as a way of managing reputation and building trust (Grayson and Hodges 2004). The recognition that CSR offers companies an enhanced market opportunity (Prahalad 2002b), alongside the increased sensitivities of societies to certain business practices, means the concept has emerged as a priority for business leaders in an increasing number of countries (Porter and Kramer 2006). It can be used both tactically and strategically (Lantos 2001a), yet Porter and Kramer (2006) claim that efforts to implement CSR have not been nearly as productive as they could be, partly because companies think of CSR in generic terms rather than as something specific to company strategy.

Fundamentally, in order for companies to effectively compete, they have to comply with national standards and controls, seek out partnerships and voluntary involvement with industry-wide initiatives, encourage the help of NGOs and harness opportunities that involve applying community-wide knowledge (Sankaran

2003). As such, CSR covers a wide variety of approaches, motivations and functions that constantly change over time. Indeed, Werther and Chandler (2011) argue, there are so many variables it is impossible to prescribe what mix of responsibilities, and thus approaches, any company should adopt. The intention of these approaches is, however, revealed in part by the terminology and definitions given to the concept by companies and, as an extension of that, how they and the resultant activities are communicated.

## 2.4 CSR communication

Having considered definitions, perspectives and motivations for CSR, this part of the chapter will consider the increasing levels of CSR communication, the communication challenge, and the relationship between action and communication. It will then consider the motivations to communicate CSR the strategies and approaches taken by companies.

### 2.4.i The Growing Levels of CSR Communication

Alongside the increase in CSR activity, the levels of CSR-related communication have risen concomitantly. While Clarke argued (2000) that effective communication methods are largely absent from social responsibility literature, in the 16 years since she wrote this comment, the literature on CSR communication has grown in line with levels of CSR reporting. CSR communications therefore appear to be rapidly evolving and adjusting to the demands of its changing environment. Indeed, the Global Alliance for Public Relations and Communication Management in India (2014) claims CSR has the ability to become an integral part of the PR discourse to advocate companies' enthusiasm to give back to society.

CSR reporting by MNCs on their activities is just one type of CSR communication and yet it now seems to be seen as a necessary, rather than an optional, function of today's top performing MNCs. Evidence of this continued increase in CSR communication can be seen in the KPMG International Survey of Corporate Responsibility Reporting (KPMG 2013). Some 4,100 companies were analysed worldwide, representing the national leading companies from 41 countries, including the largest 250 global companies based on the Fortune Global 500 ranking. Almost all of the world's largest 250 companies report on corporate responsibility (CR) and CSR reporting is now "undeniably mainstream business practice worldwide" (*ibid* p.10), undertaken by almost three quarters (71 per cent) of the 4,100 companies surveyed. This is an increase of seven per cent since 2011 when fewer than two thirds (64 per cent) of the companies surveyed issued CR reports. Ninety-one per cent of UK's top 100 companies reported on CSR, compared with 73 per cent in India.

Over the past decade, there has been a growing expectation among consumers for accurate, relevant information about the products and services they buy (Clutterbuck *et al.* 1992). These changing expectations now encompass company behaviour; thus, in addition to being driven by the corporation's mission and values, CSR should be a strategic business tool, driven by stakeholder expectations (Coombs and Holladay 2012).

One way of looking at these growing levels of CSR reporting by the most successful global companies is that high levels of CSR are indicators of superior management, which leads to lower explicit costs by socially irresponsible actions (Alexander and Buchholz 1978). Another view is that, as pressure grows on

companies from institutions such as the United Nations, through the launch of the Global Compact, the European Union, the World Bank and the International Monetary Fund (Farashahi and Hafsi 2009; Jenkins 2005), large companies, and MNCs in particular, have little choice but to explicitly implement and communicate CSR programmes.

Despite the encouragement to report and the subsequent growing levels of CSR reporting, criticisms remain of the practice. The CSR report remains a limited form of CSR communication and effective communication depends on a clear strategy that evaluates both the opportunities and the risks for the company (Dawkins 2005). Furthermore, research suggests that the more companies reveal their ethical and social intentions, the more likely they are to attract critical attention by stakeholders (Vallentin 2006). By communicating, research has also found that consumers may believe a company is trying to hide something (Fleming and Jones 2012; Schultz 2009). This presents companies with something of a dichotomy.

#### 2.4.ii The Communication Challenge

If CSR is perceived as a business tool that supports the company's broader strategy and allows for the development of business opportunities and management of risk (Porter and Kramer 2006), its practice and communication must therefore arguably play a role in making CSR activity explicit while sensitising the company to its environment. As a social construct, however, speaking with one voice as a business may be a licence to fail in an age of global markets (Christensen *et al.* 2007). The communication of this complex concept is therefore "bound to be contested and renegotiated on a continual basis" (Christensen, L.T. quoted in May *et al.* 2007), dependent on time and context.

The issue of authenticity also arises in relation to communicating CSR. If a company is not willing to publicise its past indiscretions, it is arguably unable to tell a story that is either authentic or inspiring (Watson 2011). It also fails to meet the challenge of presenting the “whole truth” argues Devin (2016 p.227). Such incomplete communications lead to accusations of company hypocrisy (Wagner *et al.* 2009), lies and untruths (Bentele and Seidenglanz 2008), misleading claims and greenwash (Ramus and Montiel 2005), and the presentation of selected information (Crawford and Clark Williams 2011). Furthermore, Munshi and Kurian (2005) draw on postcolonial theory to critique the appropriation of terms such as CSR and sustainable development as strategies for reputation management among elite publics at the expense of marginalised publics. Thus, the communication of CSR faces many challenges.

There is also a paradox amongst these challenges. Golob *et al.* (2008) argue that while companies are regularly encouraged to engage in CSR, they are simultaneously discouraged from communicating about this engagement.

Research indicates that companies most active within CSR are also the most criticised (Vallentin 2003). This is the paradoxical nature of communicating social responsibility (Waddock and Googins in Ihlen *et al.* 2011; Morsing *et al.* 2008). The intensive claiming of legitimacy is easily seen as idealised and increases distrust, especially by today’s recipients of company communications (Schultz 2010).

Highly involved individuals feel more connected to specific social issues and are arguably more receptive and motivated to allocate cognitive resources to

processing information about the issues to which they are connected (Hallahan 2000). Yet, Mitnick (2000) observed that, from a company perspective, those issues that have a negative impact on one area of CSR, such as the environment, will not be reported on by companies to any great extent, but instead they will report other areas where they can make a positive impact. The extent of disclosure in any particular area can thus be taken as some indication of the importance of an issue to the reporting entity. This emphasises the need for CSR communication to be in line with stakeholder expectations (Sweeney and Coughlan 2008) and for managers to inform and respond to stakeholders' expectations in a dialogue to mutually construct and shape CSR communication (Morsing *et al.* 2008).

The CSR communications environment thus continues to change, as do the theories of its management. The traditional reactive role of CSR communication, according to Zadek (1997), is still required as business is answerable to society for the consequences for its actions. Making communication with its publics is therefore a fundamental part of business responsibility. Proactive CSR communication has its critics, however. Fleming and Jones (2012) suggest that the discourse of CSR is now only proactive as, what might have previously been referred to as external pressure, is now considered a business opportunity. As such, both CSR and communication practices recognise that seeking to enhance the quality of the relationships an organisation has with its stakeholder groups offers business opportunities and makes good business sense (Clarke 2000).

The communication of CSR is thus presented with a number of decisions and challenges. It faces the issue of separation from action and consequently a potential mismatch between the two concepts. A company must decide what, as

part of a business strategy, is demanded of both practices and thus its objectives. It must then decide on a communication strategy that addresses the potential issues of miscommunication described above. As such, it appears to conceive of related policies, programmes, positions and practices that behave as “chess pieces in a discursive struggle” (Ashcraft and Prasad 2013 p.384) over the moral viability of companies.

#### 2.4.iii The Relationship Between Action and Communication

The CSR communication challenges identify how the separation of action and communication appears to present a mismatch that creates doubt and suspicion amongst stakeholders. This division is therefore worthy of some consideration.

While this thesis does not reach into the area of linguistics, the world of management is created through language that is used to communicate, create perceptions and persuade (Eccles and Nohria quoted in Segal-Horn 1998). Yet discourses are not only systems of symbols and signs, but also types of action (Schreiber and Moring 2001). Action is thus a form of communication and communication a form of action through which “reality is constructed as people communicate and act in consequence” (Cantó-Milà and Lozano 2009 p.158). As a result, “social reality is produced and made real through discourses” (Phillips and Hardy 2002 p.3).

Understanding the relationship between action and communication in the field of CSR is therefore a vital part of appreciating how its characteristics and practices are evolving.

This intimate link between action and communication, argue Christensen and Cheney (2011), means that the general assumption in occidental thinking that communication frequently serves to “mask, deceive or circumvent real issues” (p494) is wrong because actions speak (Schoeneborn and Trittin 2013). On the other hand, Ashcraft and Prasad (2013) argue that it is easy to characterise CSR as purely a communicative endeavour relaying vital messages about the beneficial social role of business and responding to hostile narratives. It seems, therefore, that there are two perspectives on the relationship between communication and action. One considers action as communication and the other views communication as separate, and a means of influencing perception and action.

This separation of action and communication leads Brunson (2002) to refer to the principle of organised hypocrisy. This, he argues, is the difference between words and deeds, the eventuality that companies may talk in one way, decide in another and act in a third. Schultz and Wehmeier (2010), however, propose that companies can meet conflicting demands by using different approaches and oscillating between talk, decision and action. They argue that, when it comes to sensitive programmes, such as CSR, simply being good might be more appropriate than being good and talking about it (*ibid*). They refer to this as silent communication or defaulted communication as a valuable option for avoiding a downwards spiral of legitimacy.

This separation of talk and action consequently means that the difference between implicit and explicit CSR approaches has a significant bearing on CSR practice and its relationship to communication. If CSR is perceived as a communicative



endeavour (Ashcraft and Prasad 2013) then the action needs to be visible to the stakeholders at whom it is aimed. If, however, the CSR activity is bound into the design of long-term strategies, the impact of those results may not be easily visible to stakeholders. This type of activity is what Matten and Moon (2008) referred to as “implicit CSR” (p.404), the means by which companies act responsibly through everyday operations. The implicitness of the action thus has a bearing on the company’s ability to effectively communicate its activities and results. “Explicit CSR” (*ibid*), on the other hand, describes the activities that articulate and assure stakeholders of a company’s responsibility. This type of activity is, by definition, visible and can therefore be both a form of communication and something that can itself be communicated.

The concepts of CSR and its communication are thus intimately intertwined. Yet literature on the motivations to communicate CSR has developed separately to that on the motivations to carry out CSR activity. This range of literature is therefore worthy of consideration.

#### 2.4.iv Motivations to Communicate CSR

The growing levels of CSR communication mean it has become part of the public discourse, which is often competitively used by companies and non-profit organisations for a variety of purposes (Beaulieu and Pasquero 2002; Shamir 2005). The motivations behind these communications are, possibly not surprisingly, as varied as the motivations behind CSR itself. They aim to make intentions and programmes explicit through company image or brand building (Ashcraft and Prasad 2013; Meech 2006; Polonsky and Jevons 2009), reputation management (L'Etang 2006; Ozdora Aksak *et al.* 2016; Surma 2006) and risk

management (Aras and Crowther 2009a; Friedman and Miles 2004). CSR communication is also used as a means of sense-making (Nijhof and Jeurissen 2006), which focuses on developing both internally and externally shared frames of reference. This allows a company and its stakeholders to appreciate each other's perspective and build trust. The development of trust is central to today's communication and PR practices (Rawlins 2007), and thus plays a major role in the communication of CSR across stakeholder groups (Sagar and Singla 2004). This demands the development of new partnerships and alliances across a company's network (Mutch and Aitken 2009). CSR communication also serves to achieve the social-serving goals of education and of the dissemination of information to stakeholders (Kim 2014b).

Using CSR communication for reputation and risk management serves companies in what is an increasingly transparent business environment. Failing to meet expectations of responsibility can prompt public criticism, raise the costs of doing business and even threaten the viability of a business (Ewing 2007). Being sensitive to one's environment, as a means of improving relationships with key stakeholder groups, is therefore good management (Freeman 1984), arguably resulting in better performance (Porter and Kramer 2006). This view, however, is far removed view from those who criticise communication management, or public relations, as being shallow and focusing only on the aspects that improve the superficial image of an organisation (Ihlen *et al.* 2011). This criticism of communications sits parallel to the opinion of those which view CSRs as a PR tool whereby the mention of public relations prompts concerns about "manipulation of opinion" and the "one-sided presentation of fact and figure and changing form" (Moloney 2006, p.1).

Yet, as levels of CSR communication activity has increased, so have levels of trust. Global research on levels of trust in authority figures, such as government, business, the media and NGOs reveals that issues of trust reached an all-time low in the early 2000s (Edelman 2016). This resulted in trust being acknowledged as an essential line of business by 2010. As the world's major economies gradually came out of recession, however, levels of trust grew as business was perceived to lead the debate for change and digital media gave stakeholders a sense of a democratisation of information and response (*ibid*). These changes in perceived trust have gone hand-in-hand with an increase in levels of CSR activity and reporting. They also suggest that this more transparent environment has meant the differentiation or mismatch between action and communication is decreasing.

There is a significant body of literature that argues that CSR has a strong positive effect on company reputation with a concomitant, positive impact on the behaviours of customers, employees and investors (Maden *et al.* 2012). By organising the required information into CSR narratives, companies aim to manage its presentation and produce a cohesive identity to stakeholders through reports, newsletters and website material, for example (Surma 2004). Numerous studies support this position by concluding that CSR activities are inevitably related to company reputation (Brammer *et al.* 2006; Docherty and Hibbert 2003). Such activities are also perceived to offer the PR profession in India the opportunity to participate in strategic counsel through the linking of CSR and reputation management (Global Alliance for Public Relations and Communication Management 2014).

The role of reputation management and the development of trust between a company and its stakeholders is perceived, however, as having both a reactive and active role (L'Etang 1994). It is acknowledged that strengthened CSR programmes have not always been entirely voluntary, with companies such as Nike, Shell and Nestlé being amongst those who have encountered strong negative publicity around their international activities (Porter and Kramer 2006). This suggests the defensive or reactive use of CSR in corporate reputation management is frequently brought about through pressure from civil society determined to challenge the reputations of these corporations (Harrison 2003).

CSR communication, however, is also used actively. This motivation for communication is upheld by Aras and Crowther (2009a), who argue that by engaging in sustainability initiatives and reporting these to employees, shareholders, environmental groups and citizens, companies are addressing shifts in social goals. Podnar (2008) supports this view and adds that well-considered CSR can positively influence business reputation, evoke trust and be a signal of product or company quality. Reich (2008) also argued that a moral declaration of company commitment to social virtue may also forestall government legislation or regulation, giving companies a licence to operate.

One key objective of CSR communication activities is the enhancement of relationships with stakeholders (Green and Peloza 2015). This process of developing deeper stakeholder relationships offers what Golob *et al.* (2008) would view as a strategic marketing opportunity. Companies managing their social action within competitive strategies are likely to be those innovating in management and seeking new ways of achieving success (Husted and Allen 2007). The Edelman

Trust Barometer (2016) also reveals that trust, and thus positive communication, nowadays is an essential element of innovation. This demands that a company understands the cues and insights presented by stakeholders (Green and Peloza 2015), which companies can achieve through sense-making. It also means that the communication must be meaningful for the stakeholders. If validity is now a question of social acceptability, the building of social trust can significantly influence the relationship companies have with their stakeholders (Bentele and Nothhaft in Ihlen *et al.* 2011).

CSR communication thus potentially becomes a strong PR tool with the ability to enhance mutually beneficial relationships with stakeholders (Kim and Choi 2012). Positive experiences, however, play a crucial role in the development of trust, so where companies fail to live up to expectations or where discrepancies exist between action and communication, trust can fail to be established (Bentele and Nothhaft in Ihlen *et al.* 2011). The managed narratives prepared by companies can thus support the building of understanding and the perceptions of an organisation by its stakeholders or can be seen to be the communication of information designed to manipulate (Surma 2004). As such, communicating CSR activity becomes as important as its implementation, which means companies then face the challenge of deciding what and how to communicate their CSR activities meaningfully to stakeholders (Beckmann and Morsing 2006; Morsing *et al.* 2008). CSR communication is therefore an integral part of CSR activity (Maignan and Ferrell 2004) and thus demands a process of anticipating stakeholders' expectations, the articulation of CSR policy and managing different company communication tools (Podnar 2008). Not meeting stakeholder expectations can have a profound impact on a company.

An example of this was Shell's case of Brent Spar in 1995 (Schouten and Remm 2006). The globally negative publicity the company received in light of the Greenpeace protest against Shell dumping Brent Spar at sea, despite the company having the required legal licences, caused the company to review its approach to communicating with its stakeholders. In conclusion, they proposed three competences as crucial for such a process: engage stakeholders through listening and understanding; create a company CSR language as it makes sense to the members of the company; and recognise the motivation for taking action (Nijhof and Jeurissen 2006). This demanded sensitivity to stakeholders and to context from a stakeholder perspective (Schouten and Remm 2006).

In an India-wide survey, in which company executives and workers were asked to name the most socially responsible Indian company, the Tata Group was most cited for its ethical behaviour, environmental care and social welfare schemes for the community (Kumar *et al.* 2001). When Tata Motors tried to build a factory in West Bengal to build its new Nano car, local protesters prevented the company from developing in the region, despite the opportunity of local employment (Mitra 2011). While politics played a role in the process, the lack of stakeholder engagement prior to the development of the plans was noted as a major factor in the company's failure (*ibid*).

Companies are under pressure to offer proof of socially responsible behaviour, as stakeholders become intolerant if companies fail to fulfil their obligations (Dawkins and Lewis 2003). The challenges and risks of communicating CSR, however, should not be ignored. While trustworthy, open communication helps improve stakeholders' understanding of company actions (Albu and Wehmeier 2014), when

companies with poor reputations emphasise only society-serving motives and omit possible self-serving motives, respondents show greater scepticism towards these companies (Kim 2014a). Publics use reputation as an ethical benchmark to evaluate CSR programmes and while they appreciate when companies try to balance economic responsibility, ethics and philanthropy simultaneously (*ibid*), the disclosure of self-interested motives behind pro-social initiatives can inhibit attribution-based scepticism (Forehand and Grier 2003). It appears, therefore, that a delicate balancing act is required throughout the communication process between the presentation of self- and public-serving motives.

This again raises the issue that arises from a gap between action and communication. Thus, scholars such as Ewing (2007) suggest that it is the company's actions that should carry the message, with managers resisting the temptation to try to demonstrate corporate responsibility via press releases or advertising. Assertions of corporate responsibility, without the appropriate due diligence, policies and procedures in place to back them up, will do more harm than good to a business (*ibid*). The communication must thus mirror the action not manipulate the perception. The process of stakeholder engagement today, however, is viewed by some as being limited by an assumption that managers need to control stakeholder relationships in a way that assures positive social and financial performance (Andriof et al. 2003). This suggests the manipulation of messages, which Roberts (2003) explains, is why CSR campaigns tend to be marketed in an attempt to look good. By focusing on the company's critics, rather than those who are vulnerable to the corporation and its conduct, he argues that the company communicates in a way that benefits only the most influential stakeholders.

#### 2.4.v Communication Strategies and Approaches

The dominance of CSR reporting as a tool for CSR communication suggests the continued use of communication from a company-centred perspective. By approaching communication this way, many business and communication scholars regard CSR as a special strategic programme that is carried out in order to deal with different stakeholders (Signitzer and Prexl 2005). Taking this approach means that in order for CSR communication to be effective for the company, the need to manage the message successfully is paramount.

Research by Morsing and Schultz (2006) identified three CSR communication strategies: the stakeholder information strategy; the stakeholder response strategy; and the stakeholder involvement strategy. The stakeholder information strategy relates to Grunig and Hunt's (1984) one-way communication model: aiming to relay information through the process of sense-giving through a company-centric process that involves "telling, not listening" (p.23). Watson *et al.* (2002) frame this as the traditional "decide, dictate, defend" (p.56) approach where the company decides on the action, dictates the terms of the action and then defends the action. Brennan *et al* (2014) analyse a range of models linked to how companies use this practice when using CSR as a means of social marketing. They identify the six steps involved in this process as: presentation, attention, comprehension, yielding, retention and action. This process aims to move people from awareness to action, using education and the offering of new knowledge as a means of building trust and persuasion. This style of communication, however, may not always be appropriate in cases where trust is more difficult to establish. Indeed, when dealing with complex issues, this approach to stakeholder communication no longer works (Watson *et al.* 2002).



The stakeholder response strategy (Morsing and Schultz 2006) relates to Grunig and Hunt's (1984) two-way asymmetric communication model, which builds on processes of sense-making and sense-giving (Morsing and Schultz 2006). It is again a company-centric model, but the sense-giving part of the process is informed through a sense-making process of research, opinion polls, dialogue and partnerships. This could be referred to as a 'discuss, decide and deliver' approach. The stakeholder involvement strategy assumes a dialogue and process of negotiation with stakeholders where the communication process allows the company and stakeholders to co-construct the CSR efforts (Morsing and Schultz 2006).

Watson *et al.* (2002) argue that this process of negotiation between the company and its stakeholders is a more appropriate way of meeting stakeholder expectations and for companies to manage their futures better. The complex nature of some of the social issues being tackled through CSR also means that any communication approach needs to be more encompassing and directed towards relationship exploration (Andriof *et al.* 2003).

Morsing and Schultz (2008) also offer a continuous dialogue model of CSR communication. Their research found that consumers in Norway expect their CSR concerns to be proactively integrated into a continuous dialogue with a company. This dialogue strategy relates to the theory of public trust (Bentele and Seidlinganz 2008). This approach posits that trust can be built if, for example, the actions and public communication of a company are congruent, if the company speaks with one voice or if the company acts transparently in public and is adaptive in external demands (Schultz and Wehmeier 2010). This is a complex

set of demands for any company, let alone an MNC working across a number of different countries and cultures.

Indeed, research by Dhanesh (2015) in India revealed that practitioners emphasised the importance of an implicit, minimalist approach to communication that privileged responsible behaviour over rhetoric. They also focused on engaging with involved stakeholders primarily, avoiding publicity and aggressive media relations. This supports the aim of reducing scepticism of important opinion-forming and endorsement-creating stakeholders (Bhattacharya *et al.* 2012). Morsing and Schultz (2008) revealed a similar model used by Danish companies, which they referred to as the “inside-out” (p.102) approach. This model means companies base their communication on ensuring employee commitment first. They then communicate those CSR activities that relate to their employees, requiring their close involvement in the activities. This relates to Matten and Moon’s (2008) implicit CSR strategy and supports an “expert” (p.105) communication process that mirrors Dhanesh’s (2015) priority stakeholder approach. On the other hand, Matten and Moon’s (2008) explicit CSR strategy relates to Morsing *et al.*’s (2008) outside-in or explicit communication approach. The focus here is on making CSR activities explicit through communication, focusing primarily on external stakeholders.

Considering company motivations and strategies appears to suggest that the two work closely together, with one informing the other. As such, the selected strategies of a company, to some degree, reveal the motivations of a company within a given context.

## 2.4 Summary

The literature informs us that CSR is defined in many different ways. Broadly, it is the business community's concern for society (Carroll 1999a). It is an umbrella term, overlapping with, and being synonymous with, other conceptions of business-society relations, such as philanthropy (Matten *et al.* 2003), but philanthropy being differentiated from CSR through the practice of voluntary benevolence. CSR's practice helps companies compete in an increasingly competitive environment (Reich 2009) and appears to be part of the fabric of today's MNC environment now, apparent by the increasing levels of CSR reporting (KPMG 2015). Yet, timing, context and company culture all have a role to play in how it is practised across companies and countries, in part due to the impact of stakeholder influence on any given company (Freeman 1984). As such, it is a social construct with no single objective definition (Burr 2003).

Perspectives on CSR include a Utilitarian perspective (Friedman 1970), and the contrastingly normative approach, which focuses on the use of moral or philosophical guidelines to interpret the company, based on ethical or instrumental rationales (Fleming and Jones 2012). Yet, such approaches, critics argue, mean CSR provides an inadequate solution to the existing "discursive system" (p.xii).

Whichever approach is taken, stakeholder management (Freeman 1984) is now commonly used by companies to understand and prioritise their network of influencing individuals or groups. This offers a strategic business tool, though critics say its weakness is that it focuses on "elite publics at the expense of marginalised publics" (Munshi and Kurian 2005p.513).

Research by Matten and Moon (2008) has also differentiated CSR activities into “explicit” and “implicit” (p.405) CSR. Explicit CSR is the visible activities a company chooses to carry out in society’s interests. Implicit CSR refers to the day-to-day company activities that occur, and are less obvious or visible, within its wider network of governmental and non-governmental institutions that uphold a society’s interests. Both raise communication issues.

The approach a company takes and its expected results will be driven by a range of motivations (Di Norcia and Tigner 2000). These can be divided into moral or intrinsic drivers, and strategic or extrinsic drivers. How these drivers are selected and impact a company’s CSR activities will depend on the company and context. In this respect, Coombs and Holladay’s (2012) matrix of CSR motives provides a useful framework through which to understand the tension between motives and perception, which may be enacted to meet stakeholder expectations or help others, or maybe self- serving or other serving. While acknowledging that this is an oversimplification of CSR motives as there will be a mix of motives, this framework will provide the lens through which this research will be analysed as it accommodates both the economic and duty-driven elements of CSR. Further, it acknowledges the intrinsic link between CSR activity and communication.

This analysis will therefore also consider the terminology used to describe the type of activity may give an indication of motives, yet research shows that the term "sustainability" is used differently in Europe to India. Such terms also evolve over time and morph into new interpretations along the same theme (Elkington 1998; Prahalad 2002b).

By considering the nature of action and communication, it is apparent that CSR practice is inextricably linked with its communication. Yet communication is treated within companies as a separate function to action, despite it being an aggregate part of life. Both approaches present challenges and are influenced by the implicit and explicit approaches to CSR. Further communication challenges arise when considering a company as speaking in one voice (Christensen *et al.* 2008) and where communication is not renegotiated on a continual basis, acknowledging it as a concept dependent on time and context. The communication challenge can also present both opportunities and threats for companies, resulting in both proactive and reactive strategies. A range of strategies is thus adopted by companies that offer different benefits depending on the objectives and complexity of the issue and business environment.

Time and context thus impact on both CSR and CSR communication approaches. As business environments, companies evolve and change definitions, perspectives and strategies, so they are constantly renegotiated. Understanding the meanings associated with these practices in different contexts, and through the lens of companies leading in their markets and in the field of CSR, potentially therefore provides indications of how practices are evolving and new approaches emerging.

### **Chapter 3. The Research Context**

In order to consider the country and company context within which this thesis is set, this chapter will review the MNC and socio-economic country context. The individual companies' contexts will then be considered.

#### **3.1 The MNC Context**

The advent of globalised business and the social constructivist nature of CSR raise specific issues for MNCs, particularly those that operate within diverse business contexts. The process of making sense of an environment is not accomplished in a vacuum (Taylor and Van Every 2000 p.251), which means that in different contexts CSR is likely to acquire new dimensions (Kuznetsov *et al.* 2009). An MNC operating in both developed and emerging or developing markets will face a diverse range of social contexts that are specific to each marketplace and, thus, needs to be understood as such. The specific nature of MNCs, and their implications for CSR practice, will now be considered.

In many developing countries, MNCs are increasingly expected to fill in the gaps of weak government (Moon *et al.* 2005). Yet the power of those MNCs that turn over a significantly higher GDP than that of the developing nations in which they operate (Adler 2008) means that they are perceived by stakeholders as an agent of influence for both the good and the bad. As such, globalisation has focused attention on both the positive and negative consequences of the operations of MNCs (Jamali 2010).

The literature on developing countries, however, should be treated with some caution; it is a broad term that refers to a very different selection of countries

that may have only limited characteristics in common. Attempting to apply research conclusions from Middle Eastern-developing countries, such as Jordan, may not support an increased understanding of the characteristics of CSR activities in a South Asia country, such as India.

By crossing borders, MNCs move into areas where the context brings into play more complex matters relating to relative development and cultural traditions (Kolk and Van Tulder 2004). They often, however, exist as a network of loosely connected subsidiaries (Jamali 2010), which means the relationship between localised and globally standardised CSR strategy and practices can vary considerably. For those MNCs that function in a more homogenised way, adhering to centralised rules and control, the need to adapt to local needs becomes more apparent. Understanding local values and culture is thus important for understanding the relationship between expectations, attitudes, opinions and behaviour (Schwartz 2003).

In order to develop this level of understanding, there is clear recognition of the need for businesses to collaborate with stakeholders when framing their CSR programmes. This collaboration will be different across countries and allow for a broad interpretation of the concept of CSR and its implementation (Aras and Crowther 2008). The need for variation in CSR practice is revealed through a significant body of research that points to substantial country variations in CSR practices, which reflect the differences in national context (Aaronson, 2003; Chapple and Moon, 2005; Maignan and Ralson, 2002; Welford, 2004, 2005).

Individuals and cultures differ in terms of the relative importance of specific sets of values (Maignan 2001; Schwartz 2003), which will influence the pressure and motivation on companies to practice CSR, and the nature of the resulting practices. For example, there is an argument that economic development should be the major goal for companies operating in emerging markets and that attention should only be diverted to social and environmental growth after reaching a critical level of economic development (Thorpe and Prakash-Mani 2003). This potentially gives MNCs responsibility for development projects that may cover infrastructure, education and healthcare, for example, and could add significant costs to a company wanting to trade in a developing country while, at the same time, giving the company significant influence in that country. For an MNC that is looking to shape the political and social conditions under which it will thrive (Luo 2006), this arguably offers many advantages.

In order to understand the specific contextual environments relevant to this thesis, the economic, political and social context of India and the UK are now considered, as well as the specific characteristics of the MNCs being studied.

### 3.2 Socio-economic country contexts

#### 3.2.i India

India gained independence in 1947 following two centuries of British colonial rule in 1947 (Sriramesh 2004). It is the seventh-largest country in the world, set in South Asia, with a geographical size of 3,287,263 square kilometres, bordering with Pakistan, Bangladesh and China. It has a population of approximately 1.25 billion, growing at 1.2 per cent per annum (OECD 2015).



Since 1947, India has raised the rate of economic growth from below one per cent to eight per cent (Tharoor 2012). The country's Gross Domestic Product (GDP) has expanded rapidly, reaching \$2.049 trillion and 7.3 per cent growth in 2014 (The World Bank). It has become a country with substantial international presence and investment, with levels of Foreign Direct Investment (FDI) increasing from \$15.4 billion in the entire decade of the 1990s to \$37.7 billion in 2009-10 alone (Tharoor 2012). The country is rich in natural resources and manpower and, despite industrial growth, agriculture continues to form the main economic sector (Government of India 2015a). Its industrial growth continued throughout the world economic crisis and means that India is viewed as an important emerging economy. India has a consumer sector that has grown at an annual rate of 5.7 per cent between 2005 and 2015 (IBEF 2015). It continues to be a dynamic market with accelerating growth that is expected to increase even further in the future (Farrington and Clarke 2006).

Despite this rapid development, India still faces the challenges of poverty alleviation and development (Palmqvist 2007). The country is home to the largest number of poor people in the world, as well as the largest number of people who have recently escaped poverty (The World Bank 2014), and the quality and infrastructure of public utilities and social services remain inadequate (Sriramesh 2004). The swift industrial growth in India has also caused increasing problems of environmental damage (Humphrey 2006). High levels of corruption, however, mean the government is prevented from adequately addressing these issues (Elliott 2014). Since 1947, India has raised its level of literacy from 16 per cent to 74 per cent, reduced child mortality, and increased life expectancy from 26 to 72 (Tharoor 2012). The country is made up of a diverse range of languages, dialects

and ceremonies (Singh 2009), with the constitution recognising 17 major languages (Sriramesh 2004). The constitution of India recognises Hindi as the official language although English, as a remnant of British rule, is also often used simultaneously, particularly for official purposes (*ibid*).

Since ancient times, India's social stratification has been based on the Hindu caste system. This system evolved from a tribal structure and a combination of race, ritual and socio-economic status, shaping the way Indians see themselves, other people and social relationships (Black 2009). The economic elite tends to be at the top of organisational hierarchy (Sriramesh 1992) and this hierarchical stratification translates into greater power distance between senior and more junior executives (Singh 2009; Sriramesh 2004).

Despite the influences of an ancient caste system, however, India has a significant history of activism (Singh 2009), and the country's increasing move towards market capitalism has led to a growth in consumer activism (Sriramesh 2004). Within this context, NGOs have traditionally played an adversarial role in bringing to light government and company inadequacies (Mitra 2007). More recently, however, there has been an emerging presence of the consultative NGO, taking on a more collaborative role with institutions as a means of bringing about change (*ibid*).

The country has remained an active democracy since its independence but, while through the policies of Nehru, the country's first Prime Minister, it evolved into a socialist model, it was "substantially liberated from government controls in 1992" (Maira 2008 p.12); Prime Minister Narasimha Rao's Congress Party government oversaw major economic reforms that liberalised India's economy

and encouraged foreign direct investment into India (Tharoor 2003).

During this period very few Indian businesses incorporated social responsibility into their business goals, and both Indian and foreign companies continued to persuade the Indian government towards further economic reforms and freedoms (Maira 2008). As the role of India's public sector in the economy diminished, however, the private sector was increasingly viewed as the key player in driving business and social development in India (Narayana Murthy 2007).

Though a country with a long history of philanthropy, in order to support the development process the Indian government asked businesses to be inclusive of the Indian population (Mitra 2007). This was driven by a recognition that growth needed to be sustainable and increasing levels of activism independently put pressure on government and businesses (Sriramesh 2004).

The result has been a movement from philanthropy to the convergence of business interests with social interests as companies have understood that the conflicts between financial and social performance need to be resolved through organisational and market innovations (Sankaran 2003). Prior to the CSR bill being passed, however, Palmqvist (2007) claimed that the development effects of contemporary CSR strategies in India were modest.

In recognition of the need for the business sector to take a more formal responsibility for carrying out socially responsible business practices, the Indian government under Narendra Modi's Bharatiya Janata Party (BJP) made significant changes. The government introduced a mandate into the Companies Act 2013,

making CSR compulsory for larger companies.

When the bill was passed, investment was expected to reach 10,000-20,000 crore rupees or between 1.5 and three billion USD, but implementation has been slow and spending estimates significantly reduced (Eco-Business 2016). The formal requirements for reporting, however, have seen an increase of 27 per cent of Indian companies producing CSR reports (KPMG 2015).

The practice of CSR by Indian business arguably remains on an upward learning curve and is primarily driven by corporate philanthropy (Gautam and Singh 2010). There continues, however, to be a positive attitude and willingness at top management level for the implementation of CSR practices, though systems need development in order to deliver the results envisaged at the planning stage (Gupta and Saxena 2006).

### 3.2.ii The United Kingdom

The UK, in comparison, is a developed country located off the north-western coast of continental Europe. It is a sovereign state covering a total area of approximately 241,930 square kilometres. The UK occupies part of the British Isles archipelago and includes the island of Great Britain, the north-eastern part of the island of Ireland and a number of smaller surrounding islands. It is the third-largest country in the European Union (after Germany and France), which it joined in 1973, yet voted to leave in a referendum on 23<sup>rd</sup> June 2016.

