

**Credibility in CSR Communication:
Concepts, Methods, Analyses**

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Abstract

In globalized markets, norms for legitimate behavior are scattered and businesses must satisfy often conflicting demands of various stakeholders simultaneously. This is why communicating their Corporate Social Responsibilities (CSR) in a legitimate way is challenging. The present is also a high time for a debate of CSR issues and an era of public scrutiny and mistrust, catalyzed by real-time communication technologies and a 24/7 news cycle. Instances of non-credible communication, the misuse of CSR for marketing exercises, and corporate scandals with large environmental and social impact have sparked skepticism and mistrust toward CSR communication and its tools, particularly CSR reports. As a result, companies and stakeholders are trapped in the “credibility gap” of CSR reporting, which is harmful for both: stakeholders cannot satisfy their information needs regarding CSR and companies can hardly convey their CSR activities in a credible manner. Even though credibility is central to CSR communication and despite the fact that communicating non-credibly has lasting negative consequences for companies, there is no consensus about the concept of credibility and barely any studies exist that tackle credibility gaps systematically.

This dissertation endeavors to investigate the issue of credibility in CSR communication theoretically, methodologically, and empirically. In particular, it analyzes companies’ and stakeholders’ perspectives of the “credibility gap” in CSR reporting. It explores concepts and methods to investigate how companies can communicate credibly and provides empirical evidence on the state-of-the-art of CSR reporting in Europe. To this end, it combines concepts from business ethics, management studies, political theory, and communication sciences and triangulates various methods. This dissertation is structured in four individual chapters framed by an introductory part and conclusions. The key findings can be summarized as follows:

Chapter I proposes that communication is at the heart of CSR by highlighting Habermasian communicative action theory as the backbone of political CSR theory. Furthermore, it discusses how credible CSR communication leads to moral legitimacy and thus provides the conceptual foundation of this dissertation. Based on this theoretical advancement, the chapter develops a typology of CSR communication tools clustering them into deliberative and instrumental as well as published and unpublished tools.

Chapter II presents quantitative content analysis as a suitable method to generate novel insights in business ethics, and especially CSR, research. Given the diametrical advantages of human- and software-based coding procedures, a concurrent mixed methods approach is proposed. To account for the need of ethical reasoning in business ethics research, the chapter suggests that quantitative content analyses be followed by an ethical interpretation of the quantitative results.

Chapter III analyzes, for the first time, the “credibility gap” in CSR reporting from the perspective of the company, by applying quantitative content analysis as proposed in Chapter II. To this end, the credibility of CSR reports from 11 European countries is analyzed based on a multidimensional operationalization of credibility along Habermasian theory. Parametric statistical analyses reveal that European CSR reports are credible at a mediocre level. It is the content of the reports that matter for credibility, while the impact of contextual, format, and firm-level factors is secondary. Furthermore, voluntary standardization impacts credibility positively, whereas legislation does not yet have the same positive effect.

Addressing the stakeholders’ perspective, *Chapter IV* develops a measurement scale to test the perceptions of credibility of CSR reports. In doing so, the chapter builds on a novel conceptualization of credibility along the Habermasian validity claims. The scale development comprises nine stages including a literature review, a delphi study, and three validation studies applying exploratory and confirmatory factor analyses to arrive at the final 16-item PERCRED (perceived credibility) scale. Participants in the final study perceived CSR reports to be rather credible, regardless of whether the same reports had been found credible or non-credible in Chapter III. The PERCRED measure can help companies and researchers deepen the understanding of why CSR reports are often perceived as being non-credible tools.

The findings of this dissertation demonstrate that the “credibility gap” equally exists from the companies’ and the stakeholders’ perspectives. To eventually bridge it, striving for true, sincere, appropriate, and understandable communication by all parties is a viable avenue. Describing credibility as a communication quality and perception construct along the four sub-dimensions truth, sincerity, appropriateness, and understandability advances the understanding of credibility in the communication sciences. This dissertation contributes to theory development in the emerging field of CSR reporting by presenting credible CSR reports as facilitators to re- and maintain legitimacy and by systematically examining this notion from the perspective of companies and stakeholders. The thesis further advances political CSR theory as it empirically confirms the impact of voluntary standardization and stresses the role of the nation state. The findings of this dissertation also hold implications for public policy makers to level the playing field in CSR reporting in order to reach credibility consistently; companies are provided with a tool to measure credibility perceptions of their reports and to better evaluate the roots of stakeholders’ criticism and mistrust.

Keywords:

Credibility, Corporate Social Responsibility (CSR), Corporate communication, CSR communication, Habermas, Political CSR, Scale development, Quantitative content analysis

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Introduction

Introduction

Communications about the ethical engagement of companies tend to receive a sympathetic hearing by stakeholders. Corporate social, environmental, and community initiatives are usually appreciated, which is exemplified by the growth of socially responsible investments, the increasing market share of ethical consumption, the popularity of sustainability, and the concern for sustainable development in recent years.

Instances of non-credible communication about corporate social responsibility (CSR), however, have triggered criticism and mistrust, and tainted the relationship between companies and their stakeholders. Examples are manifold: the oil company Chevron, for instance, advertized: “shale gas needs to be good for everyone,” while shortly before oil had spilled from one of its fracking pipes (Hopey, 2012); or the example of beverage company PepsiCo, which highlights its “responsibility to help develop solutions to key global challenges, such as obesity” (PepsiCo, 2009, p. 7) and at the same time increases the calories of its beverages worldwide by 13 % (Kleiman et al., 2012).

Such instances have heightened skepticism toward corporate messages, especially those regarding CSR. If the credibility of the speaker, the message, or the perception of both is challenged, communication will not be effective. This is why credibility in CSR communication has become key to re- and maintain trustful relationships with stakeholders. Communication is an inherent part of CSR, localized at the heart of the concept (Seele & Lock, 2014; Castellò et al., 2013), which renders both inseparable companions. Corporate communication and CSR share ends and means (Merkelsen, 2011) and rely on the same foundations of legitimacy: being reflective, collaborative in decision making, proactive, and responsive (Heath, 2006). This provides the common basis for companies to conduct business in society.

1. Corporate Social Responsibility

Viewing business as part of society challenges the roles and responsibilities businesses have with regard to other societal members. While the economic and legal responsibilities of companies (Schwartz & Carroll, 2003) remain unquestioned, the role of ethical responsibilities and their moral context are subject to constantly changing societal expectations. Over the last 70 years these questions have been addressed under the umbrella term CSR (Carroll, 2015). Just as a plethora of approaches have emerged, so too have the labels for this concept: corporate citizenship, sustainability, corporate responsibility, sustainable development, social and environmental responsibility, and the like¹.

¹ In this thesis, CSR is used as an umbrella term for all these approaches.

Various scholars have attempted to delineate the theoretical approaches taken: Garriga and Melé (2004) classify CSR into instrumental, political, integrative, and ethical approaches; Lee (2008) and Carroll (1999) provide a historical account of the evolution of the concept; others (Dahlsrud, 2006; Van Marrewijk, 2003) approach the topic from existing definitions; and, more recently, Schultz et al. (2013) distinguish instrumental, political-normative, and communicative approaches.

Following the latter, instrumental CSR focuses on the ‘business case’ and the relationship between social and financial performance, a link that has not yet been shown to exist consistently (Wood, 2010). Political-normative theories include the concept of political CSR, which is used as a reference theory in this thesis.

With emerging powerful transnational corporations and a globalized economy, companies have to conduct business in a broader context of morality. In this post-national constellation, where nation states have lost their power as norm-setters due to the emergence of private actors, corporations have partially taken over functions that were with the state previously. Firms engage in global public policy and thereby assume a “new political role” (Scherer & Palazzo, 2011). In cooperation with stakeholders, corporations voluntarily take on political responsibilities to help solve public issues that were unaddressed due to global governance gaps. These developments suggest that notions of pragmatic and cognitive legitimacy (Suchman, 1995) are outdated and moral legitimacy has taken their place. It “is based on moral judgments and an exchange of arguments on whether an individual, an institution, or an action can be considered socially acceptable” (Scherer & Palazzo 2011, p. 915). Thus, moral legitimacy can be achieved by way of public discourse between the company and society; it is consequently established and managed in a communication process. This communication process is oriented toward consensus between the actors involved, following Habermas’s ideas of communicative action and deliberative democracy (1984; 1996). This “implicates a turn from the economic, utility-driven, and output oriented view on CSR to a political, communication-driven, and input oriented concept of organizational responsibility” (Palazzo & Scherer, 2006, p. 79).

To communicate effectively and thus to reach moral legitimacy, corporations must not unduly influence their stakeholders, but engage in a dialogue oriented toward consensus (Habermas, 1984). This communication with stakeholders takes on various modes, of which communication about the social and environmental responsibilities of a firm is the most important.

2. CSR Communication & CSR Reports

CSR communication is thus a means of re- and maintaining the “license to operate” of companies (Donaldson & Dunfee, 1999), granted to them by an array of societal members who are directly or indirectly affected by the company, and can affect it (Freeman et al., 2010). Stakeholders want to be addressed in relation to the stakes they hold, so companies must address them tailor-made to their stakes (Johansen & Nielsen, 2011). Thus, CSR can also be described as stakeholder expectations management. The very sense of the word, ‘response’-ibility implies a two-way communication process inherent in the notion of CSR (Heidbrink & Seele, 2007). This process is asymmetrical because actors are, depending on the context, equipped with different degrees of power (Golob & Podnar, 2014). It takes place through a variety of channels (e.g., print, online, direct interaction), with a multitude of different tools (printed advertisements, weblogs, reports, etc.), and in relation to a diverse set of stakeholders (employees, NGOs, media, government, investors, and many more). A recent definition describes CSR communication as (Elving et al., 2014, p. 2):

“a process of anticipating stakeholder expectations, articulation of corporate social responsible policy and the managing of different communication tools designed to provide true and transparent information about a company or a brand’s integration of its business operations, social and environmental concerns, and interactions with stakeholders.”

Different strategies have been proposed for the pursuit of CSR communication, e.g. stakeholder information, response, and involvement strategies (Morsing & Schultz, 2006). Theoretically, these can be distinguished as being one-way, two-way, or process-oriented. More recently, Schöneborn & Trittin (2013) introduced the notion of CSR communication as a strategy that co-constitutes organization, along with communicative approaches to CSR that regard it as being communicatively constructed (Schultz et al., 2013).

To realize these strategies, managers have the entire arsenal of corporate communication tools at their disposal. One-way directed informative tools such as advertisements or press releases, response-allowing social media applications such as weblogs or twitter channels, and engaging tools such as stakeholder roundtables or fora are available. However, not all corporate communication tools are effective means to communicate CSR.

One of the most effective tools of communicating CSR is corporate social reporting. It includes, for instance, online reporting, CSR information in annual reports, or codes of conduct, but predominantly CSR reports (Hooghiemstra, 2000). Defined as discrete, independent corporate editorial works that provide information about corporate

social responsibility and citizenship (Biedermann, 2008), CSR reports take on a hybrid role, since they can be regarded on the one hand as the output, and on the other hand as the input of CSR communication. As Morsing and Schultz (2006, p. 334) note, “non-financial reporting holds a potentially promising tool for managing the complexity of CSR communication.” In this sense, CSR reports may be applied in all three kinds of CSR communication strategies, if they are viewed as facilitators of communication carrying the message from company to recipient. Thus, stakeholders’ expectations regarding CSR may be met via CSR reporting (Hahn & Kühnen, 2013; Fifka, 2013). This is why Arvidsson (2011) regards CSR reporting as an approach to receive legitimacy from stakeholders. In this vein, CSR reports are viewed as a form of moral disclosure of companies (Reynolds & Yuthas, 2008).

3. The Issue of Credibility in CSR Reporting

Companies operate in complex and heterogeneous environments, which is why communicating CSR in a legitimate way is challenging. Many of the big players so far have not covered themselves with glory in the task to respond to their stakeholders’ expectations regarding their CSR. Prominent examples are BP’s Deepwater Horizon catastrophe and the parallel re-branding of “BP – British Petroleum” as “beyond petroleum” or Apple’s and Foxconn’s reactions to the suicides of Chinese workers in their factories. Corporate scandals and the striking inconsistencies between corporate actions and communications, as evident in the introductory example of Chevron, have sparked mistrust and skepticism on the side of stakeholders toward CSR and its communication (Elving, 2012). This is coupled with a general distrust toward corporate communication – or public relations, a term often used disparagingly in this context – and its tools.

As Dunbar et al. (2015, p. 650) hold, “[c]redibility assessment is so critical to the process of communication that the construct of credibility occupies a vaulted position in the communication discipline.” Credible communication depends on the “who”, the “what,” and the “to whom” at the same time. If the credibility of the participant, of the message, or of the recipient is in doubt, then the entire discourse is challenged. This results in “credibility gaps”, dazzling discrepancies between words and deeds that challenge audiences’ trust.

Criticism toward the tools of CSR communication surfaces particularly with regard to CSR reports, as they are said to “cover few stakeholders, cherry pick elements of news and generally ignore the major social issues that arise from corporate activity [...]. The reports often refer to ‘sustainability’ and ‘sustainable development’, but leave virtually unaddressed issues of footprints, carrying capacities, equity and social justice” (Milne & Gray, 2013, p. 17). Hence, CSR reports are depicted as self-laudatory public relations tools (Knebel & Seele, 2015) that report over-positively on pleasant topics.

Coombs and Holladay (2013) caution against the illusion of transparency and credibility created by CSR reporting, because they have been “carefully crafted to create credibility and a positive reputation” (p. 217).

This low credibility of CSR reports has eroded stakeholders’ trust in these tools and practice, resulting in a “credibility gap” of CSR reporting (Dando & Swift, 2003) between companies as senders and stakeholders as recipients. This gap, following from inconsistencies between CSR activities and what is reported, has led stakeholders to question the moral legitimacy of corporations in society (Claasen & Roloff, 2012), at a time when the “license to operate” of corporations is put on the spot by corporate hypocrisy (Wagner et al., 2009).

As a result, companies and stakeholders are trapped in the CSR communication paradox: although more and more is published on CSR (especially via reports), credibility levels fail to rise, whereas scrutiny and distrust are on the increase (Waddock & Goggins, 2011). This situation is harmful for both sides: stakeholders cannot satisfy their information needs regarding CSR and companies can hardly convey their CSR activities in a credible manner. This paradox and the “credibility gap” (Dando & Swift, 2003) thus result in an unstable relationship between companies and their stakeholders, not contributing to, but jeopardizing companies’ “license to operate”. This harms sustainable economic activity at the expense of social welfare.

Even though credibility is central to CSR communication and despite the fact that communicating non-credibly has lasting negative consequences for companies, there is no consensus about the concept of credibility and barely any studies exist that tackle credibility gaps in a systematic way (Cornfield, 1987).

This thesis addresses the issue of credibility in CSR communication in general. In particular, it analyzes the sender’s and the recipient’s perspectives of the “credibility gap” in CSR reporting. It explores concepts and methods to investigate how companies can communicate credibly and provides empirical evidence on the state-of-the-art of CSR reporting in Europe. It combines concepts and methods from business ethics, management studies, political theory, and communication sciences to address the following objectives:

(I) To provide a typology of CSR communication tools along instrumental and deliberative notions, connecting political CSR theory with business practice.

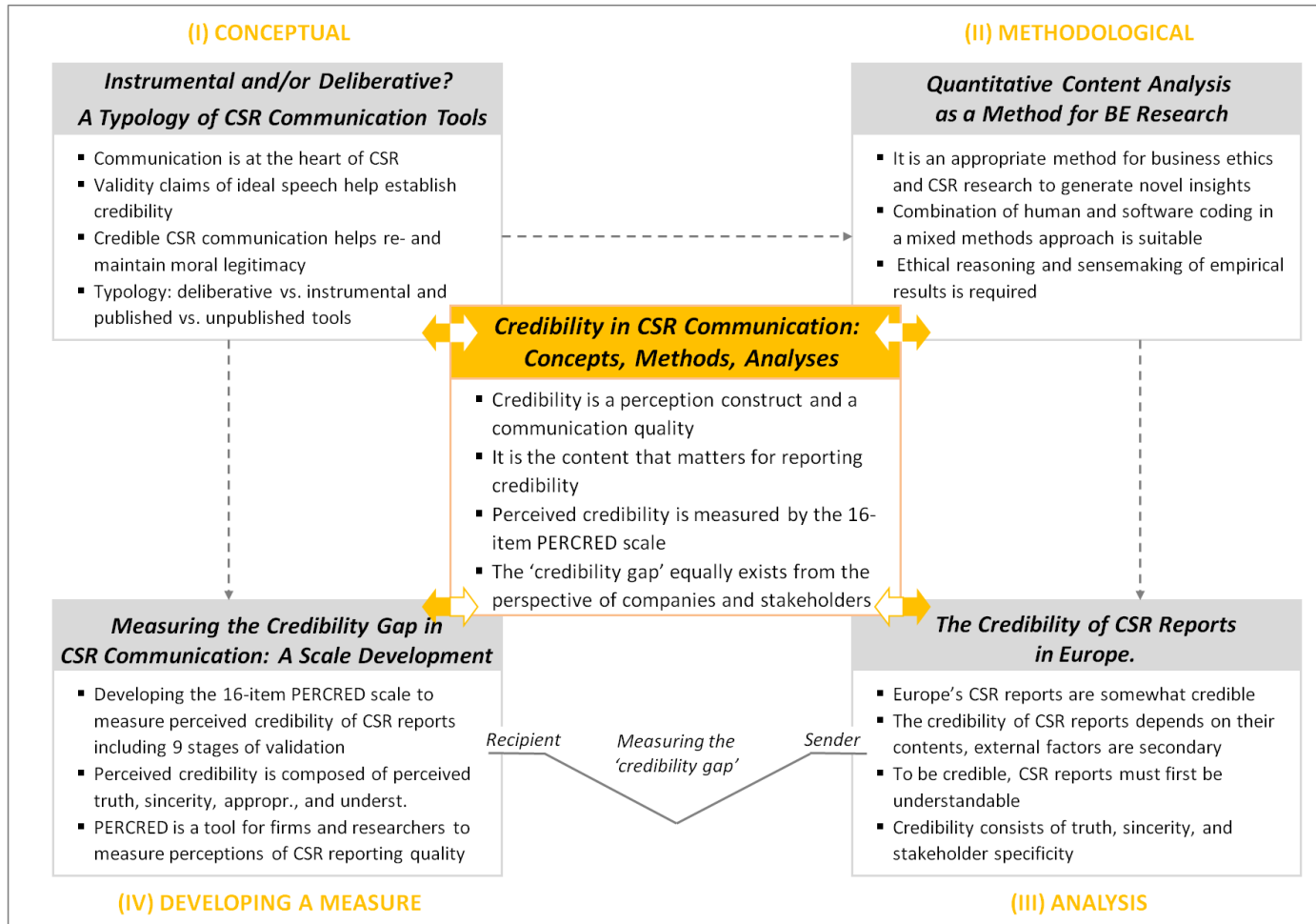
(II) To establish quantitative content analysis as a method for business ethics and particularly CSR research.

