

CORPORATE SOCIAL RESPONSIBILITY: DO MANAGERS AND CONSUMERS HAVE THE SAME CONCEPTION OF “DOING GOOD”?

Valérie Swaen

Research fellow with the National Belgian Fund for Scientific Research and the Bernheim Foundation, *Université Catholique de Louvain, Institut d'Administration et de Gestion*, Place des Doyens, 1, B 1348 Louvain-la-Neuve, Belgium.

Tel : +32.10.47.91.56; Fax : +32.10.47.83.24; Email : swaen@mark.ucl.ac.be

Part-time research assistant, *Université Catholique de Lille, Institut d'Economie Scientifique et de Gestion*, Rue de la Digue 3, B 59800 Lille, France.

Tel.: + 33.3.20.54.58.92; Fax: +33.3.20.57.48.55; Email: y.swaen@ieseg.fupl.asso.fr

ABSTRACT

More companies than ever before are investing in Corporate Social Responsibility (CSR) activities such as cause-related marketing, minority support programs and socially responsible manufacturing practices.

However, the emergent concepts of corporate citizenship, corporate social responsibility and sustainability are defined and operationalized in a lot of different ways. No consensus exists on a precise definition of what a socially responsible company is. Furthermore, most of existing CSR definitions are based on managers' point of view only ; the stakeholders' expectations and opinions are rarely taken into account.

In that framework, our research objective is to analyse the content of the CSR concept, by integrating consumers' expectations and perceptions of the socially responsible activities of companies delivering products and services.

After an extensive literature review on the CSR concept, focus groups with customers and case studies dealing with socially responsible companies will be carried out in Belgium.

The originality of this poster is to compare managers' and consumers' conceptions of CSR and to identify potential gaps between what consumers expect from companies' CSR activities and what companies propose and communicate.

By highlighting such gaps, suggestions will be made in order to fit CSR activities with consumers' ideals, desires and needs. Suggestions for improvement include on the one hand the establishment of a continuous dialog with consumers in order to identify the environmental, ethical and social issues they value. On the other hand, this paper illustrates the importance for companies to show a certain level of coherence between their philosophy, their activities and their communication policies. This will bring some positive impacts as far as reputation, attraction of new consumers and customer retention are concerned. These benefits are far from being negligible in the current context of intensive competition.

This poster is based on the doctoral project we are currently carrying out with the Institut d'Administration et de Gestion from Louvain-La-Neuve (Belgium), as well as the precious collaboration of the Institut d'Economie Scientifique et de Gestion from Lille (France). The purpose of our doctoral research is to better understand the concept of Corporate Social Responsibility (CSR) in the context of France and Belgium, as well as to identify the CSR impacts on consumers' attitudes and behavior intentions.

KEYWORDS : Managers' perceptions, Consumers' perceptions, Gap model, Case studies, Focus groups.

1. INTRODUCTION

More companies than ever before are investing in Corporate Social Responsibility (CSR) activities such as cause-related marketing, minority support programs and socially responsible manufacturing practices.

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The paper is developed on the following structure. The theoretical framework is detailed in part 2. The proposed methodology is presented in a third part. Finally, the conclusion gives an overview of the principal anticipated learnings of this research as well as some directions for future research.

2. THEORETICAL FRAMEWORK

2.1. CSR definitions

The behaviors characterizing good corporate citizenship have been investigated under various labels : corporate social responsibility (e.g., Carroll, 1979; Sethi, 1979), corporate social responsiveness (e.g., Frederick, 1978; Strand, 1983), corporate social performance (e.g., Stanwick and Stanwick, 1998; Wood, 1991) and corporate citizenship (e.g., Maignan, Ferrell and Hult, 1999; Reilly and Myron, 1994).

While corporate citizenship and corporate social responsibility are commonly used terms (e.g., Andriof and McIntosh, 2001; Brandeleer, 1997; McIntosh et al., 1998), no single definition has been widely accepted and multiple conceptualizations coexist.

Many different business organizations and researchers have attempted to provide their own definitions of CSR, as illustrated in Table 1.

However, two common features appear in existing CSR conceptualizations: (1) companies have social obligations in addition to economic responsibilities; and (2) a socially responsible firm has the duty to address the concerns and satisfy the demands of its main stakeholders - employees, shareholders, customers, suppliers, the media, regulators, and pressure groups.