The UK has a population of 61.35 million, growing at a rate of 0.7 per cent, and a GDP growth rate of 1.4 per cent (OECD 2015). It has the ninth-largest economy

by GDP in the world, which makes up four percent of the world GDP. The UK has had the fastest growing economy in the G7 for four consecutive years with 2.1 per cent growth in the first quarter of 2016. The consumer goods sector has shown growth for the latest consecutive 28 months, increasing by 0.7 per cent (Office for National Statistics 2016b). The UK was the ninth-largest exporter in the world and the fifth- largest importer, and had the second largest stock of inward foreign direct investment and the second-largest stock of outward foreign direct investment. It is one of the most globalised economies, dominated by the service sector, which contributed around 78 per cent of GDP.

Employment rates in the UK stood at 74.2 per cent for the first quarter of 2016 (Office for National Statistics 2016a), with approximately 31.6 million people employed. According to Oxfam (2016), one in five of the UK population lives below the charity's official poverty line, meaning they experience life as a daily struggle. This is relative poverty compared to the absolute poverty categorised in the Indian context.

The population of the UK is considered to have undergone a demographic transition from a typically pre-industrial population with high birth and mortality rates and slow population growth, to a stage of low birth and mortality rates, with lower rates of population growth and an ageing population. The population is predominantly white British.

The official language of the UK is English, which is spoken by approximately 59.8 million residents, or 98 per cent of the population. Communities migrating to the UK mean there are more than 100 languages being spoken domestically by

children within inner-city London schools. The UK's population density is one of the highest in the world, with almost one-third of the population living in England's southeast, and about eight million living in London.

The UK has high literacy rates, reaching 99 per cent at age 15, attributable to a universal public education introduced for the primary level in 1980, and secondary level in 1900. Parents are obliged to have their children educated from the ages of five to 16 and they can continue education free of charge to the age of 18. About 40 per cent of British students go on to post-secondary education. The welfare state supports this system. In the UK, it comprises expenditure by the government used to improve health, education, employment and social security.

The UK government is currently still directed by the guiding principles of the European Commission, and international organisations, such as the United Nations. As such, the European Commission encourages the implementation of CSR in business strategy, claiming it is increasingly important to the competitiveness of enterprises, bringing benefits in terms of risk management, cost savings, access to capital, customer relationships, human resource management and innovation capacity (European Commission 2015). Here, CSR is defined as the responsibility of enterprises for their impact on society (*ibid*).

Recently, the UK Government has also welcomed the creation of the UN Guiding Principles on Business and Human Rights as the country works towards more liberal market environments internationally, in which commerce can flourish (H.M. Government 2013).

The UK is amongst the leading countries in terms of the level of CSR and CSR reporting carried out by business (KPMG 2015) and two thirds of FTSE 100 companies are listed on the FTSE4Good Index (KPMG 2013), and three out of four of these companies have used Business in the Community's Corporate Responsibility Index (H.M. Government 2008). The UK Government has correspondingly taken a more elevated view of the demands of CSR as a means of facing the major economic challenges of the world (H.M. Government 2008).

India and the UK are thus two countries with a strong historical connection through Britain's historical colonial rule, but otherwise, they are vastly different. India has been self-ruled for nearly 70 years and is arguably still in the early days of resolving many of the issues left by the British, including the consequences of partition with Pakistan and Bangladesh, the extreme levels of poverty, poor levels of education and a weak public school system. India nevertheless continues to have a rapidly growing economy compared to the UK's mature but almost static economy. India has a young population available for employment, whereas the UK relies heavily on immigration to complete its workforce. The size of India's economy also gives it significant influence within a globalised system. By contrast, the UK has been part of the EU for approximately 40 years yet must now go through a process of extrication from this union to again become a single entity. Its ability to trade outside an EU membership is, however, relatively untested.

As these introductory profiles make clear, the national contexts vary significantly and provide useful comparisons for this thesis. Adjusting to the demands of these different contexts is thus an issue for all MNCs in terms of how a company

develops its CSR programmes and communicates this practice, both at home and abroad.

The transfer of values and policies between developed and emerging or developing countries is likely to be even more complex. Campbell *et al* (2012) claim that geographical and institutional distance matters. They refer to the issue of Liability of Foreignness (LOF) whereby the host-country stakeholders often lack information about a foreign affiliate and use stereotypes or impose different criteria compared with a host country company, with negative consequences for the foreign affiliate.

This can hamper their ability to perform and survive in host countries (Kostova 1999; Mezas 2002). The impact of LOF, however, will depend significantly on the structure of the MNC and whether CSR strategy is developed in a global or local basis. Some MNCs, for instance, may adopt one CSR policy for all foreign affiliates, whereby they do not vary their level of CSR activity based on the institutional context they face (Sharfman *et al.* 2004). This presents risks if what is considered proper corporate conduct is a social construction that varies according to culture and time (Ihlen 2008).

### 3.3. The Company Context

#### 3.3.i Tata Steel

Tata Steel is owned by the Tata Group, founded by Jamsetji Tata in 1868. The group is a global enterprise headquartered in India, comprising more than 100 operating companies in seven business sectors: communications and information technology, engineering, materials, services, energy, consumer products and



chemicals. The group has operations in more than 100 countries across six continents, and its companies export products and services to 150 countries.

According to the company's website (Tata Group 2016), the total revenue of Tata companies was \$103.27 billion (around Rs. 624,757 crore) in 2013-14, with 67.2 per cent of this coming from businesses outside India. Tata companies employ more than 581,470 people worldwide. Brand Finance, a UK-based consultancy, valued the Tata brand at \$21.1 billion and ranked it 34<sup>th</sup> among the top 500 most valuable global brands in their Brand Finance® Global 500 2014 report.

The Tata Group's website (2016) states:

*"The Tata group's core purpose is to improve the quality of life of the communities it serves globally, through long-term stakeholder value creation ... The Tata name has been respected for more than 140 years for its adherence to strong values and the group has always believed in returning wealth to the society it serves."*

Tata Steel has operations in 26 countries, including India, and at the time of writing, the UK. Established in 1907 as Asia's first integrated private sector steel company, Tata Steel Group is among the top ten global steel companies with an annual crude steel capacity of nearly 30 million tonnes per annum. It is now the world's second- most geographically diversified steel producer. The Group recorded a turnover of Rs.139,504 crores in 2015 (*ibid*).

In India, Tata Steel founded India's first industrial city, Jamshedpur, where it established India's first integrated steel plant. The Jamshedpur works currently comprise a crude steel production facility and a variety of finishing mills. The company plans to continue to increase its capacity significantly through both

brownfield and greenfield developments. The first phase of the six million tonnes per annum greenfield project in Kalinganagar is expected to start in 2016. The company also has plans for two new greenfield steel projects in the states of Jharkhand and Chhattisgarh.

Tata Steel Europe, previously known as Corus, and before that, British Steel, has operations in Mainland Europe – plants in the UK, Netherlands, Germany, France and Belgium, backed by a global network of sales offices and service centres. At the time of writing, Tata Steel had announced it was selling all its UK operations due to enduring losses. The most recent reports (Porter 2016) claim that seven interested parties had made it through to a second round of acquisition talks for the portfolio of steel manufacturing sites. The article in the Financial Times (*ibid*) added:

*“After years of losses, Tata put its UK steel operations up for sale in March, and while the Indian group has not publicly declared a timeline, it privately wants to complete a transaction by the end of June. Along with 11,000 employees, the business supports another 25,000 people in the supply chain, according to the Institute for Public Policy Research, a think-tank.”*

### 3.3.ii Shell

Royal Dutch Shell, commonly known as Shell, was formed in 1907, although its history dates back to the early 19<sup>th</sup> century. The name Shell first appeared in 1891 and the first Shell logo appeared in 1901. Shell is a global group of energy and petrochemical companies with operations divided into four businesses: Upstream, Integrated Gas, Downstream, and Projects & Technology. The company's headquarters are in The Hague, the Netherlands and the parent company of the Shell Group is Royal Dutch Shell plc, incorporated in England and Wales. It has a primary listing on the London Stock Exchange and is a

constituent of the FTSE 100 index. The company's strategy as stated on its global website is:

*“to reinforce our position as a leader in the oil and gas industry, while helping to meet global energy demand in a responsible way. Safety and environmental and social responsibility are at the heart of our activities.” (Shell Global 2016)*

According to the same website, the company operates in more than 70 countries, employing approximately 93,000 employees; it sells 22.6 million tonnes of equity Liquefied Natural Gas (LNG) per year and has an interest in 23 refineries that produce three million barrels of oil equivalent every day.

In terms of sustainable development, the company claims to have spent \$122 million on voluntary social investment worldwide. Of this, around \$93 million was spent on local programmes for community development, disaster relief, education, health and biodiversity. In addition, \$29 million was spent on the company's three global strategic themes of enterprise development, road safety and energy access. In lower income countries, 75 per cent of spending by Shell companies went to purchase goods and services from local companies.

The company's 2015 Sustainability Report is easily accessible online, with an archive dating back to 2010. Its website also provides interactive chart tools on environmental data and social and safety data. The company's Corporate and Social Responsibility Committee (CSRC) is on the Board of Royal Dutch Shell plc. It was established in 2005 with a remit to review and advise on policies and performance against the Shell General Business Principles, the Shell Code of Conduct and mandatory HSSE & SP standards. The Committee is made up of representatives from industry and national government.

The Shell Foundation (SF) is an independent charity that applies a business approach to global development challenges that constrain job creation, access to energy and urban mobility. It is a separate function to the company's sustainability activity.

In the UK sector of the North Sea, Shell employs around 4,500 staff in Scotland and an additional 1,000 service contractors. In August 2014 it announced it was laying off 250 employees, mainly in Aberdeen, and in April this year The Guardian (Fletcher 2016) reported the company was closing three UK offices housing 1,600 staff in its attempt to cope with the recent plunge in oil prices. Some staff were offered the option to move to Shell's central London headquarters, which will then house the entirety of the company's south-east England operations.

In India, according to the Shell India website (Shell India 2016), Shell is one of the largest and most diversified international investors in India's energy sector, among all global integrated oil companies, with nearly US\$1 billion invested already. It claims to be the only major global company to have a fuel retail licence in India.

Besides being a major private sector supplier of crude oil, products, chemicals and technology to public and private oil companies, the website claims Shell also has key interests in lubricants and bitumen, while operating an LNG receiving and re-gasification terminal. It also has a significant technology centre and a financial business services centre.

As these company summaries illustrate, there are similarities and significant differences between Tata Steel and Shell, beyond their origins and their global presence. They both rely on extracting natural resources for their business and, as such, will come under scrutiny from pressure groups and the media. Such scrutiny puts a certain amount of pressure on both companies to take a sustainable approach to their businesses. Both companies have extended their business globally by both acquisition and organic growth.

While Shell's global presence is more extensive than that of Tata Steel, the Tata Group is a more highly diversified group of companies, including IT, consultancy services, food and drink and telecommunications. This makes the Group much less reliant on the success of Tata Steel and its reliance on extracting natural resources than Shell.

Both companies support a Foundation set up for charitable purposes. They each provide funds for these Foundations, which administer charitable support through third parties, providing philanthropic funding, remote from their core businesses. As such, the activity is not promoted or directly linked to their businesses. The two Foundations are therefore seen by both companies as separate to their respective CSR activities.

In terms of how the companies communicate their CSR activities through their publicly available materials, once again they differ. Tata Steel focuses on company values as a mandate to improve the communities within which it functions. Shell focuses more on specific channels of CSR activity, specifically related to the business function. This approach to CSR and its communication will

be explored in- depth through the research process. In order, however, to understand the link between CSR and its communication, this specific area of CSR communication will now be explored.

## Chapter 4. Methodology

The theoretical framework and research context has been covered in order to understand the existing research and theory on CSR, its communication and the country and company contexts. This chapter describes the methodology adopted to achieve the research objectives of this thesis and expose the opportunities for theory building. It reviews the research gap this thesis aims to fill and continues with the main research question and sub-questions. The chapter develops by discussing the philosophical considerations that determined the methodology and methods employed in this study, the data collection and analytical process. It then considers any bias the researcher is likely to bring to the investigation. The chapter concludes with details of the limitations and ethical issues observed while conducting this study.

### 4.1 The Research Gap

The subjects of CSR and its communication have been researched separately in detail. There is a significant body of work that focuses on the development and management of CSR policies and strategies (Eberhard-Harribey 2006; Evans *et al.* 2013; Garcia and Greenwood 2013; Jain and De Moya 2013; Liu *et al.* 2011; Spangler and Pompper 2011); and the exploration of CSR as a concept and practice (Balasubramanian *et al.* 2005; Gautam and Singh 2010; Gupta and Saxena 2006; Jones *et al.* 2009; Khan and Atkinson 1987; Singh 2014; Spangler and Pompper 2011) from a company perspective.

Other areas of CSR research consider the benefits of and motivations for implementing CSR (Dhanesh 2014; Dupire and M'zali 2016; Graafland and Mazereeuw-Van Der Duijn Schouten 2012; Kim and Lee 2012; Leal *et al.* 2015;

Li 2012; McWilliams and Siegel 2000; Mishra and Suar 2010; Porter and Kramer 2006; Sen and Bhattacharya 2001); and the relationship between CSR strategies and stakeholder management (Berman *et al.* 1999; Forehand and Grier 2003; Kim and Choi 2012; Maden *et al.* 2012; Mutch and Aitken 2009; Sweetin *et al.* 2013).

Another point of focus includes the barriers to implementing CSR (Arevalo and Aravind 2011; Shen *et al.* 2015); and the influence of context and culture on CSR practices (Berger *et al.* 2014; Jamali and Mirshak 2007; Jamali *et al.* 2009; Ortega- Parra and Ángel Sastre-Castillo 2013; Ramesh and Mendes 2015; Singh 2009).

Indeed, there is also a growing body of research that examines CSR approaches and activities from a stakeholder perspective (Berger *et al.* 2014; Boulstridge and Carrigan 2000; Cantó-Milà and Lozano 2009; Leal *et al.* 2015; Ortega-Parra and Ángel Sastre-Castillo 2013; Tench *et al.* 2007). This research, however, while revealing a growing body of research from developing nations, highlights a dominance of Western-based research on various aspects of CSR.

In terms of the existing research that compares CSR practices of companies in both developed and developing countries there is a significant research gap. Research exists that studies Western-based CSR strategies, initiatives and their deployment in developing nations (Bondy and Starkey 2012; Jain and De Moya 2013; Jamali 2010; Khan *et al.* 2010; Michael *et al.* 2015). Indeed, research also exists that studies CSR in developing nations alone (Balasubramanian *et al.* 2005;



Gautam and Singh 2010; Jain and De Moya 2013; Jamali *et al.* 2009; Ramesh and Mendes 2015; Singh 2014). The specific characteristics of each developing nation, however, suggest that applying general principles to a range of significantly different contexts could be misleading. The research that considers the CSR practices of MNCs from developing nations in developed economies appears limited to quantitative studies (Baughn *et al.* 2007; Khan and Atkinson 1987) and no studies exist that compare the CSR approaches of a Western-based MNC practising in a developing nation and a developing nation-based MNC practising in a developed nation. There is therefore a gap in the research that develops an understanding of these MNC practices through the comparison of CSR approaches.

In terms of CSR communication, while recent research shows a growing body of research on the combined subjects of CSR and communication strategies (Alon *et al.* 2010; Amaladoss and Manohar 2013; Baghi *et al.* 2009; Dawkins 2004; Dhanesh 2015; Green and Peloza 2015; Jayakumar 2013; Kim 2014b; Lattemann *et al.* 2009; Morsing and Schultz 2006; Schoeneborn and Trittin 2013), motives and management (Elving *et al.* 2015; Nielsen and Thomsen 2012; Ziek 2009), there remains a predominantly Western focus.

These studies are also dominated by research techniques that analyse secondary data, such as existing academic literature, CSR reports, advertising and online data (Alon *et al.* 2010; Amaladoss and Manohar 2013; Dawkins 2005; Elving *et al.* 2015; Green and Peloza 2015; Lattemann *et al.* 2009; Nielsen and Thomsen 2012; Schoeneborn and Trittin 2013; Tewari 2011) or they focus on the communication of one specific aspect of CSR activity (Baghi *et al.* 2009). Other

studies are country specific (Dhanesh 2015; Jayakumar 2013; Kim 2014b; Ziek 2009) or use quantitative techniques (Morsing and Schultz 2006).

This presents a research gap and an opportunity to design a study that helps develop an in-depth understanding of the relationship between CSR approaches and its communication within both a developed and developing nation context, giving equal value to both perspectives, viewed through a company and stakeholder lens.

#### 4.2 The Research Question

“Every research project is guided by what a researcher wants to achieve” (Daymon and Holloway 2011, p.3), so the development of a suitable methodology must depend on the research question (Black 1999; Daymon and Holloway 2011). This thesis aims to develop a deeper understanding of the perceived characteristics of CSR, its practices and communication in India and the UK. It aims to consider how different contexts impact the approaches and how company managers and stakeholders within both countries perceive this. The master question is: ‘What are the characteristics of, and influences on, CSR, its practices and its communication in India and the UK?’ This is supported by the following sub-questions:

- What are the objectives and characteristics of CSR for Tata Steel and Shell in India and the UK, as perceived by company managers and stakeholders?
- What are the perceived objectives and characteristics of the CSR communication for Tata Steel and Shell, as perceived by company managers and stakeholders?
- What are the perceived contextual influences on these practices?

### 4.3 The Research Methodology

In order to support the search for an understanding of meanings and perceptions from the company and stakeholder perspective, a methodology was required that would allow for the collection of subjective data. This research is not pursuing an objective view of CSR communication in different contexts, which would ground it in a positivist epistemology (Daymon and Holloway 2011). Rather, it draws on an interpretive epistemology, influenced by phenomenology's focus on understanding "lived experience" (Patton 2002 p.115). As such, the research is based on the collection of qualitative data with the analysis of interviews as the source of information (Siltaja 2006). The interpretive philosophy allows the researcher to collect context-specific data that permits the expression of phenomena as "multiple realities and truths" (Daymon and Holloway 2011 p.102) in worlds that are socially constructed. Taking a phenomenological approach has only very recently been undertaken in public relations but offers a valuable research tool for investigating how company managers perceive their approach to CSR communication, how different stakeholders perceive these activities and how the context influences these perceptions (Daymon and Holloway 2011).

In order to be able to explore the concepts and patterns of the phenomena of CSR and its communication, a grounded theory approach has been adopted (Glaser and Strauss 2009). This approach allows for the building, as opposed to testing, of theory (Patton 2002), which is relevant to the aim of uncovering the changing perspectives of these two disciplines. It aims to get at the meaning of practice, concentrating on discovery and emergent knowledge but requires the generation of enough in-depth data to shed light on the given phenomena (Glaser and Strauss 2009).

#### 4.4 Data Collection

To obtain quality data, participants were chosen from the two country and company contexts with direct experience of the topics under discussion. The two economic contexts selected were India and the UK. India was chosen as an emerging Asian economy (Dhanesh 2016) with a strong commercial tradition (Mitra 2007) and a history of company involvement in socially responsible activities (Balasubramanian *et al.* 2005). The UK was selected as a developed economy, also with a history of socially responsible activity (Pietrusiak 2004) and, as part of Europe, within arguably the most “vibrant region” (Breitbarth *et al.* 2009 p.239) for the development of CSR.

The two MNCs selected for research were Tata Steel and Shell. The companies chosen for the case studies were selected for intrinsic and instrumental reasons (Daymon and Holloway 2011). Both companies have a tradition of CSR practice and CSR communication and access to significant budgets in order to implement complex programmes of communication in both these countries. They are both in the extractive industry and have operations in India and the UK. Tata Steel originates in India and Shell is incorporated in the UK. This selection allowed the researcher to compare and contrast the activities and perceptions of these two companies in two different countries. The value of such cross-cultural studies has already been proven by researchers such as Hartman (2007), yet no in-depth studies currently exist in this field, comparing and contrasting India and the UK. Through the development of four context-specific studies, the researcher sought to develop new knowledge on the relationship between CSR and its communication in different contexts.

To provide data that allowed for cross-case analysis, this research approach focused on in-depth, semi-structured interviews with ten senior managers within Tata Steel and Shell, in India and the UK. Within each country and each company, these sources included those actively responsible for the development and management of the CSR objectives, strategy and planning, and those responsible for the setting of CSR communication objectives, strategy and planning. This totalled approximately ten hours of recorded material.

Interviews with external stakeholders were also included in the data gathering process. These included representatives from a diverse range of stakeholder groups, including ex-employees, journalists, academics, consultants and NGOs, in order to obtain the contextual perceptions of people from a range of experiences and perspectives within each country context. This part of the research involved 15 interviews that could be used for research purposes, and more than 15 hours of recorded material. The data provided not only a different perspective to that of the companies, but also rich insights into the wider company context.

Interviews are essential sources of information (Yin 2009) and, in order to generate grounded theory, open-ended questions were used, allowing interviewees to explore the topics and ideas foremost in their minds. The interviews took the form of guided conversations, allowing for a fluid stream of questioning (Rubin and Rubin 2004), with each taking up to one hour on average.

Interviewees were asked about their careers and their current roles, and to describe how they define CSR. They were then encouraged to talk about their role

of work in this area, activities and processes, with most respondents being highly reflective in considering their approaches to CSR and its communication.

Ambiguous answers and issues of authenticity were overcome by member checking (Daymon and Holloway 2011), which summarises, repeats or paraphrases the interviewees words back to the speakers to check their veracity and accurate interpretation. The researcher was also aware of the potential phenomenon of manipulated communication in company responses in particular (Painter-Morland 2006). This is why seeking interviews from both managers and stakeholders was built into the research design.

The interviews took place over a 12-month period between August 2013 and July 2014 in India and the UK. Appropriate respondents were identified through a variety of means. Company and stakeholder contacts were developed by attending CSR conferences in India, Brussels and the UK. The researcher also made a number of contacts during the four years the researcher spent living and working in India. Where gaps existed, social media searches were made and contacts were emailed.

Initially all potential participants were emailed to request an interview and arrange a time and place to meet. The Indian respondents were interviewed face-to-face wherever possible during a visit to India in July 2014. Where face-to-face interviews were not possible, which applied to one Indian interview, a telephone interview was arranged. UK respondents were interviewed over the 12-month period and took place in London, the Netherlands and Scunthorpe. Two of the UK interviews took place over the telephone.

The table below offers details of the interviewees and their respective positions.

<b>Company Interviews</b>	<b>Job Title</b>
<b><i>Tata Steel India</i></b>	
Manager 1	Brand Custodian & Chief Ethics Officer, Tata Sons Ltd
Manager 2	Chief, Corporate Communications, Tata Steel, India and SEA
Manager 3	Vice Chairman, Tata Steel (now retired)
<b><i>Shell India</i></b>	
Manager 4	Corporate Head of Communications, Shell Group of Companies, India
Manager 5	Project Manager, Road Safety Programme, Shell India
<b><i>Tata Steel UK &amp; Europe</i></b>	
Manager 6	Group Director, Environment
Manager 7	Head of Media Relations, Tata Steel
Manager 8	Sponsorship and Donations Manager, Tata Steel
Manager 9	Head of Corporate Branding, Europe
<b><i>Shell UK</i></b>	
Manager 10	Strategic Relations Manager, Shell International
<b>Stakeholder Interviews</b>	<b>Position</b>
Stakeholder 1	Chief Executive, Centre for the Advancement of Philanthropy (charity, India)
Stakeholder 2	Ex-employee, Vice President, Tata Council for Community Initiatives/CSR consultant, India
Stakeholder 3	Ex-employee, Chief, Corporate Affairs & Communications, Tata Steel/Business consultant, India
Stakeholder 4	Head of Business Programmes, Initiatives of Change (charity, UK)/Journalist
Stakeholder 5	Publisher, Civil Society, India

Stakeholder 6	Editor, Civil Society, India
Stakeholder 7	Professor & Programme Director (advertising & PR), India Institute of Mass Communication, New Delhi, India
Stakeholder 8	Founder Director, Tomorrow's Company, UK
Stakeholder 9	Volunteering Development Manager, Voluntary Action, North Lancashire, UK
Stakeholder 10	Event Organiser, British Triathlon Trust
Stakeholder 11	Freelance Journalist and CSR consultant, UK
Stakeholder 12	Chairman, Edelman, Europe and CIS
Stakeholder 13	Freelance CSR Journalist, UK
Stakeholder 14	Freelance CSR Journalist, UK
Stakeholder 15	Ex-employee, market communications, Shell, UK

#### 4.5 Ethical Considerations

Ethical considerations involved the voluntary participation of all interviewees, with informed consent. As the researcher made contact with some respondents as a PhD student and others as a PR consultant, it was important that this researcher's role as a PhD student interviewer in relation to this specific piece of work was clarified. All interviewees were informed about the purpose of the research they were being asked to participate in and agreed on the basis that they would not be identified by name but by job title or stakeholder position only. An initial email outlined the aims of the research and the reason for their required involvement. They were also informed of the use of the material as being purely for publication within this particular PhD thesis. These details were confirmed prior to the start of the interview, when agreement was received for its recording.

Following each interview, the recording was transcribed and a copy sent to the recipient asking for any amendments they would like to make and their approval of its use. This approval was given, via email, in all cases but two. In one instance, the participant had retired and was no longer available to provide consent.



In the other instance, a further email was sent to the respondent explaining that the interview material would be used, but without the person being identified by name, only job title. This was done on the basis that, having agreed to the interview on the basis described above, the respondent was accepting participation in the research and the terms of its use.

A policy of openness and transparency was adopted during the interviews, seeking to have all interview material 'on the record' unless specifically requested otherwise. In the process of obtaining approval of the transcripts, certain material was removed by respondents. This was mainly linked to sensitive information relating to specific companies.

#### 4.6 The Analytical Process

In order to answer the research questions, analytical techniques were required that would be applicable to an interpretative approach to the fieldwork data. This data was collected as oral data through the interview process, then transcribed into a series of management and stakeholder transcripts. The language contained within these texts provided the central means and medium by which we understand the world (Barker and Galasiński 2001), so a method of analysis was required that would draw out the information held within them.

Discourse analysis techniques were employed to allow the researcher to examine the assumptions and discourses with which they are associated (Fairclough 2003). Indeed, Roper (2005) refers to these assumptions as the viewpoint that is considered common knowledge and thus, common sense. It is this perceived common knowledge, from the perspectives of the company

manager or company stakeholders that interests this researcher, in the aim of developing a deeper understanding of CSR practices and communication within different contexts.

Daymon and Holloway (2011) strongly support the use of discourse analysis as an interdisciplinary research approach that focuses on the analysis of talk and text. The technique offered this researcher a route into the study of meanings and a way of investigating the patterns of signification and representation that constitute culture (Smith 2007). The two very different social contexts of this research, and the assumptions that national and company culture create, therefore make discourse analysis an appropriate approach for interpreting the research results.

The cross analysis between companies and countries allows for a four-way analytical process.

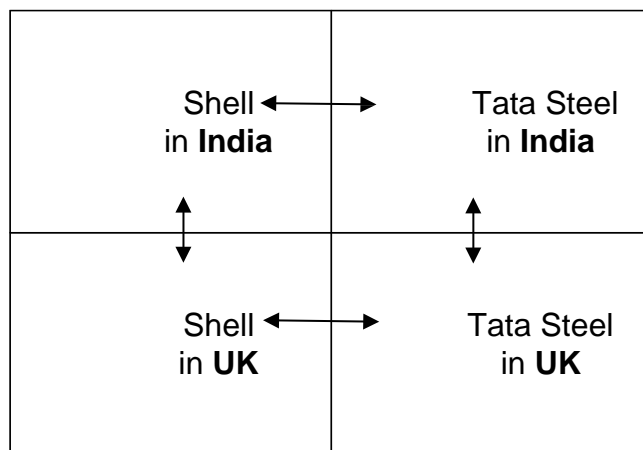


Figure 4. Analytical Framework

The analytical process evolved through a number of stages. First, the transcripts were separated as they were relevant to the four contexts, by company and by country. Within these four divisions, they were separated by manager and

stakeholder. The job role or social position relevant to the company, their nationality and experience were all noted as each of these factors will have influenced and shaped their responses.

Following this initial separation process each transcript was read individually, identifying and highlighting similar ideas, topics and phrases so they could be grouped together. These were identified using NVivo as a means of coding and grouping topics. This included the words used to describe their definition of CSR and their interpretation of approaches, motivations and activities relating to the subject matter. Descriptions of, and attitudes towards, CSR communication were also documented and analysed.

This process was repeated for each transcript, which allowed patterns of discourse to emerge from the text. The most dominant patterns, known as interpretative repertoire (Burr 2003), were thus identified. Ideas, topics and phrases were grouped together to reach an initial set of repertoires. These repertoires differed for each of the four case studies and allowed the researcher to identify the main characteristics of each company's CSR and CSR communication practices in India and the UK. They also helped reveal how perceptions compared between the company and its stakeholders.

Following this initial stage of development, close reading was further conducted across the coded data to ensure all the ideas communicated fitted within the given topics. Close reading was again completed to identify the structural features of the texts; whether any individual texts dealt overwhelmingly with certain topics or if different discourse strands overlapped; and how arguments were structured (Wodak and Meyer 2009). The analysis of the discourse within the interview

transcripts focused on the style of language, terminology, figures of speech and metaphors used. The researcher was looking for regularities and variables in the language used (Daymon and Holloway 2011). The repetition of statements and strategies was analysed as these helped lead to the emergence and solidification of knowledge (Jager and Maier 2009).

All statements on a common topic were collected and examined to review what they said on the respective discourse strand. Segments and quotes were scrutinised to identify how the various statements functioned at the level of language and the context that informs the arguments. Vocabulary, for instance, may be drawn from business, spiritual or highly colloquial language. The use of business-style language for example, may include the use of the words such as strategic, differentiation, investment and commercial deal. On the other hand, spiritual-type language may reference words and phrases such as self-actualisation and higher purpose. These individual statements and quotes were examined to identify repeated descriptions, key words, metaphors and concepts used to describe a shared theme. Patterns, themes and regularities as well as contrasts were looked for, along with paradoxes and irregularities in the codes and categories (Delamont 1992).

Next, the analysis linked the themes occurring within the textual analysis with the economic and cultural dimensions of the relevant country and company concerned. Coombs and Holladay's (2012) matrix was then used to classify the different motivations behind the CSR activities. This form offers a four-way analysis that compares and contrasts the findings between countries and companies, "accepting language as inevitably ideological" (Billig 1997b quoted in Burr 2003 p.166).

#### 4.8 The Researcher's Bias

This section provides a reflexive statement that considers this researcher's context of knowledge construction as part of the research process. It responds to the realisation that, with qualitative inquiry, researchers and their methods are entangled with the social world they study (Hammersley and Atkinson 1995) and that the researcher becomes the instrument of research (Patton 2002). As such, this research could not be undertaken without bias.

Holliday (2002) refers to the complex cultural baggage that each of the parties involved brings to the research process. This is particularly pertinent with regard to this research as it draws on evidence from case studies in two culturally different countries and companies. This researcher's background and position will therefore influence every part of the research process, from the choice of subject to investigate and the methods judged appropriate for the purpose to the findings considered most relevant and the framing and communication of conclusions (Malterud).

My values, background, expertise, theoretical and research preferences, and emotional engagements with participants will all act as a filter through which I perceive the research topic and data (Daymon and Holloway 2011). These influencing factors are also likely to have different impacts in each of the communities and countries being researched, shaping the enquiry and analysis. The reflexive statement that follows is therefore intended to describe this researcher's own area of influence on the participants and the research process. This covers my social background and professional and academic expertise.

#### 4.9 Researcher's social background

This researcher is a white, female, British, middle-class national, brought up in a Catholic family. Until embarking on this study, I lived exclusively in the UK for 42 years and had never visited India. My viewpoint was therefore predominantly one of a Westerner and an expatriate in India. On my initial visit to India, it was immediately clear that to reach any meaningful level of understanding of a country as large and culturally complex as India would demand significant dedication. I was, however, committed to developing as deep an understanding as possible within the constraints of working full-time as a PR consultant, then based in the UK.

Within the first year of study I therefore acquired accommodation in New Delhi and over a period of four years settled in India, only returning for meetings and visiting family and friends in the UK when necessary. This helped me to develop contacts, friends and useful insights, and allowed me to appreciate the complexity and challenges of living and working in a country such as India. The experience also helped me understand better how the British, Western culture and women are perceived in Indian. Immersion in Indian living, fiction, political and historical literature, mythology and religion put my relationship with India and the UK in a new perspective, making me increasingly aware over time of the impact the British have had on Indian politics, business and culture. It also made me increasingly aware of my own dominant Western perspective.

The nationality and gender of this researcher mean it is necessary to acknowledge the potential differences in power imbalances between the researcher and participants, in India and the UK. This arguably affected the access and levels of openness and trust established during the interview process. In Indian society, the distinctions between the genders are more obviously defined

than in the UK. Indian men are predominantly considered to be the providers and women thus face challenges in entering the workforce as Indian organisations have traditionally been male dominated (Sriramesh 2004). This meant that the majority of business people encountered during the interview process in India were men. With the UK interviews, there was a more apparent balance between genders.

This experience made me aware that the imbalance of power between males and females in India presents issues that this researcher needed to be sensitive to in the research process. The few Indian businesswomen I encountered were difficult to get appointments with and seemed reluctant to share ideas. The Indian businessmen, on the other hand, were much more accessible. Achieving symmetry in the social identities of the interview pair (Hollway and Jefferson 2000), in this respect, was therefore more difficult in India than in the UK.

Gaining access to interviewees in India was, however, easier than in the UK. In India, there appeared to be a higher credibility placed on academic studies than in the UK, which made obtaining interviews with senior managers much easier. They also appeared less protective of, and more willing to share, company information.

#### 4.10 Researcher's expertise

I have worked as a public relations consultant in the UK, for UK and global companies, for more than 30 years. Following school, I studied part time and full time over a number of these years to achieve an MSc in Public Relations and an MBA. My academic status is therefore less developed than my business career but, since starting the PhD process, my role as either a consultant or student has, at times, become interchangeable.

As a member of the middle classes, I exist in a similar social arena to most of the business people I was researching in both the UK and India. This shared social environment was the same in the cases of certain stakeholders, such as journalists and ex-employees. It made access to certain stakeholders more difficult, however. In attempting an interview with Indian villagers involved in a Tata Steel CSR programme, all of whom were uneducated and with very limited means, there was no understanding of business-related terms, such as CSR and sustainability. A social worker, working for Tata Steel, acted as an interpreter, which added further complexity to the interview process. The output from this interview was rendered useless as acquiring any meaningful detail through the exchange was impossible. I viewed the situation through the lens of someone who was seen to have more power, a better education and greater income than some of those I interviewed. I was therefore treated with reverence by stakeholders who were keen to portray a positive response in front of company personnel. This dissonance within the relationship made obtaining data from certain stakeholders both challenging and, at times, impossible. This potentially caused an imbalance in the information I was able to obtain from the company and its stakeholders.

While my rationale for living in India was academic study, for the first two years I also worked as a business consultant in India for a UK-based corporate lawyer, working for a US multinational. The role involved researching the development of the organised retail sector in India and the political, economic and cultural issues surrounding the potential changes to this market. Though this PhD is self-funded, this work helped fund my travel and accommodation in India and develop contacts in the business sector.



Access to senior business managers and stakeholders in the UK and India was made easier through my role as a student, but uncertainty and possibly distrust became apparent when I revealed my knowledge of business as a consultant. This had the potential to cause similar issues when I started the interview process. There was, however, another side to this position. As a business owner and PR practitioner, other business people in the UK and India could relate to me more easily than if I was a pure academic. By sharing common experiences and discussing mutual business issues, conversation was made easier at times, allowing trust to be built. As long as I was not seen to be attempting to sell my consultancy services, positive relationships could generally be established.