(III) To analyze the credibility of CSR reports (sender's perspective) in Europe applying quantitative content analysis and to put forward a novel conceptualization of credibility along Habermasian theory.

(IV) To develop a scale to measure the perceptions of credibility of CSR reports from the recipient's perspective.

The thesis is structured along these four goals, explained in brief in the following section. The graphical abstract on the next page illustrates the concept of this thesis at a glance.

4. Graphical Abstract



5. Structure of the Thesis

This thesis provides a conceptual, methodological, and empirical analysis of credibility in CSR communication. It was carried out at the Università della Svizzera italiana, Lugano, and the Technical University Munich between 2011 and 2015.

The thesis is structured along four chapters that address the four main goals and that build on each other (see Figure 1). CSR is multidisciplinary in nature and this work provides a good account of how different research fields can cross-fertilize to apply new methods and arrive at rigorous empirical evidence. This thesis brings together approaches from business ethics, communication sciences, management studies, and political theory. Furthermore, it triangulates methods to arrive at empirical evidence that sheds light on the question of credibility in CSR communication. In doing so, it tests the “credibility gap” in CSR reporting (Dando & Swift, 2003) from the sender’s and the recipient’s perspective conceptualizing credibility and perceived credibility with the help of critical philosophical theory (Habermas, 1984) to see if this gap may eventually be bridged.

Objective (I): Conceptual contribution.

Chapter I responds to the need for a classification of corporate communication tools that are suitable for communicating CSR. Thus, as one of the first attempts in literature, it connects political CSR theory with day-to-day business practice (Baumann-Pauly & Scherer, 2013). Furthermore, it discusses how credible CSR communication leads to legitimacy and thus provides the conceptual basis of this thesis. The chapter proposes that communication is at the heart of CSR by highlighting Habermasian communicative action theory as the backbone of political CSR theory. Based on this theoretical advancement, the chapter develops a typology of CSR communication tools along deliberative and instrumental notions.

Objective (II): Methodological contribution.

Chapter II engages in a methodological discussion and proposes quantitative content analysis for business ethics, and especially CSR, research. It therefore responds to the call for more “empiricism” (Robertson, 1993; Crane, 1999) in the field of business ethics and shows that applying a method from a neighboring discipline can result in novel insights into ethical issues of business.

Objective (III): Empirical analysis.

Chapter III analyzes, for the first time, the “credibility gap” in CSR reporting from the sender’s perspective. The chapter investigates the credibility of CSR reports and responds to the call for more research on reporting quality (Hahn & Kühnen, 2013). It uses the method proposed in Chapter II to arrive at this goal. Furthermore, the chapter advances a conceptualization of credibility along Habermasian communicative action and political CSR theories that takes into account the notion of legitimacy. It thereby contributes to filling the theory void in the field of CSR reporting (ibid.).

Objective (IV): Measure development.

To analyze the “credibility gap” in CSR reporting from the recipients’ perspective, Chapter IV develops a measurement scale to test the perceptions of credibility of CSR reports in an attempt to study such gaps systematically (Cornfield, 1987). In doing so, the chapter builds on the empirical results from Chapter III. The chapter reviews existing approaches to credibility and advances the novel conceptualization of credibility broached in Chapter IV to operationalize Habermasian theory for empirical inquiry (Forester, 1992).

All chapters have been submitted to major academic journals. Given the multidisciplinary nature of CSR, different journal outlets were chosen for the chapters. Chapters I and II were published in the field of business ethics, the other two are submitted for publication in major journals in management studies (Chapter III) and communication sciences (Chapter IV).

The conclusions part discusses the main findings by addressing the research objectives outlined above. It formulates contributions made to theory, practice, and public policy, provides a research outlook, and discusses limitations of the dissertation. The thesis terminates with a brief account of the author’s learning experience working on this thesis.

Chapter I

Instrumental and/or Deliberative? A Typology of CSR Communication Tools

Manuscript Published:

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Abstract

Addressing the critique that communication activities with regard to CSR are often merely instrumental marketing or public relation tools, this paper develops a toolbox of CSR communication that takes into account a deliberative notion. We derive this toolbox classification from the political approach of CSR that is based on Habermasian discourse ethics and show that it has a communicative core. Therefore, we embed CSR communication within political CSR theory and extend it by Habermasian communication theory, particularly the four validity claims of communication. Given this communicative basis, we localize CSR communication as a main means to receive moral legitimacy within political CSR theory. A typology of CSR communication tools is advanced and substantiated by a review of case studies supporting the categories. Thus, we differentiate between instrumental and deliberative, as well as published and unpublished tools. Practical examples for the literature-derived tool categories are provided and their limitations are discussed.

Keywords:

CSR communication, Communicative action, Credibility, Deliberative democracy, Habermas, Legitimacy

1. Introduction

The political approach to CSR [Corporate Social Responsibility] has gained momentum within the last few years (Matten and Crane 2005; Scherer and Palazzo 2007). Scholars from this view argue that corporations in a globalized world bear not only economic, social, and environmental responsibilities, but also political responsibilities. While this notion is widely recognized and is continuously extended in academia (e.g., Crane et al. 2008; Wettstein 2010; van Oosterhout 2010; Mäkinen and Koroula 2012), it does not seem to have arrived in the operations of companies. Literature on managing corporations in a political CSR sense is still absent (Baumann-Pauly and Scherer 2013). This applies especially to issue-sensitive subfields such as CSR communication, even though it can be regarded as one of the most important means to receive moral legitimacy, the basis of political CSR (Scherer and Palazzo 2011). In order to connect political CSR to the practical realm of corporations, we propose, on the grounds of Habermasian communication theory (1984; 1996), a “toolbox” of CSR communication. It showcases a distinction between deliberative and instrumental tools for communicating CSR and examines their suitability as a means to achieve moral legitimacy for organizations, with the focus on companies. For instance, the CSR Web site of the car manufacturer BMW (2013) is designed in a one-way communication manner, following a stakeholder information strategy (Morsing and Schultz 2006). Rather than interacting, it emphasizes informing stakeholders about BMW’s social, environmental, and political responsibilities and therefore lacks the possibility for stakeholders to engage in a dialog with the company. However, discourse is seen at the core of political CSR theory (Scherer and Palazzo 2007). Taking a contrary example, the bottled water company Volvic (2013) tried to actively engage in a dialog with its stakeholders through a corporate blog regarding its engagement with UNESCO in a cause-related marketing project. Reaching consensus in discourse is at the heart of political CSR theory and some CSR communication tools, such as Volvic’s weblog, reflect this notion well. Others, however, fuel the critique of CSR communication being a mere marketing or public relations exercise. Given mainly instrumental campaigns, CSR communication is subject to mistrust and criticism from the side of stakeholders (Klein 2013; Balch 2013) and scholars (Illia et al. 2013; Golob et al. 2013), which partially resulted from incomparable and inconsistent CSR communication by corporations. Stakeholders therefore challenged the moral legitimacy of firms, which led to a “credibility gap” (Dando and Swift 2003) between companies and stakeholders in CSR communication. CSR is conceptualized here as recent political CSR theory (Scherer and Palazzo, 2007; 2011), where corporations gain moral legitimacy by participating in deliberative discourse (in a Habermasian sense, 1984; 1996) together with political actors, NGOs, shareholders, and other stakeholders. The moral legitimacy obtained in this discourse depends on credibility as we suggest in this paper, which is

achieved through ethical discourse, represented by the four Habermasian validity claims of communicative action *truth, sincerity, understandability, and appropriateness* and the deliberative demands of political CSR theory (open discourse, participation, transparency, accountability).

This article aims to conceptualize CSR communication within the theoretical approach of political CSR in order to find a way out of the “credibility gap” (Dando and Swift 2003) in CSR communication. To do so, our contribution lies in embedding CSR communication within political CSR theory and further expanding its Habermasian basis by introducing the theory of communicative action (1984) that emphasizes the communicative core of the concept. From there, we present a typology of deliberative and instrumental CSR communication tools. A short introduction on the topic of corporations’ new political role is followed by a Habermasian approach to communicating CSR based on the four validity claims applied from the theory of communicative action. Then, we derive how CSR communication may be embedded within the framework of political CSR and Habermasian approaches. Afterwards, we present a typology of CSR communication tools. Each type is substantiated by a number of business ethics and management case studies we identified from a review of the leading journals. Thus, every category of the toolbox is backed up by existing cases from literature. This analysis is followed by a discussion that addresses the communicative core of political CSR and recent critique of the political-normative view. In the end, managerial implications and limitations combined with suggestions for future research are specified.

2. Embedding CSR Communication within Political CSR: A Habermasian Approach

CSR is subject to multidisciplinary debates and is often used as an umbrella concept for diverse approaches. It seems, therefore, natural that there is no largely agreed-on definition of the social responsibilities of a corporation (Wan Saiful 2006) in the pluralistic universe of CSR (Mäkinen and Kourula 2012). Given its multidisciplinary nature, it merges normative, prescriptive, and descriptive aspects (Garriga and Melé 2004). The political approach to CSR distinguishes from classical (Bowen 1953; Wallich and McGowan 1970; Carroll 1991) and instrumental CSR theories (Porter and Kramer 2006; Kotler and Lee 2005), as it “goes beyond” (Scherer and Palazzo 2011, p. 900) these. Classical theories were concerned with the “social responsibilities of the businessman” (Bowen 1953). Then, Wallich and McGowan described a “new rationale” that put together shareholders’ interests with the social responsibility of the firm. Carroll (1979; 1991) translated this into three dimensions of corporate social performance, which was followed by the hierarchical representation of CSR in four dimensions of a pyramid (1991).

Instrumental CSR approaches advanced this line of thought and today view CSR as strategies that first and foremost aim at improving the financial position of the firm. Societal or environmental benefits are regarded rather as a byproduct. This “business case” of CSR describes a “shift from obligation to strategy” (Kotler and Lee 2002 p.7) that is prevalent among marketing, corporate communication, and management scholars. Thus, researchers study the link between responsibility and performance (Wood 1991; Mitnick 2000; Vogel 2005), view CSR as a tool to increase sales (Sen et al., 2006) and customer loyalty and advocacy through awareness (Du et al. 2007), and foster corporate reputation and therefore firm performance (van Riel and Fombrun 2007). Furthermore, from a value chain perspective, researchers analyze in how far CSR can contribute to establishing new products and markets, increasing productivity, and helping to develop prospering local communities at corporate production sites with a focus on developed and developing national contexts (Porter and Kramer 2006; 2011).

Political CSR, on the contrary, holds that companies conduct business with a broader horizon due to emerging powerful transnational corporations and a globalized economy. Today, corporations operate in a globalized world of morality and partly substitute functions that were assigned previously to the responsibilities of nation states. Nation states lost power and their role in the globalized world; these formerly supreme actors do not provide established ethical norms any longer. Therefore firms engage in global public policy and by that take on a “new political role” (Scherer and Palazzo 2011) as “global corporate citizens” (Matten and Moon 2005). In this view companies conduct business in a broadened definition of responsibility and help solve public issues in cooperation with societal actors, hence stakeholders. Issues that were formerly within the regulatory scope of nation-states are now more and more dealt with by corporations through self-regulatory activities. This entails a shift from hard to soft law that is characterized by transnational regulations that result in global soft law standards (such as ISO 26000). This shift takes place in a discourse process between corporations and stakeholders (Mena and Palazzo 2012). Hence, dialog and rational communication in a setting of deliberative democracy (Habermas 1996; Young 2004; Fung 2005) are at the core of the political approach to CSR, also labeled as the “political-normative” view (Schultz et al. 2013).

This political turn evokes also new questions of (democratic) legitimating (Scherer et al. 2013a), discussing a new form of “moral” legitimacy, which “is based on moral judgments and an exchange of arguments on whether an individual, an institution, or an action can be considered socially acceptable” (Scherer and Palazzo 2011, p. 915). Moral legitimacy is gained through various strategies: Suchman (1995) suggests symbolism, co-optation, and adjusting organizational goals to stakeholders’ moral expectations. In controversial industries, moral legitimacy may be built on capturing (associating with other stakeholders), or construing (produce consent through dialog)

strategies, along with CSR engagement (Reast et al. 2013). Public relations scholars suggest that moral legitimacy is a main goal of issues management (Heath and Palenchar 2009) and organizational scholars hold that it is achieved through storytelling (Golant and Sillince 2007). In political CSR, moral legitimacy can be achieved through public discourse with the goal to reach a consensus between the company and society; it is consequently established and managed by a communication process, which results in the “communicative approach to legitimacy” (Scherer et al. 2013b, 479). As opposed to cognitive and pragmatic legitimacy, moral legitimacy is not attributed by one party to the other, but constructed in the communication process: “[m]oral legitimacy consists of a mutual exchange between ‘organizational practice’ and ‘societal expectations’” (Scherer et al. 2013a, p. 263). This shift in the source of legitimacy, which ultimately affects the companies’ license to operate (Donaldson and Dunfee 1999), results in heightened emphasis of the role of communication for CSR theory.

Communication that leads to moral legitimacy is characterized by a two-way communication process. CSR communication is regarded as one of the most important parts of this moral legitimization for transnational corporations. Seen in the sense of a stakeholder involvement strategy (Morsing and Schultz 2006), CSR communication may help firms achieve the requested moral legitimacy. This strategy builds on symmetric two-way communication of the company with its stakeholders, where both sides seek to understand and influence one another. It is characterized by a dialog (Johansen and Nielsen 2011), where not only the companies have certain responsibilities and rights, but stakeholders, too. Put in simple words: “while a firm affects or can affect stakeholders, stakeholders can also affect the corporation” (Fassin, 2012 p. 85). Stakeholders and corporations bear reciprocal responsibilities when it comes to the relationship and communication with companies. Hence, the moral legitimacy that establishes the license to operate for companies in a globalized context is formed by an equilibrated communication process that involves other societal actors, explicitly the stakeholders (Fitch and Surma 2007).

In order to reach consensus as the goal of ethical discourse, corporations engage in an open dialog and transparently formulate their chosen arguments, based on the idea of communicative action formulated by Habermas (1984), who is well received as a scholar in business ethics (Beschoner 2006). In his theory, Habermas distinguishes between two forms of social action - strategic and communicative. While strategic action aims at success and influence, communicative action is “oriented toward reaching understanding” (Habermas 1996 p. 63) between sender and recipient in a communication process. In order for communicative action to take place, both parties may raise, redeem, and adhere to so-called validity claims, which are the truth, sincerity, understandability, and appropriateness of communication. Truth refers to the objective truth of statements made, sincerity (or truthfulness) is explained as the subjective truth of the propositions,

understandability means that the message is understandable to the parties in the discourse, and appropriateness refers to the condition that sender and recipient agree to the same social context of communication. The validity claims are "central" to the idea of communicative action (Habermas 1984, p. 10).

The set of validity claims has to underlie the discourse between senders and recipients in order to resolve the discussed issues in consensus. An infringement of these preconditions for communicative action may lead to a lack of trust from both sides and not result in consensus. Here, a credibility crisis can occur, where the recipients', thus the company's stakeholders', expectations are not met by the companies. Viewing CSR through the lens of stakeholder expectations management (not merely meeting stakeholder demands), this crisis may lead to a "credibility gap" (Dando and Swift 2003) between the company and its stakeholders that might ultimately threaten a firm's license to operate in society.

Following the Habermasian idea of communicative action, we argue that credibility in CSR communication may be re-established if companies and stakeholders engage in communicative action. Hence, if the four validity claims, truth, sincerity, appropriateness, and understandability, are met by the sender as well as the recipient of CSR communication, consensus, understanding, and credibility may be reached.

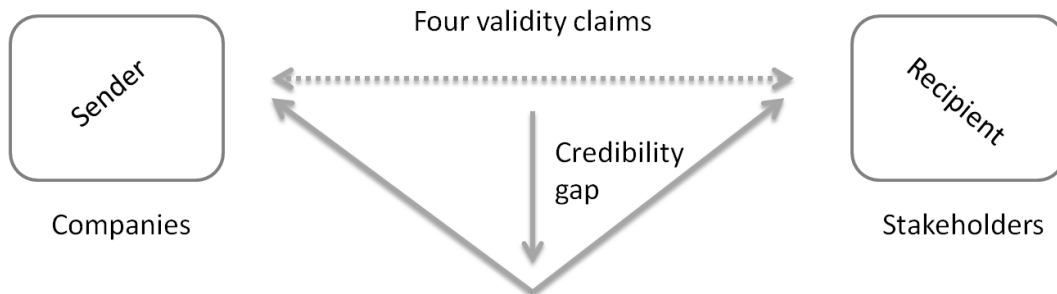


Figure I-1: Habermas' Validity Claims and the "Credibility Gap" in CSR Communication.

Political CSR in the tradition of Habermasian discourse ethics may therefore be seen as the overarching theoretical framework, where moral legitimacy is achieved through credibility by adhering to the four validity claims in communicative action.

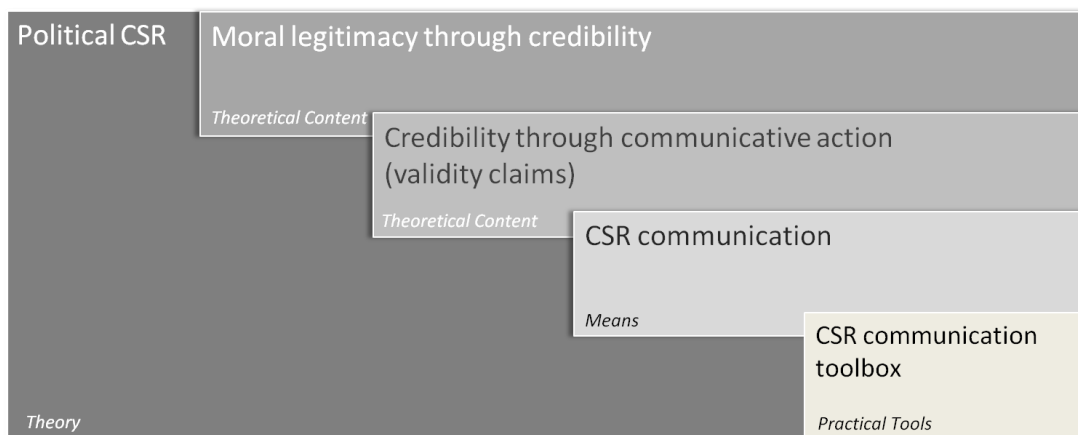


Figure I-2: Political CSR as a Framework for CSR Communication.