According to Carroll (1979) and Maignan, Ferrell and Hult (1999), CSR has an economic, a legal, an ethical and a philanthropic face. Socially responsible companies are expected: (1) to be profitable while providing desired goods and services (fulfill their economic responsibilities), (2) to obey the law (fulfill their legal responsibilities), (3) to follow codes of conduct considered as morally right (meet their ethical responsibilities), and (4) to contribute actively to the well-being of the communities in which they operate (address their philanthropic responsibilities). Maignan, Ferrell and Hult (1999) add the fact that these responsibilities are imposed on companies by their various stakeholders.

Given the broad conceptualization of CSR, it is not surprising that the domains of socially responsible behaviors are many and diverse. Sen and Bhattacharya (2001) summarize different CSR action into six broad domains (on the basis of the US database Socrates, Corporate Social Ratings Monitor): (1) community support (arts, education, corporate giving); (2) diversity (sex, race, disability); (3) employee support (job security); (4) environment (environmentally-friendly products, waste management, pollution control); (5) non-US operations (overseas labor practices, operations in countries with human resources violation); and (6) product (safety and research and development).

We just want to remark that these broad domains are typical from the US conception of CSR and it has been noted that the nature of the actions typifying CSR is likely to vary across both countries and industries (ARESE, 2001; Maignan and Swaen, 2000). That's why we have to examine in which CSR domains companies invest in France and in Belgium.

Table 1. List of definitions of CSR.

Authors (date)	Definitions
McGuire (1963)	The idea of social responsibility supposes that the corporation has not only economic and legal obligations, but also certain responsibilities to society which extend beyond these obligations
Davis (1973)	The firm's consideration of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm... to accomplish social benefits along with the traditional economic gains which the firm seeks
Sethi (1975)	CSR implies bringing corporate behavior up to a level where it is congruent with the prevailing social norms, values, and expectations
Davis and Blomstrom (1975)	CSR is the managerial obligation to take action to protect and to improve both the welfare of society as a whole and the interest of organizations
Frederick (1978)	Corporate social responsiveness is the capacity of a corporation to respond to social pressure, the literal act of responding ; or of achieving a generally responsive posture to society
Carroll (1979)	The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organizations at a give point in time
Wood (1991)	Corporate Social Performance is a business organization's configuration of principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm's societal relationships
Brown and Dacin (1997)	Societal view of CSR = company's status and activities with respect to its perceived societal obligations.
World Bank / Programme sur la citoyenneté d'entreprise (Altman, 1998)	Social responsibility is the practice of matching companies with the rest of society (...) corporate citizens are engaging in partnerships for community development all over the world
McIntosh et al. (1998)	Corporate citizenship is concerned with the relationship between companies and society – both the local community which surrounds a business, and whose members interact with its employees, and the wider and increasingly worldwide community which touches every business through its products, its supply chain, its dealer network, its advertising, and so on
Marsden and Andriof (1998) quoted in Andriof and Marsden (2000)	Good corporate citizenship can be defined as understanding and managing a company's wider influences on society for the benefit of the company and society as a whole
McIntosh and Mohan (1999)	Responsible business is about recognizing social and environmental concerns as part of core business practice
Maignan, Ferrell and Hult (1999)	Corporate Citizenship is the extent to which company assumes economic, legal, ethical and discretionary responsibilities imposed on them by its various stakeholders
Warhurst (2001)	A strategy of CSR is defined as the internalization by the company of the social and environmental effects of its operations through proactive pollution prevention and social impact assessment so that harm is anticipated and avoided and benefits optimized. (...) Contribute in ways that go beyond traditional responsibilities to shareholders, employees, and the law, and that internalize indirect socio-economic and biogeophysical effects as well as direct impacts.

<p>CSR Europe (http://www.csreurope.org/csr_europe/index/index2.htm)</p>	<p>Corporate social responsibility is operating a business in a manner that consistently meets or exceeds the ethical, legal, commercial and public expectations that society has of business</p>
<p>Belgian Business Network for Social Cohesion (http://www.csreurope.org/csr_europe/nationalnetworks/nationalnetworksframes.htm?content=Belgium/NPOs/Belgium.htm)</p>	<p>Although there is not really a “Belgian definition” for Corporate Social Responsibility, CSR Europe presents three main elements that usually reappear in the Belgian conceptualization of CSR :</p> <ul style="list-style-type: none"> • On a voluntary basis the company takes on board some other objectives than the maximizing of profits; • The company has a responsibility, not only to the shareholders, but also to all stakeholders and broader society. This responsibility should show in the policies, decision-making, business processes, daily activities and communication of the company. • Usually the term also refers to companies that do more than usual, and thus are innovative in their social, ecological or ethical management.