Being a Westerner in a Western-dominated area of study, I have also relied predominantly on the existing academic literature for reference, which is currently mainly written by Westerners. Indian academic work is developing but this researcher is aware that the lens through which I view the subject matter will be distorted by my background and by the existing literature.

Personal influence with strategically placed individuals plays a crucial role in business and public relations in India (Sriramesh 2004). Developing the appropriate contacts for this research, particularly in India, was therefore a significant issue during my time in India. In the UK and India, this involved establishing contacts at business conferences, talking to speakers and attendees from business, NGOs and academia and, from these, developing further contacts. In the UK, I already had a number of contacts in the field of CSR and CSR communication, while in India, I was starting from scratch. In both countries, however, my aim was to understand the businesses and people that were dominant in the CSR and CSR communication fields, understand their areas of

interest and influence within their role, and develop relationships with the companies and their stakeholders as a researcher.

The direction of this research has been motivated by my business career as a consultant and PR practitioner, a life-long learner, with a personal and commercial interest in CSR and a fascination with India. My age, business and academic experience has developed within me self-confidence across both areas, though less so in academia, and my time living in India has given me the confidence to develop contacts and relationships in a different culture to my own.

My age and years as a consultant have also taught me a certain amount of even temperedness, tolerance and experience in listening and interviewing. Having been a business owner for more than 14 years, I am self-motivated, have a wide range of business skills and interests, reasonably high self-esteem and an ability to cope with stressful situations.

Hollway and Jefferson (2000) discuss the risks of clumsily worded questions or tapping into known, or unknown, sensitivities. My nationality and background mean that my levels of sensitivity will differ significantly between the UK and India participants. In a country as diverse as India, four years would not scratch the surface in terms of understanding all the political, cultural, caste and religious sensitivities that exist. This researcher, however, made every attempt to act with caution during the interviewing process, through self-awareness and thoughtfulness, in order not to upset sensitivities inadvertently.

My experience of living in India as a British national has affirmed the position that, as a qualitative researcher, I am not only non-objective, but partisan, partial, incomplete and inextricably bound to the contexts and rationales of the contexts I represent. Often, however, it is only by introducing new stimuli that the investigator can peel back the layers of culture and reveal its fundamental assumptions (*MacDougall 1975*). In this respect, this researcher learnt a great deal about her own culture through an immersion in India. This supports the intention of this research: to uncover the fundamental interpretations of the concepts being researched across two different countries and cultures.

#### 4.11 Limitations

This research aims to obtain in-depth insights into the perceptions of CSR and its communication in India and the UK, exploring the relationship between the two disciplines in different contexts. All research will have its limitations and, by taking an in-depth research approach, a relatively small sample size is inevitable. The findings, therefore, do not purport to being generalisable, but offer indications of the evolution of perceptions and practices within MNCs that play a leading role in the arena of CSR and its communication.

By selecting company managers and stakeholders, there was a limit on the potential participants relevant to this research. Yet the number of managers involved in CSR and the communication of its activities within Tata Steel was considerably more than those within Shell. This meant that seven company managers in Tata Steel were interviewed, compared to three within Shell. This may be a reflection of CSR's perceived importance or positioning within each company. All the managers interviewed, however, were those responsible for policy and strategy development. There was more flexibility when approaching stakeholders

who were chosen for their knowledge of the topics within the country contexts or the specific companies being researched. Journalists were also chosen on the basis that there was a reasonable expectation that they would receive CSR communications from Tata Steel and Shell. This helped develop an understanding or not only the type of communications received, but also a lack of communication.

The small sample size used in qualitative research means that making generalisations about the research results is not an option. Thus, the findings do not offer definitive conclusions. It does, however, allow for the development of deeper insights and understanding of the subject matter as it exists today in practice. As a social construct and constantly evolving process, this allows the research to develop indications and a potential framework for further investigation.

#### 4.12 Summary

This chapter described the qualitative methodological approach adopted in this thesis. The research design employed an interpretive philosophy using qualitative techniques allowing for the expression of “an ontological belief in the existence of multiple realities and truth” (Daymon and Holloway 2011 p.102) in a world that is socially constructed. Within this philosophical context, the research adopted a phenomenological approach as a means of revealing the nature of experiences in individuals from different companies and countries. It then used grounded theory as a means of exploring new theory and frameworks, rather than testing existing theory.

The four-way framework allows for analytical comparisons to be made via a country and company, exploring similarities and contrasts between two MNCs, Tata Steel and Shell, in two geographical contexts. Company management and

stakeholder perspectives were both sought as a means of triangulation, through an alternative perspective and in order to develop a rich picture of company and contextual perceptions and observations.

The in-depth interviewing approach countenances the exploration of perceptions and meanings. Following 25 interviews and more than 25 hours of interview time, the interviews were transcribed and the content analysed through discourse analysis techniques.

This methodological approach and selection of techniques have been made in order to obtain the necessary depth of understanding required to add new knowledge to what is an increasingly mature and growing body of knowledge. It allows for the drawing together of understandings across two disciplines: CSR and CSR communication. In this way, this researcher is able to develop a more detailed appreciation of the interplay between the two disciplines and the relevance and impact of context on them.

The next four chapters cover the analysed results of this four-way framework. India has been chosen as the primary focus for analysis, using it as a point of departure from which to investigate contrasting approaches between Tata Steel and Shell. The analysis then proceeds to contrast the activities of these companies in the UK. The results for each individual chapter are summarised. A final chapter containing points of discussions and conclusions, developed from all four summaries and analysis alongside the literature, creates the final chapter.

## **Chapter 5    Tata Steel India**

This chapter on Tata Steel India draws on evidence from three managers with responsibilities across Tata Steel India and its parent company, Tata Sons.

Material is used from interviews with the Brand Custodian and Chief Ethics Office for Tata Sons (M1), whose role combines responsibilities for branding across the Tata Group, governance and ethics, community involvement, CSR and sustainability, based in Mumbai. The second interview was with the Chief of Corporate Communications for Tata Steel India and South East Asia (M2), based in Jamshedpur. The third interview was with the, now retired, Vice Chairman of the Tata Steel Group with global responsibilities (M3), based in Mumbai.

The analysis also includes extracts from interviews with stakeholders, including the Chief Executive of the Centre for the Advancement of Philanthropy (S1), a Mumbai- based support organisation that specialises in the laws that regulate India's non- profit sector, providing support and training on CSR policy and activities to NGOs and companies. S2 is an ex-employee of the Tata Group who was Vice President of the Tata Council for Community Initiatives and is now a CSR consultant. S3 is an ex-employee who was the Chief of Corporate Affairs and Communications for Tata Steel and is now a business consultant. S4 is a journalist and Head of Business Programmes for the Initiatives of Change, a global NGO that works with companies with a focus on ethical leadership and sustainable living. S5 is the publisher of Civil Society magazine in India, an independently owned journal set up in 2003 to present articles on change and development from post-reform India.

While the interviews with Managers focused on the Tata Steel India perspective specifically, where the job responsibility was broader than just Tata Steel or just India, there are references to the wider Tata Group and the global development of Tata Steel, where they are relevant to this thesis. The analysis focuses on how the interviewees define CSR, their perspective on and motivations for applying CSR practices, and their approach to CSR communications within this particular context.

### 5.1 Defining CSR

In terms of defining CSR, M1 comments: *“as long as we are doing good, who cares what it is called”* (323-324). Apart from suggesting that labels are not a priority for the company in terms of CSR, the phrase also refers to the value-based discourse of *“doing good”*. This is further defined as doing *“business the right way”* (M1 67), which M1 expresses as operating *“in a clean and ethical manner”* (M1 199), being a *“responsible corporate, offering consumers a trusted and valuable proposition”* (M1 203-204) and being *“good corporate citizens”* (M1 207).

M1 describes these various strands of the company’s CSR activities as combining a number of factors: *“We’ve combined disaster relief, environmental activity and the council for community initiatives into a body that we are now calling Tata Sustainability Group, so frankly you could call it all sustainability activities on behalf of sustainable development”* (328-331).

This sustainable development work of the Tata Group companies is described as being separate to the work of the Tata Trust, which *“is much more in the realm of philanthropy and charity in the sense of finding a sensible non-profit [organisation]; handing money over to them and hopefully monitoring the way*

*they invest and deploy that but not doing it yourself*" (M1: 334-337). This indicates that the company's CSR activity is differentiated from its philanthropic activity by the level of involvement and engagement the company has in its deployment of CSR resources. M2, however, describes the company's CSR approach as being "*not just about giving away money*" (59-60), which reveals that an activity that is purely "*giving*" is not included within what it defines as its CSR activity. This approach means that the philanthropic element of Carroll's (1991) pyramid of CSR is not relevant for Tata Steel India.

A further dimension of Tata Steel India's CSR activity is articulated by M2 who describes the company's CSR activity as a means of creating a "*legacy*" (3), which is a word often associated with the idea of inheritance and implies a long-term approach to the company's CSR practice. The word, however, is usually associated with the concept of giving or a gift that is handed down. This indicates a philanthropic and paternalistic approach which is an indication of how the company's CSR activity has evolved historically. Indeed, M2 clarifies that the company has "*evolved*" (295) its CSR model and is now taking a "*strategic perspective*" (296), which connects CSR back to the core of the business and wider direction of the company. It also suggests there are both aesthetic and operational goals (Carroll 1978) involved.

The Tata Steel definition of CSR also differs from Carroll's (1991) pyramid by making ethical activity part of the company brand and policy, and thus required by the company. This ethical approach is articulated by the company's Chairmen since its inception (Lala 2007), and has thus not become policy as a result of stakeholder expectation. In order to reaffirm this position M1's role within the company combines responsibility for ethics, community initiatives, the Tata brand



and corporate communications. This means that CSR sits within the brand definition, alongside communications. M1 adds that the Tata brand rests on multiple pillars – *“the two most important pillars are the work we do for the communities and our reputation for high standards of corporate governance and ethical conduct”* (15-16). Furthermore, M3 defines CSR as *“part of the working of the company”* (26-27), an *“integral part of the business”* (32-33) with an investment above the now-legal requirements in India.

This approach is a reflection of the company’s history and the words of the company’s founder, Jamsetji Tata, quoted by M1: *“community is not just another stakeholder in business but in fact the purpose of its existence”* (294-295). He adds: *“without community your business will not survive”* (298-299). This reflects a company that acknowledges the interdependent nature of its relationship with its stakeholders, with particular emphasis on its community. This interdependent relationship differs significantly from the reactive relationship a company has with its stakeholders as defined by Carroll (1991). Indeed, being an extractive industry, it is the community on which the company relies on for land acquisition and a skilled and healthy workforce. The company thus acknowledges this two-way relationship where it is dependent on the community, and the community on the company for its sustainable development. This approach formally reflects this dependency and the need for social involvement.

When defining more specifically the CSR framework Tata Steel India has for working with its communities, M2 and M3 refer to the company’s Affirmative Action programme. This provides a means of defining, developing and measuring the impact of CSR activities. The Affirmative Action programme covers activity under the labels of education, employment, employability, entrepreneurship and ethnicity.

These areas of activity have been designed to add structure to the CSR activities “so the whole economy benefits” (M2 193). This means that the CSR activity reaches beyond those who will be directly employed by the company, reaching the wider community and impacting on its economy. For example, the parameter of employability refers to the means by which the company works with individuals from the community to make them employable, through skills development, so “they can offer themselves, ready to take up a job” (M2 73-74). This job may not be provided by Tata Steel India necessarily, but could be by another company in the area and supports the sustainable development of the wider community. Entrepreneurship has a similar objective. It supports the development of entrepreneurial “traits” (M2 75), to give individuals the skills and opportunity to “set up their own business” (M2 76).

This investment in community involvement also supports the sustainable goals of the company, which has operations in areas where they could potentially experience violent opposition from guerrilla groups, such as the Naxalites. Originating in West Bengal, this Communist movement has spread its presence into the less developed areas of rural southern and eastern India, including a number of areas where Tata Steel India has existing steel plants or is planning to develop new ones. The company’s support for these local communities, however, means that *‘the Naxalites won’t go where the Tatas are operating, I’m told, because they have a respect for what the Tatas do in the rural communities’* (S4 154-156). This mirrors the findings by Dhanesh (2016) which researched online narratives, which reveals an appreciation of a “shared future” (p.119) between companies in India and their stakeholders. Tata Steel’s Affirmative Action framework provides a structure for this narrative to become action through CSR.

This sustainable approach is also recognised by stakeholders who defined Tata Steel India as having a “*very strong sustainability ethos*” (S4 54). CSR, or sustainable development, for Tata Steel India thus appears to have a number of strands, linked to the aspirations of its founder, the shared developmental needs of the company and the community, and wider Tata company approach and brand.

## 5.2 The CSR perspective

The company narratives acknowledge a recognition of different stakeholders, as in a stakeholder management approach (Freeman 1984), though there is clear evidence that stakeholders are not managed equally by the company within its CSR programme. Indeed, M1 comments that the community is “*not just another stakeholder in business but in fact the purpose of its existence*” (294-295). This stakeholder perspective, however, can be traced back to the original vision of the company as opposed to a reaction to stakeholders or market pressures. Indeed, it is an approach that is recognised as unusual by S1, who describes the Tata model of CSR as being “*the ultimate model*” (462) that has been carried out for “*100 years*” (463) and that “*everyone tries to replicate but never gets even close to*” (461-462).

The narratives also put significant emphasis on the importance of “*ethical conduct*” (M1 16) and “*doing business the right way*” (M1 67) which suggests a normative or ethical rationale, informed by philosophical guidelines. This normative approach, however, goes beyond the purely philosophical and extends into psychotherapeutic and existentialist narratives (Frankel 2004) by referring to the community as “*the purpose of its existence*” (M1 295). This normative rationale is supported by a clear business rationale by M1, who adds that “*without community*

*you don't have consumers, you don't have investors, you don't have lenders*" (297-298). This business rationale raises questions of Fleming and Jones' (2012) argument that a company articulating an ethical rationale to CSR will support "an unproductive resource expenditure" (2012). The company is stating the connection between an ethical approach and business benefits, and for both to be present as part of its CSR approach. As such, it perceives that an ethical approach cannot be unproductive for the company.

This link between ethical, psychotherapeutic and business benefits has echoes in the literature on spiritual leadership, whereby the enlightened leader focuses on service not selfishness (Korac-Kakabadse et al. 2002). The language used presents the company as having what Stamp (1991) refers to as a sense of connectedness between the inner self and outer world; a company and its stakeholders. This is reflected in the company narrative that describes a desire for it to be "*one with society*" (M3 288), as "*a social creature*" (M3 247).

The links the Tata Steel India narratives makes between the ethical, psychotherapeutic and business benefits also reveal a false separation in the CSR literature that divides the ethical and instrumental rationale as not being mutually exclusive. The ethical rationale, Fleming and Jones (2012) argue, is derived from religious or philosophical frameworks, as seen in the Tata Steel India narratives. They further argue, however, that this approach also supports the "unproductive" (p.5) use of resources, which is not supported by the company's CSR approach. Indeed, activities that do not add value to the company or stakeholder are considered under the philanthropic label.

The alternative, instrumental rationale, they continue, makes a “rational calculation” (p.5) that CSR will benefit the company over time. The Tata Steel India narratives thus reveal an approach that combines an ethical or philosophical framework that supports company and stakeholder benefits.

The psychotherapeutic narrative of the Tata Steel India rationale also raises questions against Fleming and Jones’ (ibid) argument that CSR should not be in the hands of companies that claim to use CSR to modify the systemic issues of a world that it is supposedly remedying. Tata Steel India managers define their company’s approach as a means of personal positive change, helping individuals “*rise in their own esteem*” (M2 85), developing a “*realisation of self*” (M2 86-84), and creating a sense of “*higher purpose*” (M1 80) through work that offers a “*sense of mission and purpose*” (M1 85), that is “*meaningful*” (M1 128) and improves the “*quality of life of the communities we serve*” (M1 223-224). By affecting such change on the individual and the community the company’s practices arguably lead to systemic changes within a society. Indeed, S4 describes the company’s approach as being based on the Zoroastrian upbringing and faith of its founder who “*saw industry and business as being available for the people, for the nation and not just for profit*” (40- 41). This links the values of the company to an approach that reaches beyond the company to “*the nation*”.

The company’s influence on the wider society is also described by its management as including an influence on the broader business community. The company was “*the founder member of the United Nation’s Global Compact*” (S3 31), which set standards for CSR activity and measurement, and M3 refers to the work he and the Tata Group have done in terms of encouraging “*the rest of the Indian industry to do more and more corporate social responsibility*” (195-196).

This clearly goes beyond Friedman's (1970) Utilitarian model of business, but does not mean that the CSR activity of Tata Steel is able, or designed, to directly impact the whole of Indian society.

Indeed, the company limits its direct community-involvement work to "*the communities that surround*" the company (M3 37). O'Dwyer (2002) argues that the stakeholder approach prioritises the business case. If, however, a company perceives a connectedness between itself and its society, this distinction does not exist. Indeed, M3 explains that "*the prime purpose of an industrial corporation is to improve the quality of life of people around*" (21-22). M2 also describes how the benefits of CSR on an individual will not only impact that person but "*the whole family*" (193) and thus "*the whole economy benefits*" (193). This suggests that the activity is focused on having a profound and transformative impact for individuals, organisations and society (Neal *et al.* 1999). This type of leadership, translated into CSR practice, could thus shrink the seemingly paradoxical field between economics and humanism that presents business opportunities (Ellis 2010). It also brings together apparently the contradictory notions of the economic and moral imperative (Dhanesh 2014).

Other criticisms of CSR, such as Christian Aid's (2004) argument that CSR is the wrong tool for correcting the devastating impact of business on its environment should also be considered, as Tata Steel relies on extracting natural resources to make its products and thus make the company sustainable. M1's statement that the company's CSR approach is aligned with the company being "*sustainable for the long term*" (236) explicitly addresses such an issue. He states that the aim is not to "*strip out everything that is valuable*" (238) but "*create something*" (240), giving the community the "*ability to look after their longer term future*" (241-242).

For Tata Steel India, this often requires changing the nature of the community's income from agriculture to industry, giving them "*alternate livelihoods*" (M2 23), which requires "*convincing them that industry is good for them*" (M2 24). Such an approach is evidently taking a company perspective, yet it arguably offers a more sustainable future for a region and its community, helping it to raise itself out of poverty. The nature of the steel industry, however, means that the depletion of resources is a necessary element of the steel-producing process. There remains an environmental impact and a need for the company, to some degree, to be self-serving (Matten *et al.* 2003) in this respect.

The process described of "*convincing*" (M2 24) also suggests that powers of persuasion are required for the company to develop. To achieve its goals, the company needs to persuade a rural community that an alternative livelihood is a positive change. To do this, they need to obtain a "*social licence*" (M2 16). The use of a word such as "*convincing*" may not only suggest a process of persuasion, but even, arguably, manipulation. This process of "*convincing*", M2 explains, is a lengthy one, which can take up to ten years. It is a process whereby the company will "*continuously engage*" (M2 51) with the community to gain "*respect*" (M2 57), "*support*" (M2 57) and "*build confidence*" (M2 253). This is achieved by visiting the communities "*without any agenda*" (M2 254) and, if trust cannot be built, "*you have to withdraw*" (M2 257). The company claims that if it does not get the required social licence it will withdraw from a plant development project. The idea of the company having no agenda when it is engaging with a community in order to establish a new steel plant is arguably disingenuous. There would be no reason for the company to be there if there was no intention for subsequent action. This does not mean that the views of the community are not respected however, and indeed the company has not progressed in areas where there is too much resistance. This

supports its moral, or normative approach to CSR and reveals how what are possibly the initially unstated intentions of the company become increasingly explicit (Matten and Moon 2008), stakeholder pressure can become an issue.

While Tata Steel may not be welcomed by a community, where this community is experiencing absolute poverty, the consequences of the company not developing in an area has consequences for both the company and that community. The company will select another site, having lost the time and money already invested in the initially planned site. The local community experiencing absolute poverty, which is *“passionate about the land that they own”* (M2 9), is left in its existing economic state with, quite often, the loss of a sustainable future and a loss of future *“prosperity”* (M2 28). Tata Steel’s business development activity, supported by community initiatives through its CSR programme thus has benefits for both the company and the community.

This approach supports a normative position, as the need for the company to obtain a social licence as well as a business licence balances the needs of the company with the community, driven by moral imperatives. M2 supports this case by explaining that the company’s *“prime purpose”* (22) is to run its *“industrial enterprises well and profitably so that part of the profits can go back to the society”* (22-23).

Indeed, M2 adds: *“we can do well only if we do this well”* (337-338), implying that the company lens is a reflective one whereby the way the company treats its community stakeholders echoes back on the company’s reputation and ability to succeed. As such, CSR for Tata Steel India could be perceived as a means to an end (Werther and Chandler 2011), but the end benefits are articulated as being



balanced between the company and its stakeholders, thus reaffirming its normative stance.

In the development of a new plant, the company needs the support of its community stakeholders, which includes local government, and the company perspective is that industrialisation brings prosperity to an area. M1, however, is aware of the impact of the mining sector in India, where companies leave “*scorched earth, nothing that is valuable*” (239), yet M2 explains that “*the government needs industry and steel is poised for growth*” (54-55).

How much power a community has to resist Tata Steel is unknown, and each situation will be different. Resistance, as with the example of the building of the Tata Motors Nano factory in West Bengal has, however, in the past been successful.

Furthermore, the discourse of Tata Steel managers focuses predominantly on the need for a “*social licence*” (M2 39) through a lengthy process whereby company representatives “*live with them, understand them*” (M2 225) to “*build confidence*” (M2 226). This process is one of making implicit CSR explicit (Matten and Moon 2008) which, M2 adds, demands a certain type of company leadership. He comments that the company values must be “*manifest in the way the leadership interacts*” (340), they must “*walk the talk*” (334). These values are thus perceived to be communicated explicitly through the actions of company representatives.

This stated link between leadership and CSR makes the concept an “*integral part*” (M3 32) of the company’s approach and strategy. Its sustainable development approach gives it financial legitimacy and its community development programme

for increased “*prosperity*” (M2 28) gives it social legitimacy. This social legitimacy is also linked to the “*skills development*” (M1 278) of employees, which allows the company to develop its “*core competence*” (M1 339). This is achieved through the company’s Affirmative Action programme, which develops the skills of the community and company employees through social projects, creating “*social entrepreneurs*” (M1 363).

Such projects are designed to address the community, but may also become commercial and offer the company new streams of income. An example of this was given through the work of another Tata Group company, Tata Chemicals. The company developed a water filter swatch that helped solve the drinking water problem in areas that did not have access to clean drinking water. It initially started as a CSR project, with the products subsidised by the company, but over time it became a commercial project through the creation of a low-cost, affordable device. This fits with the instrumental objectives of creating profit and growth for the company.

Employees are also encouraged to volunteer in areas where they have “*domain knowledge*” (M1 343), thus allowing the company to offer the community “*strategic value*” (M1 344) that leverages the “*strength and skillsets*” (M1 348) of the employee. The value created through this process is not defined as having commercial value, however, but focused on “*giving back in the form of tangible support*” (M1 349) for the community. Strategic CSR thus offers benefits for the company and community. The company benefits by achieving a licence to operate and the development of new commercial projects; the employee benefits by developing and leveraging skills; the community benefits through potential employment, services and skills development. This approach to value-creation thus

reveals a balance of benefits between the company, the individuals it employs and the community.

The Tata Steel perspective thus appears to present a picture of a company that develops layers of activities that educate, develop skills and allow for the extension of entrepreneurial accomplishments. Its CSR approach appears to be driven by company values, for the benefit of the company, but also with the benefit of local stakeholders, employees and the wider Indian economy in focus.

Manager 3 explains:

*“Nations can be happy only when a large cross section of the population is happy. India is a country where a large cross section of the population are not happy simply because 30% of the population is below the poverty line, another 30% may be struggling for survival.” (125-128).*

Yet, according to S3, the financial community has criticised the company for “wasting money” (127) on CSR activities. M3 claims that the highest figure spent on CSR by Tata Steel India was 13 per cent of profit, though the figure is usually around 3-4 per cent. The company, however, argues with investors that the benefits outweigh the costs in terms of good reputation, brand building, risk management and sustainable development. S3 has explained to investors that “you will invest the money because your money will come back” (60-61), unlike the money invested in “Enron” (59) and “WorldCom” (59). Furthermore, M3 explains that to be successful the company is supporting communities so “it is enabling them to work for themselves and create wealth for themselves” (130-131).

The impact of an extractive company such as Tata Steel on natural resources appears not to be ignored by the company Manager and it is, indeed, an unavoidable requirement of a steel company. There appears through the narratives of both Managers and Stakeholders, a focus on achieving a balance between the

company and stakeholder perspective, as a means of achieving development. How this is achieved is described as being dependent on qualities of leadership and governance, which are presented as being driven by company values. The stated motivations of the company's decision-making process will now be considered in more depth in order to understand more deeply the explicit narratives associated with the drivers of CSR for Tata Steel India.

### 5.3 Motivations for CSR

In terms of motivations, two main strands of discourse were revealed through the interviews. One related to a wide range of topics under the banner of sustainable development. The second related to ideas of spirituality and psychology. These will be addressed separately within this section.

#### 5.3.i Sustainable development

The concept of CSR as sustainable development has been referred to earlier in this chapter, as defined by M1, and specifically encompassing disaster relief, environmental activity and community initiatives. It is broadly described as a "*commitment to the long term*" (M1 225), as a means of creating value for "*all stakeholders*" (M1 226).

More specifically, the repertoire relating to sustainable development links to reputation and brand management. M1 describes the Tata brand of the last 140 years as standing for "*a different way of doing business*" (M1 21), which is suggestive of a process of differentiation. This element of branding differentiation is described as including a "*reputation for high standards of corporate governance and ethical conduct*" (M1 15-16) which a number of academics, including Carroll (1991) and Kotler and Lee (2005), would consider to be expected of companies by

stakeholders, rather than being voluntary or discretionary actions. M1 explains, however, that in a market such as India, which is “*full of pitfalls for corporates*” (198), high ethical standards can help build trust, particularly overseas where such standards are considered as a “*hygiene factor*” (200). This is a reflection of the company’s increasing global presence and acquisition of other companies. Indeed, in discussing the issue of corruption in India, the Tata companies are considered to act quickly and positively. S4 comments: “*Tata has had its bad apples but they weed them out and they’ve been very prompt at weeding them out*” (174-175). There therefore appears to be a commercial imperative (Hemingway and MacLagan 2004) for these elements to be part of the basis of the CSR activity as they are necessary for an MNC growing globally. As such, they are necessarily extrinsic drivers (Graafland and Mazereeuw-Van Der Duijn Schouten 2012).

These extrinsic drivers of reputation and brand management appear to be underpinned by more of a morally suggestive discourse, or intrinsic drivers (Bansal 2003; Dhanesh 2016), such as integrity. M1 refers to the importance of a “*fundamental integrity*” (134) that plays a role in the company’s global development. He describes this as relating to “*the business*” (135) and “*the people who are running the business*” (135). This need for integrity in a successfully growing company arguably supports Coombs and Holladay’s (2012) cost-benefit analysis approach to reputation management and links its motive of sustainable development directly to the behaviour of its company’s leadership.

This approach to reputation and brand management is also closely linked to what M1 refers to as the company’s “*corporate citizenship*” (308) activity, which together offer the company benefits in managing its risk profile, S3 explains. Tata Steel in Jamshedpur exists within an area where the Naxalites are active. This represents

poses a problem for the company, recognised by the financial community, which, S3 argues, puts them “*at a huge risk so your interest rate goes up*” (320-321). Yet the support the company has provided the community means that the Naxalites have “*respect for what the Tatas do in the rural communities*” (S4 155-156) so they do not experience conflict, which helps manage the company’s reputation and risk profile.

The company’s approach to corporate citizenship activity is thus embedded in the Tata Code of Conduct – a clause requiring every Tata company to undertake corporate citizenship activity as part of its business plan. This is relevant for existing Tata companies and any new companies it acquires globally. M1 describes this activity as being “*not something that is beyond business*” (311), but an “*integral part of the business*” (M3 32-33). The explanation here suggests that this means of differentiation, through the company’s CSR activity, is part of the wider business approach, not simply marketing. It also makes it imperative for acquired companies to develop a “*societal plan*” (M3 35) as something separate to its marketing, finance or research plans. As such, it is defined as a point of difference and described as being “*part of who we are and what we stand for*” (M1 314-315). This distinction describes how the Tata brand is supported by certain basic principles that act as a means of brand and reputation development and management.

The discourse suggests that the balance between the commercial and social drivers is equal. M3 adds: “*Our brand is not merely because we are good at business. Our brand is also because we are part of the society*” (244-245).

Research amongst Indian companies by Dhanesh (2014) found a complex process of negotiation between economic and moral imperatives, with the moral imperative

based on an intrinsic sense of duty and the economic imperative based on extrinsic pressures.

The suggestion of duty as a motive, however, did not appear within these interviews. What was more apparent was a sense of indivisibility that drives the company's approach. M3 explains "*we are a social creature*" (247). The narrative thus reveals the company's aim of sustainability to be linked with motives of reputation and brand management, which include risk management. These business benefits are stated as being underpinned by the integrity of its leadership and approach to corporate citizenship. The company's philosophy to its corporate citizenship activity, however, is driven by business and social benefits, and a sense of the company being a "*social creature*". Thus value created for society is perceived as equally beneficial to the sustainability and success of the company.

### 5.3.ii Spirituality and Psychology

In addition to the sustainability repertoire is one linked to spirituality and psychology. It reveals a link between the company's values, brand and CSR activity, as described by M1, who comments that CSR "*is very much a part of who we are and what we stand for*" (179). It suggests the idea of CSR as forming part of the belief- system governing the company and those who work for it.

This arguably adds another layer to Coombs and Holladay's (2012) posit that the CSR decision-making process is dependent on a company's philosophical approach to CSR, its values, mission, stakeholder expectations and impact on society. It includes a further level of consideration linked more closely to the literature on psychotherapy (Frankel 2004) and spiritual leadership (Korac-Kakabadse et al. 2002). This approach appears to extend the motives for CSR from what Bubna-Litic (2009) refers to as "what is to do good, to what it is

good to be” (p.14). It also puts the emphasis on the implicit, or invisible, rather than the explicit, or visible (Matten and Moon 2008).

This sense of CSR as being part of a company belief-system, and the individuals within it, is developed by M1, who states that this CSR activity was established so it “*created a sense of higher purpose within Tata employees*” (79-80), which implies that the company’s CSR practice has become more than a market-driven collection of activities but something that has culturally impacted the company. The language of a “*higher purpose*” has quasi-spiritual connotations and connects the company to something that is beyond the business and above any individual, providing employees specifically with a sense of purpose and direction, and a belief that “*what they are doing counts and it makes sense*” (83-84). Linking the idea of a “*higher purpose*” and work that “*counts*” denotes a work ethic that is guided by spiritual ideals.

This type of motivation relates to what Gomez and Crowther (2006) describe as purposeful human action that impacts on a total, interrelated development, while considering the meaning of existence. Dhanesh (Dhanesh 2016) relates similar discursive constructs of managers in India to that of the Vedic texts and ancient cultural traditions of India, revealing a deep appreciation of the interconnectedness of all elements of the social system. Gomez and Crowther (2006) similarly relate it to a humanistic orientation that expresses the concern for equality of opportunity and the meaning individuals attached to their deeds, which also relates to the Eastern idea of enlightenment.

M2 adds to the consistency of this repertoire by explaining that the activity “*comes from the heart, it has to be a conviction*” (336). This language implies a motivation



that exists at the core of the company, which is emphasised when he adds: “*it has to be a very strong feeling that it is part of the business and it is the reason we can do well, only if we do this well*” (336-338). This identifies the CSR activity as that which is fundamentally connecting to the company values and its leadership approach. It is also perceived to be a motivation that is felt, not just acted upon. It categorises CSR as a motivational tool that gives meaning and purpose to its employees.

Providing a sense of meaning for employees is a motivation for CSR specifically referred to by the company. It encourages employees to engage in community projects that they feel are ‘*meaningful*’ (M1 128) and something they “*enjoy*” (M1 129). The psychological concepts of self-esteem and self-realisation (Maslow and Frager 1987) are also raised by the company management as being motivators for its CSR activity. M2 explains how the ethnicity element of the CSR framework relates to the work the company does in relation to the culture of the local community, with the aim of challenging them and helping them “*rise in their own esteem*” (85). This ethnicity activity is designed to present challenges that lead to a “*realisation of self*” (86-87) and involves working with “*the tribal leaders, looking at their culture of music, their own literature, which is actually going extinct*” (89-90).

This discourse suggests the company has made a link between the cultural elements of a community and the improved self-esteem of its individual members as a means of encouraging a community to improve its quality of life. “*Realisation of self*” is an expression used in psychology and spirituality that implies fulfilment, albeit through a sense of freedom or a relationship with God.

M2 describes this approach as coming from “*deep thought*” (81) where the company is “*trying to assess the needs of a human being in terms of Maslow’s theory*” (123- 124). This reference to Maslow’s hierarchy is a reference to the needs of humans as part of the personal development process. A human’s most basic needs are positioned at the bottom of the pyramid. These include physiological needs, such as food, water, warmth and rest. Above this sit the needs of safety and security. Then needs of belongingness and love are present, followed by esteem needs and self- actualisation, or achieving one’s full potential, at the top of the pyramid. The hierarchy applies a psychological concept to Tata Steel’s CSR approach, allowing the company to create a framework of needs as the basis for the community involvement element of its CSR programme.

M2 explains how this programme extends further to one of creating “*heroes*” (178) within the community, people the rest of the community can aspire to be like. He adds that helping individuals within a community obtain jobs with status, such as in the Indian government administration, is a “*huge fillip to the entire community*” (175). This creation of heroes within a community is employed by Tata Steel as a means to inspire others within the community towards self-actualisation. The company describes the positive benefits of uplift on the community, but building positive relationships within the community in this way will also help build and maintain powerful connections for the company within the areas they have plants.

The repertoires of sustainability, spirituality and psychology thus appear to run consistently through the definitions, perspectives and motivations for CSR within Tata Steel. They support a normative, philosophical approach (Fleming and Jones 2012) that arguably connects with both a religious and ethical belief system. The instrumental (Donaldson and Preston 1995) benefits, however, particularly for an

extractive industry, exist in parallel. The costs incurred reach beyond that which is currently legally required in India and, indeed, is an approach established with the inception of the company, initially by its founder and reinforced by its first Chairman. The philosophical approach is also extended to that of psychology and even psychotherapy, linking it to a humanistic approach and that of traditional Eastern religions. The narratives thus reveal a complex cultural approach to values that are translated through a company code of conduct and the actions of the leadership team.

#### 5.4 CSR Communication

The Tata Steel interviews reveal four main approaches to communication that are presented as being focused on achieving certain desired outcomes. These are revealed in the table below. There are a number of target audiences referred to in relation to CSR communication within the interviews. These include the local community – related to both existing and potentially new plants, company employees, the financial community and the media.

	Communication Approach	Communication Outcome
i	Action and behaviour	Communication of values Building of reputation Management of risk
ii	Engagement	Building relationships Building understanding, confidence, trust and awareness
iii	Information and negotiation	Communication of facts and benefits Education Co-operation
iv	Promotion and persuasion	Persuasion of benefits Building of brand

#### 5.4.i Action and behaviour

In terms of how the company approaches its CSR communication, it appears to give prominent focus to making implicit activity explicit through action. This was highlighted by M2 in his explanation that the company values are “*manifest in the way the leadership interacts*” (M2 340), they must “*walk the talk*” (M2 334). This suggests that both action and interaction are perceived by the company to be a means of direct communication, as actions speak, and communication is thus also seen as action (Schreiber and Moring 2001). The dominant focus of the CSR communication literature, however, does not deal with action and behaviour as a form of communication. The initial stage of communication is defined as that of building understanding and relationships (Golob *et al.* 2008) through the process of engagement.