CSR communication is one of the most important means to convey this moral legitimacy to the outside and inside stakeholders. Despite the criticism of most CSR communication tools that is grounded on a lack of credibility and trust, several CSR communication tools meet the demands of political CSR and Habermasian communicative action.

3. Deliberative Versus Instrumental CSR Communication Tools

3.1 Developing a Typology Along Literature-Derived Categories

In addition to the theory of communicative action that is rather regarded as a background concept, political CSR takes on deliberative democracy theory in order to explain the new political role of corporations. The normative demands of political CSR are referred to as open discourse, participation, transparency (Scherer and Palazzo 2007 p. 1111), and accountability (Scherer and Palazzo 2007, p. 1110), which are based on Habermasian deliberative democracy. As argued by political CSR theorists, “it seems naive to assume that all coordination problems in the context of economic activities can be solved in processes of argumentation that are oriented toward mutual understanding and agreement” (Scherer and Palazzo 2007 p. 1105). Therefore, the authors applied the theory of deliberative democracy (Habermas 1996) to the transnational corporate context. In line with the theory of communicative action, it regards deliberation and understanding between multiple societal actors in a discourse as its core. However, it does not narrowly adhere to the fulfillment criteria of the validity claims only, but rather takes on a procedural and incremental view on communicative processes (Habermas 1996).

From the very sense of the word, deliberation means consideration, discussion, and weighting of ideas with multiple actors. It implies a balance of power of actors

involved and democratic will formation based on ethical discourse combined with economic bargaining (Habermas 1996). This may happen in situations “in which people organize collectively to regulate or transform some aspects of their shared social conditions, along with the communicative activities in which they try to persuade one another to join such collective actions or decide what direction they wish to take” (Young 2004, p. 377). Central to the concept is the idea of participation of multiple actors and a transparent two-way communication process that is “characterized by reason-giving” (Hartz-Karp and Briand 2009, p. 127). Applying this concept to corporations means that private companies engage in democratic deliberative processes with multiple actors of society in order to resolve global public issues to reach moral legitimacy in society.

As mentioned above, CSR communication in this framework of political CSR is one of the most prominent means in this process to reach democratic legitimation in a deliberative sense. However, not all tools of CSR communication take into account this notion of deliberation, where the normative demands of open discourse, participation, transparency, and accountability on the basis of communicative action (with the four validity claims) are met. We therefore suggest a typology of CSR communication tools that includes the deliberative as well as instrumental notions of CSR and categorizes the different CSR communication tools accordingly.

When categorizing the existing tools of CSR communication, several distinctions may be drawn. Adornßent and Godemann (2011) distinguish CSR communication per communication field, resulting in risk, environmental, or science communication in order to classify the different tools. Jahdi and Acikdilli argue that a variety of tools from marketing communication may be applied to CSR communication, because they are “capable of conveying a company’s CSR messages and contributing to its corporate image and brand equity” (2009, p. 106). Public relations, advertising, and sponsorship including cause-related marketing are labeled as the most effective communication instruments. Ziek (2009) takes on a communicative moves approach to CSR communication and studies the annual reports, annual shareholders letters, philanthropic information, nonfinancial reports, indexes and organizational linkages, organizational codes of conduct, and specific nonfinancial web pages as the main tools of CSR communication. Biedermann (2008), for instance, divides the tools into those directed towards internal or external audiences.

More recently, the internet as an important communication channel for CSR is recognized by many authors resulting in more and more studies on CSR web communication (e.g., Moreno and Capriotti 2009; Basil and Erlandson 2008; Chapple and Moon 2005; Chaudri and Wang 2007; Esrock and Leichty 1998; Frostenson et al. 2011; Gomez and Chalmeta 2011). Companies use the internet either unidirectionally, for instance, in the form of CSR statements on web pages (Snider et al. 2003), which is

similar to offline media like printed corporate brochures, because both do not allow for responses. Or, firms engage in two-way communication on the web, fostering transparency and allowing participation and interactivity (Moreno and Capriotti 2009) that underlines the role of dialog in CSR (Golob and Podnar 2011). This second form is often found in web 2.0 applications such as social media networking platforms, blogs, or wikis. As Fieseler et al. point out (2010, p. 601), “[i]n contrast to static Web sites and reports, the development of Web 2.0 and weblogs has significant potential for engaging customers and stakeholders in a dialogue.” This dialog function corresponds to the argument that CSR is “an essentially communicative challenge” (Golob et al. 2013, p. 179).

Despite the many ways researchers have attempted to categorize CSR communication, so far none has tried to provide a typology of its tools. Along with embedding CSR communication within the framework of Habermasian and political CSR theory, in this paper we aim to categorize CSR communication tools in the “political-normative” stream of CSR (Schultz et al. 2013) along two lines, resulting in a CSR communication tool matrix. First, a distinction is drawn on the basis of CSR theory, dividing CSR communication tools into (corporate) instrumental and deliberative ones. Second, we differentiate on a corporate communication level between published and unpublished CSR communication, similar to Biedermann’s (2008) distinction between internal and external tools.

3.2 A Typology of CSR Communication Tools

Supporters of instrumental CSR hold that CSR-related obligations should also support corporate objectives making strategic use of CSR to attract new customers and markets, open up market niches, increase sales, build valuable partnership and a positive brand identity (e.g., Kotler and Lee 2005).

While the goal of deliberation is to meet the expectations of all parties involved, instrumental strategies aim to satisfy the economic needs of the company first. This teleological approach is, in our typology, applied to instrumental CSR conduct by corporations only. The categorization takes on a company perspective and does not include possible instrumental approaches to CSR communication by stakeholders.

Deliberative tools, on the contrary, follow the deliberative demands of political CSR, which are described as open discourse, participation, transparency, and accountability. Therefore, those are mostly equipped with dialogical functions in order to facilitate two-way communication. “[N]ew media are in this view regarded as instruments to gain legitimacy for corporations, as they would further improve the dialog and engagement toward deliberative democracy and the access to conversations, hereby potentially equalizing power relations” (Schultz et al. 2013, p. 684). Hence, the internet

is seen as a communication channel that facilitates the normative demands of political CSR and helps fulfill the validity claims of communicative action (Habermas 1984).

A second distinction is drawn between published and unpublished CSR material. Published implies that information is made accessible to outside stakeholders, unpublished material is usually kept within the company and often also confidential. This typology, given its roots in political CSR theory, is applied to CSR communication of large companies only. Given the myriad of tools used in corporate communication by these big businesses, we may assume that they apply more than one tool to communicate their CSR.

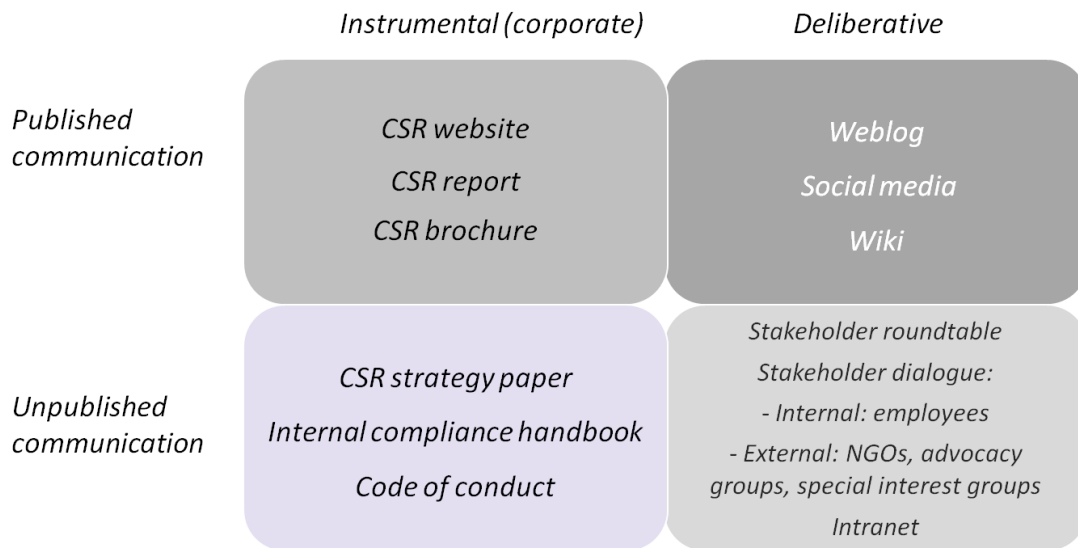


Figure I-3: A Typology of CSR Communication Tools.

In the following, we describe and exemplify each type as proposed in the typology above by a series of selected case studies from business ethics, corporate communication, and general management research². The case studies present examples

² We searched for case studies of CSR that deal with its communication using the terms “CSR” and “case study” in the following journals: Business Ethics Quarterly, Business Ethics: A European Review, Journal of Business Ethics, Long Range Planning, Journal of Management Studies, California Management Review, Strategic Management Journal, Sloan Management Review, Organization, Organization Science, Organization Studies, Academy of Management Journal, Academy of Management Perspectives, Academy of Management Review, Harvard Business Review, Business & Society, Business & Society Review, Management Communication Quarterly, Business Communication Quarterly, Corporate Communications: An International Journal. Additionally, we consulted the Business Source Premier, EconLit, and Communication & Mass Media Complete databases with the same search terms in order to identify other relevant case studies of CSR and communication. We did not limit the search by time. After a closer examination of the relevant

and contexts describing and underpinning the suggested categories and validating the instrumental and the deliberative notion of CSR communication tools.

3.2.1 Instrumental Published Tools

Instrumental published tools of CSR communication refer to unidirectional CSR communication instruments that are accessible to outside stakeholders and have a strategic corporate communication goal. Examples are CSR Web sites, nonfinancial reports, or CSR information brochures. All of these tools follow a conventional (mass) media logic, which is about informing constituents rather than actively engaging them. From a corporate communication point of view, these tools are used to “get the message across” in an informative or persuasive sense.

Classical media relations tools such as press releases fall under this category, as shown by a case study on CSR communication with vulnerable stakeholders in the extracting sector. During the time that the mining company BHP Billiton upheld a mine in Western Australia, it used several CSR communication tools to communicate with the local community – CSR reports, press releases, and a community newsletter. However, after the mine was closed, the company shut down all communication channels except for press releases. The rationale for this move was that the firm regarded press releases as the, in a contract law sense, most formal tool (Mayes et al. 2012). As this case study shows, instrumental CSR communication tools are, due to their one-way focus, easily terminable by the communicating party. Moreover, another case based on press releases between Greenpeace and sportswear companies (Brennan et al. 2013) found that the use of this tool by one party offers the possibility for the other party in the discourse to remain silent. The sports gear companies that remained silent after an NGO accused them of discharging contaminated wastewater did not experience repercussions from the audiences due to their silence, but could adapt their CSR strategies to the stakeholders’ expectations in silence. In addition, press releases do not target one stakeholder group only, but speak to multiple groups at the same time. For these reasons, their potential for deliberative dialog is limited given that the discourse may be ignored, interrupted, terminated, or mediated by other players such as the media (Brennan et al. 2013).

Furthermore, most tools of marketing communications applied to CSR would fall under the instrumental category (Jahdi and Acikdilli 2009). For instance, the sustainability strategy leaflet of the Coca Cola Company (downloadable online) depicts the company’s CSR strategy in a brochure format (Coca Cola 2013). A one-way directed CSR Web site, for instance, is the one of the automobile company BMW (BMW Group 2013), where the interested reader may contact the sustainability communications team

articles by the authors, we identified 14 relevant case studies that we included in every section of the typology chapters.

via email, but may not directly interact on the Web site. Hence, although the internet is seen as a facilitator of deliberation (Schultz et al. 2013), it is currently often not used in a deliberative way. Also in the case of oil companies this holds largely true: Most oil extractors still seem to consider the internet as a form of push rather than pull media used to receive legitimacy. The Web site of these companies appear very accessible and some provide rich and diverse media content (Du and Vieira 2012). Deliberative engagement mechanisms for a wide array of stakeholders, however, still lack. Conoco Philipps, for instance, links its social media activities to its Web site, but does not actively engage with its stakeholders on the CSR webpage. However, merely linking to social media platforms does not render the CSR webpage per se more deliberative. The same is true for Exxon Mobil, which however features a corporate blog on its Web site. Nevertheless, both companies “rather used social media platforms as another vehicle for one way [...] communication” (Du and Vieira 2012, p. 421). Chevron, on the contrary, pursues a less instrumental path. Its CSR webpage contains more interactive tools, such as a stakeholder vote on company-related issues or directly featured stakeholder stories (Du and Vieira 2012). CSR web pages and their degree of one-way communication appear to be sector- and culture-sensitive. European and US-American oil companies’ Web sites are easily accessible and contain much information, most of Indian IT companies, in contrast, have less than two pages of CSR information that hide behind “about us” sections. While oil companies focus on the environment and communities as their main stakeholders and neglect employees, Indian IT companies seldom mention target stakeholders at all. Moreover, also interactivity features are rare on these companies’ CSR Web sites (Chaudri and Wang 2007).

Also one of CSR communication’s most important means, CSR reports (Fifka 2013), are managed similarly. Although being transferred more and more in the internet, CSR reports still barely contain dialog functions, but follow a print logic. CSR reports are configured and designed as print magazines, with an opening letter from the CEO followed by articles with pictures, text boxes, etc. Integrated reports as the latest trend in CSR reporting join the annual financial with the nonfinancial report, such that the statements of the CEO in the letter addressing the stakeholders gain importance also for CSR discourse (e.g., Tengblad and Ohlsson 2010). However, the reports are instrumental tools, not deliberative in nature, as the example of the integrated CSR report of the software producer SAP, which is preset as an online report, shows: the only way to step into contact with the firm is via an investor relations email address (SAP 2012). Furthermore, also standardization of CSR reporting has not led to more deliberative application (Levy et al. 2010). An analysis of CSR reports in the Finnish forestry industry revealed that even the sustainability leaders of the sector engaged in reporting because they aimed at economic prosperity (Toppinen and Korhonen-Kurki 2013). Similarly, in the case of an Italian food company, CSR reporting is a rather technical

requirement instituted by the parent company to communicate the relevant figures to the shareholders on a regular schedule (Lamberti and Lettieri 2008).

3.2.2 Instrumental Unpublished Tools

As instrumental unpublished tools we count, for instance, internal CSR strategy papers, compliance handbooks, or codes of conduct. These are also not deliberative, given that they do not allow for open discourse and participation. Mostly, they are strategically oriented, as evident in the case of internal strategy papers. Compliance handbooks may be published or unpublished; however, if they are directed at internal stakeholders such as employees, we regard them as unpublished tools in the sense that they are not accessible publicly. Codes of conduct have evoked a lot of research, for instance, regarding ethical behavior and performance (Adams et al. 2001; Erwin 2011; Schwartz 2004), underlying moral values (Schwartz 2005), or their strategic use by companies to impact on suppliers (Yu 2008; Sethi et al. 2011). The toy producer Mattel introduced a code of conduct as a reaction to a TV news story that featured bad working conditions at one of its suppliers and against the background of other industry's human rights scandals as in the apparel sector. As for many companies that were subject to such outcries (e.g., Nike, Reebok), the code of conduct was created internally and similarly "appeared to have been created to assuage public opinion" (Sethi et al., 2011 p. 484). The same can be observed in the case of the sportswear company Reebok that issued a code of conduct after critique by NGOs on its suppliers' working conditions (Yu 2008). Similarly, Lamberti and Lettieri (2009) describe how a company in the food industry forces its subsidiary to adopt a code of ethics in order to increase customer perceptions of product safety and health and justify a price premium. This strategic intention to create a code of conduct reflects why they may be considered instrumental CSR communication tools.

Internal CSR communication of instrumental nature may take on various forms in different stages of CSR implementation: in the "move" and "refreezing" stage of CSR strategy implementation, Maon et al. (2009) observe especially CSR reporting, newsletters, and magazines as communication strategies that inform internal stakeholders. However, continuous and transparent stakeholder dialog is needed, which goes beyond instrumental one-way notions (see paragraph below).

3.2.3 Deliberative Unpublished Tools

The electronics company Philipps, for instance, uses more deliberative tools to communicate about CSR with its stakeholders internally. Buyer surveys, town hall meetings for employees, road shows for investors, or local networks for regulators are some examples of such tools. Interestingly, Philipps applies different means to different stakeholder groups in order to lower the level of stakeholder skepticism and trigger

collaboration (Maon et al. 2009). Other deliberative unpublished tools are, for instance, stakeholder roundtables such as the Business Social Compliance Initiative (BSCI 2013). The organization was founded by the Foreign Trade Association in order to respond to calls for more social compliance along companies' supply chains in Europe. It is supposed to serve as a platform helping to level the playing field and monitoring different systems for social sustainability in global production networks. Participants are companies as well as associations of different kinds. Usually, the minutes of meetings of such stakeholder roundtables, where the issues, in this case regarding social compliance, are discussed, are not accessible to the public. That is why most stakeholder roundtables fall under the category of unpublished tools. However, roundtables meet many of the deliberative demands of political CSR: they happen in open discourse between the participants, are transparent (although usually only to the members), open to participation from different parties, and often the actors may be held accountable for what they state or do. Furthermore, other forms of stakeholder dialog, such as internal dialog with employees, or external ones with NGOs, advocacy groups, or special interest groups, are also present in this category. The beer brewer Heineken, for instance, conducted an internal stakeholder dialog in the form of an interdepartmental steering committee when confronted by activists with HIV infections of local beer promoters in Cambodia. The steering group, however, applied a view that was too company-centric and therefore only had limited success. "There was no forum within which the true claims of the activist and the company could be shared" (Van Cranenburgh et al. 2013, p. 510). Examples of stakeholder dialog that include external and internal groups are, for instance, the Forest Stewardship Council or the Global Reporting Initiative (Mena and Palazzo 2012).

Another internal deliberative CSR communication tool may be an employee hotline. The Norwegian oil company Statoil introduced such an anonymous whistleblower telephone hotline after a scandal about one of its contracts with an Iranian oil producer. Interestingly, this hotline was installed after the scandal was resolved in order to provide for future incidents of unethical behavior. During the scandal, the company chose to inform internal and external stakeholders primarily via its CSR reporting (Vaaland and Heide 2008). This case study points to a procedural character of CSR communication, as, sometimes, deliberative CSR communication tools are employed after the limitations of instrumental tools became known.

Last, the intranet may count as an unpublished deliberative CSR communication tool. Access to the intranet is only granted to members of the company, which is why it falls under the category of unpublished tools. However, the intranet may include, besides informative web pages on CSR, also dialogical forms of online communication, such as employee blogs regarding volunteering activities, Q&A forums concerning the environmental impact, chatrooms regarding issues such as diversity, or networking pages

similar to social media applications that are linked to CSR. Depending on the structure and components of the intranet and the amount of dialogical instruments, we suggest calling it a deliberative unpublished CSR communication tool.