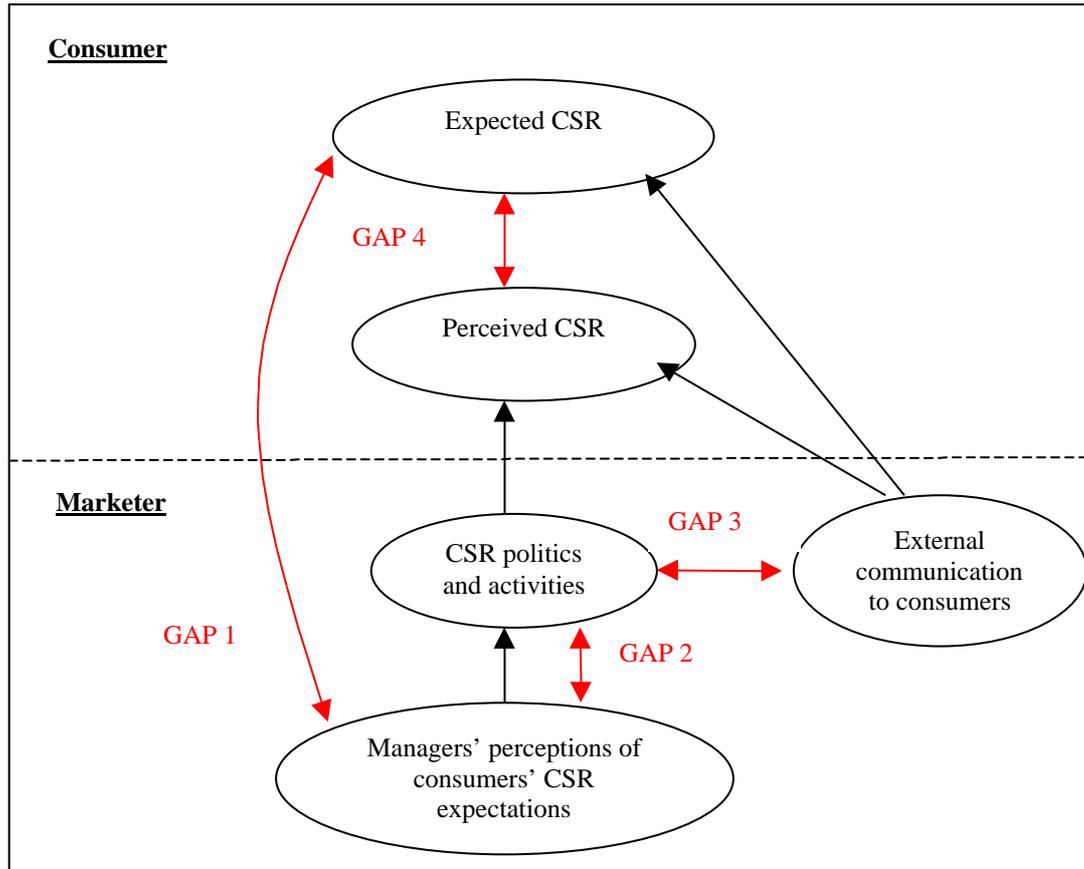
2.2. Consumers’ perceptions of CSR

As suggested by Parasuraman, Zeithaml and Berry (1985) for service quality, CSR will be conceptualized into five facets : (a) the consumers’ expectations on CSR activities, (b) the managers’ perceptions of those expectations, (c) the CSR policies put into place by companies, (d) their CSR communication policies, (e) the consumers’ perceptions of present CSR activities. Consumers’ perceived CSR is defined as « a global attitudinal judgement about the different dimensions of CSR realized by consumers ».

The existence of potential gaps between these facets (see Figure 1) would highlight the importance of measuring the consumers’ CSR perceptions when evaluating consumers’ reactions to CSR policies.

Figure 1 presents an adaptation to the CSR field of the gap model of Parasuraman, Zeithaml and Berry (1985). The advantage of this model is to present consumer and marketer on a same figure and to show the interfaces leading to the notion of perceived CSR.

Figure 1. Gap model applied to CSR.



We will briefly detail the different gaps presented in Figure 1, as all these gaps explains the formation of perceived CSR.

Gap 1 between consumers' CSR expectations and managers' perceptions of consumers' CSR expectations

A lack of understanding of consumers' expectations by managers could lead to misinterpretations about which CSR activities to perform and about which social issues to invest in. Investments in CSR activities or social issues that do not interest consumers at all are not likely to lead to consumers' support.