The company narrative does not appear to present CSR as purely a communicative endeavour of promoting positive messages and responding to hostile messages (Ashcraft and Prasad 2013). Indeed the four styles of communication detailed in the table above highlight how a range of different communication approaches are used by both managers and stakeholders. The emphasis on action as communication, however, makes communication an aggregate part of life. As such, the behaviour of leadership is described by M2 as action that necessarily “*comes from the heart, it has to be a conviction*” (336). This suggests a link to company values and is an approach that arguably helps avoid what Brunson (2002) refers to organised hypocrisy, where there is a difference between words and deeds. Indeed, as a publisher, S5’s perception of the company’s approach to communication is one of “*honesty*” (77), which creates a sense of “*integrity*” (78).

M1 explains that “*we actually spend very little on promoting the Tata brand*” (M1 171- 172). Indeed, M3 states that “*it is not so important for you to communicate it as long as you have done the right thing and you have satisfied yourself and you have satisfied society*” (176-177). This approach reinforces the claimed values of the company in terms of its focus on society and community, which relates back to its founding principles. Indeed, S4 comments that the company has “*even taken down signs in rural communities ... as they want to just get on with it*” (50-51). This suggests that reputation is focused on being established through deeds rather than branding and that promotion is also perceived in certain circumstances by the company as something of a hindrance to its CSR activities. The main focus, certainly in terms of communicating implicit CSR and community activity, thus appears to be on action over any form of promotional communication. It helps manage the challenge of authenticity (Watson 2011) and accusations of hypocrisy (Wagner *et al.* 2009). As has already been discussed, this action not only supports the building of reputation but is also a means of risk management.

The company does, however, increasingly embark on more traditional forms of CSR communication as the company extends its global reach and the communications environment changes. M1 comments (172-174:

*“Given that we have acquired a large footprint in the overseas markets outside India, we are finding it increasingly important for stakeholders and audiences outside India to understand who is Tata.”*

As the company grows into areas that have limited knowledge of the company history and background, or as it acquires new companies, building understanding and confidence in the company becomes increasingly important. This supports the relationships Tata Steel has with its stakeholders. Arguably, if the company had invested more on visibly promoting its brand and CSR

credentials, brand awareness would be higher, even outside India. The “*understated*” (M2 342) approach of the Tata group of companies, however, means brand awareness is probably relatively low compared to that of its competitors. Indeed, M3 adds: “*we are beginning to communicate a little more to outsiders because of the fact that we find that the noise level is very high*” (179-180).

This “*noise level*” could relate to that of the competition or the increase in media channels. M2 explains that 20 years ago there were two journals printed in the area around the company’s first factory at Jamshedpur. Now there are “*18 media houses*” (489), each of which needs news. Also, “*it takes 20 minutes for that news to go across the world*” (479-480); “*and that 20 minutes is reducing by the year as technology improves*” (481-482). Furthermore, as the company expands nationally and globally, it is reaching into areas where it has limited or no previous reputation. The actions of the leadership team are thus seen as an increasingly important means of communicating company values, as is the need for more explicit forms of communication.

In addition to the emphasis on the actions of the leadership team, there is also a perceived value to the actions and word-of-mouth communication of employees. As previously responsible for corporate communications, S3 commented on his perceived responsibilities when with the company: “*I think it is also very important for the employees to know what their company was doing*” (25). This supports what M1 describes as the creation of “*brand ambassadors*” (M1 214). It takes an inside-out approach to communications, ensuring employee commitment first (Morsing *et al.* 2008). Employees are informed about the history of the company and hopefully “*start liking what they hear*” (M1 215). They then become ambassadors for the

company through their actions and how they talk about the company. This has become increasingly important as Tata Steel has acquired other companies, so it acts as a form of initiation. It also requires the imparting of information and possibly promotion, which suggests that none of these four processes acts in isolation. There appears to remain as a basic principle for the company, however, that “*we would like to do a great deal and, if necessary, communicate.*” (M3 183-184)

#### 5.4.ii Engagement

The second stage of communication apparent for Tata Steel is the process of engagement. M1 explains: “*there is a process of engaging with the community, of working with the local stakeholders, of creating the awareness and providing benefits and the incentives for people to work with you.*” (M1 285-287). “*It is a very, very prolonged process*” (M2 29-30). This process of engagement, as mentioned in this quote specifically relating to the local community activity, is directly linked to action and “*working*” with stakeholders. The combination is designed to create awareness with what also appears to be an amount of persuasion. This activity aims to create a “*bond*” (M1 356) by “*visibly*” (M1 360) working and engaging with the community. It suggests a level of partnership, but also one where arguably the company is in control through the provision of benefits.

The process, however, is seen as one that requires the company to “*continuously engage*” and “*be with them*” (M2 51-52) in order to “*earn the respect and support*” (M2 56-57). This engagement is described by S2 as “*passive training where people emotionally see, when it is experiential*” (75-76). Such a phrase draws a level of feeling into the process, rather than simply an imparting of information or knowledge. He explains how this required the “*deep engagement of people right from the beginning, in the design stage, every stage*” (81-82), “*wherein*

*communication and engagement are seamless*" (83-84). The concept of engagement in this context thus combines action and communication, rather than relying on one function or another. Reinforcing this connection and emphasising the need for continuity M2 adds: "*You need to prove yourself again and again. And that happens only through some credible communication, meeting up, grassroots-level work*" (223-227). This aims to "*build confidence in our own people, saying that yes these guys are there to help us*" (223-227). The process is thus developing the company's understanding of the benefits that will persuade its stakeholders to support them, making it a mutually beneficial approach. It supports Clarke's (2000) observation that both CSR and communication practices recognise that enhancing the quality of company stakeholder relationships offers business opportunity and makes good business sense. Such engagement, however, is not a one-way process but one that makes the visible action part of the communication partnership.

This approach places communication at the centre of the CSR process, as a means of developing trust and understanding between the company and its stakeholders. M2 explains further that: "*it doesn't work that you walk in with a reputation and things will be laid out*" (51-52). This phrase elucidates how the trust and familiarity that exists between the Tata brand and Indian society is not enough on its own to build the bonds required by the company to carry out its Affirmative Action programme. It suggests that the company is judged by the local community on its ability to engage with it and understand its specific needs so that the community becomes "*part of the process itself*" (M2 111). Engagement and therefore communication are therefore inextricably linked with the CSR process within Tata Steel in India.



#### 5.4.iii Information and negotiation

The provision of information to different stakeholders is raised as an important issue for a variety of reasons. S3 explains that, when in his communications role for Tata Steel, he viewed it as “*important to communicate what we are doing and raising it from just an event-level reporting to more conceptual*” (34-36). The context of the action was thus relevant to the communication, particularly in relation to the challenges of the financial stakeholders. He describes the perception that “*CSR is creating an impression in the financial market that these guys are wasting money*” (126-127). The company therefore put this action into context, which involved presenting CSR as a form of risk management (Aras and Crowther 2009b; Friedman and Miles 2004). The company disclosed that, due to this CSR activity, the company “*celebrated 75 years of industrial harmony*” (126-129) in 2004. Freeman (1984) describes this as good management which, in this example, would result in better company performance (Waddock and Graves 1997).

Indeed, the pressure to report on CSR activity also came from the financial institutions. S3 adds: “*it was not just philosophy but reporting was more of a business thing*” (325). This statement reflects how the company philosophy had previously been the focus of the company’s explicit intentions in relation to CSR activity. Yet, the pressure of the financial institutions demanded the communication of specific business information to satisfy specific stakeholder demands.

In terms of the company’s relationship with the media, it is predominantly described as one of presenting information, or stating “*the facts*” (M2 423). In line with the company’s “*understated*” approach to communication, the “*idea is not to be very overt about it but telling them, this is the truth*” (426-427). This narrative is

presented in relation to media criticism that the company has experienced where a community's land has been acquired by the company for plant development. M2 adds that it is not the company's role to persuade the media of the appropriateness of their actions but one of "*stating a fact because we are proud of what we have done*" (431-432). This does not address whether the company would offer information on negative impacts, as described by Mitnick (2000), but it does express a high level of confidence in the company's approach.

As a publisher and journalist, S5 describes a sense of freedom to the access of information and senior Tata personnel in relation to sustainability issues, with "*no control*" (113) over the interview process. This extends the idea of partnership in terms of the sharing of information with stakeholders where this journalist was allowed to "*meet as many people as we need to*" (118). This has arguably played a role in the company creating a sense of "*honesty*" with this stakeholder and serves to achieve the social-serving goals of education and the dissemination of information described by Kim (2014b).

A similar approach to communications was further described by S3 in relation to the challenges the company faced in convincing the trade unions within Corus that the Tata Steel purchase of the company should progress. In relation to the company's CSR activity he adds: "*Had we not communicated it strongly the Corus union would have never agreed. It was like an insult that an Indian company was buying them*" (182-183). The union was thus invited to Jamshedpur to view the CSR work directly and witness the "*total trust*" (193) between the Tata Steel union and the company.

They were invited to see the rural development activity and ask whatever they wanted; an approach that “*helped in our being accepted*” (195). This limited control of the communication process and the trust inherent in it has appeared, in the past, to have a significant impact on the company’s reputation and ability to develop.

A participative role approach also appears to take place between Tata Steel with the panchayats (village council) to discuss issues within the local community. A process of “*negotiation*” (M2 116) on issues a village is facing takes place. This process aims to agree what support the company can provide and what can be provided by the village itself or where they can obtain money from the government. Through the exchange of information, a level of co-operation from stakeholders is thus described as being achieved. It also acts as a means of sense-making (Nijhof and Jeurissen 2006) that allows internal and external frames of references and perspectives to be shared which help build trust.

#### 5.4.iv Promotion and persuasion

The pressure to explicitly promote the company’s reputation and its CSR activities is identified as increasing. This is born out of the company’s expansion “*outside India*” (M1 172) and, in India, a sense of need to connect with “*the youth demographic audience under the age of 15, people who have been born much after India’s independence, who know little about what it took to build an industry in this country*” (M1 181-184). The company is thus increasingly developing a sense that proactive communication is necessary to build and reinforce its company image (Ashcraft and Prasad 2013; Meech 2006; Polonsky and Jevons 2009).

While the company claims not to use persuasion as technique, M2 states, when discussing the process of negotiation with the local community: *“the whole concept needs to be sold to them. They need to be convinced that if industry is coming in, it really is for their benefit because at the end of the day they are the people who own the land”* (11-13). The use of the word “sold” may be a reflection of the participant's background in sales, but it may also be representative of an unequal relationship between an MNC and a poor community.

Indeed, M2 adds: *“we are a very understated group anyway and it is by choice”* (342- 343), which could arguably be an acknowledgement of the challenge of achieving positive communications when land is being acquired for company growth. This should, however, be seen in the context of an organisation that culturally appears “not to be very overt” (426-427). Indeed, M2 claims that in relation to the media, *“persuasion is not a route that we take”* (431), *“it’s a question of stating a fact”* (432).

The current communications environment also presents its challenges. M2 explains how communication *“has become more of a challenge today and therefore organisations need to evolve and need to address those in a far more proactive manner than what we were thinking earlier”* (482-484). Indeed, he explains how company events can become *“viral within 20 minutes”* (452). Explicit, proactive communication is thus becoming an imperative due to the evolution of technology and the existence of social media.

Explicit communication has, however, been a feature of Tata Steel activity for a number of years, though it was only the stakeholders that discussed this in any detail. S1 referred to the company’s YouTube video *“which says okay, here is this*

*hospital that we have built, here is the school that we have built and they show you all the great things that they have done and it ends with saying yes, and we also make steel'* (452-454). There does appear here to be a contradiction in the company's stated reserved nature in relation to promoting itself and the existence of a publicly available video explicitly detailing the "*great things*" the company offers.

Indeed, the company's website is used to promote the CSR activity of the company and internal communication vehicles, such as Tata Steel World, have been used to promote such work amongst employees. It could be argued, however, that this supports the company's approach of communicating the facts and creating brand ambassadors.

## 5.5. Summary

In summary, CSR within Tata Steel India is defined as sustainable development which includes disaster relief, environmental activity and community initiatives. It acknowledges the role of giving in both its descriptions of CSR and philanthropy yet separates CSR from philanthropy through the stated need for direct involvement and engagement in the activity. The CSR activity must recognise the interdependent nature of the company with its stakeholders and, as such, has not been established as a result of stakeholder expectations (Carroll 1991). It must also support ethical practices in pursuit of the sustainable development goals for the company and its stakeholders. This is achieved with its community stakeholder through its Affirmative Action programme.

While the company narrative appears to support a normative approach, as defined by Fleming and Jones (2012), based on religious and moral principles, it does not

articulate the support of expenditure on unproductive resources. Indeed, the prerequisite for its CSR activity is to add value for the company and its stakeholders, otherwise it is defined as philanthropy. This reveals an apparently false division between the normative and instrumental - two approaches not mutually exclusive within this context. The company achieves this by linking the original vision for the company with company policy and brand values. In this way the company's expectations of its leaders are incorporated into the CSR approach. The CSR investment is thus driven by company values and the company's interdependent relationship with its stakeholders as opposed to stakeholder pressure. There is, however, priority given to the community as a stakeholder within this context.

Using Coombs and Holladay's (2012) Matrix of CSR Motives, Tata Steel India's motives appear to fit into the top half of the matrix – strategic and value-driven.



The CSR has not been established as a result of stakeholder expectations but must support company values and ethical practices in pursuit of its sustainable development goals. Tata Steel India's philosophical narratives also express motivations that are not only value or ethically-driven, linked to rational goals, but also psychotherapeutic (Frankel 2004) intentions which link to the literature on spiritual leadership. These narratives articulate a connectedness between the inner self and outer world, perceptively shrinking the space between an economic and humanistic approach (Ellis 2010). Indeed, Tata Steel managers describe a lack of perceived separation between the company and its community stakeholder specifically.

These psychotherapeutic expressions (Frankel 2004), relate to a sense of meaning, purpose and reason for existence, not currently expressed within the CSR literature. They also relate to Maslow's (1987) concept of self-realisation. The necessary depletion of natural resources in the production of steel, however, cannot be ignored and it could be argued that this approach to CSR is a mask for this activity. Yet the company articulates its intention of shared development with its stakeholders as a means of inclusive development. The context of the development activity is also that of absolute poverty, which means that industrial development is described as a "*huge fillip to the entire community*" (M2 175), or a necessary part of social uplift. Through its CSR activity the company this achieves legitimacy and sustainable development.

The motivations for the company to do CSR thus present as being sustainable and spiritual or psychological development. The CSR activity for the company creates a positive reputation and creates value for both the company and its stakeholders as part of an interdependent relationship. It also offers its employees and community a

sense of purpose and meaning, and in the process creates brand ambassadors and a positive reputation. This is driven by the perceived integrity of the company's managers in a way that maintains its reputation and manages risk. It is underpinned by the company's articulated role as a corporate citizen, and perceived and designed to be embedded as an integral part of the business.

In terms of its CSR communication approach, the company takes four approaches. The first takes the perspective that action is communication. The actions of the company employees make its implicit values explicit, making the invisible visible.

The next stage is a process of engagement, which also closely links action to communication. The close connection between action and communication appears to present a fundamental shift in the literature on CSR communication. It perceives communication as a form of partnership and an aggregate part of the CSR process as opposed to something separate. It is used to form relationships and bonds with stakeholders, developing trust, confidence and awareness.

More traditional forms of communication are also used, such as the sharing of information and negotiation. The control over information is articulated by managers and stakeholders as being limited in control in certain, potentially sensitive situations, an approach that has helped develop relationships of trust and support the company's goals of sustainable development. The process of negotiation is also described as being used as a participative process where benefits are discussed and solutions arrived at. Despite describing the company as having a reserved communication approach, more traditional promotional materials are used in relation to its CSR activity. Stakeholder pressure, which includes a



more demanding media environment, is putting pressure on the company to communicate more explicitly and the company processes are evolving to meet these pressures. There does, however, appear to exist a continued preference for action over explicit communication within Tata Steel India.

## Chapter 6 Shell India

This chapter draws on evidence from two interviews with managers from Shell India and four stakeholders. One company manager had recently joined the company, having previously been responsible for corporate communications with Siemens, and now the Corporate Head of Communications for the Shell Group of Companies in India (M1). The second company interview was with the Project Manager for the company's Road Safety Programme (M2), which is amongst Shell's global CSR initiatives and part of Shell India's current CSR programme.

The four stakeholders interviewed included the editor of *Civil Society* (S6), an independently owned magazine, published purely in India and focusing solely on CSR issues and activities, and the journal's publisher (S5). The third stakeholder was the Chief Executive of the Centre for the Advancement of Philanthropy (S1), an organisation that advises and trains Indian NGOs in legal and compliance issues. The fourth stakeholder was the Professor and Programme Director in advertising and PR at the India Institute of Mass Communication in New Delhi (S7).

At the time the interviews took place, the company was in a state of transition in relation to deciding on its CSR approach and activities in line with the legal requirements of the Company's Act. It had a recently appointed head of communications and was in the process of absorbing the implications of the Act and setting a new direction for its CSR activities, in line with the company's global template for CSR. As such, the interviews have been analysed as a means of understanding both the current perspectives of Shell India, the perspectives of stakeholders within this legal context, and the implications for these changes.

## 6.1 Defining CSR

Like Tata Steel India, Shell India separates its philanthropic activity from its CSR activity through the employment of the Shell Trust, which funds NGOs to implement projects that serve the community. Shell India is thus not directly involved in the execution of this philanthropic activity that the Trust supports. Direct involvement of the company in its CSR activity is thus a feature of its approach.

Unlike Tata Steel India, which has a long-established approach and reputation for its CSR activities, Shell India is viewing the new CSR Act as a catalyst for achieving social good and change. As such, the Act will guide the company's approach to its CSR programme in parallel with direction from the MNCs global CSR direction. Indeed, this global direction, M4 argues, means that Shell India *"trips over itself in trying to be correct"* (96). Jamali (2010) posits that these challenges between local and global perspectives in relation to the CSR strategies of MNCs are *"largely unaddressed"* (p.197). Indeed, while Shell India implements safety standards *"not because the law demands it"*, but to meet the company's global standards, this means it is producing at *"a higher cost"* (113) than other companies. The benefits of CSR in a competitive environment, as defined by Porter and Kramer (2006), may therefore not be proven by an MNC when applied locally. Indeed, *"what really constitutes CSR"* (M4 42) for Shell India is yet to be decided.

Shell India's approach to defining CSR is thus highly influenced by the government's perspective, the subsequent need for legal compliance, and company values. By framing company obligations within a broadly defined framework of issues-related activities, the government has avoided a "one solution

fits all” (Van Marrewijk 2003 p.95) approach to defining CSR. Indeed, the broad areas defined within the Act are designed to be illustrative, not exhaustive (Government of India 2013) and only provide guidance in terms of the areas of investment, not the approach. These areas include education, water supply and drinking water, healthcare, environment, social empowerment, sports and culture and, as such, provide a framework for social improvement, mirrored in Shell India’s dimensions of CSR.

According to S1, the Act makes India “*the only country so far that has mandated CSR under law*” (S1 155-116) and legitimises its practice. This legislation places CSR in India within Carroll’s (1991) legal section of the CSR pyramid, moving it from a desired or expected activity, to one that is required. The change this forces, Shell India perceives, is one that will force companies in India to adjust from “*reactive philanthropy*” (M4 89) to “*proactively looking at social issues*” (M4 90). This demands a “*paradigm shift*” (S1 106-107) for companies to move from perceiving CSR as “*giving*” (S1 107) to one of “*investment*” (S1 108) and means that companies in India will start to move from an approach that has traditionally been philanthropic (Balasubramanian *et al.* 2005) to one linked to company strategy (Lantos 2001b).

Within this context, CSR is perceived by Shell India as recognition of the “*need to give back to the community we live in*” (M4 44-45). In order for it to be an investment, however, it requires companies to find the “*sweet spot*” (M4 53) whereby companies invest in the CSR “*activities that will bring back to the business*” (M4 53- 54). This means that it must offer value creation for both society and the company. The dimensions of direct company involvement, and the link between social good and the need for a return for the company, thus differentiates

CSR within Shell India from its philanthropic activity. Shell India, however, must also adhere to a “*set of global standards*” (M4 177), which means the company in India is “*superseding*” (M4 120) what the law demands in terms of “*safety standards, pollution control*” (M4 121-122) and “*environmentally friendly practices*” (M4 122). Indeed, the dimensions of climate change, human rights and safety management are declared within the Shell Group’s General Business Principles (Shell Global 2016).

Organisations such as the Centre for the Advancement of Philanthropy, however, which is responsible for advising and developing CSR policies for large companies in India, in line with the Act, believe that CSR should relate to “*the whole DNA of your organisation*” (S1 447-448). As such, achieving social good may be how the Act is defined but should impact the whole of the company. Indeed, S1 refers to Shell’s Brent Spa disaster as making CSR “*popular*” (444) and putting pressure on companies to “*become CSR compliant*”, with the appropriate systems in place, and be “*ethical in your dealings*” (S1 447).

## 6.2 CSR Perspective

These dimensions of Shell India as achieving social good and change for relevant brand differentiation reveal an instrumental approach (Fleming and Jones 2012) to the development of its CSR programme. It is what Reich (2008) would identify as an appropriate reaction to a changed environment. Indeed, Shell India is in the process of accommodating a change to both its legal and recruitment environment as a rational calculation that CSR activities will benefit the company in achieving objectives of profitability and growth (Donaldson and Preston 1995).

The company's strategic intent is highlighted by the priority its CSR programme intends to place on new employees, an area where Shell India is coming under particular competitive pressure. This supports O'Dwyer's (2002) argument that a company will accommodate stakeholders depending on how much negative or positive impact they could potentially have on the company. This company perspective, S5 states, means that a country is "*handed over to corporate issues*" (187), taking on responsibilities that should be those of the government. Indeed, without including direction on broader CSR issues, such as ethics or environmental behaviour, the focus remains on the level of funding as opposed to the process. Any further value creation for the company or its stakeholders is thus dependent on decisions made by the company and stakeholder expectations (Carroll 1991). The requirement to fund a CSR programme, however, is arguably an incentive for the company to ensure that there are returns for both the company and its stakeholders. This rationale ensures the company is doing well by doing good (Bhattacharya and Sen 2004; Kotler and Lee 2005; Watson 2011).

The Act, and Shell India's stated objective of achieving social benefits, however, provides no direction in terms of a company's broader ethical responsibilities, which means it is up to each company to establish its own ethical guidelines over and above the legal imperative. Furthermore, it will potentially impact other areas of Indian society. The Act is therefore perceived by Shell India as not just a tax on companies, but a way of ensuring that companies effectively "*uplift a large section of the population who don't get equal access*" (M4 25-26). The government is perceived to be doing more than just demanding that large companies in India to use their funds to support social projects. It is also expecting that they will use their

resources and capabilities to improve the lives of those experiencing deprivation within Indian society. S7 argues that with the increased commercial investment in CSR NGOs, especially those that have been in advocacy and challenge the behaviour of companies, could now be “*lured to handle CSR projects*” (11-12). In doing so, “*there is a danger of them losing their voice*” (12-13), which reduces their ability to impact systemic change.

This instrumental approach to CSR has been identified (Christian Aid 2004; Fleming and Jones 2012) as an inadequate response to what can be the devastating impact of MNCs. Within this report, it specifically criticises Shell in relation to its oil spills in Nigeria and, while this is not a recent report, the criticisms of CSR are raised by stakeholders in India. S5 argues that “*CSR doesn’t work*” (179) in an economy such as India. He describes it as “*window dressing*” (178) and perceives social change as being the responsibility of the government, while “*companies need to do what they are supposed to do – run businesses well*” (181-182).

This appears to support Friedman’s (1970) Utilitarian perspective on CSR yet, in contrast to this perspective, he adds that companies should be “*socially relevant*” (S5 192). The issue S5 raises is, indeed, that the required change comes from within the companies, many of which are “*badly run*” (193), “*run on notions of fraternity*” (193-194) and “*elitism*” (194). The systemic change identified thus needs to come from within the companies themselves so the CSR investment is not handed to “*middle men*” (195). Furthermore, S5 believes the pressure should come from stakeholders, “*saying to companies what society expects of them*” (171-172), yet M4 claims that in India, “*protests do not take shape*” (106). Freeman’s (1984) stakeholder management approach from an instrumental perspective is thus an

inadequate tool for positive social change (Fleming and Jones 2012).

From the company perspective, however, the Act allows Shell India to respond to outside challenges. This, however, is a “*learning process*” (M4 56) for the company and in accordance with its own awareness and abilities (Van Marrewijk 2003). M4 defines this as requiring an “*assessment*” (87) of the communities, yet there is a “*lack of talent*” (M4 57-58) within the industry and not “*enough people who are capable of doing CSR*” (M4 58). Furthermore, the Act has fuelled an increase in the number of NGOs in India “*professing expertise which is very questionable*” (M4 68- 69). This reveals the nascent nature of the concept in India and for Shell India, despite the company’s global “*template*” (M4 120).

The company perspective for Shell India is, like many MNCs', thus a process of negotiation between local and global standards (Maignan 2001; Schwartz 2003), which creates pressures Indian companies do not experience (Thorpe and Prakash- Mani 2003). Indeed, Shell’s global standards means that “*in most cases in India*” (M4 120) Shell is “*superseding*” (M4 120) what the country demands in terms of “*safety standards, pollution control*” (M4 121-122) and “*environmentally friendly practices*” (122) adding cost to the Indian company. Furthermore, while Luo (2006) argues that this presents opportunities for the MNCs to shape the political and social conditions under which it will thrive, this is only likely to happen if the MNC has a dominant market share within the local environment. This is not the position for Shell India. In a “*price sensitive market*” (M4 126) such as India, this puts the local company at a competitive disadvantage. It is a challenge for Shell India and “*a tight rope to walk*” (M4 137).



An example of this is described by M5 through the global company's sponsorship of the UN Road Safety Collaboration Programme. This is an activity that has also been extended to India by the local company. While it was described by M5 as a sponsorship activity, it sits within Shell's global CSR template. Shell India is directly involved in the activity, ensuring that its "*transporters*" (M5 34) carry a "*product which could potentially be dangerous at different points in the journey*" (M4 98) safely. This supports the global company's stated commitment of "delivering energy responsibly and safely, preventing harm to our employees, contractors, local communities and the environment" (Shell Global 2017). Such an example highlights how global company standards may require its national companies to implement standards beyond the legal requirements of a country. In the context of India, where the driving licence "*has no credibility*" (M5 4), it also reveals how, where institutional systems are weak, MNCs can enforce positive change.

### 6.3 Motivations for CSR

In terms of defining the dimensions of CSR, the transcripts reveal the two main themes relating to CSR relate to CSR as social good and as differentiation.

#### 6.3.i CSR as social good

M4 explains how the government does not have the "*bandwidth to do social good*" (3), not because of funding issues but because of what he describes as "*last mile implementation*" (5). He explains how the existing government schemes that "*benefit communities*" (M4 9) are potentially not reaching "*the people who are deserving*" (M4 11) due to "*economic leakages*" (M4 13-14) or "*corruption*" (M4 14) within the system. The perception of M4 is thus that the government is implementing the Act as a means of employing the skills of business to reach

needy communities and provide the social support required. This upholds Moon *et al*'s (2005) findings that found MNCs increasingly filling in the gaps of weak government. The Act, however, relates to all companies over a specified size and thus does not just refer to MNCs. Companies giving to social causes in India is described by S1 as relating back to "*pre-independence in India*" (70-71) when, in the 1940s, Gandhi encouraged companies to "*create wealth but hold it in trust for the people*" (S1 73).

This resulted in most of the largest Indian companies setting up trusts and foundations, as have both Tata Steel and Shell. S1 described this as an "*appeasement policy*" by companies (S1 82) that aimed to avoid "*islands of prosperity in a sea of poverty*" (S1 80-81). Indeed, by creating a law that mandates companies to implement CSR activity the government is acknowledging that both its own achievements and those of companies in India have, so far, been inadequate. Furthermore, as a discipline in India, CSR is viewed as "*still trying to find its roots*" (S7 55).

CSR as social good, as defined by the Act and Shell India, thus demands that the company takes a proactive approach by investing in society, and plays a role in making systemic improvements to its environment that academics argue is not possible through CSR (Fleming and Jones 2012). Indeed, by encouraging company investment in NGOs, their ability to challenge company behaviour is described as potentially being compromised. Furthermore, while it is encouraging a move away from philanthropic giving to a strategic approach by the largest companies, its parameters are defined by social issue, not process. This means it is up to each individual company to affect social change positively and Shell India must marry this pressure, and the need to achieve a positive return for the

company, with the company's global CSR template.

### 6.3.ii CSR as differentiation

The need to achieve a positive return for Shell India through CSR, M4 explains, means that the social need being addressed must have a "*strong connect with the brand and the business*" (90). In this way, M4 believes it has the potential to achieve both "*brand building and relationship building*" (140). The company's CSR activity thus has the power to deepen the company's relationship with stakeholder groups, offering a sense of connection with the brand and the company. In this respect, the stakeholder group of potential employees is specifically identified by the company.

The competitive recruitment environment is referred to as "*the best brands in the world*" (M4 145) "*fighting for the same talent*" (M4 146). CSR is thus perceived to support the company in its need to define "*who you are and what you do and the opportunities you can provide*" (M4 147-148).

M4 links the need for "*talent*" (145) with the need to sell. He adds: "*bottom line is you need to sell, but to sell you need talented employees*" (142). He explains that the choice potential employees have in terms of selecting an employer means that there is a need to "*differentiate yourself*" (147) and CSR plays a role through "*the opportunities you can provide to individuals to become fuller human beings*" (148-149). As a brand differentiator, CSR thus has the ability to add to an individual's sense of what it means to be human. M4 continues, however, by explaining that "*brand loyalty is dead*" (165). The company's recruitment landscape has thus undergone change with a capriciousness and lack of loyalty amongst potential recruits for more traditional brand values. There is therefore

stakeholder pressure on not only the company's CSR activity but also the Shell India brand to evolve or change, and offer meaningful experiences. CSR and its role in facilitating brand differentiation within this market place is therefore perceived by Shell India as a way of making this change. Indeed, M4 explains that "*change management is an important part of what we do*" (195-196). The Act is thus perceived as facilitating change for companies within India. Furthermore, stakeholders perceive that a CSR programme that is "*participative in nature can truly bring about lasting change*" (S7 168-169).

CSR participation thus creates a positive experience for the employee and brand differentiator for the company. S7 argues that this differentiation allows companies to reveal "*the human side*" (76) of the company. Indeed, Shell India explains that the activity "*helps to soften the image you want to project*" (M4 171). It presents Shell India as "*caring and a concerned organisation that is really looking out for communities and marginalised people in the environment that you work in*" (M4 177). It achieves this by "*softening these hard corners of my brand*" (M4 180), building "*brand image*" (M4 177) by bringing into focus "*whatever mind space or ethos that you would like as a brand*" (M4 178-179).

As the first democratic country to make CSR compulsory by law, this is a unique situation in itself. The government is motivated by moral or intrinsic drivers (Bansal 2003; Dhanesh 2016), in order to "*benefit society*" (M4 9) and "*marginalised people*" (M4 9), and politically strategic or extrinsic drivers (Bansal 2003; Dhanesh 2016) that allow them to be seen to be doing good. Shell India, is also driven by moral principles and the "*recognition that we need to give back to the community*" (M4 44) and the strategic motives whereby the company finds the "*sweet spot*" (M4 53) through activities that "*bring back*" (M4 54), or offer value to the company. A

further motive for the company is the need to be legally compliant. This is a motive that does not currently exist in any other democratic country.

This motivation by Shell India supports Dhanesh's (2014) findings in India that motivations for CSR combine a complex negotiation between the apparently contradictory notions of an economic and moral imperative. Indeed, research by Hemmingway and MacLagan (2004) reveals that the personal motivations of individual managers find expression through the balancing of the moral and personal values. The Shell India narrative, however, reveals that it is not just the personal values of existing individual managers that are in the vision of the company, but also those of the potential employees and managers of the future.

The competitive nature of Shell India's recruitment market means that the specific stakeholder group of future employees directly links the moral and commercial imperatives. In order to compete, Shell India must offer individuals the opportunity "*to become fuller human beings*" (M4 148-149) through "*volunteering opportunities*" (M4 149) and "*work with communities*" (M4 149-150). Kim and Lee's (2012) research on this complex attribution process with consumers thus can also be related to the stakeholder group of potential employees. This also forms a direct connection between the potential employee and community stakeholder groups through Shell India's definition of CSR as a means of doing "*social good*" (M4 3) and as a means to "*differentiate*" (M4 147) the Shell India brand. Indeed, it reveals that in today's highly competitive markets (Reich 2009) separating moral and strategic motivations is not an option for certain stakeholders. Furthermore, the Shell India narratives reveal that viewing CSR as purely a commercial decision (Porter and Kramer 2002) ignores the moral sensitivities of the individuals involved, both inside and outside the

company. The two approaches are thus inextricably linked in this instance.

#### 6.4 CSR Communication

One requirement of the CSR Act in India is that companies report on their CSR activity. How this is achieved is not specified and this legal requirement was not something raised throughout the interview process by Shell India. In relation to the topic of CSR communication Shell India did, however, identify a significant “*change*” (M4 156) in its communication approach, referring specifically to potential employees. The change is from that of “*talking to your audiences*” (M4 160) to “*engagement*” (M4 160). Furthermore, stakeholders are no longer consuming information from a “*defined traditional media*” (161), but accessing media from a “*lot of different places*” (162) or platforms. Indeed, the nature of this stakeholder group is such that they “*challenge anything that you say*” (163), are “*inquisitive by nature*” (164) and “*make up their minds very easily*” (164). M4 argues that this means “*brand loyalty is dead*” (164-165) and the solution is to “*engage them*” (165) and “*tell them stories in an interesting manner*” (166). The CSR communication thus needs to “*put out the vulnerability of a business*” (M4 167).

The paradoxical nature of communicating social responsibility revealed in the literature (Ihlen *et al.* 2011; Morsing *et al.* 2008) is not identified by Shell India as an issue. Indeed, it is not the risk of being criticised for communicating its CSR activity with these stakeholders that is the issue. It is the depth of impact required through this communication that presents the challenge. These potential new recruits, Petty and Cacioppo (1990) and Hallahan (2000) would argue, are highly involved individuals that feel more connected to specific social issues. As such, they are more receptive and motivated to issues they are connected with. As a result, the traditional approach to communication and the traditional channels are

no longer appropriate for this process.

#### 6.4.i Engagement

The need to “engage” (M4 165) these stakeholders through activities such as volunteering means that the CSR action has a direct and necessary link to the communication process (Cantó-Milà and Lozano 2009) for Shell India in this instance. The need to establish legitimacy for the practice becomes void because of the legal requirement to invest in CSR activity, so the focus moves from a one-way (Grunig 1992) process of communication to that of involvement in the process. This acts as a means of establishing a bond with the company in a competitive environment and has the benefit that the company is not reliant on projecting its messages through a wide range of diverse communication platforms.