3.2.4 Deliberative Published Tools

Most online dialogical communication counts as deliberative published tools. This includes social media applications such as Twitter, wikis, or corporate blogs. Weblogs may be administered by companies only, or by firms in cooperation with stakeholders such as NGOs. In any case, “weblogs, one of the main communication platforms of the Web 2.0 era, have strong potential for engaging stakeholders on sustainability issues” (Fieseler et al. 2010, p. 601). The water producer Volvic started a blog in October 2008 with the dedicated goal to step into a dialog with its stakeholders. The blogging activities are regulated by certain “rules of the game” that Volvic openly states on the weblog. CSR activities such as the “drink one liter and donate ten” initiative that Volvic and UNICEF ran for five years were also communicated via the blog (Volvic 2013). But companies do not only engage in project-based blogging, but also use weblogs continuously as tools for CSR communication. McDonald’s, for instance, administers a weblog where several employees blog and respond to users’ comments and where the bloggers’ names and job titles are visible to ensure transparency. The employee-bloggers comment, on average, on every second user post, which renders the blog very interactive and enables open communication between the parties. However, weblogs are not a tool for mass communication: through weblogs, the company interacts especially with the most engaged consumers and with the opinion leaders among its stakeholders. Therefore, the spread of McDonald’s blog remains rather limited to specific stakeholders (Fieseler et al. 2010).

Wikis, best represented by the most-used Web site Wikipedia, are webpages that can be edited by any user (Smith, 2013 p. 256). The wiki concerning the computer firm Apple may serve as an example (www.apple.wikia.com). Here, participation and open discourse are especially emphasized, since the company cannot control who participates in the wiki in what way. Often, such wikis are started and administered not by members of the company, but by their stakeholders. These platforms for information exchange, however, may also be used for internal corporate communication in the intranet (see below).

The social media platform Twitter is used by some companies in their CSR communication. One of the pioneers in the health sector is Novo Nordisk, whose sustainability department tweets separately from the corporate communication office about issues regarding sustainability (Novo Nordisk 2013). In general, it appears that companies such as Novo Nordisk that are already highly active in CSR also have a greater presence in social media and are more proactive when engaging with

stakeholders (Lee et al. 2013). Hence, CSR leaders also benefit more from social media activity. And vice versa, CSR communication via social media increases corporate reputation (Eberle et al. 2013).

4. Discussion

Taking Habermas' notion of ethical discourse and the concept of deliberative democracy as background theories resulted in a two by two matrix of CSR communication tools. However, not all tools meet the deliberative demands formulated above. Instrumental CSR communication tools, be they published or unpublished, cannot, per definition, be deliberative. Deliberative unpublished tools weakly reflect one important aspect, since they are transparent only to the participants in the dialog, but not to the general public. One might argue that this is sufficient for political CSR efforts such as multistakeholder initiatives (Mena and Palazzo 2012) and even inevitable in corporate contexts, given a certain caution over publishing potentially sensitive information. On the other hand, this impacts also on the openness of the discourse to other participants. Deliberative published tools, on the contrary, account for all four deliberative demands, even though accountability in the internet might be questionable in the case of blogs or wikis, given that users can access with falsified information and nicknames. This may, however, be prevented by software programming that allows only verified users to enter the discourses.

As we posited in the beginning, CSR communication within a framework of political CSR does not only build on deliberative democracy theory, but also on the approach of Habermasian communicative action (1984). Scherer and Palazzo (2007) labeled this approach to be too utopian to be applied to the corporate world and corroborated the concept with the theory of deliberative democracy. Even if the four deliberative demands to CSR and CSR communication tools might seem somewhat idealistic on the face of them, it appears that they are quite well met by the deliberative tools of our typology. However, deliberative democracy theory builds on communicative action and the ideal speech situation with the validity claims, too. That is why we attempt to outline a Habermasian approach to CSR communication, countering the critique that political CSR is not truly "Habermasian" (Whelan 2012) and the call for more political theories to back up political CSR (Mäkinen and Koroula 2012). Even if adhering to the four validity claims truth, sincerity, appropriateness, and understandability might appear idealistic at first glance, it is not more idealistic than the presumption of the equality of power between the actors involved that is the basis of Habermasian deliberative democracy theory (1996).

We argue that, on the basis of communicative action, the four validity claims may be applied also to the deliberative tools of CSR communication in order to reach a situation of communicative rationality (Habermas 1984), where open discourse can take

place that ultimately leads to moral legitimacy. Hence, statements made either in the case of published or unpublished corporate communication tools have to be objectively true, reflect the sincerity of the speakers, be appropriate in the social context, and understandable to all participants, such that deliberative CSR communication can take place.

Building on the theory of communicative action and the ideal speech situation shows that political CSR has a strong communicative core, as opposed to the critique formulated by proponents of the “communicative” view on CSR (Schultz et al. 2013). Moral legitimacy is gained through CSR communication, hence in a process of ethical discourse that might even be constitutive in nature (Schöneborn and Sandhu 2013). This is represented by certain tools of CSR communication, which are not to be regarded as equally unidirectional (Schultz et al. 2013, p. 685), but different in their theoretical setting reflected by the deliberative/ instrumental classification. The “networked society” brought to light social media technologies that allow for deliberative participation and discourse, which are not under the control of corporations, but adhere to the validity claims of ideal speech that are presupposed from every participant.

Furthermore, we do not share the critique of a consensus bias that is attributed to political CSR, since the theory of deliberative democracy does acknowledge the polyphony of actors in legitimacy processes (Schultz et al. 2013). Consensus in Habermasian terms does not mean that all participants of a discourse have to hold the same opinions, but that multiple actors with diverse views come together to find a consensus among themselves for the public good in a discursive process (Scherer and Palazzo 2007). With the application of Habermas’ theories and political CSR theory to CSR communication and the establishment of a typology of its tools, the changing role of the media based on the development regarding social connectedness is incorporated into the view of political CSR. To summarize, communication is at the core of political CSR theory through its background in discourse ethics and deliberative democracy.

5. Limitations & Future Research

The localization of CSR communication within political CSR theory built on Habermasian concepts represents a step forward in deepening and expanding the “political-normative” view of CSR (Schultz et al. 2013). The typology accounts for the important role of social media and classifies it within political approaches to CSR communication, which allows for recent developments in the networked society. However, embedding CSR communication within political CSR and Habermasian theories and deriving a typology from theory is subject to limitations, the prominent ones of which we want to address in the following.

CSR communication within political CSR: The political approach to CSR communication is applicable predominantly to transnationally operating corporations that do business in the sphere of global governance (Scherer and Palazzo 2007). Medium and smaller sized firms cannot generally be considered actors in the global public policy arena, which is why embedding CSR communication within political CSR theory applies predominantly to transnationally operating companies. Future research might investigate roads to include also small and medium sized companies in this framework of politically responsible firms, for instance, by adopting a case study approach.

Blurred distinction between deliberative and instrumental: The intranet and CSR Web sites may be managed in an instrumental sense as indicated in the typology, but can as well adhere to a deliberative notion. This might be the case, for instance, if the intranet contains dialog functions such as weblogs or when the CSR Web site has direct dialog features such as a chat. In the typology we decided to classify them as instrumental as today they are predominantly used in a one-way-communication fashion by most companies.

Generalization: Not only corporations, but also stakeholders can follow an instrumental approach in CSR communication. When pressuring companies to engage in multistakeholder initiatives as their CSR activity, stakeholders might do so with a strategic goal in mind. Such instrumental stakeholder behavior may surface in the realm of social media, where discourse is not controlled by either party. In this vein, future research might investigate whether stakeholders (e.g., activist groups) adopt a strategic approach to confronting corporations with specific issues on social media platforms such as twitter through computer-assisted content analysis.

Time-related aspects: Our typology can help analyze the status of a company's CSR communication in present, past, and future and may be the basis to judge whether the applied tools are apt to lead to moral legitimacy. It is not procedural in nature. However, it would be interesting to study if a company's experience in CSR communication is reflected in it using more deliberative or instrumental tools, as partially observed in the case of Statoil (Vaaland and Heide 2008). Future research could tackle this issue by conducting a longitudinal qualitative case study of a company's use of CSR communication tools.

Empirical verification: Overall, in order to verify and validate our theoretically deduced CSR communication typology, it has to be tested empirically. This first attempt to classify the CSR communication tools in a political view of CSR needs future projects testing the categorization we derived from theory in a sound empirical manner. Empirical verification will also pave the way for formulating testable hypotheses regarding the toolbox of CSR communication.

Managerial implications: As reflected by the “credibility gap”, purely instrumental approaches to CSR communication do not lead to credibility and legitimacy between companies and stakeholders. Therefore, we would assume that a mix of deliberative and instrumental tools might constitute a good CSR communication approach. Further empirical studies might want to tackle the important question which mix of deliberative and instrumental CSR communication tools is best for communicating well with an array of stakeholders. We would suggest case study methodology as an appropriate method for investigating such issues.

Cultural distinctions: Cultural differences are to be expected when it comes to CSR communication tools. For instance, in CSR reporting national and cultural distinctions have widely been found (for an overview see Fifka, 2013). Research also shows that the nationalities of board members have an impact on the CSR conduct (and communication) of a company (e.g., Haniffa and Cooke 2005). Future research might test in how far the presented tool typology is applicable to different cultural, national, and legal contexts (see below).

Legal constraints: We did not consider the level of regulation and legislation that, though still quite limited in the case of Europe, already affects some CSR communication tools, as, for instance, regulation on CSR reporting in Denmark (Albareda et al. 2007; Ioannou and Serafeim 2014a). Therefore we propose future research to analyze the scenario that CSR becomes more regulated by law such that deliberation may be hindered. Regarding prevailing soft law standards, the introduction of the new materiality criteria of GRI G4 (GRI 2013) is a novelty that might be considered instrumentally or deliberatively. With regard to these criteria, one could argue instrumentally and state that companies can limit their CSR scope in their own interest; or we could argue in a deliberative tradition that companies may set their CSR sphere of influence through discourse with stakeholders. Further research on the impact of the G4 guidelines on the contents of CSR reporting through content analysis might aid to shed light on this issue.

6. Conclusions

In this paper we pursued two goals. First of all, we establish that the political approach to CSR is based on Habermasian discourse ethics and therefore has a strong communicative core. Therefore, we extended political CSR theory to CSR communication by Habermasian communication theory and here particularly the four validity claims of the ideal speech situation. Given this communication basis, we localized CSR communication as a main means in order to receive moral legitimacy within political CSR theory.

In consequence and secondly, we derived a typology of CSR communication tools that categorized the relevant instruments along two dimensions: instrumental and deliberative, and published and unpublished. We found that deliberative published tools of CSR communication meet the deliberative demands of political CSR theory, which are open discourse, participation, transparency, and accountability. Deliberative unpublished tools lack transparency, which also impacts on the openness of the discourse and the claim for participation. Furthermore, in order to correspond to the validity claims of communicative action, these deliberative tools have to be true, sincere, understandable, and appropriate.

Concluding, the presented typology of CSR communication tools is one small part of the bigger picture how companies may handle their responsibilities to society. The toolbox provides directions for corporations how to engage in CSR communication when following a political CSR approach of deliberation with the goal to bridge or even close the “credibility gap”. The typology may guide scholars to analyze CSR communication in corporate contexts comparing for congruence or difference to the political CSR approach and hopefully provide a basis for empirical testing.

Chapter II

Quantitative Content Analysis as a Method for Business Ethics Research

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Abstract

The aim of this article is to discuss quantitative content analysis as established in communication sciences as a method for research in business ethics. We argue that communication sciences and business ethics are neighboring disciplines, which allow the transfer of quantitative content analysis from communication sciences to business ethics. Technically, quantitative content analysis can be applied through humans as well as software coding. Examples for both applications are provided and discussed. We make reference to the software solutions 'Leximancer', 'Crawdad', and 'Wordle', and examine their suitability and limitations with regard to ethical questions for researching business ethics. We recommend a mixed-method approach, combining human and software coding. Furthermore, we propose a three-step process that discusses quantitative content analysis as a method for business ethics, including an ethical research objective, and most importantly, concluding with ethical reasoning and interpretation of the quantitative results.

Keywords:

Content analysis, Text analysis, CSR reporting, Software coding, Mixed methods

1. Introduction: Methods in Business Ethics and Aim of the Paper

Business ethics as an academic field is a relatively young discipline. The well-established journals in the field, *Journal of Business Ethics*, *Business Ethics Quarterly*, and *Business Ethics: A European Review*, were founded as recently as the 1980s. Early research focused primarily on philosophical discussions of moral values, thereby relying heavily on its origins, namely ethics and philosophy, not so much on business and management studies. Today the picture changes, which is due to new emerging sub-disciplines such as Corporate Social Responsibility (CSR) or sustainability that are subsumed under the umbrella of business ethics. Since these concepts are rooted in business studies, the normative and conceptual approach with which the discipline started is slowly being challenged by empirical, positivist paths. As one of the major concepts in business ethics (Ma et al. 2012), CSR accounts for 86% of the current empirical research (Taneja et al. 2011). Some researchers see this as a process of maturation of the field (Calabretta et al. 2011), while others speak of a marginalization of the theoretical approaches (van Liedekerke & Dubbink 2008). A trend towards more quantification of the research area however is not deniable, as a book on “Empirically Informed Ethics” (Christen et al. 2014) describes.

Although in the *Journal of Business Ethics* the percentage of empirical articles rose from 2.9 % in 1982 to 35 % in 2008 (Robertson 1993, Calabretta et al. 2011), the use of research methods is not very systematic – to say the least. The bulk of quantitative studies over the past thirty years consisted of survey methods, be it questionnaires or any type of interviews (Crane 1999, Randall & Gibson 1990). Qualitative research on the other hand was conducted using predominantly case studies. Those case studies were usually kept open and unstructured, with a low level of standardization (e.g. Brigley 1995). Thus, empirical studies in the field of business ethics borrowed either from ethics by using case studies or from organizational research relying heavily on survey data. This rather limited application of research methods leaves the field vulnerable to criticism from other, more empirically oriented disciplines, and also restrains the gaining of intersubjectively comparable insights into business ethics questions.

That is why looking outside the business ethics box to neighboring disciplines may offer useful research methods for studying business ethics. Communication has already been addressed as an important driver and framework in conceptual business ethics research (Palazzo & Scherer 2006). In addition to the conceptual affinity, the authors move toward communication sciences, a field of research that may help looking beyond the familiar, as it maturely and creatively applies proven research methods. Borrowing from this field may help overcome the disadvantages of the limited use of empirical methods in business ethics, thereby expanding the opportunities to gain meaningful knowledge in the area.

There is one method in particular that appears decidedly suitable for the attainment of new insights into business ethics developments, viz. content analysis. Quantitative content analysis is a tool for the interpretation of usually written (corporate) communication. The method is rooted in the communication sciences and may help understand and interpret the manifest as well as latent content of communication regarding a corporation's ethical understanding, conduct, and behavior.

Quantitative content analysis finds itself in a stage where software applications offer new possibilities for analysis, and in the future might replace "handmade" human coding. As aforementioned, business ethics research is in a state of change due to the influx of study methods borrowed from other business fields, shifting the research paradigm from normative and conceptual to more positivist approaches. Both ongoing processes need to be closely examined to show the opportunities and pitfalls they hold for further development of the discipline and method. Therefore the aim of this article is to introduce quantitative content analysis, previously applied in communication sciences, as a useful addition to the existing spectrum of business ethics research methods. While assessing its suitability for the business ethics field, this article draws attention to the challenges and opportunities of human and software-based coding.

2. Business Ethics and its Affinity to Communication

The adoption of methods from communication sciences for the study of business ethics may seem farfetched. However it is closer than it may be perceived in the first place: the fundamentals of business ethics are grounded in social contract theory (Dempsey 2011), which implies that there is an invisible "social contract" between corporations and society, where firms have to fulfill or react properly to the norms and expectations of societal members (e.g. Donaldson & Dunfee 1999). "Any social institution – and business is no exception – operates in society via a social contract, expressed or implied, whereby its survival and growth are based on: 1. The delivery of some socially desirable ends to society in general and 2. The distribution of economic, social or political benefits to groups from which it derives its power" (Shocker & Sethi 1974: 67). Only if this is given, society will grant the firm a license to operate, hence legitimacy. However, society's perceptions, norms, and expectations are changing over time and therefore businesses have to continuously demonstrate that their existence is (still) legitimate (Hooghiemstra 2000). To do so, communication is an essential means to convey to society in how far the social contract is upheld and maintained. In practice, this is communicated via ethical business conduct and, more recently and more explicitly, by means of CSR. CSR communication is therefore viewed as a reaction to stakeholders' expectations and to a firm's larger external environment (Dando & Swift 2003). In that sense, the license to operate of a company is formed by the communication about its actions (Schöneborn 2011).

The notion of corporate social responsibility is inherently tied to business ethics with the mere terminology; the term responsibility within itself alludes to and implies “response”. “Derived from the etymology we understand responsibility as communication (literally to respond) of entities within a mutual relationship of obligation and governance. Responsibility is about not being indifferent or resigned. Responsibility is about caring and being accountable” (Heidbrink & Seele 2007). “Response”-ibility thus implies a discourse process, since a response can only be given if there was a request before. The naming connotes that there is a two-way communication process inherent in the notion of CSR and all other fields that have to do with the “response”-ibilities of companies (ibid.). This idea of communication being the fundament of ethical business conduct comes as a response to the public’s request for higher levels of transparency and more possibilities of engagement of corporations that arose from the myriad of corporate scandals over the last decade (Hooghiemstra 2000, Scherer & Palazzo 2007, 2011).

2.1 Quantitative and Qualitative Research Streams and the “Paradigm War”

Given that business ethics roots in humanistic disciplines and was mainly characterized by conceptual, normative reflections, a dispute about empirical approaches did not take place. On the contrary, in the communication sciences, being part of the social sciences, such a discussion has been vividly held over the last decades.

The dispositions of researchers in communication sciences are different from the ones studying business ethics. This is mainly due to the discussion about the usefulness, quality, and suitability of quantitative or qualitative research methods for their specific fields, sometimes referred to as the “paradigm war” (Bryman 2008), which is going on for decades. The debate, as the naming indicates, was and is often times carried out in an unforgiving manner, although the arguments of both parties have been established in academia.

The main distinction between both notions lies in the fact that qualitative work studies the meaning and context of what is said, done, or intended by people. Hence, it concentrates on the interpretation of facts or their meaning. Thus, its nature of knowledge traces back to the constructivist view (Bryman 2008). For this approach, a main characteristic is the small sample size. Methods such as the aforementioned case study (e.g., Toppinen & Korhonen-Kurki 2013), focus groups (Vyakarnam 1995), observations (e.g., Bjerregaard & Lauring 2013), or discourse analyses (e.g., de Graaf 2006) are considered qualitative modes of inquiry.