It is essential for companies that want to put into practice social activities desired by consumers to have a very good knowledge of consumers' needs, desires and expectations about social issues and social responsibilities. That's why companies have to collect data coming directly from consumers themselves, for instance, by organizing meetings with consumers, listening them and installing a continuous dialogue with them.

Gap 2 between managers' perceptions of consumers' CSR expectations and CSR activities put into place by managers

Some constraints could have an influence on the operationalization of CSR strategies: for instance, costs of the proposed strategies, the lack of commitment of all managers in the socially responsible action, the lack of social expertise to answer

discovered consumers' expectations. Further research is necessary to explore conditions under which this gap between the CSR strategy and its operationalization is the most reduced.

Gap 3 between CSR activities put into place by managers and the external communication of such activities

It is necessary to respect its promises if we do not want to lose all credibility. When external communication of the company gives a better socially responsible image of the company than the real case is, this could lead to a deterioration of consumers' CSR perceptions if consumers discover the differences.

In the reverse case, when companies tell consumers less than what they really do on the CSR aspects, consumers could not be aware of the CSR activities of the company and cannot react consequently.

Gap 4 between consumers' CSR expectations and consumers' CSR perceptions

We could imagine that consumers compare their expectations about CSR activities with what they receive (CSR activities put into place by companies). When received CSR is greater than expected CSR, they will probably react favorably toward the company (like in the expectations disconfirmation paradigm for the formation of satisfaction).

Consumers' reactions to CSR activities depend indirectly from the CSR activities put into place by companies but directly from the perceptions they have about company's CSR activities. Indeed, consumers CSR perceptions are not only influenced by CSR activities and company's communication, but also by the communication of other groups (NGO, pressure groups, media, government...) as well as by consumers' own values and CSR expectations.

3. PROPOSED METHODOLOGY

Our methodology design includes three phases: first collecting data on consumers, secondly collecting data on managers, finally comparing consumers and managers' points of views on the CSR topic.

3.1. Consumers' points of view

Our research objective is to analyze the content of the CSR concept, by integrating consumers' expectations and perceptions of the socially responsible activities of companies delivering products and services. After an extensive literature review on the research concepts, focus groups with customers will be carried out.

During these focus groups with consumers, we will try to provide first answers to research questions and difficulties we meet in this research.

Objective 1: Do consumers use the words “Corporate Social Responsibility” when speaking about the social activities of a company? What does it mean for them?

In a first step, open discussions with consumers will lead to the discovering of the words consumers use when speaking about the social activities of companies.

In a second step, we will provide consumers with some descriptions of companies' activities. We will ask them to qualify such companies; are they socially responsible companies? Good citizens? Ethical companies?

Objective 2: Do consumers have certain expectations on the CSR activities of companies? Which social issues do they take into account? Which social issues do they feel concerned with?

We will try to discover whether consumers have expectations about the CSR activities of companies. If it is the case, we will try to have more details about what consumers want exactly from companies in this field. The idea is to identify social actions that interest consumers and that could be important for them and source of their support to the company.

Objective 3: Which companies do they consider as socially responsible companies?

This part is interesting to give us some ideas about the sector of activities we will use in the second part of our research. We are trying to identify a sector where consumers perceive already a certain level of CSR and where some of them are concerned by CSR activities put into place by companies.

We ask consumers to give us some examples of buying they have realized partially because of the good image of the seller, because of its CSR activities. We ask them to talk about their potential reactions in case of positive or negative CSR perceptions.

Objective 4: When consumers perceive a certain investment in CSR activities by companies, do they react by buying the products of that company? Other reactions?

We ask consumers to talk about the different criteria they use when choosing a product as well as about their potential reactions to positive and negative CSR.

3.2. Managers' points of view

Our research objective is to analyze the content of the CSR concept according to managers of some typical companies investing in CSR activities¹. Different data collection techniques will be used. Firstly, we will analyze all public data (Websites, financial and social reports, newspapers...) as well as internal documents when it is possible (ethical charter, company's newspapers). Interviews with managers (top

¹ Companies that have advertized their CSR activities, that are considered by NGO as good citizens, as CSR leaders, as examples to follow in their sector of activities, companies that have a social label...

managers, marketing managers, persons in charge of public relations and institutional communication) will also be carried out.