M5 also describes the process of engagement as one used as part of Shell India’s Road Safety Programme, targeted at the drivers transporting its products. The Road Safety Programme offers the Shell group and Shell India a number of benefits. The activity fits with a company core value of safety (Shell Global 2017), which supports UN goals and aims to improve driving standards. The branded sponsorship element means the activity takes an “explicit” (Matten and Moon 2008) form of CSR and thus, can be communicated to stakeholders. M5 adds, however, that “*there is limited communication on it to the external world*” (16). The communication process is thus “*not proactive*” (M5 17) beyond the programme itself.

The communication process is one of “*sharing, not propagating details of the programme*” (M5 19-20) and thus aims to educate “*transporters to clarify how goods should be carried*” (M5 34) and improve road safety, which is a major issue

in India. The role of engagement in this context refers to one of a number of communication techniques used to facilitate the involvement between the company and drivers in a way that effectively changes behaviour. The programme and the communication is thus used as a means of risk management (Aras and Crowther 2009a; Friedman and Miles 2004) and, what Kim (2014b) argues is a social-serving goal of education. Indeed, M5 highlights the issues associated with India's high levels of road traffic accidents: "*the person who dies in these accidents is often the sole breadwinner so it can be fatal for the family*" (11).

Engagement for Shell India thus aims to create stakeholder involvement, build relationships and educate, depending on the objectives required. This approach supports both the company and social goals of its CSR activity and, supports Podnar's (2008) argument that CSR can positively influence reputation, evoke trust, and be a signal of quality for companies. Furthermore, the company is using storytelling as part of this engagement process. M4 explains that "*the stories are told by the beneficiaries and the recipients*" (186) of the CSR activity. The focus on story-telling permits the existence of multiple and interlinked realities (Barry and Elmes 1997), creating meaning without relying on communicative rationality. This allows for normative or moralistic messages to be made explicit (Schultz and Wehmeier 2010) and for the stakeholder to create their own individual sense of meaning on the activity. The use of "beneficiaries" and "recipients" also ensures that the company remains one step removed from the story's source.

This distance from the story and the aim of presenting company "*vulnerability*" (M4 167) to achieve the company objectives of creating brand differentiation and loyalty raises the question of manipulation by the company. A MNC presenting itself as vulnerable suggests that Shell India is managing its communications in a



way that could be misleading as a means of gaining the trust of its stakeholders. M4 responds by explaining that “*we do what we say*” (183). Thus, actions speak.

This focus on engagement, rather than explicit communication does, however, reveal a communication gap between Shell India and certain stakeholders. S5 claims “*we don’t have contact with anyone in Shell now*” (45) and S6 adds “*we don’t get any communication from Shell*” (89). She adds, however, that the magazine does receive details on Shell India’s sponsorship of the disability awards through its partnership with the National Centre for Promotion of Employment for Disabled People (NCPEDP). It appears, however, that while identified as being part of Shell India’s CSR activity it is, indeed, an activity initiated by the Shell Trust in India and is thus part of its philanthropic activity.

Shell India’s process of engagement thus appears to reveal a communication issue in that if a company relies on direct stakeholder communication through engagement, the potential for a communication vacuum exists. S5 explains this by adding that Shell “*obviously don’t internally perceive the need to communicate*” (153- 154). The other side to this argument, however, is presented by S1 who believes companies have a responsibility to communicate the CSR activity they are involved in to “*show compliance*” (459), “*show that you are sensitive*” (460), and potentially “*inspire others*” (460).

This communication gap between Shell India and certain stakeholders is arguably an intentional strategy though, bearing in mind the development nature of its CSR programme, it is also possible this will change as the company’s plans evolve.

#### 6.4.ii One-way communication

M5 describes how throughout the Road Safety training programme the company uses multiple methods of communication, including “*face-to-face engagement*” (55). He adds, however that “*in India people generally communicate one-way*” (55). This raises a cultural communication issue in India and indeed, he adds that “*at both trainer and CEO level the most common style of communication is one-way*” (70). This process of change from one way to two-way communication (Grunig 1992) is thus “*a major effort*” (71) for the company, yet the “*two-way*” (71) communication process is perceived by the company to be an effective means of instilling knowledge, skills and thus, changing behaviour.

The recent introduction of the Act and the relatively recent growth in PR in India, it is argued by other stakeholders, means there is a strong focus on one-way forms of communication. S7 refers to the number of companies posting “*CSR videos*” (60) on YouTube and that the “*newness of the discipline*” means the communication of CSR is “*still trying to find its roots*” (55).

#### 6.5 Summary

Shell India, like Tata Steel India, separates its philanthropic activity from its CSR activity through its Trust, and defines CSR specifically as requiring direct involvement by the company. The company defines the dimensions of its CSR activity as focusing on two elements: as social good and as brand differentiation. The nascent stage of its CSR programme, in line with the Act, means that at the time of interview, it was still in the process of development.

The responsibility for creating social “*uplift*” (M4 25) through the dimension of social good was a goal for the government, transmitted to the company, through

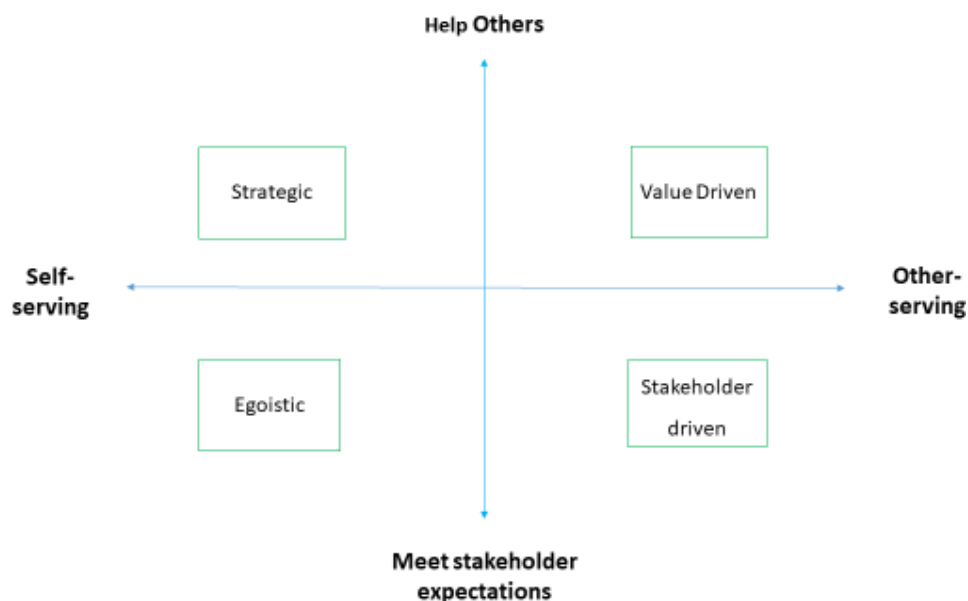
the Act. The Act, however, only provides guidance for areas of CSR investment, which means that the process of developing a CSR strategy that offers return for the company remains the role of the company. This is creating a “*paradigm shift*” (S1 106-107) for companies to move from perceiving CSR as “*giving*” (S1 107) to one of “*investment*” (S1 108). The Act also means that the government is expecting systemic changes to take place within India as a means of avoiding corruption. This potentially sits in contrast to a number of critics of CSR’s ability to create significant change (Fleming and Jones 2012). Furthermore, the Act means that foreign MNCs in India, such as Shell India, are now managing a more complex web of pressures from government, its parent company’s and its stakeholders, than their competitors.

In order to achieve brand differentiation within this context, Shell India perceives its value in deepening stakeholder relationships. By adding community involvement to its CSR programme, it can help attract “*talented employees*” (M4 142) in a highly competitive recruitment market, helping these specific stakeholders “*to become fuller human beings*” (M4 148). This requires the company to go through a process of “*change management*” (M4 195) and reveal the “*the human side*” (M4 76) of the company.

These dimensions of Shell India’s reveal an instrumental approach (Fleming and Jones 2012) to the development of its CSR programme, meeting the pressures of a highly competitive environment. Yet, the country is perceived to be experiencing a “*lack of talent*” (M4 57-58) within the CSR industry with not “*enough people who are capable of doing CSR*” (M4 58). Shell India, thus currently aims to create positive change in the context of weak institutions through its global CSR template, making adjustments for the national context. Within this strategic

approach (Lantos 2002) the company recognises the relevance of personal values, linking the moral and commercial imperatives.

This approach, when viewed through the Coombs and Holladay (2012) matrix below means that is CSR practices fit within the self-serving strategic dimension and stakeholder-driven dimension. It is both self-serving, by being strategic function of the company, and other-serving, by being stakeholder-driven. This other-serving dimension may be related to the legal requirement of the CSR Act or as a voluntary recognition of stakeholder demands.



The two main dimensions for Shell India's CSR communication are engagement and one-way communication. Engagement for Shell India aims to create stakeholder involvement, build relationships and educate. This approach supports both the company and social goals of its CSR activity and Podnar's (2008) argument that CSR can positively influence reputation, evoke trust, and be a signal of quality for companies. Furthermore, the company is using storytelling as part of

this engagement process, which permits the existence of multiple and interlinked realities (Barry and Elmes 1997), creating meaning without relying on communicative rationality.

One-way communication techniques are also used predominantly within Shell India and are described as “*the most common style of communication*” (M5 70) in India. There are thus cultural reasons for using these communication techniques and cultural barriers to change. Indeed, the relatively recent growth in PR in India, it is argued by other stakeholders, and the “*newness of the discipline*” mean the communication of CSR is “*still trying to find its roots*” (S7 55).

## **Chapter 7    Tata Steel UK**

This chapter draws on evidence from four interviews with representatives from Tata Steel UK and Europe, and three UK stakeholder interviews. The company interviews include the Group Director for Environment, covering Europe, India and South East Asia (M6). He had been in the company for 27 years and also had responsibilities within Tata Sons, advising all Tata companies. M7 is Head of Media Relations for Tata Steel Europe, having been with the company for seven years. He had previously worked in corporate communications at Siemens and before that, lobbying for the National Farmers' Union. M8 is the Sponsorship and Donations Manager, having worked for Tata Steel for seven years and previously working as Regional Media Manager for the company in the North of England and Scotland. M9 had been with the company two years and is Head of Corporate Branding. Based in the Netherlands, her role includes responsibilities for branding, digital media, sponsorship and donations.

The four stakeholders interviewed included the Founder and Director of Tomorrow's Company (S8), an independent non-profit think tank that exists to enable companies to be a force for good in society. The organisation was founded in 1993 and produces research, guides and toolkits across the areas of leadership, governance and stewardship. S9 is the Volunteering Development Manager for Voluntary Action in North Lancashire. This organisation supports the local community, including Tata Steel, in providing a volunteer brokerage service, linking local companies with volunteering opportunities. S10 is the Event Organiser for the British Triathlon Trust. He organises the community sponsorship programme linked with Tata Steel's British Triathlon sponsorship, which has been going for nine years, organising triathlon-based activities for children in the last two years,

through its Kids of Steel programme. S11 has been a freelance journalist specialising in CSR, writing for national newspapers including *The Guardian* and *The Financial Times*. He is now a CSR consultant in the UK.

## 7.1 Defining CSR

As with all other Tata companies, Tata Steel UK contributes, out of operating costs, to the Tata Sons Trust, set up to provide philanthropic support. This money, however, “*primarily goes to India*” (M9 419) and is “*separate*” (M9 416) from the CSR budget. The two concepts are thus defined separately. Philanthropy is considered as “*noncommittal*” (M9 440) whereby the company will “*just give*” (M9 436-437) money with no link to the company.

CSR, on the other hand, is defined as linked to “*strategy*” (M9 438) and specifically defined as “*sustainability*” (M7 21), which is a “*balance between social, environmental and economic activity*” (M7 26). This mirrors Elkington’s (1998) definition of sustainability and his Triple Bottom Line approach that recognises the symbiotic relationship between the economic, social and environmental aspects of a company. Furthermore, like Elkington, the company’s stated focus is on the “*long- term*” (M6 336). Specifically, this means that Tata Steel UK’s sustainability programme covers issues relating to the reduction of “*CO<sub>2</sub> emissions*” (M6 333), becoming less “*polluting*” (M6 336) and more “*energy efficient*” (M6 337) and “*still providing employment*” (M6 345).

In relation to the social aspect of sustainability, the company is committed to “*an overall theme for the next three years*” (M9 77) called “*Future Generations*” (M9 77). This is split into three sub-themes of “*health and well-being, education and environment*” (M9 79). The community activities the company implements under

these sub-themes are “*local*” (M7 47) to the company’s operations, “*trying to support those who can make a difference to a bigger group*” (M9 448-449) to achieve a “*bigger effect*” (M9 452) with the company’s investment. “*Responsibility for the community*” (M9 428) thus demands a “*fine balance*” (M9 424) between “*giving away*” (M9 424) money to the community when the company is “*letting go*” (M9 425) of people.

This investment, however, is described as being “*not just about money*” (M9 66) but about a “*partnership with the community*” (M9 67). Elkington (1998) argues that these long-term partnerships play an essential role, and should be a driver, in the move towards sustainability. This strategic approach towards CSR activities clarifies how it is differentiated from philanthropy by the company through its link to the company and aim of endurance. Indeed, as one of the company’s “*main stakeholders*” (M7 49-50), the community activities are evaluated by the company asking “*is there a link with ourselves*” (M7 107) and “*are we giving something back that is aligned to who we are as a business?*” (M7 108).

Activities that are defined within this remit fit within the Future Generations banner and include the company’s “*Kids of Steel events*” (M7 52), focused around Tata Steel UK’s operational sites. The focus is on the sub-theme of health and provides local children with the opportunity to participate in “*swimming, cycling and running*” (M7 103) activities. Tata Steel employees volunteer at the events, which attract around 1,000 children from the local area and the focus is on “*engaging thousands of children in the UK*” (M7 91). S10, responsible for delivering the events, describes it as a “*community sponsorship*” (3) activity that is “*aligned with their charitable aims of making kids more active through triathlon*” (9). The company provides “*branded swimming hats, goggles, bag and medal*” (S10 15)



and the children get a “*free active day*” (S10 15). This description of the events highlights both the close association the company’s CSR activities have with its brand and the prerequisite of involvement for its stakeholders. S10 indeed acknowledges the company’s branding of the event as the element that differentiates it from the “*philanthropic*” (43) “*hand over*” (44) of money.

Tata Steel’s support of triathlon activities has indeed gone through an evolutionary process. Previously the company sponsored the shirts of the elite British Triathletes, the Brownlee brothers. This approach, however, was not “*engaging*” (M7 91) so it was developed and the Kids of Steel events created.

In the Netherlands an evolutionary process has also taken place with the Tata Steel Chess Tournament. The company recognised that its “*employees used to play chess*” (M9 139). As interest “*organically grew*” (M9 141) the company decided to hold a chess tournament, which has now become the “*biggest chess tournament in the world*” (M9 112-113). This links to the education sub-theme and aims to support the community “*through the winter months*” (M9 114), which can be a “*difficult time*” (M9 116) in a coastal area. It involves company employees and the local community, and has been developed to attract the interest of schools, university students and customers, giving it broader “*leverage*” (M9 125) for the company. The commercial link between steel making and chess is described as working “*actively*” (M9 145) in the process of “*thinking one or two steps ahead*” (M9 144-145). This is said to help “*improve our customers and their performance*” (M9 148-149).

This educational sub-theme also translates into activities that cross cultures within the global company. The Global Leadership Development Programme, involves

60- 80 senior employees a year, *“half from Indian and half from Europe”* (M7 311). They spend ten days with Tata Steel India, then ten days in Europe exploring *“the strengths”* (M7 317) of the company in both regions. The focus is highlighted as being related to *“culture”* (M7317) and shared learning. This helps *“ingrain”* (M7 328) the company culture and allows employees to explore *“how you do business differently”* (M7 330).

Involvement, participation and engagement are thus highlighted as necessary characteristics of a sustainable activity for the company, as is the development of long-term relationships. Branding is also an essential characteristic of its sustainable activities. As such, sustainability activities must *“fit into the long-term viability of the business”* (383-384); *“creating the right financial model, the right business that can operate in a profitable way”* 385-386), and *“sustaining the climate and social aspects”* (386-387) of the company.

## 7.2 The CSR Perspective

Tata Steel UK’s sustainability framework reveals an awareness of the role a stakeholder management (Freeman 1984) approach has for the company. Furthermore, the stated intention of *“leveraging”* (M9 133) these activities reveals an aim to appeal to as wide a group of stakeholders as possible, to *“maximise impact”* (M9 43) and link the social with the environmental and economic aspects (Elkington 1998).

The company’s strategic approach as being designed to *“add value”* (M7 84) to the *“brand”* (M7 84) is described as sounding potentially *“selfish”* (M7 84) but is considered to be a means of providing a clear rationale for the investment. As such, it reveals how the company takes an instrumental (Donaldson and Preston

1995) perspective to these activities, acknowledging that the main driver is “we *need each other*” (M9 281). This mutually beneficial relationship between the company and its community means that there is “*an expectation that you would help*” (M9 285) from stakeholders and, for the company, the issue therefore becomes “*finding the right balance and how, and at what level*” (M9 285-286) it provides support. It is this exchange of benefits that allows the company to sustain the activity.

A mutually beneficial relationship can also be identified through the narratives from a national perspective by the company’s sponsorship of the Queen Elizabeth prize for engineering. As an event designed to appeal to potential future engineers in the UK, it helps to “*promote engineering skills to the UK*” (M7 186-187) and, as such, benefits both the individual companies involved, the wider industry and “*the future success of manufacturing as a whole*” (M7 444). Furthermore, environmental activities that relate to the company’s “*environmental footprint*” (M6 344), and thus are often considered as national or global activities, are translated by the company to give a local perspective. S9 describes how Tata Steel’s “*environment team*” (94) volunteered to “*lay hedges*” (99) and “*clear pathways*” (99) on International Environment Day.

The company’s Future Generation umbrella approach thus translates on a number of different levels and means that “*the first question we ask is, is this the right thing to do? Does it support the future generation?*” (M8 150). The question of whether an activity is “*the right thing to do*” reveals that the company’s decision-making process is a value-laden one and one with a potentially ethical rationale. Indeed, such an ethical rationale reveals two strands. The first is that an activity must be “*aligned to who we are as a business?*” (M7 108). The second relates to the

company's "*strong philosophy*" (M7 236) that recognises its "*responsibilities*" (M7 248) to its stakeholders. Indeed, a local stakeholder describes the company's "*ethos*" (S9 147) as wanting to "*do something that helped the community*" (S9 147).

An example of this was when the industry experienced the recession of 2009 and, as a result, its Teeside operation "*lost 80% of its customers overnight*" (M7 229) putting the jobs of approximately "*3,000 people*" at risk (M7 231). M7 describes how, while the company was criticised, "*being on the inside and seeing what was being done*" (233) to support the community was "*inspiring*" (235). The business was "*propped up whilst it was losing money*" (239) and "*alternative employment*" (241) sought to "*mitigate the issue*" (242), while "*softening the blow*" (242) on the local economy and social structure. This example, given in relation to the company's sustainability approach, frames it, like Tata Steel India, within Carroll's (1999a) broadest perspective as a concern for society.

This example articulates the criteria that feed into the company's decision-making process. First, the activity needs to offer a business benefit to the company and its stakeholders, to a level that ensures their support and involvement. Secondly, the activity must support the company function and brand, in the form of its sustainability goals and be the "*responsible thing to do*" (M6 254). This broad sense of company responsibility thus reaches beyond a purely instrumental approach, introducing an element of normative rationales from the company perspective. It also offers a counter argument to O'Dwyer's (2002) theory that a company will accommodate stakeholders depending on how much negative or positive impact they could potentially have on the company. It is a moot point that the effort the company went to during this process to support its employees and the community would significantly influence its reputation. For a region so

dependent on a company that is making a financial loss, as with Tata Steel in Teeside, the level of responsibility a company decides to take will impact a wide range of stakeholders. When the company is, however, a global entity, such as Tata Steel, the wider negative impact to that company may be negligible.

The Tata Steel UK approach to sustainability and responsibility thus supports both explicit and implicit (Matten and Moon 2008) notions of CSR. It encourages the creation of activities that allow the company to articulate its responsible approach to social interest. It also upholds social interests through its wider network of institutions. This does not, however, appear to be driven by a desire to be perceived as virtuous (Parguel *et al.* 2011) by stakeholders, but one that upholds company values. As such, it confirms how the distinction between an economic and social perspective is rarely clear cut (Blowfield and Murray 2008).

### 7.3 Motivations for CSR

Three main repertoires emerged from the interviews, relating to CSR as sustainability; CSR as an extension of philosophy and values; and CSR as differentiation, revealing a plurality of motives (Sen 1992) which overlap.

#### 7.3.i CSR as sustainability

The motivation of sustainability is an extrinsic and strategic driver as defined by Bansal (2003), and made clear through Tata Steel UK's definition of CSR through sustainability. Graafland and Mazereeuw-Van Der Duijin Schouten (2012), however, define only financial performance as an extrinsic motive, with the social and environmental aspects being intrinsic drivers. Tata Steel UK does not differentiate between the two, claiming the need for a "*balance between social,*

*environmental and economic activity*" (M7 26). Indeed, M7 adds that "*creating the right financial model, the right business that can operate in a profitable way is as much about sustainability as sustaining the climate and the social aspects*" (386-387).

The financial pressures on Tata Steel UK at the time of interview meant that community activity "*budgets were cut*" (S9 23), which O'Dwyer (2002) would argue means the company is looking through an economic lens. Despite the economic situation, however, S9 describes how the company has focused on what can be done differently "*to maintain our relationship because it has been a really positive relationship*" (63). The community organisation has thus asked the company to "*acknowledge our involvement in anything they do*" (S9 65) in return for support with the volunteering programme. Reducing costs and enhancing reputation (Coombs and Holladay 2012) may thus be an element of the company's motivation but the emphasis on sustainability means that the long-term relationships and partnerships (Elkington 1998) are as important. Indeed, S9 adds; "*I think people are intelligent enough to recognise that times are hard and money is tight in all sectors*" (328).

There is thus an exchange of benefits in the sustainability label that combines a range of motives. As the "*largest manufacturer in the UK*" (M7 199), the dependency a community has on a company such as Tata Steel UK puts the company in a position of strength but also "*responsibility*" (M7 200) and "*profile*" (M7 200). In buying Corus Steel, the company inherited not only debt but a connection to families that "*have been involved in steel works for generations here*" (S9 317). Despite recent redundancies, however, S9 comments how "*it is good for that company to show that they actually give something back to the community, be*

*it grants, be it work in schools or doing it this way by giving up staff to help the community*". There is thus a combination of financial, reputational and moral motives. These are revealed in S9's comment: "*they have seen that they are going to have a massive environmental impact on an area so they will do something for that community as well*" (307-308). This is, however, acknowledged by the stakeholder as part of the process of maintaining long-term relationships as opposed to a criticism of the company. It thus extends beyond the motive of risk management (L'Etang 1995).

The community involvement programme is thus seen to support the local area and act as a salve for any negative impacts the plant has on the local environment. It is celebrated by the company and supported by the community through Tata Steel's branded volunteering programme called "*Cast Iron Communities*" (S9 194). This explicitly reflects a strong bond between the company and the community and indeed is designed to reaffirm that relationship.

The sustainability motive is also revealed through the company's support of the Queen Elizabeth prize for Engineering, for which the company receives "*no recognition*" (M7 185) but offers benefits to the company by promoting engineering skills in the UK and links the company to the engineers of the future. A long-term focus is thus maintained that, M6 states, is part of the "*culture*" (391) of the company, and can be "*hard to describe*" (398). He adds, however, that "*if you look back at the history of Tata Steel in India they deliberately said early on, we are in it for the long- term*" and "*it will come right in the end*" (394). To be sustainable you have to take a "*long-term view*" (M7 401).

### 7.3.ii CSR as an extension of philosophy and values

The narratives also reveal that a main focus and driver for Tata Steel UK's sustainability programme is sustainability but, within that, philosophy and values are apparent as fundamental to the decision-making process. The Tata Steel, Europe website defines its five brand values as being the company's moral compass. These values are: excellence, understanding responsibility, integrity and unity. M6 explains how these company values are relevant to him as an individual. He adds: "*I quite like the fact of having big values and true values and wanting to be aligned with that*" (180). The idea of "*big*" values suggests that these company values loom large in his personal experience and, as such, positively influence his work and the choices he makes. The idea of "*true*" values advocates a right and exact way of doing things. The quote therefore points to a certain amount of pleasure or pride taken from working for a company that has explicit and clear values that he, as an individual, supports. This supports Hemingway and MacLagan's (2004) research that reveals the relevance of personal values as a motivation for CSR activities and the interplay between strategic and moral motives (Dhanesh 2014; Di Norcia and Tigner 2000). Furthermore, it identifies the significance of matching individual stakeholder and company values. Indeed, CSR activities are also selected as a means of aligning external stakeholders, such as the community "*with our values*" (M7 294- 295). These values are thus described as giving clear direction to the decision- making process and prompt managers to ask whether activities "*fit in with our values*" (M7 300). Indeed, CSR is seen as a "*sub-set*" (M7 308) of the company values.

These values are also perceived to be part of the company's philosophy. This was described M7 in connection to the challenges the steel industry faced during the recession in 2009, which, he added, "*we still haven't climbed back out of yet*"



(228). One consequence of this recession was that the Teesside business lost 80% of its customers “*overnight literally*” (M7 229), which “*put into question the jobs of about 3,000 people*” (231). He adds that the work that was done with “*the local community, local business groups and various organisations*” (M7 234-235) to support employees “*was really inspiring*” (M7 235). Indeed, “*it was a strong philosophy from the company that we need to do things, despite the terrible situation we were in*” (M7 236-237), despite there being “*no future for this business*” (M7 237-238).

The issues Tata Steel UK faces, in terms of the dependency of the local community on the company, is described as “*typical of a manufacturing industry*” (M9 50). If Tata Steel UK makes redundancies, it will negatively impact local families and other local and national companies dependent on it. For this reason, such companies are “*involved with the communities that surround them*” (M9 51). When these changes arise, the company claims that the attitude is one of “*fighting to keep it and to keep it to as high a standard*” as possible (M9 52-53). The focus thus becomes “*being more impactful*” (M9 54-55), with the funds available driven by the “*generic*” (M9 180) value that pervades the global company of “*being respectful*” (M9 181) to other people. As a generic value, however, M9 is tasked with the need to create a “*corporate brand narrative*” (184) out of company values that are acted on “*intuitively*” (192) to make it relevant to European stakeholders. This gives structure to “*ensure alignment*” (193) between “*values*” (192), action and “*communication*” (191) through the Tata Steel brand. Within this brand communication, sponsorship activities, even if they relate to commercial activity, must include stakeholder involvement, such as through the Tata Steel Chess Tournament or Tata Steel Kids of Steel Triathlon events. As such, they fit within the scope of CSR or sustainability.

The inclusion of this discussion on values and philosophy as part of Tata Steel UK's driver for CSR thus reveals a broad and holistic approach to the concept. It is motivated by company philosophy and values to support sustainability goals that demand involvement from stakeholders, whether they are employees, the local community or customers. This involvement creates the link between values, action and branded communication, making explicit (Matten and Moon 2008) the values that drive behaviour. As such, M7 confirms, it is not possible to “*separate the actions from the communications*” (379).

### 7.3.iii CSR as differentiation

As part of the company values and brand narrative, the third motivation for implementing CSR is as a means of differentiation. M7 explains that the company is “*very passionate about trying to demonstrate that Tata is different; that Tata stands for something different*” (221-222). Indeed, S9 confirms that the company aims to “*maintain the vision that it is a caring organisation*” (335-336). This is achieved through CSR that is branded and “*brand building*” (M7 218) activity that may not necessarily be classified as “*CSR activity*” (M7 217), but has a “*CSR element*” (M7 217). For stakeholders, this differentiation needs to “*improve the way they live*” (M9 229) or “*improve their experience*” (M9 229), which requires “*active engagement*” (M9 230- 231). In this way the company can “*really understand what makes the heart beat faster in the community*” (M9 237); “*what is impactful and what is sustainable*” (M9 238).

The differentiator that provides “*experience*” (M9 229), linked to the company brand and CSR, is translated in the UK through activities that “*inspire*” (M7 442). This translates actions into feelings that positively connect stakeholders to the

brand and company values. This differentiator is reflected in sponsored events, “*events that inspire skills*” (M7 165) across a range of stakeholder activities. For example, a Kids of Steel event “*inspires the local community*” (M7 92-93) to participate in trying new sports, and involves company “*volunteers*” (M7 439) who participate and get a “*tremendous sense of giving something back to the community*” (M7 440-441). This means it is “*linking back to the business*” (M7 93-94).

The Industrial Cadets scheme is a national sponsorship managed through the Education Development Trust. It is a “*high impact, low volume scheme*” (M7 118) which takes around 30 14-16 year old children into the steelworks once a week over an eight-week period. They experience different speakers, practical sessions and tours around the steel works in order to “*inspire*” (M7 122) them to consider “*a career in engineering or science*” (M7 121-122). Indeed, the company is “*passionate about trying to demonstrate that Tata is different*” (M7 221), “*that Tata stands for something different*” (M7 222).

Porter and Kramer (2002) would argue that such an approach achieves a halo effect for the company that improves its position in a competitive environment. Indeed, M6 explains that “*for us, branding and CSR is inextricably linked*” (251). It is also, however, considered “*the responsible thing to do*” (M6 254). This responsibility is described as being the steel “*industry in the context of Europe*” (M6 268), “*where heavy manufacturing is declining*” (M6 268-269) and “*we’re going to do our best to look after what’s left behind*” (M6 269-270). This presents a case for CSR as part of a larger sociocultural context, as revealed through research in India (Dhanesh 2014), and a differentiator that extends beyond a cost-benefit analysis (Coombs and Holladay 2012). Indeed, the relationship stakeholders have with the

brand is less about how stakeholder perceive company motives (Kim and Lee 2012) than how they “*experience*” (M9 229) and are inspired by the brand.

#### 7.4 CSR communication

Three main approaches arose from the discussions on CSR communication – action and communication, brand ambassadors and promotional activity. A number of communication challenges relating to CSR were also discussed.

##### 7.4.i Action and communication

Tata Steel UK’s view that it is not possible to “*separate the actions from the communications*” (M7 379) has already been discussed. Indeed, the prerequisite that the company’s CSR activity includes stakeholder involvement reveals how this involvement is the means by which the brand experience takes place and is thus communicated. Indeed, M7 adds that the “*media get that as well*” (379-380). The company explains that this also means that such activities must be supported by a clear business rationale or stakeholders “*will be scratching their heads and asking why are you doing this, for the good of others?*” (M7 382-383).

Indeed, S8 explains that the use of “*CSR rhetoric*” (166) using “*meaningless terms like triple bottom line*” (168-169) can mean you “*lose a narrative about a company and why it’s different and what it cares about*” (172-173). Furthermore, S11, as a journalist and consultant on CSR reveals an expectation that companies do not “*do anything that isn’t in their own interests, so it’s never altruistic*” (96-97).

Furthermore, “*if you’re going to spend serious money then you’ve got to have a proper business justification for it*” (S11 115). Meaningful communication must therefore relate directly to action to create a “*coherent story*” (S8 194) and become “*part of the core business activity*” (S8 216). As such, an altruistic approach is not

expected or perceived as acceptable by both the company and stakeholders. Indeed, it would not fit with Tata Steel UK's sustainability approach but, from the stakeholder viewpoint, there may be an expectation of altruism from some stakeholders, if not all.

M7 adds that it is the involvement in the process, and engagement that can indeed be the purpose of the event, not explicit communication. The example he gives is his team's volunteering exercise. *"My purpose for doing it was to make people feel good about the fact that our company is doing something to help but also to generate a team spirit and getting people working together"* (M7 451-453). It received no publicity, the team *"just turned up, did a good job and then left"* (M7 456). It did, however, communicate a positive message and reaffirm a connection with a community stakeholder who described it as a *"real contribution from Tata Steel"* (S9 101).

This example and approach challenges Munshi and Kurian's (2005) argument that CSR communication focuses on reputation management among elite publics at the expense of marginalised publics, unless company employees are considered elite. Indeed, through this approach arguments of greenwash would also be refuted. The challenge arises, however, when the company action is not one stakeholders would necessarily perceive as positive. In fact, this approach mirrors what Schultz and Wehmeier (2010) refer to as simply being good, rather than being good and talking about it. They relate this approach, however, as appropriate for sensitive programmes, rather than the positive team activities described above.

The action, thus becomes the communication and the engagement in the activity the means of creating the “*feel good*” (M7 451) factor the company wants associated with its brand and the company. There may be no publicity but the stakeholders jointly involved experience the positive effects as do the company employees. In this way the company potentially benefits by creating brand ambassadors.

#### 7.4.ii Brand ambassadors

The approach of developing brand ambassadors through CSR activity is one supported by Tata Steel UK as a style of communication that as much differentiates the brand as the activity itself. The differentiating factor is a “*softer approach*” (M9 99) to developing an understanding of the company, “*our philosophy*” (M9 100) and then, in the case of potential new employees, trying to tie them into a “*network of brand ambassadors*” (M9 100-101). Indeed, the company wants “*the people that we work with to become brand ambassadors*” (97-98). The company then benefits from third-party endorsement, which adds credibility to the message. It provides a way of sharing meaning between the company and its stakeholders, delivered through the lens of the company philosophy and values.

This approach is extended by Tata Steel Europe through the setting up of a “*community committee*” (M9 57). This group of community representatives allows for “*open discussions*” (M9 58) to decide on the participation in community projects. The company is thus involved in “*active engagement*” (M9 62), giving it a “*much better ear and opportunity to hear other concerns that the community might have*” (M9 64-65). This allows the company to “*anticipate*” (M9 66) and “*do something*” (M9 66) about these concerns. Nijhof and Jeurissen (2006) refer to this as sense-

making that allows the company to become sensitive to its environment, focusing on the development of internally and externally shared frames of reference.

This approach is extended within the community programme when community partners “*approach the press*” (M8 184) themselves about the activity they are involved in with the company. “*It is as much of a benefit for them to be seen to be working with us as it is for us to be seen to be working with them*” (M8 185-186).

Indeed, if local groups are publicly seen to be supported by a “*big employer*” (M8 187), other companies are likely to “*put some money in as well*” (M8 188-189). The brand ambassador role thus stretches beyond one-to-one communications, or word of mouth, into third-party media endorsement achieved through a local organisation. This brand ambassador approach is successful for the company in relation to existing and potential new employees, and community representatives and groups; it is not necessarily one that could function successfully through all stakeholder groups.

The value of a company communicating through brand ambassadors is implicit in Golob *et al*’s (2008) argument that while companies are regularly encouraged to engage in CSR, they are simultaneously discouraged from communicating about this engagement. Indeed, M9 explains the necessary “*balance*” (291), to not “*over communicate because you don’t want to give people the feeling you are communicating just because you want to tell them you are doing good*” (291-293). Furthermore, “*people need to just feel it*” (M9 294) and “*you want people to tell other people that this is what they are feeling from Tata Steel*”, which is the role of the brand ambassador.

This communication approach is, however, a successful process why which the company can differentiate itself. Indeed, M6 adds; “*we are absolutely something different*” (224), “*we are also a quietly spoken and understated company*” (225), “*we don’t like shouting from the rooftops*” (225). Allowing word of mouth, rather than publicity, to reinforce company values, thus supports the company culture and differentiates the brand. It is achieved through working in “*sustainable partnerships*” (M7 388) and “*collaboration*” (M9 197) and, Rawlins (2007) argues, allows for the building of trust.