Quantitative research on the other hand is characterized by bigger sample sizes, where the relationships of different variables are measured and tested statistically. This research stream is attributed more towards the positivist notion. The aim of quantitative

research is to provide an objective method for studying phenomena of scientific interest (Benoit & Holbert 2008). Examples are large-scale surveys (Ramanathan et al. 2014), experiments (Moosmayer 2012), or quantitative content analyses (Farrell & Cobbin 2000).

With regard to business ethics, however, the distinction between both streams has one more connotation: Crane, for instance, holds that “understanding meaning must precede measurement” (Crane 1999: 245). He argues that the “functionalist paradigm” (referring to quantitative research, as opposed to the “interpretative paradigm”) imposes the view that ethics are objective (Crane 1999: 242). Werhane, being more fundamental in her view, brings up the distinction between normative and empirical streams in business ethics, finding that there are neither purely empirical nor purely normative methods: “neither is singularly The Approach in business ethics” (Werhane 1994: 179). Qualitative research emphasizes the context, culture, and traditions and is already very well represented by the frequent use of case studies, theoretical, and conceptual papers, whereas quantitative research is underrepresented.

This pitfall, as the authors suggest in this paper and with regard to the trend towards quantification in business ethics, can be overcome by adopting quantitative methods from neighboring disciplines such as communication science. Methods of this type deal with artifacts of communication such as texts or pictures along with qualitative connotations in an empirically informed way. Since ethical issues can be defined formally, also the operationalization and formal analysis of these ethical issues becomes feasible. By introducing more quantitative, numbers-based methods to the field, the process of (methodical) maturation of the discipline is advanced. The emergence of CSR as a new part of the discipline moreover contributes to the quest for more quantitative studies in business ethics. And given the fact that CSR is also strongly rooted in management and business studies, a move towards more quantitative approaches is evident (Taneja et. al. 2011: 351).

3. Mapping the Field of Content Analysis & Neighboring Concepts

Content analysis is a research technique that is applied in various academic fields, and particularly in the social sciences. First content analyses are attributed to Max Weber in 1911, and it was mostly within sociology that the use of the method gained popularity during the 1930s (Krippendorff 2013).

In political sciences, Harold Lasswell applied it to research on propaganda in the period between the two World Wars (1927). Still today, content analysis is used widely in the field of political research. A very well-established and widely used method for describing party positions is coding political party manifestos, which was advanced by the Comparative Manifestos Project that established a huge database of manifestos from

political parties of several countries since 1945 (Budge et al. 2001). Laver and Garry (2000), in this tradition, use a human-based coding scheme to estimate policy positions from political parties in Ireland. Slapin and Proksch (2008) further developed emerging software-based coding approaches and introduced a method named “wordfish” to electronically code and estimate party positions from political party manifestos, where no human judgment in the coding process is included any more.

In the last two decades the method also expanded more into business studies, since, according to Crane, “content analysis can provide important insights into the salience of particular social issues to the organization” (Crane 1999: 243). In the field of human resources, for instance, Mulla and Premarajan (2008) content analyzed chairpersons’ speeches and directors’ reports to study the range of strategic human resource management practices in Indian IT companies. To answer the questions how public sector employers position themselves in the competition for talents on the job market, Waldner (2012) employed quantitative content analysis to job advertisements, finding that only few of the offers related to public service motivation factors. In accounting research, content analysis is a widely used method that is applied to all kinds of financial disclosure. Campbell (2003), for instance, studied the environmental disclosure of companies in the UK to test for inter- and intrasectoral differences in environmental sensitivity, applying human coding procedures. Further developing the technique, Beck et al. (2010) established their own mode of inquiry called consolidated narrative interrogation, a method that takes into account the depth and diversity of disclosure contents.

But content analysis is not a method singularly used in the social sciences, it also found its way into the humanities. In law, for instance, Evans et al. (2007) used software-based approaches from political science (Laver et al. 2003) to analyze amicus curiae reports. In religious studies, Hill et al. (2001) applied content analysis to media coverage of religion in the United States to see whether news outlets report in an unbiased and neutral way. They found that new religious groups are portrayed less neutrally than established ones.

This short overview showed how popular content analysis became in various disciplines. Its roots, however, lie in the field of communication research.

4. (Quantitative) Content Analysis in the Communication Sciences

Content analysis is strongly rooted in mass communication and journalism studies, where it was used the most after World War II. In the last decades, the method became increasingly accepted in the scientific world, and some authors nowadays even call it the research method in communication and media science (Früh 2007: 13). Content analysis is a method that gives the researcher the opportunity to analyze

secondary communication material and draw (statistically tested) meaning from manifest as well as latent content. Thereby it is not to be confused with discourse analysis. Discourse analysis is a purely qualitative approach that focuses on the meaning of a text with respect to its semantic, linguistic and argumentative dimensions (Gee 2010).

One of the first definitions of content analysis was given by the US-American behavioral scientist Bernard Berelson as early as 1952. According to him, content analysis is “a research technique for the objective, systematic, and quantitative description of the manifest content of communication” (Berelson 1952: 18). This definition provides a helpful overview, however, it does not include all facets of content analysis. The “content” of communication is not defined further, although this can range from texts, sentences or single words to visual content like videos or also pure acoustic pieces as speeches or songs. Secondly, Krippendorff criticizes the use of the limiting word “manifest” content. Manifest content refers to objective meaning, one that everyone can agree upon. However, one of the major strengths of content analysis is the coding and interpretation of latent content, thus making it possible to empirically “read between the lines” (Krippendorff 2004: 20).

Content analysis can be conducted in a qualitative as well as quantitative mode, although this distinction is not always that easy to draw. According to Früh (2007) and Krippendorff (2013), content analysis binds up quantitative as well as qualitative levels of analysis. The strict separation made by many researchers (see e.g. Mayring 1993, Rössler 2005) between quantitative and qualitative content analyses is controversial. Some authors even refrain from these dichotomous labels (Früh 2007). Krippendorff argues that qualitative as well as quantitative content analysts “sample text, in the sense of selecting what is relevant; unitize text, in the sense of distinguishing words, propositions, or larger narrative units and using quotes or examples; contextualize what they are reading in the light of what they know about the circumstances surrounding the texts; and have specific research questions in mind” (2013: 88).

For the purpose of this article we refer to a quantitative mode of application of content analysis. In line with Krippendorff (2013), we argue that quantitative content analysis does not neglect the context of texts. The transparent application of quantitative content analysis designs asserts the context-sensitivity of the method. The definition put forward by Riffe and colleagues is taken as a reference point, since it also refers to the interpretation of meaning of text: “Quantitative content analysis is the systematic and replicable examination of symbols of communication, which have been assigned numeric values according to valid measurement rules, and the analysis of relationships involving those values using statistical methods, in order to describe the communication, draw inferences about its meaning, or infer from the communication to its context, both of production and consumption“ (Riffe et al. 1998: 20).

As we will argue here, quantitative content analysis as defined by Riffle et al. offers valuable insights into business ethics issues and has the potential to overcome the long-held critique of the poor scientific quality of business ethics methods. Social scientists often criticized business ethicists for the downsides of empirical research on ethics, which are usually referred to as a strong respondent's bias stemming from the perceived delicateness of ethical issues by the researcher and the researched person; a lack of attention to ethical theory; and a failure to address validity often accompanied by a poor description of methods in empirical business ethics articles (Cowton 1998, Randall & Gibson 1990, Bain 1995).

Quantitative content analysis has the power to address these downsides by the following four points:

- Since it analyzes secondary data, hence data that has not been collected for the study's purpose, quantitative content analysis reduces the respondent's bias. It is considered an unobtrusive method (Krippendorff 2013).
- Validity and reliability checks (for instance intercoder tests) are usually easy to produce and therewith the reliability of the data collection can be controlled.
- Quantitative content analysis opens the floor for triangulation, thus the use of multiple methods using one set of data (Harris 2001).
- However, the biggest advantage of the method is the vast scope of application that content analysis offers in business ethics – for instance, the study of news articles concerning a company's ethical behavior, internal codes of conduct, or CSR communication.

Quantitative content analysis has proven to be a suitable technique for the study of ethical issues, since it is applied quantitatively, but does not neglect the context. Its liminal nature makes it appear an appropriate method for the study of business ethics questions.

5. Applying Quantitative Content Analysis to Business Ethics Research

The trend towards increasing quantification in business ethics research is not deniable. A book entitled "Empirically Informed Ethics" (Christen et al. 2014) indicates this recent development and proposes a "research program for the field". The emergence of CSR in the last years can certainly be seen as one of the main reasons for this development; but also the increasing publication of business ethics studies in journals of management (Aguinis & Glavas 2012), and of management articles in journals of business ethics leads to a blurring between the fields and a move towards more quantitative studies.

As indicated above, CSR in the last 20 years has emerged to be one of the most important sub-disciplines in business ethics. While in 1990 only 3.2 % of the articles published in the *Journal of Business Ethics* dealt with this topic (Robertson 1993), from 2003 to 2008 already more than 20 % covered it, with an upward trend (Calabretta et al. 2011). Moreover, within the last five years, not only CSR is in the center of interest, but more and more also the communication of CSR by companies (Golob & Podnar 2014, Nielsen & Thomsen 2009, Fieseler 2011, Jahdi & Acikdilli 2009, Reynolds & Yuthas 2008, Morsing & Schultz 2006). Research in this area is usually conducted using quantitative methods; it explores the content, channels, and types of CSR communication such as CSR communication flows, web CSR content, or CSR reports. Quantitative surveys or quantitative content analyzes are the most popular research methods governing this topic.

The bulk of studies published in recent years explore the website CSR communication of US-American companies (O'Connor & Shumate 2010, Gomez & Chalmeta 2011). Similar projects are also more and more to be found in Asia, with special emphasis on Chinese firms and their web-based CSR communication (Chapple & Moon 2005, Tang & Li 2009). In Europe, most publications focus on the country-level (UK: Sweeney & Coughlan 2008; Sweden: Frostenson et al. 2011; Germany and Switzerland: Lock & Seele 2011), on European Stock Indices (Gatti & Seele 2014), or analyze CSR reports in more detail (Chen & Bouvain 2009, Idowu & Towler 2004, Haniffa & Cooke 2005, Maignan & Ralston 2002). These projects on web CSR communication and CSR reporting often use quantitative content analysis to gain insights into the conduct and communication of CSR in companies. As already apparent from this short overview, quantitative content analysis is a frequently used research method when it comes to CSR communication. The next chapter will show how suited quantitative content analysis is for studies in business ethics in general.

5.1 Quantifying Communication by Coding: Human versus Software Coding

Quantitative content analysis is, as seen before, a research technique for the study of communicational artifacts. Since its initiation in the 1950s, texts were available only in a printed format. Thus content analyses were conducted by the researchers manually. With the increasing digitalization of media material and along with it corporate publications, human coding of content is nowadays not necessarily required any more. Advanced software solutions may substitute the process of human coding, allowing for the study of larger amounts of data at a reduction of costs and time (Popping 2000). However, computers at least today are not considered to be as language-skilled and sensitive as human coders. Software, for instance, has difficulties recognizing homonyms, distinguishing proforma, identifying irony, or categorizing synonyms (Früh 2007), if those were not programmed beforehand in a rather complex programming

process. Furthermore, elaborate research questions that take into account the valuation of meanings, irony, or humor are difficult to be answered by software-based coding. Hence, relying on software-based coding alone does not seem to be adequate for all research questions at hand, especially in complex and challenging fields such as business ethics.

It is important to notice that quantitative content analyses can be conducted in many different ways, and the distinction between computer and human coding is not the only watershed. Some researchers have themselves developed modes of quantitative content analysis and offered alternative ways (e.g., Beck et al. 2010). However, the aim of the paper is to give an overview of the method's application to business ethics research. Hence, the big picture with regard to the different modes of application of quantitative content analysis is presented. In the following paragraphs, two ways of conducting quantitative content analysis are investigated and selected examples of quantitative content analysis applied to business ethics are described and evaluated.

5.2 Human Coding: Codebooks for Business Ethics and CSR Disclosure

The study of CSR and its communication to a corporation's stakeholders became an important sub-discipline in business ethics. CSR communication can take different forms and ranges from printed communication material such as CSR reports, over audio or video contents such as radio interviews to web-based communication for instance on a corporation's homepage. CSR communication on the web became popular among companies (Dawkins 2004), and nowadays almost every corporation provides CSR information on their websites. This gives a good basis for researchers to study the communication of CSR, especially by applying content analysis.

Moreno and Capriotti (2009) used quantitative content analysis to study the websites of the top 35 Spanish corporations listed on the Madrid stock exchange. Their goal was to reveal which CSR issues and stakeholder groups were addressed by the companies and which control mechanisms were mentioned. The researchers developed a twofold coding scheme that was based on the content of the website communication and its presentation. Their findings indicate that the use of the web as a medium to convey CSR to the public is widespread, however, the issues covered are mainly limited to social and environmental action as well as human rights. Regarding the presentation of topics on corporate web pages it was found that the content is rather dispersed, and, furthermore, interaction tools are rare, such that stakeholder dialogue is not facilitated. Moreover, references to external parties, which would serve as assurance providers for the claims made regarding CSR, were missing. The analyzed corporations rather made use of methods of self-regulation (Moreno & Capriotti 2009).

Another example shows that quantitative content analysis is not only highly suitable for the study of web-based CSR communication, but also for the examination of

CSR reports. CSR reports have developed to be one of the most important tools for communicating CSR by corporations (Hooghiemstra 2000) and therefore the study of these publications provides important insights into the conduct of CSR. However, these reports, notwithstanding a high degree of standardization, differ very much in format and content. Moreover, they are often criticized of being marketing brochures prepared for public relations purposes, not for the communication of social and environmental business conduct (Jahdi & Acikdilli 2009).

Lock and Seele (2015a) conducted a quantitative content analysis on the basis of CSR reports of corporations in Switzerland and Germany to reveal whether the information covered in these reports were actually relevant with regard to the companies' investors. Here, too, the codebook concentrated on the content and its presentation. The authors structured the codebook along three analytical units: the CSR report as a whole, the articles in these reports and the photos. Furthermore, also the valuation of the articles (neutral, moderately judgmental, judgmental) and the pictures belonging to each were analyzed. The data analysis indicated that more than half of the content covered in the analyzed reports is actually irrelevant for the stakeholder group investors, thus the critique of CSR reports being mere marketing brochures seems to be justified. Furthermore, the use of pictures throughout the reports is rather limited, and often does not refer to the topics treated. With regard to the question of human- or software-generated coding, the study included interpretative levels of coding that could not have been analyzed by a computer, such as the categories concerning the valuation of texts (from neutral to judgmental) and the pictures. On the other hand, the sample size of the study was relatively small, with 20 reports containing together 437 analyzed articles. Software coding may overcome this downside, as shown below.

5.3 Software-Based Coding: The Use of the Softwares “Leximancer” and “Crawdad” in Business Ethics Research

Many studies so far used quantitative content analysis to analyze CSR communication of corporations, and the vast majority was conducted by human coders (Idowu & Towler 2004, Sweeney & Coughlan 2008, Moreno & Capriotti 2009, O'Connor & Shumate 2010, Gomez & Chalmeta 2011). But human coding implies, as mentioned earlier, certain disadvantages that can easily be overcome by a software-based coding procedure. Non-human coding looks back at a longer history, given that first applications date back to the 1960s, the very beginning of the computer era (Stone et al. 1966). Software packages for quantitative content analyses have developed analogous to the way computers have over the last five decades. Already in the 1990s researchers used elaborate programs (Weber 1990), ranging from mere word-counting packages over artificial intelligence software to programs that recognized the context of words (Nacos et al. 1991) or networks (Danowski 1993). Today, software specialists work on even

more advanced programs that are able to code more complex and elaborate structures (Popping 2000), as the following studies on CSR reporting show.

Chen and Bouvain (2009) used the textual analysis software “Leximancer” to reveal whether membership to the UN Global Compact had an influence on CSR reporting in the US, UK, Australia, and Germany. Another goal was to see whether membership had the power to overcome nation- and sector-specific differences. By using the textual analysis software, the researchers could not only recognize the most important topics of the reports, but also show the relationships among these terms by conceptual mapping. The most prominent issues for US-American companies centered on employees and local communities (see Figure 1).

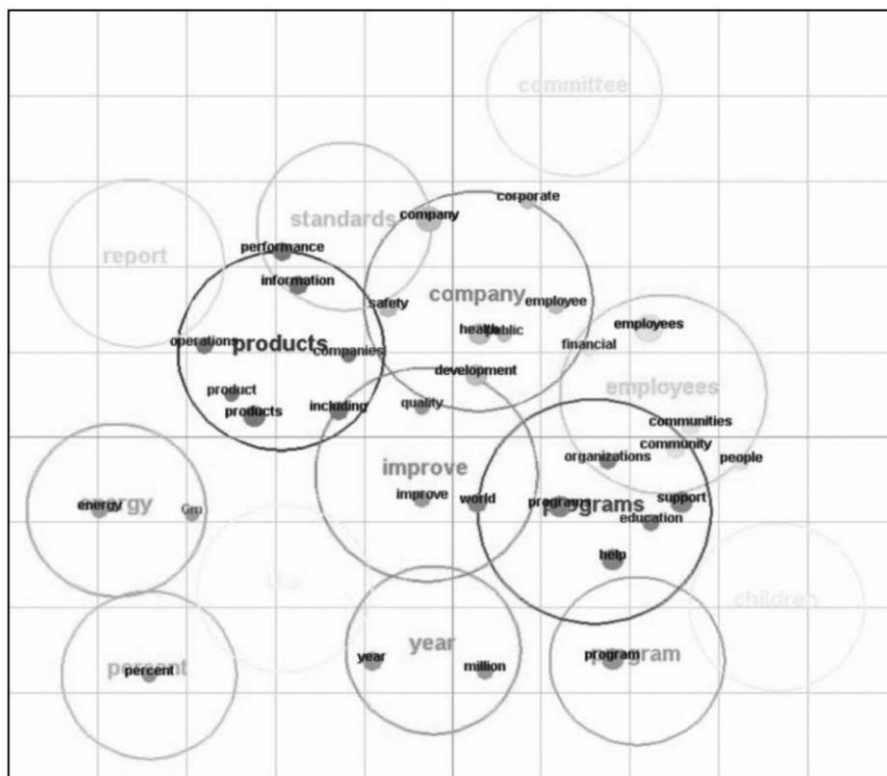


Figure II-1: Concept Map of Issues Present in US-American CSR Reports (Chen & Bouvain 2009: 306).