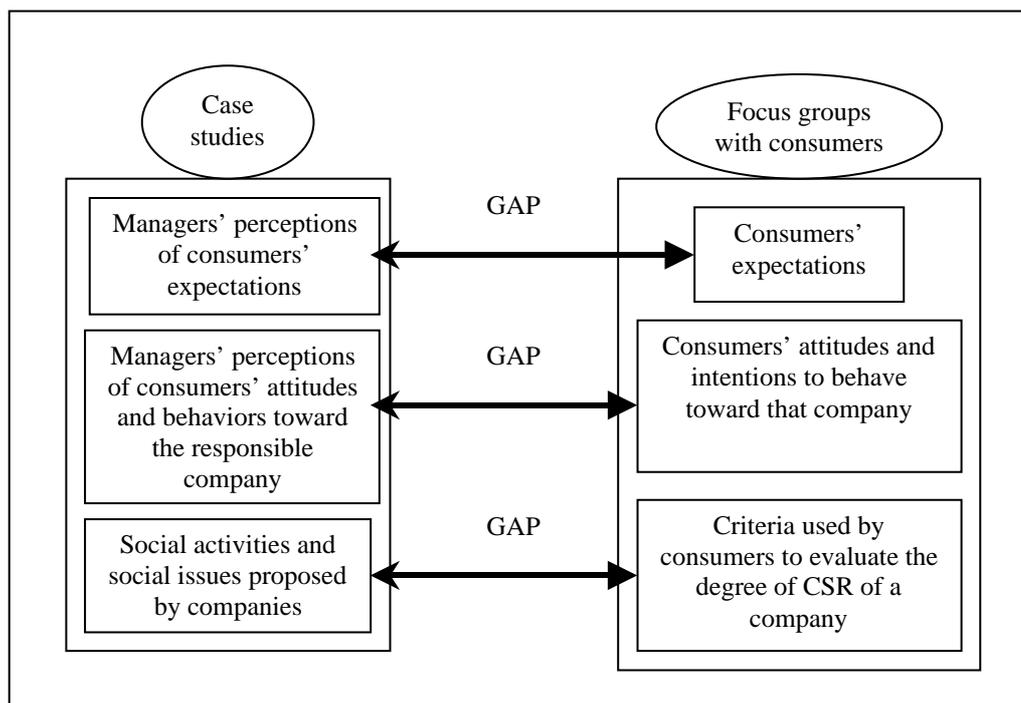
We want to have information about the following aspects :

- What is the definition that managers give to CSR ?
- Which information do managers use to choose the CSR activities they invest in ?
- Which degree of involvement do managers have in the CSR activities ?
- Do consumers have a place in the process of choice of CSR activities ?
- How do managers design communication policies about CSR activities ?
- According to managers, what are the effects of CSR activities on consumers?

3.3. Gap Analysis

In a third step, we will compare information coming from managers and consumers in order to highlight gaps and potential explanations for such gaps (figure 2).

Figure 2. Gap analysis between managers' and consumers' CSR perceptions



At this moment, some focus groups have been carried out and public data of some companies analyzed. Some results will be presented at the GIN conference.

4. CONCLUSION

The conceptualization of CSR in its different facets is an important contribution. This conceptualization offers researchers and managers a way of highlighting potential gaps between what consumers expect and perceive in

companies' CSR activities and what companies propose and communicate. Then, it becomes possible to suggest potential sources of improvements of actual CSR strategies in order to fit CSR activities with consumers' ideals, desires and needs and benefit from their support. Indeed, consumers are probably more concerned by certain social activities or social issues than others and it is better to invest in CSR issues that interest consumers.

The gap analysis could be a useful tool to detect sources of weaknesses of CSR activities put into place by companies and to develop required actions to change this situation. This is crucial in recent context of increasing stakeholders' and media's scrutiny on companies' activities.

Further research are needed to explore the gap model proposed in the case of CSR activities. For instance, researchers could analyze:

- the variables that could have an influence on consumers' CSR expectations; for instance, studying the role of socio-demographic variables (age, sex, education, job, family environment, personal values), contextual variables as well as cultural variables.
- the communication design the most adapted to communicating CSR activities.
- the role of communications from other actors on the consumers' CSR perceptions (communication from pressure groups, NGO, media's, scientific researchers, government)...

3.4. Limits

This research concerns only the relationships between the company and one of its stakeholder groups: consumers. The company is not only influenced by consumers pressures and has to take into account the demands coming from diverse stakeholder groups. Further research could use the gap model by taking into account other stakeholders such as shareholders, government or employees.

These different stakeholders' demands could be conflicting, as illustrated in the following citation: "*almost any response to a call for socially responsible behavior by one stakeholder group is likely to produce complaints by another groups*" (Robin and Reidenbach, 1987, p. 45). The company has to make the "best" choice relatively to its objectives and the strength of the diverse pressures. That's why more sophisticated studies are needed to explore how to find a balance between the conflicting demands of the diverse stakeholders.

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