#### 7.4.iii Promotional activity

All the sponsored CSR activities for Tata Steel UK are branded activities and thus designed to be promoted to specific stakeholders. These include the Tata Steel Chess Tournament, Kids of Steel Triathlon events and Cast Iron Communities volunteering programme.

M8 explains, however, that while the activities are branded, their explicit promotion is not the main motivator for the activity; “*the first question we ask ourselves is, is this the right thing to do?*” (149-150). Indeed, M9 asks in relation to sponsoring the Chess Tournament, “*how you can do that to do good*” (160), as a means of “*making the world a little bit better*” (170). This “*aspirational*” (170) element must therefore be present to uphold the value of any publicity, according to company managers. This connection between the intention to “*do good*” (M9 160), be seen to “*do good*” (M9 160) and yet not “*over communicate*” (M9 291-292) and risk being seen to be “*boasting*” (M9 296) links into the communication challenge discussed below. Indeed, it appears to underpin all community promotional activities.



From the stakeholder perspective, the manager delivering the Kids of Steel events explains how Tata Steel UK publicises the activity both internally and externally. The company produces “*external press releases around each event*” (S10 35) and engage in “*social media activity*” (S10 36). In terms of branding there appear to be two approaches. One directive is provided in relation to the “*branding collateral*” (S10 48) that decides on the “*look and feel of the branding*” (S10 49-50). The “*CSR people focus more on the kids*” (S10 51). Their expectations are on a “*high participation rate*” (S10 53).

The loss of funding for the volunteering programme has raised issues for Voluntary Action, which organises the activities. While Tata Steel has developed and promoted the Cast Iron Communities website, the funding for the brokerage service has been cut. As a result, the company has agreed to acknowledge Voluntary Action’s “*involvement in anything they do*” (S9 65). The mutual benefits within the relationship thus still exists and Voluntary Action receives recognition in the company’s newsletter. As such, the relationship is described by the stakeholder as a “*collaborative process*” (S9 218).

Involvement is therefore fundamental to the success of these events. Promotion is considered as clearly perceived as having value as long as it is balanced and fits with company values. Indeed, the value in these activities is considered greater than the potential for promotion alone and is not driven by a promotional goal.

#### 7.4.iv The communication challenge

The communication challenge for Tata Steel UK is articulated in two ways. The first relates to the balance between action and communication described above. The second is the difficulty of communicating long-term programmes or complex and negative messages.

Despite the opportunities for brand endorsement through company partnerships, the need for a balance between the CSR action and its communication still exists for the company. It is described by M7 who adds: *“I think sometimes there is a risk that if you promote it too much or talk about it too much people will be cynical”* (422). Indeed, it is for this reason that communication through third parties is considered to be the *“greatest endorsement”* (M7 426), and is most effective when the stakeholder is *“personally involved”* (M7 429). For this reason, the *“strength of the community programme”* (M8 174) is not measured against the level of publicity it receives. Indeed, M8 describes it as a *“balancing act”* (M8 240). This balance is between *“making sure that we do just enough for people to recognise that we are doing the right thing but not so much that people think ‘why are Tata Steel bombarding us with these messages?’”* (M8 240-242). The frequency of communication is thus just as influential in the process of reputation management as is the message itself.

This presents a further dilemma when locally *“journalists are always crying out for copy”* (M8 256). The company therefore manages this pressure by keeping *“close to the media so that they understand us”* (M8 263-264). It helps with the need to manager enquiries relating to both positive news stories and potential issues that *“affect employees”* (M8 261). This, Watson (2011) argues, helps build trust and

manage authenticity. The idea of a separate relationship between company representatives of a Tata Steel UK site and its community, however, is a false one as “a lot of us live and work in the area” (M8 248). Any communications must therefore take this into consideration, particularly when they relate to changes within the company that will affect employees. A close relationship with the media thus becomes increasingly relevant.

When it comes to national CSR communication, the approach faces different challenges. M7 argues that “*journalists tend not to be that interested in what companies’ CSR activities are*” (416-417). Indeed, “*they take a pretty healthily cynical view, with few exceptions*” (417). This means that “*a lot of CSR activity for really big businesses doesn’t generate big publicity*” (M7 411-412). There is also the challenge of communicating the value of long-term sustainability programmes, such as R&D projects. When “*probably one in ten succeed*” (M6 361) “*they’re not easy messages*” Indeed, even the company’s commercial relationships can take “*years to come to fruition from an initial conversation and an actual order to be placed*” (M7 364-365), which reduces its new values, particularly with the “*fast moving pace of society*” (M7 367). This presents the dilemma of not wanting to set “*high expectations*” (M7 352) when the results may not be seen for “*decades*” (M7 353). This implicit (Matten and Moon 2008) CSR can thus significantly limit the company’s ability to communicate these positive messages.

Negative stories also present a communication challenge. While critics of CSR argue that CSR is greenwash (Ramus and Montiel 2005), the issue is arguably more complex. Indeed, S11 explains how, when there is no simple solution to a problem, it can be difficult for companies to say “*we’ve got a problem here and we don’t know what to do about it*” (43-44). Indeed, “*individuals don’t like to say ‘we*

*don't know what to do*" (S11 48-49). The presentation of selected information (Crawford and Clark Williams 2011) may thus not necessarily be the result of organised miscommunication but a reflection of the relationship between employee and company, and company and the media.

Furthermore, S11 explains how the criticism some companies face from NGOs and the media may be a result of brand prominence. For example, "*one of the difficulties is that very often the issues that are popping up are not actually the most material issues*" (213-214), but the media may focus on a particular company as a well-known brand name and a means of providing a newsworthy example. As a result, "*it affects their reputation disproportionately*" (219-220). This means that some companies are forced to focus on issues that are not the most material to their business but may have a significantly negative impact on their reputation.

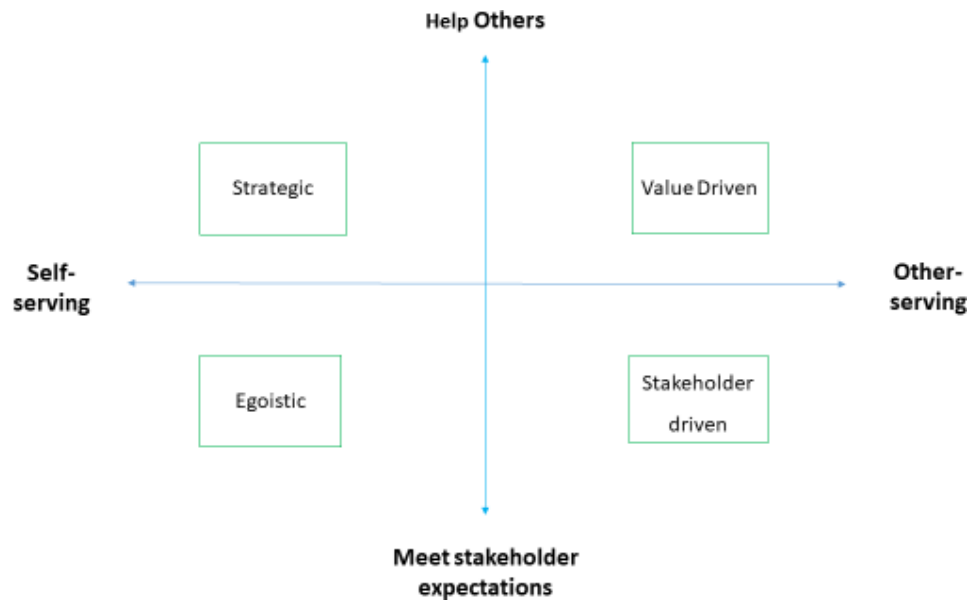
## 7.5 Summary

As with Tata Steel India, Tata Steel UK separates its philanthropic activity from its CSR activity through the prerequisite of involvement. To "*just give*" (M9 436-437) defines philanthropy while CSR is linked to "*strategy*" (M9 438) and specifically defined as "*sustainability*" (M7 21). This involves a "*balance between social, environmental and economic activity*" (M7 26) that acknowledges a symbiotic relationship between the three elements (Elkington 1998). This is translated into a series of branded activities under the banner of "*Future Generations*" (M9 77). This is split into three sub-themes of "*health and well-being, education and environment*" (M9 79) designed to create the greatest possible impact through the company's investment. The investment, however, is not just financial but one of developing enduring partnerships and collaborations in the long term, aligned to the company.

The sustainability activities are described as pervading across the whole company, supported by company values. As such, no one person is responsible for CSR or sustainability but it fits within the wider company approach. High-profile branded activities fit within this and are leveraged to widen their relevance to as broad a range of stakeholders as possible, both commercial and non-commercial. Activities that aim to engage the engineers of tomorrow and “*ingrain*” (M7 328) the company culture in company leaders are also part of this approach.

The strategic approach described reveals an instrumental perspective (Donaldson and Preston 1995) by the company, yet the company’s rationale for its activities as “*the right thing to do*” reveals a value-laden one, and one with a potentially ethical rationale. This suggests normative influences on this instrumental perspective. Indeed, the company’s sustainability approach frames the company’s approach within Carroll’s (1999a) broadest perspective as a broad concern for society.

Three motivations for CSR activity were revealed in the narratives: CSR as sustainability; CSR as an extension of philosophy and values; and CSR as differentiation, revealing a plurality of motives (Sen 1992) which overlap. These motives place it within the strategic and value-driven elements on the Coombs and Holladay (2012) matrix. CSR is thus a strategic function for the company and one predominantly led by values and company philosophy.



These motives are furthermore reflected in the company's approach to its CSR communication – action and communication, brand ambassadors and promotional activity. A number of communication challenges also exist for the company. Like Tata Steel India, the UK company views that it is not possible to “*separate the actions from the communications*” (M7 379). This explains the high level of importance given to the need for involvement in its definition of sustainability. It also links values to communication, allowing such implicit elements to be made explicit (Matten and Moon 2008) and visible to stakeholders.

The motivation of differentiation also means that the communication process must achieve a sense of feeling, linking values and communications, rather than just publicity. Indeed, a sense of experience connected to the brand appears to have higher value for the company than the promotion of events. This approach is also supported by the development of brand ambassadors, achieved through a number of different routes, depending on the stakeholders. This allows the company to sensitise (Nijhof and Jeurissen 2006) itself to the community's needs and develop a shared sense of reference.

The promotion of branded activities forms a part of the company's CSR programme yet they each demand a balance being seen to "*do good*" (M9 160) and yet not "*over communicate*" (M9 291-292). This presents part of the communication challenge and is a careful "*balancing act*" (M8 240). This is reflected in what is said and its frequency. National programmes present a different communication challenge as long-term complex activities are of limited news value and "*journalists tend not to be that interested in what companies' CSR activities are*" (M7 416-417). This contrasts with the "*fast moving pace of society*" (M7 367). Managing expectations thus becomes the focus as the company's ability to communicate such implicit activities (Matten and Moon 2008) is limited.

## Chapter 8 Shell UK

This chapter draws on evidence from one interview with the Strategic Relations Manager at Shell International, who had previously been Head of Social Investment, Shell UK, with responsibilities for CSR activities in the UK (M10). Her experience had thus covered responsibilities for both marketing communications and CSR for Shell UK.

The chapter also includes extracts from interviews with four stakeholders. The first stakeholder (S12) had previously worked as a consultant for Shell International and currently had a part-time role in corporate communications as Chairman of Edelman in Europe and CIS (Commonwealth of Independent States). He was also trustee of the board at the Institute for Human Rights and Business. S13 was a freelance journalist on CSR in the UK, having previously worked at the *Financial Times* as editor of the international company section. S14 was also a freelance journalist on CSR having previously been responsible for setting up *Ethical Performance* magazine in 1999. S15 was a retired employee of Shell International having worked for the company after completing a PhD in Biochemistry and Microbiology in the mid- 1970s. He had continued to work for Shell during, and for some years after, its Brent Spar crisis.

These interviews focus on the Shell UK perspective. Shell UK's headquarters is, however, also that of Shell International, also referred to by employees as Shell Corporate. As such, the approach and activities of both organisations are frequently mentioned throughout the interviews.



## 8.1 Defining CSR

M10 explains how the CSR label is not used within Shell but it is referred to as social investment, “*our voluntary contribution to societies in which we operate*” (3-4). This is separate from the philanthropic activity, which is directed through the company’s charity, the Shell Foundation, away from the core business, which can operate in countries where Shell does not have business.

Social investment is also separate from the activities published under its sustainability banner and covered in the “*sustainability report*” (M10 5). This includes work carried out in communities where the company operates which is considered to be “*responsible business*” (M10 10). It is thus not considered to be a “*voluntary contribution*” (M10 11) but one necessary for the sustainable future of the company.

In a developed economy, such as Scotland, where the company has offshore and onshore gas plants, this may include activities such as “*community sensing*” (M10 119). This involves checking that the community is aware of what to do, for example, in the case of a safety alert or “*their understanding of what the plant does*” (M10 10-121). For example, “*do they know what it means when there is steam coming out?*” (M10 122). On the Shell Group website (2017), this fits within the communities section of the company’s sustainability reporting and is considered to be part of “*operations*” (M10 122). In undeveloped economies, such as Nigeria, the company’s operations would include the building of infrastructure: roads, schools, housing and health clinics. This is part of what the company describes as being a “*responsible operator, both for our staff as well as the communities in which we operate*” (M10 84).

The company's social investment support includes activities ranging from the "*philanthropic to the strategic*" (M10 19-20), covering "*that whole pendulum*" (M110 20-21) between the two approaches. Philanthropic activity may include a donation to a local London charity for disadvantaged children, such as Kids Company (M10 68), or disaster relief in the case of a tsunami, for example. This activity is unbranded. Social investment spend may also include the sponsorship of specific activities in the arts, for example, at the Southbank Centre, in support of a neighbouring organisation. This is considered to be "*more of a commercial deal*" (M10 28-29), where the company brand is featured alongside the promotion of the activity or event.

The company also includes within this area strategic social investment (SSI) activities, which include the development of company-branded "*assets*" (M10 295). These are created around "*consistent themes*" (M10 104) which, in the UK, include "*education, science education particularly, innovation and low carbon innovation*" (M10 106). "*Safety*" (M10 152) is also considered a group-wide theme within SSI. This is described as being "*inherent in everything*" (M10 153).

These themes guide the creation of programmes and offer the company a means with which to "*filter*" (M10 148) requests for support. The UK-specific activity is labelled under what the company refers to as "*STEM initiatives*" (M10 111). STEM stands for science, technology, engineering and maths and such initiatives include its Shell Livewire programme – supporting enterprises – and Shell Springboard – supporting low-carbon innovation.

Shell Livewire is a young entrepreneurship programme “*running in around 20 and 25 countries around the world*” (M10 34-35). It is a “*massive enterprise programme*” (M10 35) with the Shell brand “*all over it*” (M10 36). It is strategic because it runs only in countries where Shell has business and has to fulfil two criteria. First, “*it has to deliver good stuff*” (M10 39) and second, “*you have to be able to tell people you’re delivering the good stuff*” (M10 39-40). “*One without the other*” (M10 40) is not considered “*good*” (M10 40). The Livewire programme, however, had “*been going for years*” (M10 59) before it was “*leveraged*” (M10 59), to ensure it was “*actually delivering on the ground*” (M10 60) first.

Comparing this approach to Carroll’s (1991) pyramid of CSR provides a mechanism for understanding how the Shell UK approach differs from this model and perceives its responsibilities. Shell’s sustainability activity fits within Carroll’s economic area of responsibilities as being required by the company to be profitable in the long term. It supports its operations and takes place only where the company has business interests. The company’s core values of “*honesty, integrity and respect for people*” (M10 316) guide the company’s legal and ethical standards of behaviour and are thus perceived as “*expected*” (*ibid* p.39) by the company. Carroll’s philanthropic area, however, is divided into two by Shell UK – the strategic, or SSI, and the non- strategic, or SI. This highlights an investment in, what Lantos (2002) would argue companies should not be involved in, non-strategic CSR or philanthropic activities.

The Shell UK case, however, reveals the persistence of such activity as desirable (Carroll 1991 p.39) and part of being “*a good corporate citizen*” (*ibid*).

If the success of a company is measured on its profitability, ability to compete, and be perceived as part of a community, CSR becomes more than expected or desirable, but a requirement within all layers of Carroll's pyramid. Indeed, misinterpreting society's expectations of ethical standards can result in events that significantly impact profits and reputation. This was Shell's experience during its globally publicised Brent Spar crisis.

The company had developed a plan of disposal for this concrete "*oil storage buoy*" (S15 87) following consultation with "*fishing groups*" (S15 98) and "*environmentalists*" (S15 98), and acquired a legal licence for "*what was considered the best practicable environmental option*" (S15 100). This meant sinking it in the "*deep water off the Continental shelf*" (S15 101-102). It was one that adhered to company "*values and business principles*" (S15 124), yet the perception of what makes a good corporate citizen "*evolves and moves on*" (S15), and the benchmark "*gets ever higher*" (S15 125-126). In this instance, Shell misinterpreted the "*contemporary expression of what represents responsible behaviour*" (S15 124-125) and the company received prolonged negative global publicity.

This experience for Shell reveals the limited value of Carroll's (1991) pyramid and, indeed, attempting to objectively define the concept. Furthermore, the company's approach to philanthropic giving highlights how Lantos' (2001b) argument that non-strategic CSR is unethical practice, is also outdated. Indeed, Shell perceives being a "*responsible business*" (M10 10) as something that "*we have to do*" (M10 10), which it reports within its sustainable practices. As such, both its sustainable and social investment programmes, ranging from philanthropic to the strategic, are perceived as adding value to the company, and how this is achieved is socially

constructed (Dahlsrud 2008). Indeed, the company manager explains how “*the social investment piece*” must remain “*in touch with how the Shell brand position is evolving*” (M10 274). Sitting under the umbrella term of sustainability means that separating the company’s CSR or social investment practices, from the broader functions of the company, is thus not possible or desirable. S12 concludes that “*by giving [CSR] a name and creating a department*” you make it “*something other than business*” (144).

## 8.2 The CSR perspective

The narrative from Shell UK reveal a singularly instrumental rationale (Donaldson and Preston 1995; Fleming and Jones 2012) for the company’s sustainability and social investment approach. M10 explains, “*we believe for Shell to thrive, we need to be in economies that are thriving which is why we want to encourage enterprise and innovation*” (157-158). Indeed, in relation to its strategic social investment activities, “*it has to be useful and adding value to the company*” (M10 102). Unlike the work of the Shell Foundation, it must further “*Shell’s business objectives*” (M10 48) and focus on the building of company “*assets*” (M10 205). Indeed, “*the challenge is to keep ahead and keep innovating and changing and delivering for the business*” (M10 296). Furthermore, by abiding to a criteria of activities that must “*deliver good stuff*” (M10 39) and allow the company “*to tell people you’re delivering the good stuff*” (M10 39-40), it is a means of doing well by doing good (Bhattacharya and Sen 2004; Kotler and Lee 2005; Watson 2011).

While the company's sustainability programme is "embedded" (Shell Global 2017) into projects across the company, its social investment activities focus on a narrower range of stakeholders. These include "*youngsters in the UK*" (M10 242), through programmes such as Livewire, and the Shell Education Service in "*primary schools*" (M10 283). Other specifically defined stakeholders for social investment include "*our staff*" (M10 302) "*and their families*" (M10 310), and "*Shell pensioners, who are a very important audience for us in terms of the board positions they hold and the influence they have*" (M10 207-208).

In terms of what constitutes a stakeholder, Crane and Matten (2010) describe it as an individual or a group that is either "harmed by" or "benefits from" the company, or "whose rights can be violated or have to be respected" (p.62). According to Shell UK's narrative above, it appears that this should also include those individuals or groups who can benefit the company. Indeed, an instrumental rationale makes these criteria as important as the others and supports O'Dwyer's (2002) argument that CSR will always focus on the perspective of the company, giving priority to the business case (Jenkins 2005).

Such criticisms of CSR as being self-serving, Matten *et al.* (2003) argue, mask the profound role of business in society. Through the Shell UK definitions above, it appears that such criticisms may be the result of how CSR is defined. For example, a narrow definition of CSR and a focus on a highly selective range of stakeholders, as represented by Shell UK's social investment activity, represents an explicit company objective to benefit through its support of these stakeholders. The company's more broadly scoped sustainability programme, however, acknowledges the interdependent relationship between the company and society as a means of success (Freeman 1984). It widens the company perspective,

encompassing global issues, such as “*climate change and environmental degradation*” (S15 175-176) which came from the Bruntland report (1987). This broadens the definition of company stakeholder, introducing a complex network of relationships (Kolk and Van Tulder 2004). An instrumental rationale, however, will dictate that sustainability is viewed through a company lens (O'Dwyer 2002), albeit in dialogue with stakeholders, and Shell perceives this as part of its responsibility as a commercial company. M10 adds, “*we’re a company not a charity*” (M41). Indeed, the existence of the Shell Foundation, to which the commercial company contributes, allows the two entities to define and divide more clearly their commercial and philanthropic responsibilities.

### 8.3 Motivations for CSR

Shell UK’s narratives in relation to its sustainability and social investment approaches reveal the main repertoire is associated with adding value to the company. In relation to the company’s SSI the motivation of brand differentiation is also highlighted. Adding value is thus achieved in a range of ways that will be considered below.

#### 8.3.i Sustainability as adding value

The sustainability narrative, linked to company operations in the UK, reveals how value is added in a range of ways. As a developed nation, the work described in the UK focuses on the education of, and engagement with, the community where the company has operations as a means of supporting and remaining sensitive to its needs and expectations.

This community engagement involves “*checking they are happy and comfortable and getting what they need from us*” (M10 125-126). It also involves using “*local companies*” (M10 127) and “*local supply chains*” (M10 127) where possible. For example, if the company is planning to decommission a platform, Shell UK will aim to use local contractors to support company operations, “*to keep the money in the local community*” (M10 138). This is described as being “*socially responsible*” (M10 138-139) and “*inherent in the way we do business*” (M10 139). The “*inherent*” (M10 130) nature of such practices suggest this is implicit (Matten and Moon 2008) activity, linked to the company’s core values of “*honesty, integrity and respect for people*” (M10 316-317). Such practices, however, are made explicit (Matten and Moon 2008) through the company’s sustainability report. One motivation for making these implicit values explicit is because “*we want people to be proud of the company – your employees are your biggest asset in terms of reputation*” (M10 317-318).

This translation of the implicit into the explicit thus motivates the company to be sensitive to its local environment by supporting local companies. In the process, it adds value to the company by enabling employees to “*articulate the corporate message*” (M10 319-320) and “*be proud of the company they work for*” (M10 320). There is no attempt by the company to appear “truly virtuous” (Parguel et al. 2011) however, rather it is acknowledged as the drive of “*adding value to the business*” (M10 265). Indeed, the example of Brent Spar revealed how this impacts a company when it is not sensitive to its environment. S15 explains how the company’s “*broad range of stakeholders*” (38) had been “*highly critical*” (38) or “*supportive and questioning*” (39). Yet its “*prime audience*” (41) was its “*own staff*” (40) who were feeling “*hurt and dismayed that we should, for whatever reason, right or wrong, be seen to be so failing in society’s expectations*” (41-43).



The company's sustainability approach, and the subsequent report, thus became an explicit "*vehicle*" (35) to put before stakeholders "*so they could judge for themselves whether we were meeting their expectations*" (36-37).

Adding value for Shell UK thus reaches beyond Ghoshal and Bartlett's (1990) focus on the motivations of MNCs as being efficiency and economies of scale. Indeed, maintaining staff "*loyalty*" (M10 303), taking care of "*people's emotional well-being*" (M10 333) and inspiring and demonstrating "*thought leadership*" (M10 347) is part of maintaining a competitive advantage and the company being sustainable.

#### 8.3.ii SSI as differentiation

More specifically, Shell UK's SSI programmes create "*fantastic assets*" (M10 295) for the company. The value to the stakeholder is thus a means to an end, with the necessary development of benefits for both parties. Indeed, the label itself explicitly encompasses the strategic benefit for the company through social investment that is focused on "*delivering for the business*" (M10 297) in a way that "*serves society*" (S15 183). As a means of adding value, the control to decide on activities exists within the company, not the stakeholders, as the company focuses on "*innovating and changing and delivering for the business*" (M10 296-297).

Innovation is one of the themes through which Shell UK's SSI activity is filtered, as well as having been a main area of focus for Shell group (2017). As such, it is a means of differentiation both for the company and its SSI programmes. Indeed, S15 explains that "*corporate responsibility in all its dimensions*" (S15 198) should be "*integral to strategy and innovation*" (S15 203). Furthermore, M10 identifies the need to "*differentiate*" (M10 262) and maintain a connection between social

investment and “*how the Shell brand position is evolving*” (M10 274). Indeed, in the case of new brand campaigns, the company asks how the social investment activity will “*play into that*” (M10 275).

This connection with the Shell brand position means that SSI is not only a means of differentiation but one of “*reputation*” (M10 319) management, thus revealing both proactive and reactive strategies (L'Etang 1994). This approach to reputation management also focuses on extending the SSI activity to other areas of the business, such as community engagement, by ensuring that the business leaders “*leverage*” (M10 276) the “*assets*” (M10 295). Furthermore, SSI programmes such as Shell UK's enterprise programme, Shell Livewire, is leveraged to attract the interest of “*elite*” (Munshi and Kurian 2005 p.513) stakeholders, such as the Minister for Business, who attends the awards event and delivers the awards. This allows the company not only to manage its reputation but also differentiate itself within the business sector.

In order to achieve its aim to add value through its sustainability and SSI activity, Shell UK thus does this by remaining sensitive to the perceptions and needs of its stakeholders, managing its reputation, and creating assets that allow it to differentiate itself. These combine both proactive and reactive drivers (L'Etang 1994) that are both strategic and explicit in intent (Bansal 2003), and articulate a commercial imperative as part of the company's broader values.

#### 8.4. CSR Communication

The approach to communication within Shell UK is described differently between its sustainability and SSI activities. As such, these are analysed separately below.

##### 8.4.i Sustainability and engagement

Shell's Brent Spar crisis led to a "*deep period of reflection*" (S15 53-54) for the company and a process of stakeholder engagement. According to S15, this took place in 20 countries involving "*our senior people, NGOs and church leaders, think tank people, government officials, unions*" (55-56) and "*church leaders*" (57) to understand the expectations of a "*responsible energy company*" (58-59). This resulted in a range of performance metrics "*outside the traditional financial reporting scheme*" (63) under the framework of sustainability. This became "*one of the world's first sustainability reports*" (68), arguably "*kick-starting a movement*" (69). This resulted in a "*long journey of engagement to set things right*" (129) and moved the company from a "*process of decide, announce and defend*" (149) to one of "*dialoguing, delivering and further dialoguing*" (S15 150). Despite this revised approach, however, S12 refers to subsequent issues arising with Shell projects in Alaska and Ireland where situations had been "*misread*" (113), leading to costly delays to business development activities.

Engagement as a communication process thus has the potential to sensitise a company to its environment, but if it is driven by contradictory actions or competing motivations it will quite possibly fail. Furthermore, unless a process of sense-making (Nijhof and Jeurissen 2006) takes place where internally and externally shared frames of reference evolve, it will not succeed. It must thus also involve a process of change.

In the UK, engagement is defined as part of the relationship the company has with its local community. Indeed, the process is called “*community engagement*” (M10 279). This involves creating an understanding of the company’s local operations and sensitising the company to areas of local concerns. Through the Shell Education Service it is also “*using the social investment to help support the business*” (M10 285-286). This pressure to add value through the engagement process is arguably the motivation that causes the engagement process in certain instances to fail.

When projects are processes of long-term development, shorter-term pressures to add value potentially mean that the engagement process does not succeed in “*dialoguing, delivering and further dialoguing*” (S15 150), but retreats to a “*process of decide, announce and defend*” (S15 149). Indeed, this style of communication is not always appropriate in cases where issues are complex and trust is more difficult to establish (Watson *et al.* 2002). As such, it fails to positively manage reputation and indeed, generates increased risk for the company.

#### 8.4.ii SSI as marketing communications

The communication focus in relation to Shell UK’s SSI activity is represented as a practice akin to marketing communications. By definition the SSI activity must “*deliver the good stuff*” (M10 39) and the company has to be able to “*tell people you’re delivering the good stuff*” (M10 39-40). Its very nature thus means that the action and its communication must be inextricably linked and, as such these company “*assets*” (M10 295) are treated in the same way as other marketable products. Indeed, “*it’s standard markcomms stuff*” (M10 235).

The objective is to “*raise awareness*” (M10 233) and the barometers of success are “*press coverage*” (M10 207) and “*awareness among our key stakeholders or special publics*” (M10 215-216). Other, more recent measures also include social media activity such as “*the number of retweets and activity on our Facebook page*” (M10 224-225). The explicit (Matten and Moon 2008) nature of this branded activity means it is easily made visible to stakeholders. As such, it demands a less complex approach to its communication that focuses on a one-way promotional model (Grunig 1992).

#### 8.4.iii The communication challenge

The tension between action and communication is highlighted by S14 who recognises no “*correlation between the amount of CSR activity and the level of CSR communication. Some companies are not doing a great deal but are very good at communicating it and, in a way that is transparent. There are companies doing a lot more but are not very good at communicating so they are wasting an opportunity*” (M172-176). Herein lies the CSR communication paradox (Golob et al. 2008). It fails to support, however, Vallentin’s (2006) research that companies most active within CSR are simultaneously the most criticised. Indeed, the failure to communicate is perceived to leave a communication gap.

Following Shell’s Brent Spar crisis, the company produced “*probably one of the world’s first sustainability reports*” (S15 68) at a time when “*companies were worried about putting their head above the parapet*” (S14 15-16). At the time of interview however, that perception had changed. From the perspective of a journalist, S14 adds, “*they are reporting but not generally communicating*” (152-153) and furthermore, these reports are perceived to only “*go to a select audience*” (154).

This leaves the impression that Shell does not want to “*invite attention*” (S14 158). Indeed, S15 perceives that “*Shell lost its leadership on reporting*” (310), a result of “*changes of leadership*” (311) whereby leaders are “*less determined to take a leadership role*” (312). This could be for the reasons identified by S14 though other interviewees have alternative explanations.

S12 explains how after the climate conference in Copenhagen in 2009 it was perceived that “*the world would be tired of all this moaning about the future*” (240), so Shell decided to “*stay engaged with policy makers and expert groups*” (242) but in relation to how the company was “*profiled*” (245) externally through PR and corporate advertising the focus turned to “*what energy did for you*” (246). This “*change of tone, and a change of direction*” (S12 248) was a shift from the broader sustainability message of the company, including that of climate change, and one specifically relating to energy. It was done in the belief that “*once things get more imbedded into the way a company does things you don’t have to talk about it all that much*” (S12 253-254). Shell UK, on the other hand, has a different perception. M10 comments that, as one of the first companies to produce a sustainability report, the increase in reporting (KPMG 2015) means that “*it has become the norm*” (M10 188). Indeed, she adds, “*I don’t think it’s necessarily that we have gone quiet, it is just that others are also talking*” (188-189), “*it is a very crowded field*” (M10 189-190).

Furthermore, the culture within the company is described as one of being “*cautious*” (M10 163) and “*averse to over claiming anything*” (M10 164).

Stakeholders will no longer “*take what you say for granted*” (S12 350). “*You are talking to a much more educated audience*” (S12 344). Thus, where other companies may confidently communicate, Shell may resist. This cultural influence

has, however, changed since the company's first sustainability report, which took a proactive approach to ensuring that both implicit and explicit (Matten and Moon 2008) activities were made visible. Indeed, such a cautious approach and the loss of a leadership position means that the company is less sensitive to its environment. He argues, *"being at the leading edge keeps you in touch with change. If you're not leading you're less likely to be sensitive to change, reducing the radar, not quite as switched on"* (321-322). Indeed, S12 perceives this as part of the leadership challenge.

Whatever the reasons behind a perceived loss of voice through its sustainability reporting, a communication gap appears to be the result. While *"Shell has retreated from a lot of communications but not back-tracked on their values"* (S15 326-327), a communication vacuum has left the perception that company communication has lost its leadership position. It has also left a space for speculation. Furthermore, it is now perceived to be focused on a *"select audience"* (S14 154) and does not want to *"invite attention"* (S14 158). Indeed, the company narratives present a focus on its SSI activity and communications, as opposed to its sustainability communications. The result is that the implicit CSR (Matten and Moon 2008), relating to values and culture are not being communicated. Indeed, the narrative reveals a focus on the communication of SSI *"assets"* (M10 295). Consequently it appears to fail to meet the challenge of presenting the whole truth (Devin 2016) and no longer meets the expectations of certain stakeholders (Morsing *et al.* 2008).

Furthermore, through the company's NGO monitoring across industries, *"the oil and gas industry comes under most scrutiny"* (M10 174-175) and within that sector, *"Shell comes under the most scrutiny"* (M10 175). The company manager

suggests that this maybe because the company is “*more willing to engage*” (M10 176).

This leadership position and heightened sensitivity to the environment, however, feeds the knowledge the company needs “*to change*” and stay ahead of potential issues and competition. If effective CSR supports this sensitising process then it potentially also has a role to play in effectively developing or maintaining a leading position for a company. This quote therefore supports a more active role for CSR and its communication within a company, acting as a driver for change as opposed to only responding to the status quo.

This sensitising process for a company reveals the false distinction between CSR and its communication. Indeed, the communication process can itself be a fundamental action within the CSR process. In the case of Shell’s Brent Spar crisis, S15 comments that one of the reasons Greenpeace was inspired to highlight the company’s activities was because the NGO “*hadn’t been involved in the process*” (S15 143). By not initiating a process of involvement with the NGO, Shell had no appreciation of Greenpeace’s perceptions and any potential tensions the company’s actions would cause. As a result, when “*Greenpeace landed*” (S15 109) on Brent Spar, accusing Shell of poisoning the North Sea, the company was taken by surprise. Furthermore, despite putting Shell employees in danger – “*they shot at our people*” (S15 112) – Greenpeace maintained a position of strength in the media and public perception. Involvement through communication, thus becomes a fundamental and integral part of the CSR process.

Since Brent Spar, the relationship NGOs have with companies has changed significantly, according to certain stakeholders. S14 comments that the



“relationship companies have with NGOs has improved” (222). Companies *“try and engage more with NGOs and see their views as valid”* (S14 230). Furthermore, *“some NGOs are more prepared to see the nuance picture”* (S14 230-231). This provides an opportunity for sharing understanding and frames of reference (Nijhof and Jeurissen 2006). There are, however, exceptions. S14 explains that certain NGOs *“quite cynically go down a certain route”* (231-232) and *“will go for the big name”* (233). Indeed, this may explain why Shell perceives that it *“comes under the most scrutiny”* (M10 175). In this way, the NGOs are able to attract attention for a campaign that may otherwise not be of interest to a wider public.

This communication challenge is further enhanced by the increased use of social media. S15 perceives that *“the rise of social media means there is an increase in communications and greater suspicion”* (233-234). Indeed, it can make it *“easier for companies to have credit in their bank account, but that can run out in a flash”* (S15 234-235) and *“if they aren’t authentic they will be found out rapidly”* (S15 236-237). This further emphasizes the need for a closer relationship between action and communication. Furthermore, with the rise of social media there is a perceived change in attitudes by the public towards authority figures. S12 refers to changes in how *“human beings, in the Western world at least, interact with authority”* (261-262). *“We don’t really believe in authority any more”* (271) and there is a *“lack of trust in leaders”* (271-272) which *“goes through all different strands of society”* (272). This includes an erosion of trust in *“government, media, NGOs, business”* (273) and means people *“want to be involved as grown-ups in a conversation and perhaps even in decision-making”* (280-281). This drives further complexities into the communication challenge. Direct dialogue thus becomes an increasingly important means of communicating in order to develop stakeholder relationships and trust over time. In the area of CSR this is likely to mean the need for higher

levels of communication when companies are cautious of becoming visible.