German companies emphasized employee issues, too, but those related more to social and environmental topics. Furthermore, “Leximancer” distinguished the most important issues in every report, making it possible in a next step to draw cultural and sector-specific distinctions. The results, for instance, indicate that companies in the UK made much more use of third party assurance than US-American firms. Moreover, the sector and the multinationality of a company had a significant effect on the use of the

term “environment”. Regarding the UN Global Compact, Chen and Bouvain found that the framework significantly influenced the communication of CSR key figures (2009).

The second example of software-based coding focuses on a specific type of quantitative content analysis called centering resonance analysis (CRA). It “uses a combination of linguistics and network theory and methodology that builds upon inference, position of words and representation of concepts” (Tate et al. 2010: 24). In a study analyzing 100 CSR reports of leading sustainable companies with regard to supply chain management, Tate et al. applied the software “Crawdad” to conduct the quantitative content analysis (Corman & Dooley 2006). “Crawdad creates network maps of the words for each organization and then assigns influence values between 0 and 1 to words using the principles of CRA” (Tate et al. 2010: 24). Thereby, the influence capability of specific themes and thus their degree of significance can be measured. This software was in the past not only applied to CSR reporting studies, but also to content analyses of codes of conduct (Canary & Jennings 2008) or media press (Lee & James 2007). Figure 2 shows a word network example of the software “Crawdad”, visualizing the relationships or networks between the single themes of a CSR report. “Crawdad” thereby opens the content analysis floor to advanced statistical data analysis by identifying word networks (see Figure 2) and the significant and influential themes in texts (Tate et al. 2010).

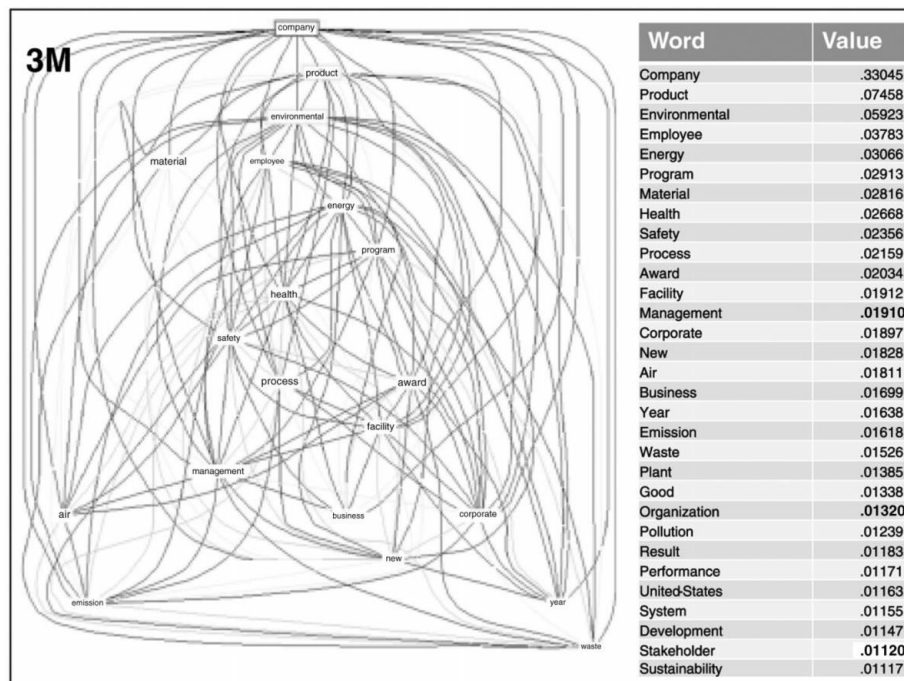


Figure II-2: “Crawdad” Word Network Example (Tate et al. 2010: 24).

The authors' goal was to reveal the most influential words that were emphasized by the sampled corporations being so-called "leaders" in sustainability. Special consideration was given to supply chain issues. More than ten themes (among them institutional pressure, community focus or risk management) were identified; it was also found that supply chain management had a large influence on the triple bottom line. Furthermore, Tate et al. uncovered that companies address institutional pressures in their reporting differently according to their country of origin and their size. Regarding the measurement of sustainability, US-American, European, and Japanese firms seemed to take on different points of view. Hence, US companies linked the measurement of sustainability to globalization, whereas European and Japanese businesses connected it more to supply chain figures. Concluding from this example, "Crawdad" appears to be a valuable tool for examining communicational artifacts such as CSR reports, introducing word network maps to the method's tool box of business ethics research.

5.4 Software-Based Coding II: The Use of "Wordle" for Business Ethics Research

Apart from scientific software packages such as "Leximancer" or "Crawdad," other, less research-focused quantitative content analysis tools have appeared. An example is the open-space software "Wordle" that creates so-called "word clouds". This freely available online tool counts the frequency of words in texts and from these counts creates images, where the most frequent words appear in a bigger and bolder font, whereas the less used terms come out smaller. The application removes common words, which makes it possible to quantitatively analyze big amounts of texts. Hence, it is useful software for rapidly visualizing the most frequently used terms in a given text. This is confirmed by the popularity the tool enjoyed in recent years, where word clouds were found on many company publications and websites.

A widely discussed case concerning business ethics lately was the tragic suicide series of workers of the Chinese electronic hardware manufacturer Foxconn (Seele 2012). Foxconn supplies electronic components to big corporations such as Apple, Dell, or Hewlett-Packard. The firm came under severe criticism for its bad working conditions and treatment of employees when in 2010 fourteen employees committed suicide. In consequence Apple, being one of Foxconn's major purchasers, was accused by NGOs and other stakeholders of being jointly responsible for the committed suicides, at least to a certain extent.

With the aim to view the most common and frequently used terms in the CSR communication of both companies in 2010, and to see in how far business ethics issues were taken into account, the authors content analyzed the Foxconn Corporate Social and Environmental Responsibility (CSER) Report 2010 and the Apple Supplier Responsibility 2010 Progress Report using the software "Wordle" (see Figures 3 and 4).

At a first glance it appears that the companies' names are mentioned most frequently in both reports. The term "responsibility", although included in the titles, is rather small in both word clouds, hence less frequently mentioned. Regarding Foxconn, the company name and fillers such as "report", "group", "CSER", or "annual" are the prevalent words in the report. These words, however, do not convey a particular meaning or thematic aspect. The most important stakeholder groups, according to the tag cloud, are employees and suppliers.

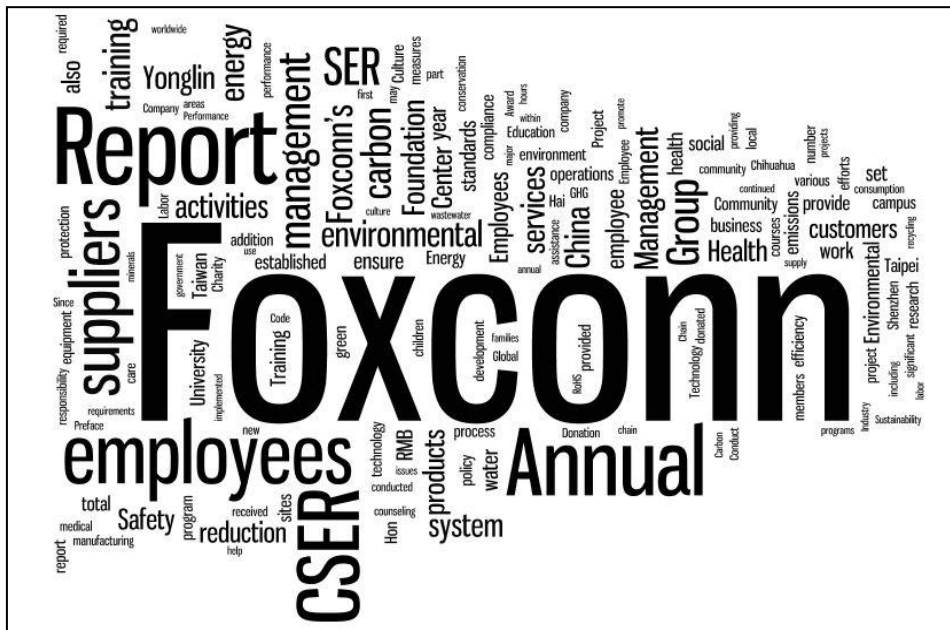


Figure II-3: Word Cloud Foxconn CSER Report 2010.

For Apple the authors analyzed the Supplier Responsibility Progress Report, a report that specifically addresses one single stakeholder group. That is why thematic terms such as "facilities", "workers", "management", "audits", or the "suppliers" themselves are the most frequent ones, following the company's name.

It is not merely that the frequency of a word represents its importance, it is about the ethical interpretation of quantitative data resulting from quantitative content analyses. The method can therefore be regarded as a supplier of (numerical) data for ethical interpretation or sensemaking, addressing questions of normativity. Statistical significance, in the social sciences often the sole indicator for meaning or mistaken for causality, is not enough. Business ethics research necessarily requires ethical reasoning for the interpretation of data. However, the authors are well aware of the danger to stir up a hornet's nest when using the term "quantitative", not only with regard to business ethicists, but also to communication researchers. That is why in addition to "quantitative content analysis" the term "formalized content analysis" is proposed by various scholars (Caiani & Parenti 2011, Konkle 2004, Reinhard & Dervin 2012, Sachs et al. 2006) to describe this mode of inquiry, since it accounts for the liminal nature of the method that carries qualitative notions despite being quantitative. This characteristic makes it an appropriate method for the study of business ethics phenomena.

The coding procedures in the course of quantitative content analyses are more and more conducted by computer software programs. Their biggest advantage is that the closeness or distance between single topics, countries or also companies can be easily made visible (see Figure 1). Thereby, the networks of words, hence their relationships, become analyzable (see Figure 2). Only if human coders dedicated much more time and effort would it be possible to display the networks and connections between certain topics and show their relationships. Supplementary to the use of textual coding software, advanced statistical analysis can provide important insights to the CSR communication practices of companies. Computer coding saves time and thereby costs, reduces the bias of the human coder, is more reliable and allows for larger samples to be analyzed. The software-supported method therefore "offers very promising possibilities for quantitative media research" (Nacos et al. 1991: 251).

However, the so far unique skills of human judgment, interpretation, and semantic attribution as required in research on business ethics dealing also with normative questions, cannot be entirely substituted by software generated coding such as "Leximancer" or "Crawdad". Therefore, human coding of textual content turns out to be valuable especially when judgment is required to make sense of communication. This is the case when, for instance, the valuation of a certain article or statement is to be analyzed or in case pictures are to be included in the content analysis (Lock & Seele 2015a).

Thus, we suggest combining human as well as software coding in one research project to allow for the liminal nature of business ethics research. Furthermore, we propose a three-step-approach (see Figure 5): business ethics research starts with a research objective from the field of business ethics. Then (communicational) artifacts are chosen to be analyzed by applying quantitative content analysis to business ethics. The

quantitative data results are then used to supply and support the last and most important step: ethical reasoning, interpretation, and attribution of meaning.

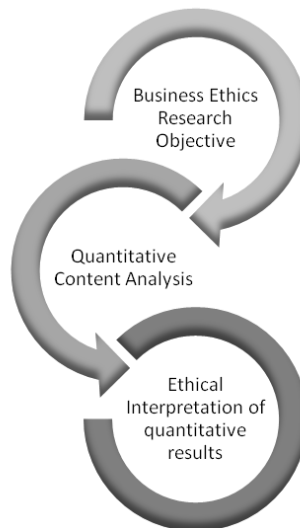


Figure II-5: Three-Step Process of Quantitative Content Analysis in Business Ethics.

This form of business ethics quantitative content analysis appears to be adequate when the presentation or accessibility of certain content, as shown in the example of website CSR communication (Moreno & Capriotti 2009), is to be coded. Quantitative content analysis through human coding therefore is suitable for high context communication, where ambiguities, irony, sarcasm, or other latent meaning are to be revealed. Thus, it seems especially appropriate for the content of business ethics communication, given that studying business ethics requires “reading between the lines”. Software-based coding on the other hand made important progress in the last decades. With the rise of the internet and the digitalization of texts, software-based coding seems to become the future mode of conducting quantitative content analyses. However, the software package used is key. Open-space software such as “Wordle” that creates word clouds from defined texts based on the frequency of counts might be useful to get an overview of words frequently used in a specific piece. However, as shown by the examples, it is not applicable to research purposes since it allows only limited inferences.

7. Limitations

It is obvious that quantitative content analysis, as any method, bears some limitations. Codebooks for a quantitative approach have to be internally valid, thus, the codes have to represent the specific topics/themes to be coded. Moreover, quantitative content analysis has to follow rigorous research designs. If coding is conducted by

software, the technical progress on the one hand offers more and more sophisticated solutions for software-based coding. On the other hand, it might also crowd out the qualitative (meaning-) dimension of the data analysis. With emerging computer programs that are able to recognize pictures, it might be that in the future human coding is not necessary any more. Parametric models for text scaling or poisson data models (“wordfish”, Slapin & Proksch 2008) transfer the data analysis from the human to the computer and limit ethical reasoning. Algorithms cannot address questions of normativity, which are crucial to the field of business ethics. If coding is conducted by humans, however, testing for intercoder reliability and consensus coding sessions are obligatory to assure reliability. Finally, quantitative content analysis has the advantage to cover bigger amounts of data, which implies that the interpretation for meaning of content can never be as profound and detailed as when using purely qualitative methods such as discourse analysis.

8. Conclusions

The empirical maturation of business ethics research led to a shift from rather normative and conceptual to more positivist approaches. The electronic development of quantitative content analysis in the direction of sophisticated software solutions puts the idea of human coding on the spot. Both, the method as well as the discipline, reached a crossroads where it now becomes crucial to examine the challenges and opportunities both ways hold. In this article we therefore took a close look at quantitative content analysis and the possibilities it offers for the advancement of the discussion of methods in business ethics.

This paper has shown that content analysis applied quantitatively is an important technique to study questions of CSR and, more general, business ethics. By introducing more quantitative research methods to the field, the process of methodical maturation is fostered (Calabretta et al. 2011). However, empirical research in business ethics will and should never be seen as a substitute of ethical considerations and normative reflections (van Liedekerke & Dubbink 2008), since, “neither is singularly The Approach in business ethics” (Werhane 1994: 179). That is why the authors depicted a three-step-process of applying quantitative content analysis to business ethics research that includes as the most important step the interpretation for meaning.

It was argued that communication is an essential part of business ethics, since it is considered the principal mean to establish and maintain the social contract between corporations and society. “Response”-ibility is seen as one of the fundamentals of business ethics and by its etymological meaning appears to be close to communication and therefore to the discipline of communication sciences. In consequence, we argue that the application of communication sciences methods to business ethics is consistent.

Quantitative content analysis has proven to be a useful tool for analyzing business ethics phenomena, especially in the area of CSR and here particularly with regard to CSR communication. Human as well as software coding can be applied to systematize the content and the meaning of different CSR communication tools such as CSR disclosure.

Given the apparent advantages and limitations of human as well as the software coding, in conclusion we propose a more pluralistic, but research-specific approach, using human as well as software coding for conducting quantitative content analysis in business ethics. As (concurrent) mixed methods research has become more popular in recent times in the social sciences, it allows capitalizing on the specific advantages every research technique holds. By including human and software coding within one research project, different cognitive notions are addressed and deeper insights may be provided to the field of business ethics, and CSR especially, without neglecting ethical reflections while being empirically informed.

Chapter III

The Credibility of CSR Reports in Europe. Evidence from a Quantitative Content Analysis in 11 Countries

Manuscript Resubmitted:

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Abstract

When it comes to corporate social responsibility (CSR) reports, skepticism and mistrust toward companies often prevail among both stakeholders and scholars. However, the content quality of CSR reports has only sparsely evoked researchers' attention. Therefore, this paper focuses on the credibility of CSR reports, based on both human and software-enhanced quantitative content analysis of 237 CSR reports from 11 European countries. Credibility is conceptualized as a multilayered construct along CSR and communication theories, filling the theory void in the field. The influence of contextual (e.g., industry), format, and firm-level (e.g., size) factors on reporting credibility is also investigated. The findings show that European CSR reports are only credible to some extent, leaving much room for improvement. The study shows that it is the content that matters most for reporting credibility; external influences are secondary, at best. To be considered credible, CSR reports must first be understandable to their readers; in addition, credibility involves truth, sincerity, and stakeholder specificity. Voluntary standardization affects CSR reporting credibility positively, whereas regulation does not yet have the same positive effect. The study finds that companies should focus on the contents of their reports to render them more credible. To raise credibility levels consistently, policy makers can create a level playing field in CSR reporting regulation, as initiated already by several countries.

Keywords:

CSR reporting, credibility, reporting quality, quantitative content analysis

1. Introduction

Credibility is central to every kind of communication, whether personal interaction, political speeches, or companies communicating their role and responsibilities in society. Companies have communicated ever more information regarding their corporate social responsibility (CSR), even though this has not led to more goodwill on the side of stakeholders, but to more mistrust (Waddock and Goggins, 2011). Stakeholders often view CSR communication as strategic in nature and thus not credible. Such criticism surfaces particularly in one of the most prominent tools for companies to communicate about their CSR, sustainability, and corporate citizenship³ achievements: CSR reports. Just as credibility is central to everyday communication, it is also central to this communication tool. This study suggests that credibility is a multilayered concept that emerges from credible contents in CSR reports, rather than external influences.

CSR reports have received considerable scholarly attention in recent years and most research has focused on the emergence of CSR reporting (Marimon et al., 2012; Hahn and Kühnen, 2013), its quantity (Chen and Bouvain, 2009; de Villiers et al., 2014a), and its impact on financial figures (Ioannou and Serafeim, 2014b; Cheng et al., 2014). Far too little attention has been paid to the quality of these reports and very little is known about the contextual factors that affect reporting quality (Hahn and Kühnen, 2013). This is astonishing because CSR reports have been harshly criticized for lacking credibility (Dando and Swift, 2003), being pseudo-transparent (Coombs and Holladay, 2013), and being poor in quality (Milne and Gray, 2013), despite voluntary standardization. Hence, CSR reports are accused of deepening the credibility gap (Dando and Swift, 2003; MacLean and Rebernak, 2007) and threatening companies' legitimacy in society instead of facilitating dialogue with stakeholders. Recently, several national and supranational governmental bodies have made CSR reporting mandatory for large companies, including South Africa and the European Union (EU; 2014). However, this development has only sparsely evoked researchers' interest (Hahn and Kühnen, 2013).

The central goal of this paper is to tackle the issue of CSR reporting quality in terms of CSR report credibility. CSR reports' credibility is analyzed and investigated

³ Throughout this paper, we will use 'CSR reporting' as an umbrella term for non-financial, sustainability, corporate citizenship, or corporate responsibility-labeled reports. In the corporate world, these terms are used interchangeably, although there has been a trend toward 'sustainability' in CSR report titles (Gatti and Seele, 2014). In academia, these concepts are defined differently, which becomes obvious when comparing definitions of sustainability (Dyllick and Hockerts, 2002) with the multitude of CSR definitions (van Marrewijk, 2003). In this journal, however, studies so far have referred to 'sustainability reporting' (Hahn and Kühnen, 2013; Roca and Searcy, 2012), 'non-financial disclosure' (Skouloudis et al., 2014), or as in this case 'CSR reporting' (Dong et al., 2014). This showcases that researchers all contribute to advancing knowledge in the field, but by using different labels.

with respect to how extensively content, format, firm-level, and contextual factors affect reporting credibility. To accomplish this, credibility is conceptualized and operationalized along communicative action theory (Habermas, 1984). Furthermore, by applying a European perspective, this paper examines whether mandatory reporting regulations render CSR reports more credible and investigates the role of voluntary reporting standardization in this respect.

Data were collected in the 11 economically most powerful European countries, sampling CSR reports from corporations of these countries' leading stock indices. Quantitative content analysis was applied using human as well as software coding. The present study has operationalized, for the first time, CSR reporting credibility using political CSR and communicative action theory (Scherer and Palazzo, 2011; Habermas, 1984). The resulting data were analyzed with multiple regression models and other parametric statistics. The findings indicate that CSR reports are credible at a mediocre level, leaving much room for improvement in terms of reporting quality. Credibility in CSR reports was achieved through contents; external factors' impact was secondary to reporting quality in this sample. On a conceptual level, understandability is found to be a precondition for credibility in CSR reports, while the concept of credibility is constituted by truth, sincerity, and appropriateness, as predicted by Habermasian theory.

This study makes an original contribution to several important areas: It is one of the first studies to deliver empirical evidence on the issue of credibility in CSR reporting. Second, it provides a theoretical conceptualization of CSR reporting credibility and thus contributes to filling the gap in theory in the field (Hahn and Kühnen, 2013). Third, it provides new insights into the impact of mandatory regulation of CSR reporting on reporting quality and the role of voluntary standards. Fourth, it presents suggestions for how companies can make their CSR reports more credible to maintain legitimacy with stakeholders.

2. Are CSR Reports Credible? CSR Reporting and the Issue of Credibility

Corporate social reporting is one of the most effective tools for communicating CSR; it encompasses both codes of conduct and online reporting (predominantly CSR reports). These reports are defined as discrete, independent corporate editorial works that provide information about CSR (Biedermann, 2008). Thus, CSR reports are a formalized means of communication (Schaltegger et al., 2006) that may take the form of stand-alone reports or integrated publications that combine economic, social, and environmental information in one annual report (Daub, 2007). ---

Currently, CSR reports are harshly criticized for their contents and lack of credibility (Coombs and Holladay, 2013). Companies have extensive leeway in choosing

what to report, which has led to diverse topics being included in CSR reports. Therefore, the reports are said to address few stakeholders, to “cherry pick” elements of news despite standardization (Milne and Gray, 2013, p. 17), and to be self-laudatory public relations publications (Seele and Knebel, 2015). This low credibility has challenged stakeholders’ trust in the tools and the practice, resulting in a credibility gap (Dando and Swift, 2003) between companies and stakeholders with regard to CSR reporting. This gap, following from inconsistencies between CSR activities and what is reported, has led stakeholders to question the moral legitimacy of corporations in society (Claasen and Roloff, 2012). This comes at a time when corporations’ license to operate is put on the spot by corporate hypocrisy (Wagner et al., 2009) and stories of scandals such as the Rana Plaza factory fire have hit the news.

The basic assumption in this paper is that CSR reports can re-establish moral legitimacy by being credible tools that facilitate communication and thereby bridge the credibility gap. According to the political notion of CSR, this moral legitimacy is established and maintained through deliberative discourse, a form of communication that is based on reaching consensus in a Habermasian sense (Scherer and Palazzo, 2011). This recent stream of CSR theory holds that the nation state’s power is declining, giving rise to private actors such as transnationally operating corporations. It views multinational corporations as important actors in efforts to resolve global public issues through voluntary self-regulation. Corporations’ legitimacy is constituted through moral legitimacy. It is based on deliberation between stakeholders and corporate actors that leads to consensus (Scherer and Palazzo, 2011), following deliberative democracy theory (Habermas, 1996). Such deliberative discussions, ideally, happen in situations of ideal speech, where the “unforced force of the better argument” (Habermas, 2002, p. 96) leads all actors to agree on an issue. To arrive at such a situation, four validity claims must be redeemed by the discourse participants (Habermas, 1984):

- *Truth* (objective truth of the statements made)
- *Sincerity* (also translated as truthfulness: subjective truth of the propositions, the speaker is honest about what he/she says)
- *Appropriateness* (also translated as rightness: the message is appropriate in its context, sender and recipient agree to the same social context) of communication
- *Understandability* (also translated as intelligibility or comprehensibility: degree of comprehensiveness of the message, clarity)

In his later writings, Habermas regarded understandability as a precondition for communication rather than a redeemable claim (Zinkin, 1998). In this study, however, it is considered a crucial element of ideal speech and thus explicitly studied. Hence, the

four claims are interrelated constructs that together constitute the multilayered concept of credibility.

Accordingly, deliberative communication of CSR helps corporations establish and maintain their legitimacy-based license to operate. From a political-normative perspective on CSR communication, communication is rational if it is credible (Seele and Lock, 2014) and credibility is an outcome of reporting quality (Perera Aldama et al., 2009). If CSR reports are credible tools, they can facilitate ideal speech and deliberation between companies and stakeholders and thus help build up moral legitimacy. Thus, the overarching research question (RQ) tackled by this article is: *RQ: Are CSR reports credible?*

3. Factors Influencing CSR Report Credibility

Much research on the emergence, quantity, and characteristics of CSR reports has been ongoing. However, the quality of CSR reports is still under-investigated (Hahn and Kühnen, 2013). To the authors' knowledge, no research has thus far been conducted on the credibility of CSR reports, although their lack of credibility has been much criticized (Milne and Gray, 2013). In addition to content-related factors, format, firm-level, and contextual factors are also likely to influence the credibility of CSR reports.

3.1 Standardization

The contents of CSR reports are decisive for credibility. Standards are used to determine reporting contents, and most companies in Europe rely on the Global Reporting Initiative's (GRI's) guidelines for CSR reporting (Brown et al., 2009), which are considered the best option available for companies to use in reporting on CSR issues (Marimon et al., 2012). A big advantage of such CSR reporting standards is thus the operationalization of the fuzzy term (de Colle et al., 2014). Although the GRI has been criticized for representing work-in-progress (Milne and Gray, 2013) and for being a challenge for reporting (Knebel and Seele, 2015), it is the backbone of most voluntary and mandatory regulatory attempts (Rufflet et al., 2014). This is underscored by the fact that ever more companies report according to the GRI (Marimon et al., 2012) and that it supports transparency in reporting (Fernandez-Feijoo et al., 2014). The guidelines come in the form of three subsequent sets (G3, G3.1, and G4) of general reporting indicators applied by the companies in the sample. To further standardize CSR reports, GRI also offers sector-specific supplementary reporting material, which can be applied voluntarily by companies to target industry-specific topics. Moreover, until introduction of the most recent guideline G4, GRI offered a self-referencing application-level check. Companies could self-classify into three categories of reporters ranging from A to C, with A being the best. Furthermore, a report marked with a "+" indicated external assurance. Although assurance is not necessarily an indicator of objectivity (Milne and Gray, 2013), it may

have a positive impact on credibility (Dando and Swift, 2003; Simnett et al., 2009). If assured, GRI's best-in-class reports (Lozano, 2013) could obtain an "A+" grade. In fact, Fernandez-Feijoo et al. (2014) used the application level as one variable for reporting transparency. With regard to credibility, standardization along GRI guidelines and their supplements and features leads to these hypotheses:

H1a. The use of standardized reporting guidelines enhances CSR reports' credibility.

H1b. The more the guidelines are used (in terms of a sector supplement), the more credible is the CSR report.

H1c. CSR reports with high application levels are more credible than those without.

3.2 Format-Level Factors

A recent trend in CSR reporting has been to integrate non-financial information into annual financial reports (Searcy and Buslovich, 2014), which is a first step toward integrated reporting (International Integrated Reporting Council (IIRC), 2011). This development initiated in South Africa in 2009 and has since spread to Europe. France has even made financial and non-financial reporting mandatory for large enterprises (de Villiers et al., 2014a). Companies engaging in integrated reporting have improved the quality of the reported data and developed more positive stakeholder relationships (IIRC, 2014). The most prevalent form of integrated reporting is the "combined report," which companies nonetheless label "integrated report," where CSR information is integrated into the annual financial report as a separate section. This represents one first step toward integrated reporting (IIRC, 2011). Integrated reports explain a company's performance more broadly (Frias-Aceituno et al., 2013) and are considered a "new reporting paradigm that is holistic" (Adams and Simnett, 2011) and thus meant to arrive at all-round credibility (Kolk, 2004).

This sample's "integrated reports" are all "combined reports," which are usually longer than stand-alone publications. Furthermore, as hypothesized, more standardization leads to more credible contents. The more content displayed in the reports, the more space is needed, as observed in combined reports. Currently, the length of CSR reports varies widely, as do the contents (Roca and Searcy, 2012). Thus, quantity of communication does not equal quality of communication (de Colle et al., 2014). However, given the trend toward integrated reporting and standardization, it is hypothesized:

H2a. A positive relationship exists between CSR reports' length and their credibility.

H2b: Combined reports are more credible than stand-alone reports.

3.3 Firm-Level Factors

CSR reporting research has also examined firm-level characteristics such as size, age, and experience in reporting. Studies have almost unanimously confirmed that the size of a firm has a positive influence on its reporting (Hahn and Kühnen, 2013; Fifka, 2013; Skouloudis et al., 2014), its likelihood of reporting (de Villiers et al., 2014b), and the quantity of disclosure (Albertini, 2014). In this vein, it is hypothesized that this also holds for reporting credibility:

H3. The bigger the firm (in terms of employees and turnover), the more credible its CSR report.

For the French case, Albertini (2014) found that reporters experience a learning curve over the years: Disclosure of CSR-related topics becomes more precise over time. The older the firm, the more experience it has in business, and the longer it has reported on CSR issues, the more practice it has acquired. Hence, it is assumed:

H4. The more experienced the firm (in terms of age and reporting experience), the more credible its CSR report.

3.4 Contextual Factors

Several contextual effects influence CSR reporting. Cultural differences in reporting in terms of the company's country of origin exist in Europe and elsewhere (Fifka, 2013), usually in terms of quantity (de Villiers et al., 2014a), CSR adoption (Marimon et al., 2012), assurance of reporting (Simnett et al., 2009), or level of reporting (Van der Laan Smith et al., 2005). However, again the relationship between quality of reporting and company domicile is under-researched (Hahn and Kühnen, 2013), with the exception of a few studies that have reported differences on the country level (Lock and Seele, 2015a; Vormedal and Ruud, 2009).

The trend toward regulation of non-financial disclosure has also reached Europe, exemplified by the recently passed directive of the European Commission mandating that large companies report on CSR issues (EU, 2014). Following Ioannou and Serafeim's (2014a) classification, comprehensive CSR reporting legislation mandates that companies report on environmental, social, and governance issues. This is consistent with the EU directive and the GRI approach. Legally enforced CSR reporting is a new research field that has seen some pioneering work (Hahn and Kühnen, 2013). Albertini (2014) found that regulation in the chemicals industry elicited companies' environmental engagement in France. Legal regulation of CSR reporting also promoted the adoption of

standards such as the GRI guidelines (Marimon et al., 2012). For China and South Africa, non-financial disclosure increased when laws were passed and this regulation had a positive effect on companies' financial position. Hence, a similar effect for reporting credibility is expected:

H5. CSR reports from countries with legally mandated CSR reporting regulations are more credible than CSR reports from countries without such legislation.

Sector-level differences are a main determinant of CSR reporting (Fifka, 2013). Sweeney and Coughlan, for instance, observed a "clear industry effect in reporting of CSR" (2008, p. 120). Researchers have found in particular that firms with a high impact on the environment reach higher levels of CSR reporting because they are forced to respond to stakeholder pressure (Hahn and Kühnen, 2013) and, as evident in the extractive industries, adhere more tightly to CSR standards (Raufflet et al., 2014). In fact, environmentally sensitive industries such as extraction, energy, forestry, chemicals, construction materials, and steel report more on CSR (Branco and Rodrigues, 2008; Jenkins and Yakovleva, 2006). Thus, it is hypothesized that this also holds for reporting credibility:

H6. Credibility levels differ according to the impact of the company on the environment. Environmentally sensitive industries' reports are more credible than less sensitive sectors' reports.

4. Sample Selection and Method

As in many studies on CSR reporting (Fifka, 2013), a quantitative content analysis (Riffe et al., 1998; Campbell, 2003) from a population comprising the leading 320 stock-listed companies from the 10 biggest countries by gross domestic product (GDP; World Bank, 2012) in the EU and Switzerland (Table 1) was conducted to represent the most powerful economies in Europe. European companies were chosen as a sample to reflect current CSR reporting practices in one of the most important markets worldwide (World Bank, 2015). The diversity of the European market is unique and in the light of mandatory CSR reporting provides an interesting field of study as it combines regulated and unregulated markets in one cultural and market economy. The final sample consisted of 237 CSR reports in the English language (74.06% of the population) that were downloaded from the internet or obtained directly from the companies; 88.2% is from 2013 and the others are from 2011, 2012, and 2014. This variance exists because companies have different publication routines; some publish a report every year, others bi- or triennially. The most recent reports as of summer 2014 were collected.

Table III-1: Population and Sample: Countries and Stock Market Indices.

Country	Index	Popul.	Sample
Austria	ATX	20	10
Belgium	BEL20	20	12
France	CAC	40	36
Germany	DAX	30	28
Italy	FTSE MIB	40	28
Netherlands	AEX	25	19
Poland	WIG	20	8
Spain	IBEX	35	28
Sweden	OMX	30	22
Switzerland	SLI	30	22
United Kingdom	FTSE 30	30	24
Total	---	320	237

Human as well as software coding was applied (details below). The codebook comprised 11 content, 17 formal, and 62 GRI indicator variables (see appendix). To pre-test the codebook and refine the selected categories of variables in an inductive process, 25 CSR reports from the same sample but from previous years were coded in three consecutive rounds, each followed by consensus sessions with the coders and the study's authors. Three independent coders from three different European national backgrounds who were not involved in conceptualization of the codebook coded a sample of 237 CSR reports in summer 2014, summing to 613 coding hours; 27 different industries were represented by these reports (see appendix). The coders' objectivity and reliability were checked regularly by six intercoder reliability tests. Three reliability tests were performed on the pre-test sample to validate the codebook and apply changes. The other three rounds were performed on the final codebook during the coding process (Table 2), resulting in an aggregated and reliable value of 87.04 using the Holsti formula. These figures were calculated using the online tool ReCal (Freelon, 2010).

Table III-2: Intercoder Reliability over Four Rounds.

	Method	Round 4	Round 5	Round 6	All Rounds
No. of coders		3	3	3	3
No. of variables		31 (content)	93 (31 content, 62 completeness)	93 (31 content, 62 completeness)	217
No. of cases		10	10	18	38
Content	Holsti	88.93	85.16	89.24	88.08
Completeness	Holsti	-	80.21	87.78	85.04
Overall	Holsti	88.93	82.94	88.27	87.04

Reliability tests other than Holsti or percentage agreement could not be applied because most of the codebook is conceptualized as nominal variables with binary codes. As Krippendorff's alpha, Scott's pi, or Cohen's kappa only produce meaningful results with scale data, they could not be computed for this study (Krippendorff, 2013). Balance and readability analyses were performed using two software packages, QDA Miner/Wordstat and Flesch. SPSS was used for statistical analyses.

5. Operationalization

Consistent with other studies on CSR reports (de Villiers et al., 2014b; Skouloudis et al., 2014; Lozano and Huisinigh, 2011; Dong et al., 2014; Mosene et al., 2013), the four validity claims were operationalized through relevant CSR reporting literature (Reynolds and Yuthas, 2008; Morsing et al., 2008) and with the help of the GRI G3.1 reporting guidelines (GRI, 2011; Table 3). Each claim resulted in a summative scale ranging from 0 to 10. Credibility was then calculated as the mean of all four constructs (no weighting applied between the four), also resulting in a range from 0-10.

The objective truth of statements in the reports is measured by the form and extent of assurance (Dando and Swift, 2003; Reynolds and Yuthas, 2008), as well as the accuracy of the indicators and the covered performance (GRI, 2011; Lozano, 2013). The honesty and truthfulness associated with a CSR report – sincerity – is tested by looking at the materiality of the topics covered (Hahn and Kühnen, 2013). This includes six categories: impacts, values, risks, prioritized material topics, goals, scope, and boundary of report (GRI, 2011). In addition, the level of stakeholder engagement (Searcy and Buslovich, 2014), subdivided into stakeholder inclusiveness and dialogue (GRI, 2011; Ramos et al., 2013), and the implementation of relevant management systems (Windolph et al., 2014) constitute the sincerity dimension. Appropriateness is operationalized as the degree to which specific “expert” stakeholders (Morsing et al., 2008) are addressed, hence, the level of stakeholder specificity for three elite stakeholder groups: investors, employees, and non-governmental organizations (NGOs; Morsing et al., 2008, p. 105). The core indicators of the GRI G3.1 guidelines that address the three stakeholder groups were selected and their level of fulfillment in reporting was used as a measure. Understandability refers to how comprehensible the report is to readers, not only in terms of how readable it is, but also in style and tone. It is measured along the sub-dimensions of style, which refers to the timeliness of the publication and its accessibility, and tone, which refers to the report's readability and the distribution of positive and negative language (balance; Lock and Seele, 2015a; GRI, 2011). Readability was measured with the Flesch-Kincaid Reading Ease index using the software package Flesch. Balance of language was calculated with the text analysis software QDA Miner/Wordstat and the Wordstat sentiment dictionary that classifies words into positive versus negative. Table 3 provides an overview of the constructs and measured variables.

Table III-3: Operationalization of the Study's Constructs.