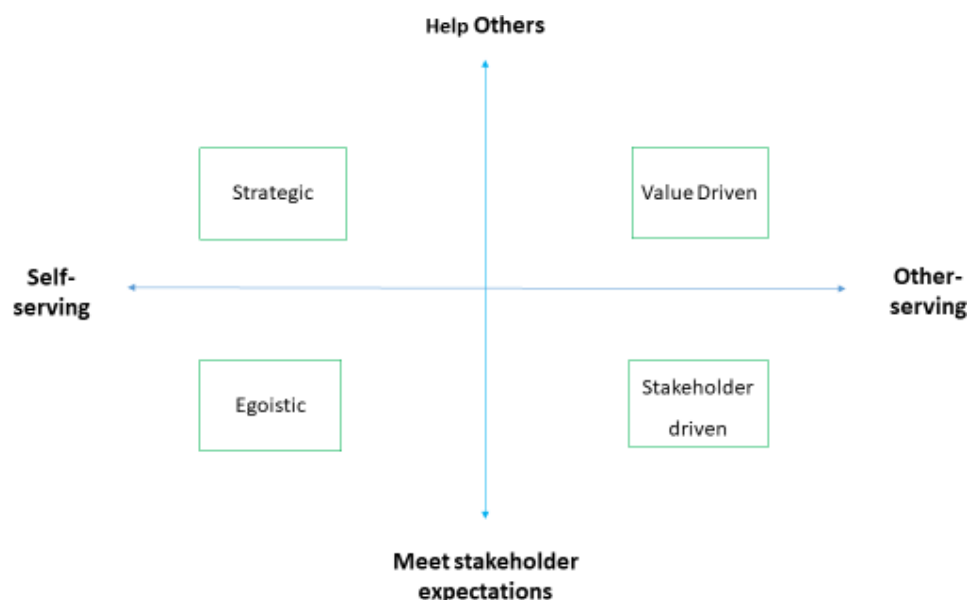
## 8.5 Summary

Shell UK thus presents layers of dimensions to its CSR approach, all of which are made relevant to company values. This involves the broad brush of sustainability, which includes environmental, community activities, safety and reporting. This is defined as company operations being part of being a “*responsible business*” (M10 10). Within that umbrella term sit social investment programmes. This is the company’s “*voluntary contribution to societies in which we operate*” (M10 3-4). It includes unbranded philanthropic activity, branded or sponsored community activity and strategic social investment (SSI) which involves stakeholder specific, branded “*assets*” (M10 295) created by the company to serve the community and company objectives. These are created around “*consistent themes*” (M10 104) which, in the UK, include “*education, science education particularly, innovation and low carbon innovation*”.

The narrative from Shell UK reveals a singularly instrumental rationale (Donaldson and Preston 1995; Fleming and Jones 2012) for the company’s sustainability and social investment approach. Indeed, the development of branded “*assets*” within Shell UK’s SSI programme focuses on an explicit CSR approach (Matten and Moon 2008) that serves the company and ensures that the company is seen to serving society. Furthermore, this approach is framed by two criteria – to “*deliver good stuff*” (M10 39) and allow the company “*to tell people you’re delivering the good stuff*” (M10 39-40). It is thus a means of doing well by doing good (Bhattacharya and Sen 2004; Kotler and Lee 2005; Watson 2011).

In terms of what constitutes a stakeholder, Crane and Matten (2010) describe it as an individual or a group that is either “harmed by” or “benefits from” the company, or “whose rights can be violated or have to be respected” (p.62). According to Shell UK’s narrative however, it appears that this concept should be extended to also include those individuals or groups who can benefit the company. Indeed, an instrumental rationale makes these criteria as important as the others and supports O’Dwyer’s (2002) argument that CSR will always focus on the perspective of the company, giving priority to the business case (Jenkins 2005). The company adds, “*we’re a company not a charity*” (M10 41).

This instrumental approach by Shell UK places it within the strategic arena of the Coombs and Holladay (2012) matrix below. Its practices are designed to serve the company as any other business function.



Shell UK’s narratives in relation to its sustainability and social investment approaches reveal the main repertoire is associated with adding value to the company. Adding value is achieved in a range of ways, including community 223

engagement to understand local needs and perceptions, and the use of local supply chains, which allow the company to manage its reputation and be seen to be supporting the local community. In relation to SSI, the motivation of brand differentiation is also highlighted. The company's SSI programme focuses on "*delivering for the business*" (M10 297) in a way that "*serves society*" (S15 183) as the company focuses on "*innovating and changing and delivering for the business*" (M10 296-297). Business leaders are expected to "*leverage*" (M10 276) the "*assets*" (M10 295) as a means of managing reputation through assets that differentiate the brand. These motivations combine both proactive and reactive drivers (L'Etang 1994) that are both strategic and explicit in intent (Bansal 2003) and articulate a commercial imperative as part of the company's broader values.

The approach to communication within Shell UK is described differently between its sustainability and SSI activities. In relation to sustainability, engagement is referred to most commonly while, in relation to SSI, the narrative focuses on marketing communications. Following its Brent Spar crisis, engagement as a communication process is used as a way of sensitising the company to its environment. This experience moved the company from a one of a "*process of decide, announce and defend*" (S15 149) to one of "*dialoguing, delivering and further dialoguing*" (S15 150). "*Community engagement*" (M10 279) is also implemented on a local level to help the company develop an understanding of its local operations and sensitising the company to areas of local concerns.

The repertoire in relation to Shell UK's SSI activity is represented as a practice akin to marketing communications. By definition the SSI activity must "*deliver the good stuff*" (M10 39) and the company has to be able to "*tell people you're delivering the good stuff*" (M10 39-40). Its very nature thus means that the action

and its communication must be inextricably linked and, as such these company “assets” (M10 295) are treated in the same way as other marketable products. Indeed, “*it’s standard markcomms stuff*” (M10 235). It is measured through awareness surveys and press coverage and focuses on broadening the visibility of its branded activities.

The CSR communication paradox (Golob *et al.* 2008) of what and how much to communicate clearly still exists yet it is not universally perceived that companies that communicate the most on CSR issues are the most criticised. Indeed, more focus is given to the quality of communication, which relates in part to transparency, than the quantity. Indeed, the failure to communicate is perceived to leave a communication gap and in this gap stakeholders are left to speculate. In the case of Shell and its stakeholders there exist different perspectives on the need to communicate. What is described as a “*change of tone, and a change of direction*” (S12 248) for the company has been perceived as a company “*less determined to take a leadership role*” (S14 312). Indeed, S15 argues, “*being at the leading edge keeps you in touch with change. If you’re not leading you’re less likely to be sensitive to change, reducing the radar, not quite as switched on*” (321-322). Adding to this cognitive dissonance between the company and its stakeholders is a changing environment where “*the rise of social media means there is an increase in communications and greater suspicion*” (S15 233-234). Furthermore, there is a “*lack of trust in leaders*” (S12 271-272) which “*goes through all different strands of society*” (S12 272). This drives further complexities into the communication challenge. Direct dialogue thus becomes an increasingly important means of communicating in order to develop stakeholder relationships and trust over time.

## **Chapter 9     Conclusions**

This thesis aimed to reveal the dimensions of CSR and its communication in different contexts – the East and the West, through India and the UK. It takes an exploratory approach to proving unique empirical evidence of company approaches to CSR, its communication and the relationship between the two. As such it is designed to acknowledge the relevance of the context-specific, and ever-changing, nature of CSR and its communication. The analysis contributes to an understanding of the company approach, motivations and how this influences communication. It is important, however, to acknowledge that the analysis within this chapter is specific to these specific companies in these countries, and not attempting to make generalisations for practices within each country or each company globally.

This is achieved through the contexts of Tata Steel and Shell in India and the UK. The master question is: ‘What are the characteristics of, and influences on, CSR, its practices and its communication in India and the UK?’ This is supported by the following sub-questions:

- What are the objectives and characteristics of CSR for Tata Steel and Shell in India and the UK, as perceived by company managers and stakeholders?
- What are the perceived objectives and characteristics of the CSR communication for Tata Steel and Shell, as perceived by company managers and stakeholders?
- What are the perceived contextual influences on these practices?

## 9.1 What are the objectives and characteristics of CSR for Tata Steel and Shell in India and the UK, as perceived by company managers and stakeholders?

Tata Steel India, Shell India, and Shell UK all related the companies' CSR activities to the broader concept of sustainability or sustainable development. Indeed, in each of these three contexts sustainability directly linked to Elkington's (1998) definition of this Triple Bottom Line concept, encompassing the economic, social and environmental approaches. These related to company values and included both implicit and explicit (Matten and Moon 2008) approaches to CSR. The implicit approaches included the management of complex issues related to supply chains, climate change and energy usage. Explicit approaches ranged from unbranded philanthropic activities, to branded and sponsorship activity. Indeed, by encompassing levels of philanthropic activities within company practices they reveal Lantos' (2002) conviction that such activity is not an acceptable practice for a company, as outdated. Indeed, each of these companies identified it as a necessary practice and part of being a responsible company. As such, Carroll's (1991) description of philanthropy as desirable for companies also appears to be an outdated guide to today's practices.

Neither Tata Steel India, UK nor Shell UK directly used the term CSR within their companies and had furthermore separately labelled different elements of their sustainability activity in terms more directly relevant to specific activities. For example, under this sustainability umbrella both Tata Steel and Shell in the UK separately defined programmes of social investment. Tata Steel India defined its community involvement activity as Affirmative Action, Tata Steel UK described its

social programmes under the banner of Future Generations, and Shell UK referred to social investment (SI) which included strategic social investment (SSI). In these three contexts, there was evidence of a stakeholder management approach (Freeman 1984), though there was also clear evidence that stakeholders were not managed equally by the company within its CSR programme. Indeed, stakeholder prioritisation, in relation to the social investment activities, put the focus was on the community local to existing or planned operations and employees. Where possible the opportunity to reach other stakeholders was leveraged such as customers with Tata Steel Europe, and government ministers with Shell UK. These stakeholder were not, however, the main priority.

Shell India was the only company context that directly used the term CSR and that was because of the introduction of the Government of India's CSR Act. Indeed, this act focuses specifically on social issues relevant to India which meant that Shell India's main area of investment was planned for this area to meet legal criteria.

Tata Steel in India and the UK and Shell in India all differentiated between their philanthropic activity and strategic CSR activity by the level of involvement the company had with its stakeholders. This specific identification of involvement is thus fundamental to the definition of CSR yet not explicitly articulated anywhere in the CSR literature on definitions, despite many references made to the importance of stakeholder relationships.



For example, it is through high levels of involvement with local communities that Tata Steel India has developed its Affirmative Action programme which covers activity under the labels of education, employment, employability, entrepreneurship and ethnicity. These areas of activity have been designed to add structure to the CSR activities “*so the whole economy benefits*” (M2 193). This is driven by a “*very strong sustainability ethos*” (S4 54) and a founder who believed that “*community is not just another stakeholder in business but in fact the purpose of its existence*” (M1 294- 295). This reflects a company that acknowledges the interdependent nature of its relationship with its stakeholders, with particular emphasis on its community and the need for social involvement.

This narrative articulated by Tata Steel India reflects a normative rationale but not to the exclusion of an instrumental rationale. Indeed, a sustainable approach that encompasses economic, environmental and people elements is, by definition instrumental. This reveals, therefore that these two approach are not mutually exclusive as presented in the literature (Donaldson and Preston 1995; Fleming and Jones 2012). The division between these two rationales in the literature is thus a false one in this case as one rationale does not necessarily exclude the other.

Furthermore, the company links the existential (Frankel 2004) - “*the purpose of its existence*” (M1 294-295), with the ethical - a “*very strong sustainability ethos*” (S4 54), and the strategic (Lantos 2002; Porter and Kramer 2002) - “*without community you don’t have consumers, you don’t have investors, you don’t have lenders*” (297- 298). Indeed, the existential, or psychotherapeutic (Frankel 2004) use of language has echoes in the literature on spiritual leadership, whereby the enlightened leader

focuses on service not selfishness (Korac-Kakabadse et al. 2002) and identifies with what Stamp (1991) refers to as a sense of connectedness between the inner self and outer world; a company and its stakeholders. This closes the relationship space between the two parties and is reflected in the company narrative that describes a desire for it to be “*one with society*” (M3 288), as “*a social creature*” (M3 247). While Fleming and Jones (2012) identify the use of religious language in the normative rationale and Gomez and Crowther (2006) discuss the relevance of purposeful human action in organisations, the value and effectiveness of achieving these spiritual and psychological benefits through CSR have not yet been explored.

Tata Steel UK, Shell India and Shell UK narratives differed from Tata Steel India in that they all identified an instrumental approach to CSR. This was explained through an acknowledged interdependent relationship between the companies and their stakeholders. Indeed, Tata UK explained, “*we need each other*” (M9 281). This relationship, however, focused on developing strategic gain for the companies through a mutually beneficial relationship. Shell India described this as finding the “sweet spot” (M4 53).

The motivations described in each of these contexts differed as identified in the table below.

Tata Steel India	Sustainable development Spirituality and psychology
Shell India	CSR as social good Differentiation
Tata Steel UK	Sustainability Philosophy and values Differentiation
Shell UK	Adding value Differentiation

Linked to the motivation of sustainable development Tata Steel India identified a range of other motivations such as the development of positive reputation, the creation of brand ambassadors, and the management of risk. Such motivations have already been identified through the existing academic literature (Friedman and Miles 2004; L'Etang and Pieczka 2006; Surma 2006; Watson 2007). Tata Steel India, however, perceive these benefits as being linked to the integrity of its managers and, as such integral to the business. Inherent in this focus on integrity is communication. As such, the company perceives action as a form of communication, making its implicit values explicit.

In terms of spirituality and psychology Tata Steel India described CSR as having a role in providing a sense of meaning for employees. The company this encourages employees to engage in community projects that they feel are '*meaningful*' (M1 128) and something they "*enjoy*" (M1 129). As part of this process the psychological concepts of self-esteem and self-realisation (Maslow and Frager 1987) are also raised by the company management as being motivators for its CSR activity. Indeed, it is through the relationship company individuals have with the community that a sense of meaning, enjoyment and increased self-esteem is realised by both parties.

While CSR for Shell India was being driven by the need for legal compliance the company was in the process of deciding its own strategic approach. As a company in the early stages of developing its CSR programme stakeholder thus appeared to have very limited knowledge of the company's activities in India. At the time of research, Shell India was thus using the CSR Act as a catalyst for change in approach. This was described as requiring a "*paradigm shift*" (S1 106-107), to move from perceiving CSR as "*giving*" (S1 107) to one of "*investment*" (S1

108). In terms of the perceived need to differentiate the Shell brand in India, this related specifically to the need for the company to compete in a highly competitive recruitment market. By offering existing and potential new employees the company aimed to use CSR as a means of presenting “*the opportunities you can provide to individuals to become fuller human beings*” (148-149).

The motivations of sustainability, philosophy and values and differentiation are closely interlinked for Tata Steel UK. It is summed up in the statement from M7 who explains that the company is “*very passionate about trying to demonstrate that Tata is different; that Tata stands for something different*” (221-222). Indeed, S9 confirms that the company aims to “*maintain the vision that it is a caring organisation*” (335- 336). Indeed, brand differentiation was seen to be achieved through stakeholder activities that “*improve the way they live*” (M9 229) or “*improve their experience*” (M9 229). The differentiator thus needed to provide “*experience*” (M9 229), linked to the company brand and CSR, translated through activities that “*inspire*” (M7 442). As such, M6 explains that “*for us, branding and CSR is inextricably linked*” (251). Furthermore, by linking positive experience, rather than just positive message, with branding the company achieves a level of involvement with its stakeholders that promotion alone would not achieve. Indeed, it is this involvement that the company identifies as being essential to its definition of CSR.

Shell UK identifies sustainability as a driver of added value for the company in a number of different ways. Its practices involve community education and engagement as a means of supporting and remaining sensitive to the needs and expectations of its local community. It also involves using “*local companies*” (M10 127) and “*local supply chains*” (M10 127) where possible and, as such, is seen to

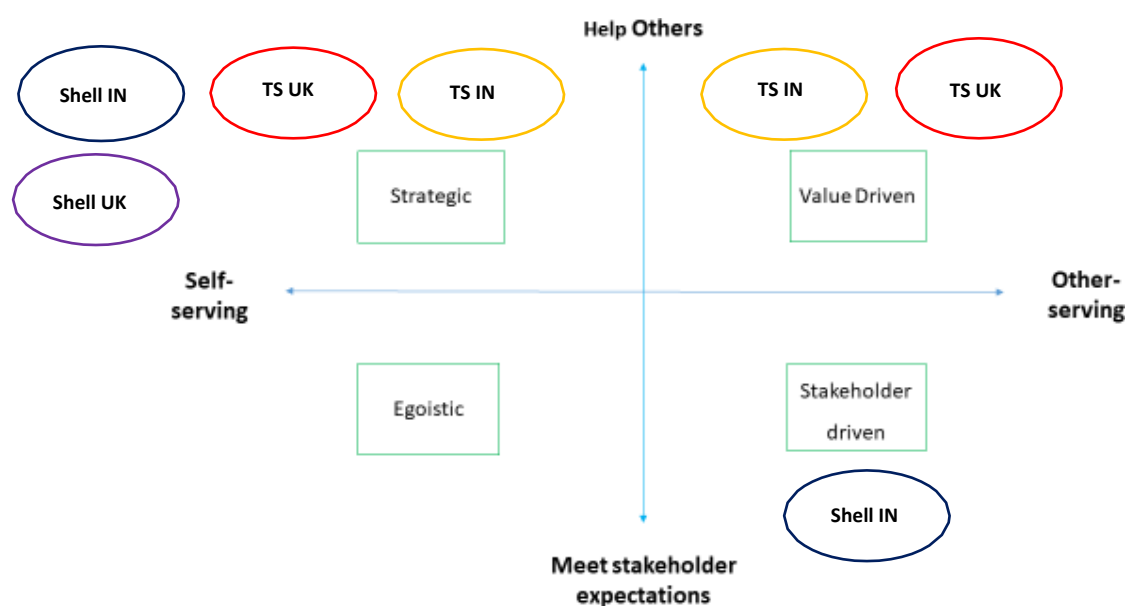
be supporting its local communities. Indeed, these activities are linked to the company's core values of "*honesty, integrity and respect for people*" (M10 316-317) and provide a means of making these implicit values explicit (Matten and Moon 2008). Making them explicit is important for the company as "*we want people to be proud of the company – your employees are your biggest asset in terms of reputation*" (M10 317-318). It is thus a means of sensitising the company to its environment and managing the company reputation, thus revealing both proactive and reactive strategies (L'Etang 1994).

The motivation of differentiation is identified through Shell UK's SSI programme. This creates "*fantastic assets*" (M10 295) that are branded for the company. Programmes such as Shell Livewire, focuses at enterprises, explicitly offer strategic benefit for the company through social investment which is focused on "*delivering for the business*" (M10 297).

These findings thus identify a number of new dimensions to the CSR narrative. First, it appears that the term itself is being subsumed by a broader focus on sustainability – a concept that focuses on the environment, people and economy or profit (Elkington 1998). Within this social investment programmes can be identified under a range of labels which include Affirmative Action and Strategic Social Investment. A level of philanthropic activity is considered necessary, though the main focus is on the development of strategic activity that offers mutual value to both the company and its stakeholders, albeit that these stakeholders are prioritised in terms of perceived level of importance to the company.

The element of the CSR definition, however, that separates it from philanthropy does not just lie in its strategic nature, as described in existing literature, but through the company's direct involvement with its stakeholders. It is through this involvement that companies are now focused on creating a positive experience for its stakeholders that provide a sense of meaning and purpose to their work and indeed their lives. This existential (Frankel 2004) approach also links to the development of self-esteem and self-realisation as identified through Maslow's (1987) psychological framework. It highlights a focus on a transformative process as individuals are positively influenced by the company's CSR approach. These transformative qualities aim to give meaning and value to both the company and the individual stakeholders and have an impact on the company's approach to its communications. In order to make such an approach meaningful a company must take a similarly holistic view whereby action and communication are inseparable and communication is perceived to be inherent in the CSR activity.

Considering these conclusions through the prism of Coombs and Holladay's matrix it is possible to see how these dimensions of CSR differ by country and company.



Using this matrix a consistency in motivation between Tata Steel and Shell is revealed. All demand that their CSR practices have a strategic fit with the wider company objectives, which will be a reflection of the competitive business environments they function within. There is, however, a noticeable difference between the two companies when considering value-drive motivations. This was not part of Shell's narrative in India or the UK. Furthermore, the CSR Act, while not impacting on CSR practices at Tata Steel in India, it was forcing Shell India to focus on a stakeholder-driven approach to its programme development.

One element revealed in the research that cannot be encompassed within this matrix is the spiritual or psychotherapeutic element of Tata Steel India's approach. This would sit outside such a matrix yet is a vital part of the company's motivations in India. In this respect the matrix would benefit from a further dimension of being meaning-driven. This could be both a self and other-serving motivation.

9.2 What are the perceived objectives and characteristics of the CSR communication for Tata Steel and Shell, as perceived by company managers and stakeholders?

Four main approaches to CSR communication have been identified within the Tata Steel India narratives. These include communication through action and behaviour; engagement; information and negotiation; and promotion and persuasion. The most significant element, in terms of adding new knowledge to the existing CSR communication literature, is that of the relationship between action and behaviour and the making of implicit activity explicit through action. Indeed, the behaviour of leadership is described by M2 as action that necessarily "*comes*

*from the heart, it has to be a conviction*" (336). Furthermore, the company manager explains that *"it is not so important for you to communicate it as long as you have done the right thing and you have satisfied yourself and you have satisfied society"* (M3 176-177). Indeed, the essential element here is involvement and, as such, the involvement or action becomes the communication and supports the desire for personal connectedness defined through the company's CSR approach.

This grounding of communication in action allows the implicit to become explicit (Matten and Moon 2008) in a way that communicates integrity and thus supports the company values. It takes an inside-out approach to communications, ensuring employee commitment first (Morsing *et al.* 2008) and allowing the process of engagement and relationship building to take place which are regularly discussed in the CSR literature. From here follow the other forms of CSR communication such as information and negotiation; and promotion and persuasion.

This desire for personal connectedness is also prevalent in Shell India's narrative on CSR communication. The company describes its employee stakeholders as *"inquisitive by nature"* (M4 164) and indeed, they *"challenge anything that you say"* (M4 163). As such, new approaches to engaging them are required. For Shell India this means finding a way to *"tell them stories in an interesting manner"* (M4 166) and *"put out the vulnerability of a business"* (M4 167). It is achieved through third party endorsement - *"the stories are told by the beneficiaries and the recipients"* (186) of the CSR activity. This approach through story-telling permits the existence of multiple and interlinked realities and are thus effective in creating meaning through strategic discourse without relying on communicative rationality (Barry and Elmes 1997). As such, *"helps to soften the image you want to project"*



(M4 171) which is linked to the brand.

Processes of engagement and one-way communication are also used by Shell India, though the this process of change from one way to two-way communication (Grunig 1992) is perceived as “*a major effort*” (M4 71) for the company. Yet the “*two-way*” (M4 71) communication process is perceived by the company to be an effective means of instilling knowledge, skills and thus, changing behaviour.

The imbedded nature of communication in action is also one raised by Tata Steel UK. Indeed, the company took the view that it is not possible to “*separate the actions from the communications*” (M7 379). As such, stakeholder involvement is the means by which the brand experience takes place and is thus communicated. Indeed, M7 adds that the “*media get that as well*” (379-380). Furthermore, using “*CSR rhetoric*” (S8 166) and “*meaningless terms like triple bottom line*” (S8 168-169) can mean you “*lose a narrative about a company and why it’s different and what it cares about*” (S8 172-173). This statement again introduces the need for personal connectedness in communication which M7 describes as being achieved through action. He described a company activity that received no publicity and explained, “*my purpose for doing it was to make people feel good about the fact that our company is doing something to help but also to generate a team spirit and getting people working together*” (M7 451-453). The action, thus becomes the communication and the engagement in the activity the means of creating the “*feel good*” (M7 451) factor the company wants associated with its brand and the company.

From this stakeholder involvement the company established a differentiating factor and communicates a “*softer approach*” (M9 99) to developing an understanding of

the company, *“our philosophy”* (M9 100). At the same time the company achieves its goal of wanting *“the people that we work with to become brand ambassadors”* (M9 97-98). This achieves the same third-party endorsement that Shell India described, along with a *“softer”* (M9 99) brand association.

The Tata Steel UK’s Future Generations programme the company also develops branded activities that are supported with promotional activity. These include the Tata Steel Chess Tournament, Kids of Steel Triathlon events and Cast Iron Communities volunteering programme. The decision-making process to develop such programmes starts with the focus on *“making the world a little bit better”* (M8 170) through involvement in *“aspirational”* (M8 170) activities. There must be connection with the intention to *“do good”* (M9 160). Participation is the other main driver for such activity and from this branded materials are developed and the activities promoted. This presents, however, a communication challenge described by M7 who adds: *“I think sometimes there is a risk that if you promote it too much or talk about it too much people will be cynical”* (422). It is for this reason that communication through third parties is considered to be the *“greatest endorsement”* (M7 426), and is most effective when the stakeholder is *“personally involved”* (M7 429). As such, CSR communication for Tata Steel UK becomes a *“balancing act”* (M8 240).

Sustainability and engagement featured prominently in Shell UK’s narrative, as did the use of marketing communication techniques in relation to its SSI activity. The company’s engagement approach was instigated by its Brent Spa crisis which led to a *“deep period of reflection”* (S15 53-54). As a result the company produced *“one of the world’s first sustainability reports”* (S15 68), arguably *“kick-starting a movement”* (S15 69). This moved the company from a *“process of decide,*

*announce and defend*" (S15 149) to one of "*dialoguing, delivering and further dialoguing*" (S15 150). Despite this revised approach, however, S12 refers to subsequent issues arising with Shell projects in Alaska and Ireland where situations had been "*misread*" (113), leading to costly delays to business development activities.

Engagement as a communication process thus has the potential to sensitise a company to its environment and indeed Shell UK's take this approach locally through its "*community engagement*" (M10 279) activity. This involves creating an understanding of the company's local operations and sensitising the company to areas of local concerns. When issues are highly sensitive, however, and engagement is driven by contradictory actions or competing motivations it will quite possibly fail. This indicates that engagement in itself is not a means of building trust. Indeed, it is a broad term that could be interpreted in many way. Furthermore, S15 comments that one of the reasons Greenpeace was inspired to highlight the company's activities with Brent Spa was because the NGO "*hadn't been involved in the process*". Involvement, as opposed to just engagement, thus appears to be a more effective means of developing trust and potentially achieving more positive outcomes. Indeed, the personal connectedness is demands greater transparency from both parties.

Shell UK's SSI activity on the other hand focuses on a marketing communication or promotional approach to explicitly communicate the company brand alongside socially supportive activities. Indeed, it must "*deliver the good stuff*" (M10 39) and the company has to be able to "*tell people you're delivering the good stuff*" (M10 39- 40). Results are measured by brand awareness and media coverage, as well as social media activity. The explicit (Matten and Moon 2008) nature of this

branded activity means it is easily made visible to stakeholders. As such, it demands a less complex approach to its communication that focuses on a one-way promotional model (Grunig 1992).

The relationship between action and communication and thus the role of involvement presents a common theme across all contexts. While the academic literature focuses on engagement, in practice, companies making a distinction between involvement and engagement as a means of achieving goals of sustainability. Indeed, without involvement the process of communicating values, implicit CSR (Matten and Moon 2008) or complex issues becomes problematic. Furthermore, there is rarely news value inherent in these aspect of CSR, making the communication of a positive message difficult. When involvement between a company and its stakeholders takes place, however, transparency and thus trust is improved from which the other desired outcomes such as education, dialogue, and promotion can more effectively be achieved.

### 9.3 What are the perceived contextual influences on these practices?

The contextual influences on these practices included national factors and company factors. Furthermore, as MNCs these companies are also influenced by its global and national entity.

India and the UK are both countries with a long history of philanthropy (Balasubramanian et al. 2005; Harrison 1971; Lala 2007; Marinetto 1999) yet their evolution from philanthropy to CSR has taken different paths in different time-frames. CSR activity in the UK was defined and formalised as part of the West's increasing focus since Bowen (1953) first labelled the concept in the 1950s. Furthermore, as part of the European Union since 1973, the UK has been part of

the Union's efforts to increasingly put pressure on member countries to take responsibility for their social impact (European Commission 2016).

Social pressure arising from highly publicised events such as Shell's Brent Spa and Coca Cola's actions in India have raised awareness on the subject of corporate responsibility, as have the high levels of absolute poverty in India. Furthermore, "*economic leakages*" (M4 13-14) or "*corruption*" (M4 14) in India has put pressure on the government to force companies to fill the gaps of weak government (Moon et al. 2005).

The Indian government, while being the first country in the world to make CSR activity law, only recently introduced its CSR Act in 2014. Indeed the Act does not define CSR, only the type of company that must invest, how much it should invest and the areas of investment. This means that companies in India could invest in a way that is of a philanthropic-style rather than being CSR. Companies such as Shell India, therefore are left to decide on an approach that offers the company a return on its investment. It should be acknowledged, however, that Tata Steel and the Tata Group has a much greater commercial investment, portfolio of products and services and market share in India than Shell and is thus under greater pressure to contribute to social goals. Indeed, Tata Steel India already invests in CSR above the now legal requirement. The company is known for its "*very strong sustainability ethos*" (S4 54) and gained the "*respect*" (S4 154) of stakeholders over many years. Its founders stated philosophy, gives strong emphasis to the responsibility of the company to add social value. As such the company has no plan to change its approach in response though it has already started a move towards a more structured approach.

As well as its legal obligations, Shell India, as a foreign MNC in India, is also under pressure from Shell global to follow its global directives on CSR. M4 argues that this means that Shell India “*trips over itself in trying to be correct*” (96) which adds to the cost of goods which is a pressure other, Indian national companies do not experience. With a relatively small market share Shell India is also not so well known as Tata Steel in India which means that competing for employees is also more difficult.

Communications is also affected by culture in India which was identified by Shell India. M5 adds that “*in India people generally communicate one-way*” (55). This means that the process of engagement and dialogue is more difficult and the move from this model to one of two-way communication is thus “*a major effort*” (71) for the company. These issues surrounding engagement were not highlighted by Tata Steel in India though they did identify that the process of building trust with stakeholders affected by the development of new plants is a lengthy one, which can take up to ten years.

In the UK, Tata Steel appears to use a framework for its CSR that is closer to Shell UK than the companies in India. Tata Steel is not developing new plants in the UK so business development investment is removed from the investment equation. The needs of the community in the UK are also less demanding than in India. The UK's welfare state and education system provides for communities in a way that the Indian institutions do not. This means the UK already has more equal access to food, housing and education than the majority of the population in India. The drivers, intentions and practices for implementing CSR between these two companies are, however, expressed differently in both countries.

The Tata Steel narrative both in India and the UK describes an approach that is driven by company philosophy and values to achieve social involvement. In comparison Shell UK's CSR approach, which also establishes the Shell global template, is driven by the need to add value to the company through sustainability that involves stakeholder engagement and facilitates communication. All this is framed within the company values.

By defining relationships and involvement as an essential dimension of its CSR activity, Tata Steel UK makes engagement and communication inherent in the CSR approach. Within the sustainability context the company thus takes a long-term approach to its communication outcomes. In contrast, Shell in India and the UK, describe CSR communication as a function that is a necessary attachment to the CSR process but separate from its CSR approach.

There was a common acknowledgement across all contexts that doing social good was a positive responsibility for their company, even if the desired outcomes were perceived differently. All respondents acknowledged that mutually beneficial relationships with stakeholders was an essential element, though Shell as a global company was more explicit in its desire to be seen to be doing good than Tata Steel in India.

#### 9.4 Implication of Findings in Social Applications

The implications of these findings focus predominantly on the spiritual and psychotherapeutic dimension to Tata Steel India's CSR approach. This is an area that would benefit from further research and to determine whether company's in the UK would be motivated to extend their approach into this area. There is also value in considering whether it is an approach stakeholder would find acceptable.

The concept of commercial companies taking responsibility for providing their stakeholders with a sense of meaning has ethical implications. Furthermore, such an approach may have a positive or negative impact on stakeholders. Tata Steel and Shell in the UK already view CSR as a means of engagement, particularly in relation to employees involved in volunteering. Whether inherent in this is a sense of meaning would require further research. Socially, however, the implications are that a loss of trust in institutions such as government and religion, has left a gap in the social environment that could be filled by commercial organisations.

#### 9.5 Limitations of the Research

The approach used for this research was a qualitative one, based on grounded theory. Such a strategy aims to reveal the impact of the changing global environment and different contexts on CSR and communication strategies. The aim was to identify emerging dimensions and relationships. In order to do this the sample size was limited and the factors identified are by no means exhaustive. Furthermore, additional dimensions may have been overlooked as this study only gives prominence to those topics given priority at that time by the respondents. The topics discussed and dimensions revealed are thus not exhaustive.

The results were also limited by the availability of interviewees at the time of research. Furthermore, making contacts with senior managers and informed stakeholders in India meant relying on the recommendation of personal contacts which limited the selection. The size of India as a country also put limitations on this researcher's ability to meet potential respondents, as did the time available to travel to meet them. While most of the company managers were available in the main Indian cities, and thus accessible, the range of stakeholder respondents was more limited. Furthermore, while language was not a barrier with company



managers who all spoke English, it was a barrier with certain stakeholders groups. A meeting with a group of villager women in Jamshedpur who were benefiting from Tata Steel India's CSR activity, required a translator which was provided by the company. As such, a critical assessment of the company's involvement and investment was not achievable. Furthermore, concepts such as CSR and sustainability had no meaning for them, nor the different forms of company communications. This material thus could not be used.

Certain respondents, while authoritative and experienced in the area of CSR and communication, had only recently taken up their current positions. Furthermore, the relatively recent introduction of the CSR Act in India also meant that Shell India, in particular, was at the very early stages of its CSR programme development. This will have impacted the perceptions of respondents and, as a result, finding stakeholders with an awareness of the company's CSR activities proved difficult.

The research methodology also allowed interviewees to amend their comments once the transcripts had been recorded in type. This meant that certain original comments were changed or removed in full. In this way an amount of original information was lost from the process and for ethical reasons could not be analysed.

## 9.6 Directions for Further Research

The conclusions and limitations of this research reveal that these initial indications are worthy of further research. The emerging dimensions of CSR in the findings present opportunities for further work that addresses these concepts and relationships.

The move from the use of CSR towards sustainability as terminology amongst both MNCs and smaller companies would offer opportunities for further research. Furthermore, an understanding of how individual elements of company's sustainability activity is structured and identified would provide useful insights into the detail of this broad concept. Research on how the use of different terminology affects perceptions of both internal and external stakeholders would also support the development of new theory.

The spiritual and psychotherapeutic approach to CSR and its aim of creating meaning for stakeholders also offers the opportunity for future research. This could measure both the prevalence and impact of such an approach through a causal study and the concepts could be conceptualised and tested. Indeed, the replication of this study could also take place across other countries and companies as a means of revealing other emerging dimensions and relationships that have not appeared in this research. The use of quantitative research would also allow for statistical analysis and generalisations of practices within different contexts to be made.

Future studies could also focus on causality as a means of understanding the relationship between the type of CSR activity and the type of communication. Such knowledge would contribute to CSR communication theory and support professional development within companies. Furthermore, a causal study that compares the impact of communication techniques such as involvement, engagement, education and promotion would provide the communication industry with useful insights.

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## Appendix II Bibliography

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## Appendix III Sample Transcript

### Manager 1

Q. Could you tell me a bit about your job and the culture of the company?

M1. I wear multiple hats. My principal hat is the role of Brand Custodian for the

Tata group. This is a new role and it didn't exist prior to its creation last year. The other hats that I wear, which kind of integrate under the role of brand custodian, are Chief Ethics Officer of the Tata Group and Chairman of Tata Council for Community initiatives (now called the Tata Sustainability Group), which was looking at integrating the CSR efforts of different Tata companies. I am also the group spokesperson in my role as Brand Custodian where I oversee corporate communications for Tata Sons. I also have the responsibility of protecting and enhancing the Tata brand.

At a fundamental level the way we see the Tata brand and the way certainly our Chairman sees the Tata brand is one that rests on multiple pillars, and perhaps the two most important pillars are the work we do for communities and our reputation for high standards of corporate governance and ethical conduct. And that is the reason he wanted whoever held this job to also oversee Ethics and CSR for the group. So it is an unusual combination. Companies normally have a spokesperson or brand representative, but in this case I am also responsible for ethics. The Tata brand of last 140 years has been built precisely on these things and this is a group that stands for a different way of doing business. It is committed to ethical conduct, to give back to society. So here I am.

Q. When was the job created?

M1. Last year, February. It is a new role at the group centre and prior to this role I have worked in different roles within this group. I joined the Tatas in 1995. That was my first job after college and I spent a year with different Tata companies for induction into the group as part of a programme called the Tata Administrative Service that grooms young managers for leadership positions in the group. I joined that programme, worked for a year with different Tata companies and then spent the next 12 years working as the Executive and Staff support to Mr Tata, our previous Chairman. Towards the end of my tenure I was involved with the telecom activities.

When I left his office I moved into one of our telecom operations as the CEO. I did that for 2½ years, then moved from there to our financial services company - Tata Capital where I set up a new private equity fund for the Tata group. I was the founding managing partner of the Tata Opportunities Fund which is the largest private equity fund the group has created. From Tata Capital I moved into the current role. So when I met the current Chairman in December 2012 he said he was going to build a team around him - the Group Executive Council, and in that team he wanted a mix of internal talent, people who have been with the group for many years, and outside talent, people he thought could kick start things in some areas. He really wanted to get a move on.

Q. What was the idea of the Group Executive Council?

M1. In the past when Mr Tata was Chairman he used to have a body called the Group Corporate Centre and this team had people who were typically directors on the board of Tata Sons, which is the parent investment holding company of the group. Many of them were people who would have been in the industry for many years, being CEOs at some point in their careers, and this team helped in identifying the group's strategic direction with Mr Tata. Cyrus wanted to create a similar team around him and the principal reason he needed to do this is because most of the people who supported Mr Tata earlier had retired. Cyrus wanted to create a new team which would work with him and help to give strategic direction to the group.

Also there has been a generational shift in leadership. Mr Tata retired at 75. When Cyrus took over he was 44, so he is looking for people who will be with him for the long haul. I was privileged to be contacted and I guess one of the reasons that worked in my case was the fact that I worked for so many years in the group and more particularly closely with Mr Tata and had seen the changes that happened in the group and the importance of certain issues. I think Cyrus wanted continuity from the past and people who have some understanding of critical policy decisions that have been taken in the past and ensure that we don't change things too dramatically or without good reason.

Q. Will this see change in culture?

M1. I don't think so. I think our group has been built on some core values and if there was one issue that I think Cyrus really took to heart from when Mr Tata handed over to him was the group's reputation for doing business the right way. We have a huge reputation that he is very concerned should be maintained, sustained and so there will be absolutely no compromise on it. If he sees anybody acting or any of our companies behaving in a way that is not in sync with our value system then there is a heavy price to pay.

We have a unique ownership structure in the world of capitalism, where our principal investment holding company is largely held by charities. These trusts are India's largest private trusts that on an annual basis are giving close to 100 million dollars a year to support charitable activities. So fundamentally if our companies do well and earn larger profits and are able to declare high dividends, the trust gets more money which in turn goes back to society. One of our chairmen JRD Tata mentioned once that what comes from the people goes back to the people. This created a sense of higher purpose within Tata employees that they are working for a cause beyond themselves and what you do genuinely enriches the work that your Trusts can do with communities. The Tata group is not the best paymaster but it has so many people who've worked with it for a life time just because they believe that what they are doing counts and it makes sense. I think all of that is part of culture, your value system, your sense of mission and purpose. That I don't think will change, certainly not under Cyrus.

Q. How does that translate as you become an increasingly global brand?

M1. There are two dimensions to our growth overseas. One is growth organically when a company is taking deliberate steps to enhance their position in overseas markets. Tata Motors for instance set up an assembly plant in South Africa, sells buses in Bangladesh etc. The 2<sup>nd</sup> is the organic front which has been the bigger contributor in recent years to the group's internationalisation, so acquisitions like Jaguar and Land Rover and Tetley, and the case of Tata Steel Europe (Corus). So there are different implications when a company grows organically. They take all the processes and systems to the operations overseas. But when you are acquiring other operations then it's a question of understanding the culture that exists in the company you acquire, understanding the outlook of the leadership. That is important because we have a view about acquisitions. We

typically do not do hostile takeovers. We would like to go into situations where we are being welcomed, where we think we have some value to add, where the top leadership in particular shares good chemistry and has a shared affinity for certain values. So when you go into an acquisition situation the chances are you have already done your homework and you have intelligence about the counter party. You have the confidence that the management of the company is fairly stable and is committed to ethical practices.

You want the employees to get integrated into the family and to enable this integration. There are things like the Tata Code of Conduct which you will insist that they adopt but you will still give them time to understand your history, your culture, your legacy. The biggest difference we see when you work with these companies is they have very little understanding of our origins, what this group is, why do we have a strong reputation in India, why is the brand well recognised? In particular, our ownership structure and the work the Trusts have done over the years, outside India it is not very well known, so they don't necessarily relate instantly to the sense of purpose or mission that employees in the Tata group may have. What is this whole thing about giving back to the community. So when you go into an acquisition situation the company you have acquired may not be doing very much for the community, so the biggest change we see is when they start understanding that we built a reputation on certain principles and we want exactly the same principles to be demonstrated wherever we operate in the world. So if we have Jaguar and Land Rover in the UK then please understand that part of our reputation in India was built on the work we do with communities. So show us what you are doing with communities. Then they come back and they show you some good stuff. In fact JLR has a terrific reputation in the UK. This year they have won the award for the Best Business in the Community Partnership. The work they do for apprentices, the work they do with schools, colleges. There is a lot of good work they are doing but we would like them to do more and we want them to do it because it's a good thing to do, not just dedicating a percentage of your profits or turnover to this activity.

They should do it because they should feel that this is meaningful and working with communities is something that we enjoy. It cements our position as a valued member of society and the community.

That would be the biggest challenge, the biggest difference we see in cultures of companies that are being acquired. There needs to be chemistry at the leadership level, otherwise you won't go in. There is a basic, fundamental integrity of the business, and the integrity of the people who are running the business; but what is not necessarily immediately aligned is the sense of why we are in business, what is our role in community, why should we think about doing anything for society and how do we go about it. That is the biggest change or difference when you are going into culture that, it is not created by you but now it has to be integrated into your group.

Q. How does that approach affect how you communicate with your stakeholders?

M1. This year we are planning to undertake a global brand building campaign for the Tata brand. All the Tata companies use the Tata brand on the strength of an agreement with Tata Sons. It is called the Brand Equity and Business Promotion agreement. It gives Tata Sons a right to revoke the brand if it feels that company is not using it in the right way. There are ways in which Tata Sons monitors the use of the brand for ethics complaints, for instance each company has to give a code of conduct compliance report which comes to me. The report gives a snapshot of ethical issues raised in the company and enables us to ensure that there are no ethical violations that are creating embarrassment or bringing our reputation under a cloud.

On the quality front, of providing reliable products and services to the markets, we have the Tata Business Excellence Model (TBEM) which is assessed and supervised by another division of Tata Sons called the Tata Quality Management services. Under the Tata Business Excellence Model which is derived from the Malcolm Baldrige Award of the United States, the companies are measured for their work and processes that are in place on leadership, on customer, relationship, market orientation, research, on information systems on HR processes, and the companies are assigned scores. If the companies get a high score then you win the TBEM performance award but if you get a low score you are expected to keep improving on that year on year. We monitor companies' performance on this scale. These are some of the tools that we have to measure companies performances are living up to the brand name.

The Tata brand has been built from the collective of the work which individual companies are doing in hopefully putting out good products and creating customer affinity for their offerings and anything else that the group might do at a group level. Over the years because the work our companies have done, because of the work our Trusts have done, because of our reputation for integrity, we haven't had to do any explicit promotion of the Tata brand. So we actually spend very little on promoting the Tata brand on a standalone basis. But given that we have acquired a large foot print in the overseas markets outside India, we are finding it increasingly important for stakeholders and audiences outside India to understand who is Tata. Somebody knows Tata as a software firm, somebody else has heard of the Nano when it was launched. Some people may have heard about the acquisition of Jaguar and Landrover, but nobody knows the size, scale, spread of the current group, the foot print that we have, and the businesses we operate in and most importantly who we are and what we stand for. Now this year, after doing a lot of market research, we figured out that we really need to tell our story outside India. In India most people know about us. In India our focus is connecting the youth demographic audience under the age of 15, people who have been born much after India's independence, who know little about what it took to build an industry in this country. But outside India it is a challenge to communicate our story. The brand campaign will be based on a lot of study, research, analysis and internal discussion. We have decided three core messages about brand Tata that we want to communicate and those are exactly the same on which the Tata brand has been built in India over the last century and half.

The first message is that Tata is global. We happen to have Indian origins but we are a global corporate. We will not behave in the UK as an Indian company, for the UK we are a UK company. When people asked would you change the name of Jaguar, Land Rover to Tata Jaguar, we said it doesn't make sense. You have a market, consumers who relate to that brand in a particular way, why would I want to destroy this trust and relationship that has been built. So we are a global corporate.

The second message is that we are trusted. Again a lot of our history, particularly in a market like India which is full of pitfalls for corporates, we have been able to operate in a clean and ethical manner. We have quite a reputation. Overseas, it is



much more of a hygiene factor. Nobody expects you not to be trusted but we think there is still, a space for this particularly in the wake of the financial crisis in 2008. There is still a space that a group like ours can occupy, a story we can tell about the manner in which we are trying to be a responsible corporate, offering our consumers a trusted and valuable proposition. So that is the second message, that we are a trustworthy corporate.

The third message is that we are good corporate citizens and that has to be true in every market as much as it has been true in India which means every Tata company, wherever in the world operates, should give back to society. So those are the three messages we want to communicate. And part of the communication has to be as much internal, for the reasons I mentioned to you; many of the people joining the Tata group after their companies were acquired don't know about our history. They need to be informed. Hopefully they start liking what they hear and they need to become our brand ambassadors. So these three messages are directed as much to internal audiences as they will be to external audiences. This is first time in the history of our group that we are doing a brand campaign of this magnitude and certainly the first time we are doing so outside India.

Q. The global society is increasingly competitive and highly pressured, what impact does that have on the business?

M1. I don't think it has anything but a positive impact on the business. It has to be linked with what you define as your core purpose or your mission. In our case we have been very clear that our mission is to improve the quality of life of the communities we serve. Our chairman has talked very often and before him Mr Tata has talked very often about our commitment to the long term. So we want to create value for all stakeholders in the long term and our preoccupation is certainly with improving the quality of life of communities. If your standpoint is working with the community and if your frame of reference in terms of time is the long term then you will act in a particular way. You are certainly guided by the need to be responsive to investor requirements in the short term, particularly in listed companies, but not in a way that is going to impede your ability to be successful in the long term. If you look at both of these propositions – serving the community and working with a long term orientation, I think it reduces some of the pressure which perhaps some other corporates could face where you are feeling the need to really extract every element of cost from your operation and show a

return in the short term which may not be sustainable for the long term. It is a bit like Tata Steel, you must have read a lot about how we interact with people even the work that they are doing in mining areas. You could have a culture that just goes and strips out everything that is valuable and leaves behind scorched earth, nothing that is really valuable. Or you can go in with a view that you can work with the community, you want to create something. You want to invest in people, you want to give them the ability to look after their longer term future even if we are not able to necessarily provide them with jobs. So there are different orientations with which you are getting into a situation and in the first case you may not be welcomed after a point of time. In places like Jharkhand where we operate we have Maoists and Naxalites, people carrying arms! They may be opposed to you in the first case or in the second case they may say, what the hell, these guys are trying to do something for the community, so let's leave them alone.

Tata Steel has been working in some of the most unhospitable parts of India amongst elements like the Naxalites for many years and the reason we have been able to sustain those activities, I think is because the community largely accepts you.

Having said that I will not say for a moment that we can't improve or do better than what we have been doing but I think people understand your orientation, where you are coming from and that is important. So it is linked partly to your license to operate, it is linked partly to creating a space where you can operate.

Q. How does that affect the guidance that you give your heads of corporate communications in terms of how they communicate with people and how they deal with people?

M1. These three messages govern the messages that we want all our companies, all our corporate communication heads, all our CSR heads to adopt. Each company already does a lot of work in all of these 3 areas. The group centre will also provide assistance and guidance to companies in order to include this in the company level communication.

Q. I am thinking about the practicalities of communication. Does there has to be more engaging process than saying 'we are going to tell you what we are going to do, we are going to take this land and we will give you compensation'. Will that satisfy people?

M1. Each company, depending on their local contacts, will approach it differently. In Tata Steel's case by now they have created a well-developed process of engaging with communities and it starts even before the business goes into certain area. If we talk to the people for instance working in Odisha, they will tell you the process that they follow because there it started with the complicated and controversial issue of land acquisition. First we had to get the land, compensate the local land holders, give them some benefits for the future, give them some assurance on jobs. Then we needed to start creating an infrastructure that will allow the facility to come up. There is a fair amount of skills development needed. Typically these are areas where there are no universities or schools. There is a lot of investment needed to skill the workers. This is 2-3 year process that needs to be put in place. So a huge amount of investment that starts well before a plant is going to start. In Odisha we have been working at it for a decade and the plant has not yet started. It will start potentially next year sometime.

There is a process of engaging with the community, of working with the local stakeholders, of creating the awareness and providing the benefits and the incentives for people to work with you.

Q. When I spoke to Anant Nadkarni some years back he said you had taken the S out of CSR because you aren't social workers, but the whole company is built around a sense of community which is your immediate society. Can you tell me about that thinking?

M1. This goes back to a quote which is attributed to our founder Jamshetji Tata who said that community is not just another stakeholder in business but in fact the purpose of its existence. It is a very profound statement. When one thinks about it, it has many implications of what he was trying to say. But I think basically he was trying to say that without community you don't have consumers, you don't have investors, you don't have lenders. So you have to work with community. Without community your business will not survive. If that is your starting point then everything else falls into place and we have been uniquely blessed in the way ownership structure has taken shape over a period of time. It started as a family

business but then the children of the founder effectively gave away their share to the Trusts and these Trusts are today India's largest private Trusts, that are entirely dedicated to giving away the money they receive as dividends in the year they receive it. Hence the whole sense of being part of community and working towards enriching the community is embedded in the way we think about business. So it is not something that is out of the ordinary for us, or outside the way we run our business. If you see our code of conduct there is a clause on corporate citizenship, which is a clause worth reading because embedded in that clause is a requirement for every Tata company to undertake corporate citizenship activity as a part of its business plan.

So it is not something that is optional, it is not something that is beyond business. It is very much an integral part of your business planning cycle. Every year it is part of your business plan. As per the Tata Code of Conduct you are required to have a commitment to doing work for society and the community. It is very much a part of who we are and what we stand for. It is not something that we think about as being unusual or different.

Q. By taking the S out of CSR presumably you are looking at it in its broader sense?

M1. I have to say that unlike Anant I am not a strong one for jargon. I have this problem all the time. Recently somebody came to me and said it should be corporate responsibility, why should it be social responsibility? I find this not very relevant to what we are doing because at the end of the day as long as we are going good who cares what it is called. We actually have the organisation I Chair called the Tata Council for Community Initiatives. We have merged the environmental activity of the Tata Quality Management Services which is looking at sustainability practices. There is a third entity called the Tata Relief Committee which steps in whenever there is a natural disaster. So we've combined all three – disaster relief, environmental activity and the council for community initiatives into a body that we are now calling the Tata Sustainability Group. So frankly you could call it all sustainability activities on behalf of sustainable development.

Q. Do you differentiate between philanthropy and CSR?

M1. Yes. I think both have a place. The work that our Trusts do is much more in the realm of philanthropy and charity in the sense of finding a sensible non-profit, handing money over to them and hopefully monitoring the way they invest and deploy that but not doing it yourself. What we would like to do in our group of companies is as much as possible focus more on what the companies themselves can contribute and ideally try to link that with their own core competence and capability. A very important strand of work for me personally in the last year has been trying to put in place a programme for volunteering and the same applies to that programme. I am trying to encourage our employees to volunteer in spaces that they understand where they have domain knowledge, where they can give back something that has strategic value. I am all for people who have passion; let's say a software engineer wants to go and build a house on the weekend, low cost housing for people, that is great, but even better if that same person can write a software code to put together software for a hospital that needs it badly because then you are leveraging your strength and skillsets. So from our companies' perspectives we would want to see them giving back in the form of tangible support to community basis what they are good at. Like TCS does that. They've gifted hospital software assistance to some of India's leading hospitals. So that is one part of what companies will do.

Second is working with communities and this goes back particularly in the case of manufacturing companies to the whole notion of license to operate. You have to know your communities. They have to know you. There has to be a bond, there has to be a link. That is difficult to create through only philanthropy. If you do it anonymously you give it to somebody else to do it for you. It is not the same thing as you going and showing that you are able to do something. Again this is a space where companies would be expected to do work directly, visibly and be directly engaging with communities.

Then there is the whole space of social entrepreneurs or identify spaces where there are community needs that can be addressed, which may be no profit no loss but could be commercial. So some of the work for instance Tata Chemicals developed a water filter 'swatch'. It initially started as a CSR project, but over time it has morphed more into commercial project. We are trying to see whether we could solve the drinking water problem in areas that didn't have access to clean drinking

water by creating a low cost very affordable device. The first lot of that was subsidized by the company. So there are multiple spaces where companies can do work for communities without getting into philanthropy and yet giving back in a way that is very meaningful.

Q. How do you see CSR as manifesting itself in India compared to the UK?

M1. I have to confess that I have not studied the UK very closely. I am not sure that I will be able to give you a new answer. In India simply because the levels of poverty that you have and most of our establishments in urban locations like Mumbai or in tier II cities and more rural areas in India, you find the prevalence of poverty and we are talking about absolute poverty, people could not afford 3 square meals a day. I think that is the biggest difference, there are people who are living on subsistence and sometimes not even that and so there is a different ask or expectation from corporates vis-a-vis communities in India as compared to what you would have in the UK. So I think working with the community has different connotations and nuances outside India as compared to working with poverty stricken people in India. That would be the biggest difference. Here, for that reason there is also much greater support in many corporates but manifestations may be in different ways. There are schools, temples. Some of our temples give shelter, food, feed the poor at lunch and so on. So there are ways in which you are doing good work through religious acts. I suspect you find a lot more corporates in India, particularly family businesses, doing their CSR through those kinds of manifestations. Recently India has become the first country in the world that has legislated CSR contributions by corporates that meet a certain test of size and scale. 2% of the net profits have to be dedicated towards CSR activity. There is a debate whether it is the right thing to do or not because a lot of corporates are pronouncing that this is an unnecessary tax that has been posed on corporates and it is a substitute for the work which the government should anyway be doing on its own. But I think the fact that it has been legislated is now forcing a lot of companies to adopt a professional approach to CSR. I think that is a good sign that India in that sense is now becoming more professional about the way in which CSR is being approached; the kind of questions that shareholders and

boards are now beginning to ask shows that people are understanding the real significance.

In the past even our own companies, we have proliferated in many different areas because it is worth it and it was seen to be good, people didn't ask too many questions. Now when we are starting to measure we are seeing that in some cases you have proliferated perhaps into too many areas. So the collective impact of what one is trying to do is perhaps more diffused and some of the advice we are giving from the group centre is can we select a few big themes where we can have a bigger impact as a group and where community and the government sees the value of what we are able to do. For instance, we picked skills development as one space if you want to make a big impact. The second is water, water for life and water for livelihood. These are spaces where not too many corporates are doing very much and even the government is not necessarily delivering a very efficient service. We evaluate these areas wherever possible, aggregate the impact of combining these activities so that we are able to deliver much bigger outcome.

I think new CSR legislation is enforcing many companies to think about where they are spending the money and now looking at consolidating some of their spending and looking at outcomes and trying to see if the outcomes are really commensurate with the kind of investments that are taking place. In the past, for many companies when it was thought of as charity, they didn't necessarily worry about the outcome. Now given the disclosure, it has become a shareholder issue, people are expecting that 2% will generate some outcome that can be reported in facts and figures. All said and done it is good for India.

I don't know about the UK, I would imagine that kind of formality perhaps already exists. The thing is you are replacing a lot of the heart with lot of the head. Are you taking the incentive of people who did it because they wanted to do it, that they thought it is a good thing and forcing them to do it as a compliance issue.

## **Appendix IV Interviewee Biographies**

### **Tata Steel India**

#### **Manager 1                      Brand Custodian & Chief Ethics Officer, Tata Sons Ltd**

Manager 1's role is Brand Custodian for the Tata Group which includes the role of the Chief Ethics Officer of the Group and Chairman of Tata Council for Community Initiatives, now called the Tata Sustainability Group. He also oversees corporate communications for Tata Sons. He joined the Tata company in 1995 as his first job from college and spent a year with different Tata companies for induction into the Group as part of the programme called the Tata Administrative Service that develops young managers for leadership positions. He joined the programme and worked for a year with different Tata companies and then spent the next 12 years working as the Executive and Staff support to Mr Tata, the previous Chairman. Towards the end of this tenure he was involved with the company's telecoms activities and then moved into one of the company's telecoms operations as CEO. He worked for 2.5 years here then moved into Tata's financial services company – Tata Capital. Here he set up a new private equity fund for the Tata Group. He was the founding managing partner of the Tata Opportunities Fund - the largest private equity fund the Group has created. From Tata Capital he moved into his current role.

#### **Manager 2                      Chief, Corporate Communications, Tata Steel, India and SEA**

Manager 2 joined the Tata company immediately after college and has worked for the company for over 20 years. He has always held positing in sales and marketing, working in different parts of the Tata company. He took up his current position six months prior to the interview taking place. He is currently responsible for corporate communications for Tata Steel across South and South East Asia which includes operations in Singapore, Thailand and China. CSR communication for the company in this region also falls within his role.



**Manager 3                      Vice Chairman, Tata Steel (now retired)**

Manager 3 has been with Tata Steel for 48 years and is due to retire in 4 months time. He joined in 1966 and the Tata company was the first and is the only company he has worked for. He joined as a trainee from college and worked in production, marketing, engineering development and projects. He became Executive Director and then Managing Director of Tata Steel in 2009. He was made Vice Chairman of the company in 2009.

**Shell India**

**Manager 4                      Corporate Head of Communications, Shell Group  
of Companies, India**

Manager 4 has recently joined Shell India as Head of Corporate Communications. He acted as a strategic partner to the country chair and independently led the Shell India communications function for all Shell companies in India. He was responsible for the reputation and image of Shell in India on behalf of the Shell Group. He worked closely with the relevant global campaign managers, obtaining their expertise for campaign implementation locally. Prior to this position he had worked for Siemens for around nine years. He started in marketing communications, leading the function across 19 legal entities. He then became Head of Corporate Communications and led the communications function in South Asia.

**Manager 5                      Project Manager, Road Safety Programme, Shell  
India Tata Steel UK**

Responsible for change management and CSR projects, Manager 5 has worked for Shell India for around 12 years. His responsibilities included piloting and scaling up operations to improve performance and ensure safety. He supported external partners to adapt the program to meet their requirements. This program was nominated for the highest award in Shell global. He also managed external contractors for CSR projects through which the company educated school students of various schools across cities in India on safety. The content was developed, trainers certified, schools identified across cities, delivered the training programme and completed the impact assessment. This program won road safety mission award by Maruti Suzuki & Times Now India.

## **Tata Steel UK**

### **Manager 6                      Group Director, Environment**

As Group Director for environment at Tata Steel Manager 6 covers Europe, India and South East Asia. He also has a secondary role for Tata Sons, working with all the Tata companies, advising and helping. He has been with the company for 27 years and did his first degree in biochemical engineering before doing a PhD and MBA.

### **Manager 7                      Head of Media Relations, Tata Steel**

Manager 7 has been with the company for 7 years as Head of Media Relations for Tata Steel UK. Prior to this role he was responsible for external communications for long products in Tata Steel which is all operations in the north part of the UK, and an operation in Northern France. Responsibilities were based mainly around media relations and public affairs activities, and included community engagement in the northern UK area. Prior to that he was the corporate communications officer at Siemens, working with the parent company in Germany. Before that he worked for a lobbying organisation, the Farmers' Union, having started his career as a journalist on a regional newspaper in the UK.

### **Manager 8                      Sponsorship and Donations Manager, Tata Steel**

Manager 8 has a background in journalism and then PR. She came to Tata Steel as Regional Media Manager 7 years ago. In this role she started to become involved in community engagement activities. She was then given the title of Media and Communities Manager and officially became the community aid representative for the company in the North of England and Scotland. As Sponsorship and Donations Manager she now oversees sponsorship and community activities in the UK.

### **Manager 9                      Head of Corporate Branding, Tata Europe**

Manager 9 started working with Tata Steel in Europe, based in the Netherlands, 2 years ago. She now heads the division for Corporate Branding. This includes digital media, the intranet and social media, as well as sponsorship and donations. Prior to this she had been a freelance Editor in Chief and Journalist and worked as a consultant for all aspects of marketing, communications, branding, sponsorship and PR.

## **Shell UK**

### **Manager 10                      Strategic Relations Manager, Shell International**

Before becoming Strategic Relations Manager, Manager 10 had been responsible for Shell's Social Investment activity in the UK. This includes programmes such as Shell LiveWire for entrepreneurs, and Shell Springboard, supporting low carbon innovation. Social Investment programmes include initiatives under the themes of Science, Technology, Engineering and Maths. This role includes responsibility for the investment in these programmes, their branding and branded communications. Previously she had worked in marketing for Shell UK.

## **Stakeholder Biogs**

### **Stakeholder 1                      Chief Executive, Centre for the Advancement of Philanthropy (charity, India)**

Stakeholder 1 trained as a lawyer and is now Chief Executive of the Mumbai-based Centre for Advancement of Philanthropy, a charity specialising in the areas of charity law and good governance for non-profits. He is one of Directors of the Asia Pacific Philanthropy Consortium (APPC), a member of the Coordinating Committee of Worldwide Initiatives & Network of Grant-makers (WINGS), a Fellow of the Centre for Study of Philanthropy (New York), and member of the advisory council of the International Centre for Not-for-profit Law. He is also a trustee of Resource Alliance (India), India Sponsorship Committee, Make A Wish Foundation (India), V Care Foundation, Chronic Care Foundation, and the Forbes Foundation. He is member of an Expert Group of the Planning Commission of India on feasibility of a New Central Law to serve as an alternative to All-India Statute for Voluntary Organizations in India. He has written several resource books, including The Art of Successful Fund- Raising, Management of Philanthropic Organizations, Laws Governing Voluntary Organizations in India, Merchants of Philanthropy and FAQ on Trusts Act, and Income Tax & FCRA. He also co-authored APPC's Philanthropy & Law in South Asia.

**Stakeholder 2      Ex-employee, Vice President, Tata Council for  
Community Initiatives/CSR consultant, India**

Stakeholder 2 worked for the Tata company for 35 years having had responsibilities within Tata Motors and later the Tata Group. His final position before retirement was as Vice President of the Tata Council for Community Initiatives, responsible for the Group's corporate sustainability activities. He currently works as a CSR consultant, working with organisations such as AccountAbility and Tomorrow's Company in India.

**Stakeholder 3      Ex-employee, Chief, Corporate Affairs &  
Communications, Tata Steel/Business consultant, India**

Stakeholder 3 did an MA in English, has qualifications in marketing and an MBA. He worked for Tata Steel before moving to Coca Cola for 6 years as Corporate Affairs Manager for Eastern and Western India, then back to Tata Steel as Chief of Corporate Affairs and Communications for 9 years. He then worked for Vedanta as Associate Vice President of Corporate Affairs before becoming a Senior Advisor to the Albright Stonebridge Group, a global strategy company that helps corporations, associations and non-profit organisations around the world to meet their core objectives.

**Stakeholder 4      Head of Business Programmes, Initiatives of  
Change (charity, UK)/Journalist**

Stakeholder 4 has been Head of Business Programmes for 3 years and, as such, is joint coordinator with an international team in organizing annual conferences on Trust and Integrity in the Global Economy (TIGE), in Caux, Switzerland. He delivers one-day 'TIGERoadshows' on Trust and Integrity in the Global Economy in the UK, mostly at business schools and universities. He also hosts TIGE Talks at the Initiatives of Change centre in London. He has worked for Initiatives of Change for over 30 years and was previously the editor and author for the Initiatives of Change magazine, which he launched and ran for 19 years. He has written books including Trust and Integrity in the Global Economy, Beyond the Bottom Line, and the Fullness of Life. He has worked in India and other countries observing people in business who are themselves ethically motivated.

**Stakeholder 5      Publisher, Civil Society, India**

Stakeholder 5 launched Civil Society magazine as an independent publication in 2003. It was designed to tell stories of change from across the landscape of post-reforms in India. He has held several senior editorial positions in the Indian media. His last job before becoming an entrepreneur was as the Resident Editor of the Times of India in New Delhi. He has worked for the Economic Times, India and the Business Standard, India. Earlier he was part of the team that founded The Telegraph in Kolkata in 1982. He worked briefly for The Statesman before that. He graduated from St Xavier's College with a BA Honours degree.

**Stakeholder 6      Editor, Civil Society, India**

Stakeholder 6 was responsible, with Stakeholder 5, for the launch of Civil Society magazine. She is currently editor and has worked as a reporter and researcher, tracking people's movements and environmental concerns. In previous roles she has been a Panos Fellow, on the staff of the Centre for Science and Environment and a contributor to the Women's Feature Service. She has a master's degree in economic history and has been a teacher.

**Stakeholder 7      Professor & Programme Director (advertising & PR),  
India Institute of Mass Communication, New Delhi, India**

Stakeholder 7 has been a Professor and Programme Director at the India Institute of Mass Communication for the last 20 years. Prior to that she had a stint both in brand and corporate communication and in the PR industry. She is an alumnus of Hindu College where she did her Masters in Political Science and she completed her PhD from the School of International Studies, Jawaharlal Nehru University, in Media and Elections for which she did extensive research in the USA, Germany and India. She has studied journalism, advertising and PR, both in India and abroad.

**Stakeholder 8      Founder Director, Tomorrow's Company, UK**

Stakeholder 8 worked in the manufacturing sector for just under 20 years, during which time he was involved in public life politically through think tanks. He set up Tomorrow's Company in 1996 with the help of a group of business leaders from the work they had done at the Royal Society for the encouragement of Arts, Manufacturers and Commerce, enquiring into the role of business in a changing

society. Tomorrow's Company works with business leaders and their companies on issues they face to develop solutions and agendas. He is a published British author, governance expert and award winning public speaker who is known for his work in the fields of corporate governance, corporate social responsibility, stewardship and sustainability.

**Stakeholder 9      Volunteering Development Manager, Voluntary Action, North Lancashire, UK**

Stakeholder 9 works for Voluntary Action North Lancashire which is an infrastructure organisation that supports the local sector community. This can involve anything from a registered charity to a group of people that have got a good idea or want to set up their own project. Her role is to manage the volunteer centre and provide a volunteer brokerage service. This involves the recruitment and selection of volunteers, advising on how to retain volunteers and training.

**Stakeholder 10      Event Organiser, British Triathlon Trust**

Stakeholder 10 is an Event Organiser and CEO at the British Triathlon Trust, the official charity of British Triathlon. The organisation has been active since 2012, working in cities, towns and communities across the UK. It uses the engaging sport of triathlon to encourage children to lead more active and healthier lifestyles. He has worked on Tata Steel's British Triathlon sponsorship programme, called Kids of Steel, for 2 years – arranging triathlon-based activity to make kids more active. It is a branded charitable partnership, with the charity responsible for delivering the event and making the focus fun, rather than the activity.

**Stakeholder 11      Freelance Journalist and CSR consultant, UK**

Stakeholder 11 served as a journalist for The Guardian newspaper for 12 years and was amongst the first journalists to write specifically on the subject of CSR. He then worked as a freelance journalist for a further 6 years before becoming a Director of a consultancy advising on corporate sustainability, responsibility, strategy and communications. His interests focus on how business affects the world and the world affects business, extending to economics and politics.

### **Stakeholder 12     Chairman, Edelman, Europe and CIS**

Starting out as a teacher, then moving into publishing and international journalism as a foreign correspondent, Stakeholder 12 then moved into public relations. He was Head of Communications for Sandoz for 4 years before joining Shell as an employee for 5 years and then as a consultant for another 6 years. While working at ABB as Head of Communication he helped found the group called the Business Leaders Initiative of Human Rights and is currently a Trustee on the board at the Institute of Human Rights. He became Chairman for Edelman's Europe and CIS in 2011, serving as client counsellor and a sounding board for senior Edelman managers and their teams.

### **Stakeholder 13     Freelance CSR Journalist, UK**

Stakeholder 13 previously worked at The Financial Times and editor of the international company section. He left to do a MSc in environmental science and started writing about environmental investment, covering areas under the area of ESG - environmental, social and governmental. He became a freelance journalist in 2006 and currently writes for newspapers, such as The Financial Times, Telegraph and Guardian, magazines such as Flight International, Ethical Performance, IPE and The City magazine, and for websites such as Bloomberg New Energy Financial, Blue and Green Tomorrow, Renewable Energy Monitor. He also writes for policy journals such as Europe's World and World Policy Journal, and corporate clients such as Rabobank, Siemens, PwC, Deloitte and Caron Trust.

### **Stakeholder 14     Freelance CSR Journalist, UK**

Stakeholder 14 started work as a journalist writing on environmental issues in the 1990s, working on Green magazine. He became interested in ethical investments and CSR and set up Ethical Performance magazine in 1999. Working as Managing Editor on this magazine for over 12 years he then went to work for a consulting company, advising on sustainability communications and strategy. He set up again as a journalist 5 years ago, writing and providing a news service on corporate responsibility.

**Stakeholder 15      Ex-employee, Market Communications, Shell, UK**

Stakeholder 15 did a PhD in Biochemistry and Microbiology with Shell in the mid-1970s. He then did post-doctoral work in Colorado before returning to Shell in the UK where he spent the rest of his career. He started as a Research Biochemist and then spent 10 years in the laboratory in various roles before moving into research co-ordination, managing the communications interface between the business and the research function. This was followed by a period in recruitment which involved looking after Shell's graduate technical recruitment at the international level. A period in chemicals looking after marketing communications and issues management then led to work in the corporate centre of the company, helping to set up the sustainable development group. This was around the time the company went into a period of reflection and a review of its values and processes following the Brent Spa crisis in 1995. This led him into the area of change management and the production of the company's first Sustainability Report.