Truth		Sincerity		Appropriateness		Understandability	
<i>Sub-dimension</i>	<i>Variables</i>	<i>Sub-dimension</i>	<i>Variables</i>	<i>Sub-dimension</i>	<i>Variables</i>	<i>Sub-dimension</i>	<i>Variables</i>
Assurance	V19, V20, V21, V22	Materiality	V26	Investors (EC1, EC2, EC3, EC4, SO4, SO7, SO8)	V93	Style: Timeliness	V18
Completeness	V93	Stakeholder engagement: Stakeholder inclusiveness	V28	Employees (LA1, LA2, LA4, LA7, LA8, LA10, LA13, LA14)	V94	Style: Accessibility	V14
Accuracy	V23, V24	Stakeholder dialogue	V29	NGOs (4.12, 4.13, 4.15, 4.16, 4.17)	V95	Tone: Balance	V16
Standards	V25	Management system	V27			Tone: Readability	V17

6. Results: Credibility of CSR Reports

This chapter presents the empirical findings regarding the research question and hypotheses, reporting results from multiple linear regression analyses, independent samples t-tests, correlation statistics, and analysis of variance (ANOVA) tests.

6.1 Are CSR Reports Credible?

To tackle the overarching research question of whether CSR reports are credible, summative scales of the four constructs of truth, sincerity, appropriateness, and understandability were calculated. By summing up and dividing by four, an overall summative scale for credibility was established (range: 0-10; Table 4).

Table III-4: Means and Standard Deviations of the Four Validity Claims.

	Truth	Sincerity	Appropriateness	Understandability
N	237	237	237	212
Mean (M)	5.16	6.78	6.71	4.82
Std. Dev. (SD)	1.88	1.88	2.38	.66
Minimum	.40	.71	.00	1.26
Maximum	8.46	10.00	10.00	6.32

Overall, the sampled CSR reports display a credibility mean of $M = 5.74$ ($SD = 1.41$, $Min = 1.27$, $Max = 8.2$), which lies in the middle of the scale (0-10). Thus, CSR reports are somewhat credible (RQ), leaving much room for improvement.

The single constructs that constitute credibility show diverse results for their respective means. While sincerity and appropriateness levels lie above the sample mean ($M = 6.78$, $SD = 1.88$, and $M = 6.71$, $SD = 2.38$, respectively), truth falls below the mean at $M = 5.16$, $SD = 1.88$. Understandability has the lowest mean, $M = 4.82$, $SD = .66$. Interestingly, no report scored the maximum for truth or understandability and thus for credibility. No report achieved the maximum score for truth either, which results from a lack of standards (assurance and general CSR-related standards) applied in the reports.

6.2 What Constitutes Credibility?

As assumed by communicative action theory (Habermas, 1984), the four measured dimensions of credibility should correlate to provide a solid scale with adequate internal consistency (see Table 5).

Table III-5: Correlations of the Credibility Dimensions.

	Truth	Sincerity	Appropriateness
Sincerity	0.56**		
Appropriateness	0.75**	0.54**	
Understandability	0.1	0.14*	0.14*

*: Pearson correlation is significant at the 0.05 level (2-tailed).

** : Pearson correlation is significant at the 0.01 level (2-tailed).

The findings indicate a strong positive Pearson's correlation coefficient between truth and appropriateness ($r(237) = 0.75, p < .01$) and moderately positive correlations between truth and sincerity ($r(237) = 0.56, p < .01$) and sincerity and appropriateness ($r(237) = 0.54, p < .01$).

Furthermore, weak positive correlations exist between sincerity and appropriateness ($r(237) = 0.14, p < .05$) and appropriateness and understandability ($r(212) = 0.14, p < .05$; see Table 5). No significant correlation between understandability and truth was found. Given that the correlations of understandability across the other three constructs are weak or non-existent, understandability only weakly contributes to the overall credibility score.

A reliability analysis served to further test and verify the weak contribution of understandability to the total credibility scale. The four constructs were treated as a scale for credibility. Cronbach's alpha, including all four constructs, results in a moderate value of 0.75. However, if understandability is deleted, Cronbach's alpha would result in a fairly good level of 0.84 over the remaining three items. These findings suggest that the understandability dimension does not contribute significantly to the concept of credibility. As a consequence, the validity claim of understandability is not considered a part of the credibility concept, which results in the conceptual model of credibility of CSR reports depicted in Figure 1.

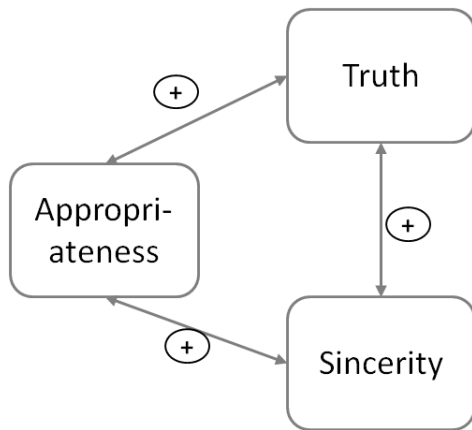


Figure III-1: Conceptual Model of Credibility.

The reliability of this new scale is high, with a Cronbach's alpha of 0.82. As expected, the sample mean rises from $M = 5.75$ (old scale composed of four claims) to $M = 6.22$ (new scale composed of three claims without understandability). Thus, CSR reports tend to be credible (RQ), although still leaving much room for improvement. All further analyses are based on this new summative credibility scale (Table 6).

Table III-6: Descriptive Statistics of the New Credibility Scale.

	Credibility New Scale
N	237
Mean (M)	6.22
Std. Dev. (SD)	1.77
Minimum	.46
Maximum	9.17

7. Standardization and Credibility

Overall, the contents of CSR reports are most important to credibility. Several findings substantiate this claim (Table 7).

Table III-7: Summary of Hypotheses and Results.

Hypothesis	Result	Test
H1a. The use of standardized reporting guidelines enhances CSR reports' credibility.	<i>Accept</i>	Multiple linear regression (MLR) model 1
H1b. The more guidelines are used (in terms of a sector supplement), the more credible is the CSR report.	<i>Reject</i>	
H1c. CSR reports with high application levels are more credible than those without.	<i>Accept</i>	
H2a. A positive relationship exists between CSR reports' length and their credibility.	<i>Accept</i>	MLR model 2
H2b: Combined reports are more credible than stand-alone reports.	<i>Reject</i>	
H3. The bigger the firm (in terms of employees and turnover), the more credible its CSR report.	<i>Reject</i>	MLR model 3
H4. The more experienced the firm (in terms of age and reporting experience), the more credible its CSR report.	<i>Reject</i>	MLR model 4

H5. CSR reports from countries with legally mandated CSR reporting regulations are more credible than CSR reports from countries without such legislation.	<i>Reject</i>	T-test
H6. Credibility levels differ according to the impact of the company on the environment. Environmentally sensitive industries' reports are more credible than less sensitive sectors' reports.	<i>Reject</i>	ANOVA

Standardization is hypothesized to lead to higher levels of reporting credibility. A multiple linear regression model (MLR; model 1; method: forced entry) was performed with credibility as the dependent variable (DV) and reporting guidelines, sector supplement, and application level as independent variables (IV) to test hypotheses 1a, 1b, and 1c. Dummy coding was applied for the categorical variables. The adjusted R^2 of this model results in 0.49; thus, the IVs explained 49% of the variance of credibility. The ANOVA's F -value resulted in $t(11) = 16.24$ and is significant at $p < .001$. The Durbin-Watson test results in 1.97. Variance inflation factors (VIFs) are all below the threshold of 5 (Hair et al., 2010; Table 8).

Table III-8: Results of Multiple Linear Regression Analysis Model 1.

Model 1	<i>N</i>	<i>B</i>	<i>SE B</i>	β	<i>VIF</i>
Sector supplement	67	-.28	.22	-.07	1.24
Application level A+	71	2.15	.37	.58***	3.66
Application level A	8	1.90	.60	.20***	1.42
Application level B+	28	1.51	.41	.29**	2.37
Application level B	23	.27	.43	.05	2.16
Application level C+	3	.13	.83	.01	1.17
Application level C	5	-1.34	.67	-.12*	1.28
Application level:	16	.62	.69	.06	1.62
materiality matters					
Guideline G3.1	93	1.30	.41	.37**	4.91
Guideline G3	49	1.29	.43	.33**	4.43
Guideline G4	60	2.13	.51	.32***	2.09

*** $p < .001$, ** $p < .01$, * $p < .05$

Dummy coding results in significant values per category. As displayed in Table 8, second column (N), only some categories include enough cases to perform meaningful

statistical tests. Thus, the presented findings are based on categories with $N > 25$ only. The results of MLR model 1 show that a high application level (A+ or B+) and reporting along one of the three GRI guidelines affect credibility positively. The sector supplement, however, was not significant. Thus, H1a and H1c are accepted, while H1b is rejected.

8. Format, Firm-Level, and Contextual Factors' Influence on Credibility

How do format, contextual, and firm-level factors influence credibility?

It is hypothesized that length and reporting format influence the credibility of CSR reports positively. An MLR (model 2; method: forced entry) with credibility as the DV and length of report and format as IVs was tested. The coefficient of determination adjusted R^2 is 0.198 and the regression results are significant ($t(2) = 25.68$, $p < .001$). The Durbin-Watson statistic for this model is 1.79 and the VIF is below 5 for all independent variables (Table 9).

Table III-9: Results of Multiple Linear Regression Analysis Model 2.

Model 2	<i>B</i>	<i>SE B</i>	β	<i>VIF</i>
Format	-.320	.258	-.08	1.023
Length	0.36E-005	.000	.45***	1.023

*** $p < .001$, ** $p < .01$, * $p < .05$

Model 2 showed that the length of a report positively influences the credibility levels of CSR reports, while a similar effect was not found for reporting format. Hence, hypothesis 2a is accepted, while hypothesis 2b is not.

Regarding firm-level characteristics (H3), the bigger the firm, the bigger the budget it may allocate to CSR reporting and thus the more credible the report. Size was measured by number of employees and yearly financial turnover. Including both variables as predictors of credibility, an MLR (model 3; method: forced entry) was performed. The Durbin-Watson test was 1.67. The model showed that IVs did not significantly affect ($R^2 = 0.002$; employees: $\beta = -0.03$, $t(2) = -0.46$, $p > .05$, $VIF = 1.02$; turnover: $\beta = 0.04$, $t(2) = 0.62$, $p > .05$, $VIF = 1.02$) the credibility of CSR reports; thus, H3 is rejected.

Moreover, the more experienced a firm is in reporting on CSR, the more credible are its reports (H4). The year of the first report of each company (first report) and the company age were measured. Another MLR (model 4; method: forced entry) with age and first report as IVs and credibility as the DV was estimated. Model 4 resulted in non-

significance (Durbin-Watson = 1.70, $R^2 = 0.015$; age: $\beta = -0.02$, $t(2) = -0.25$, $p > .05$, $VIF = 1.12$; turnover: $\beta = -0.05$, $t(2) = /1.79$, $p > .05$, $VIF = 1.12$). Thus, H4 is not supported.

Several contextual factors have an impact on CSR reporting, but do they also affect credibility? Different credibility means between the reports of the sampled countries were found (Figure 3).

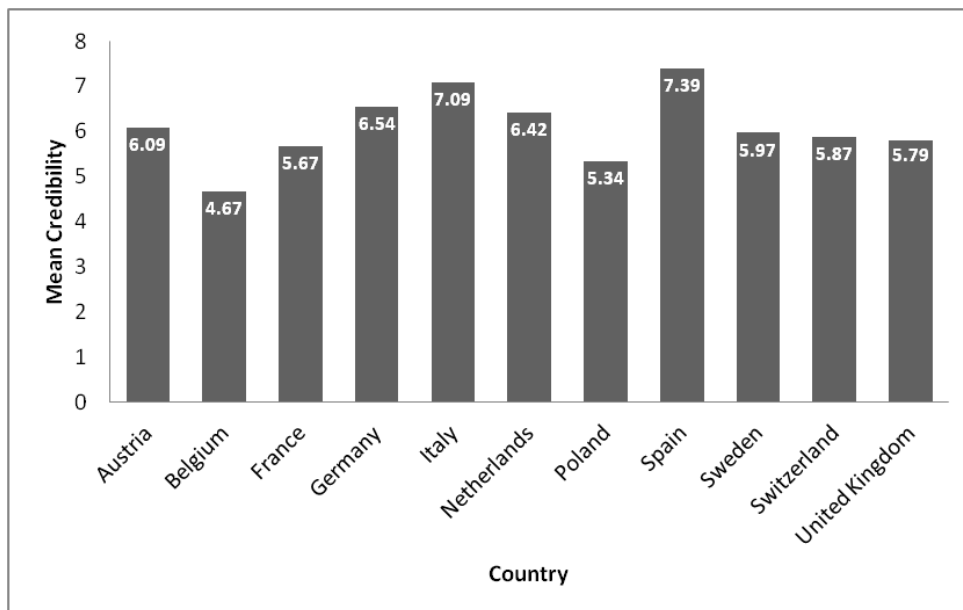


Figure III-2: Mean Credibility Levels per Country.

It was assumed that the regulatory context of the country has a positive impact on the report's credibility (H5). Two countries in the data set mandate comprehensive CSR reporting: France and Spain. An independent samples t-test ($t(106.40) = 1.10$, $p > .05$) revealed that reports from these two countries ($M = 6.43$, $SD = 1.86$) are not significantly more credible than reports from countries without regulation ($M = 6.14$, $SD = 1.74$). When looking at the country level, significant differences were found for Spain only (ANOVA, $F(4) = 6.00$ $p < .01$), confirmed by Bonferroni post hoc tests. Spanish CSR reports are significantly more credible ($M = 7.39$, $SD = 1.39$) than French ($M = 5.68$, $SD = 1.84$) and British reports ($M = 5.79$, $SD = 1.7$)⁴. However, this result is inconclusive because both France and Spain have mandatory CSR reporting laws; thus, H5 is rejected.

⁴ Swedish, Dutch, Swiss, Polish, Belgian, and Austrian reports were excluded from this analysis as their sample size is smaller than 25.

Finally, it was assumed that the sector's environmental impact positively influences the credibility levels of CSR reporting. Seventy-one reports stem from environmentally sensitive industries, 166 from less sensitive sectors. Although the mean credibility level of sensitive industries' reports is above the sample mean ($M = 6.47$, $SD = 1.93$), less environmentally sensitive industries' reports display an average of $M = 6.11$ ($SD = 1.69$). An independent samples t-test found that this difference is not significant ($p > .05$); hence, H6 is rejected.

9. Discussion

Theoretical papers on CSR reporting often offer statements suggesting that CSR reports are not credible and are mere public relations exercises: "The one thing you cannot learn from a sustainability report is the contribution to/detraction from sustainability that the organization has made" (Milne and Gray, 2013, p. 17). Also, one coder of this study stumbled upon single cases of a "magazine-style report, nice and entertaining, but maybe it doesn't really convey an idea of seriousness and commitment" (regarding a CSR report from a Swedish media company).

However, European companies' CSR reports tend to be credible. Nevertheless, they have considerable room for improvement: Levels of credibility are above the middle, which makes them mediocre rather than good. However, given the difficulty companies face in reporting on their CSR, which arises because they must increase awareness on the one hand and prevent skepticism on the other (Coombs and Holladay, 2013; Waddock and Goggins, 2011), and the vast audience of multiple stakeholders coupled with an array of topics to be addressed, companies are on a good path. The credibility gap in CSR reporting that was proclaimed more than a decade ago (Dando and Swift, 2003) is slowly vanishing, even though it is still not closed. These findings show that to bridge the gap, companies must focus on the contents of their reports because the contents are the major determinants of their credibility regarding CSR.

9.1 Content First!

Voluntary standards aid in reaching higher levels of reporting credibility. However, an exaggerated focus on standards might lead to a lack of creativity and render CSR reporting a tick-the-box exercise (de Colle et al., 2014), as observed in the finding that the GRI guidelines and a high application level increase credibility, while a sector supplement does not. Then again, standards codify and operationalize what many researchers and practitioners still regard as a fuzzy and ill-defined concept, namely, CSR. Mandatory reporting of these responsibilities, however, did not consistently benefit reporting credibility in the sample analyzed, possibly because regulations' effects depend heavily on the cultural and national context (Ioannou and Serafeim, 2014a). Much room for improvement is still observed when it comes to assurance (truth), the "essential

element of [...] reporting” (Hsu et al., 2013, p. 150) materiality and stakeholder engagement (sincerity; see also Searcy and Buslovich, 2014), and stakeholder specificity (appropriateness). Even though the findings show that the lengthier a CSR report, the more credible it is, what is written in the reports is still more important than the quantity of information.

A focus on the contents of reports is even more pronounced when looking at the format, firm-level, and contextual factors that might affect reporting credibility. Neither the sector nor the country and its regulatory context showed consistently significant effects on the credibility of CSR reports in Europe. No indications were found that combined reports are more credible than stand-alone reports or that reporting experience or firm size matters. These factors may be important for the adoption of reporting (Marimon et al., 2012) or quantity of reporting in a given context (de Villiers et al., 2014b). However, for quality of reporting, in terms of credibility, it is content that matters most. External influences are secondary, at best.

9.2 The Peculiar Role of Understandability

Another theoretical contribution emerges from the finding that understandability has a special role in the credibility concept: It is a necessary precondition to enter discussions on credibility. This empirical result is consistent with Habermas’s re-interpretation of the validity claim structure. In his early writings, understandability is considered one of four validity claims of rational communication (Zinkin, 1998). Later, he stated that “every speech-act as a whole can always be criticized as invalid from three perspectives: as untrue [...] as untruthful [...] and as not right” (Habermas, 1992, p. 77). Thus, understandability has a peculiar position among the four validity claims; it is considered a precondition or basis for communication rather than a redeemable claim (Germonprez and Zigurs, 2009). Following Zinkin: “Habermas's point [...] seems to be that the fact that there is communication is itself the validation of a claim to intelligibility. If utterances were unintelligible, there would just be no communication” (1998, 459). This interpretation is controversial because we know that communication is more than the comprehensible use of language and that it entails, in interpersonal communication, non-verbal factors such as gestures and facial expressions (Sperber et al., 1986). In CSR reporting, this refers to images in the reports or design parameters, which were not measured. Hence, Habermas’s assessment also holds with regard to communicational artifacts such as CSR reports.

Understandability takes on a special role within the credibility concept, which empirically confirms Habermas’s theory shift. Referring to CSR reporting theory, understandability is thus regarded as a necessary precondition for CSR reporting that leads to mutual understanding and, subsequently, to CSR reporting credibility. Thus,

understandability can be considered a necessary precondition for credibility of the entire spectrum (Seele and Lock, 2014) of CSR communication.

9.3 CSR Reports as Facilitators between Companies and Stakeholders

For everyday CSR communication, these findings imply that being understood is the most important aspect, before only starting a (possibly) credible communication act. Only after ensuring that they are being understood by their stakeholders should companies strive to obtain high levels of truth (via standards and assurance), sincerity (through stakeholder engagement and materiality), and appropriateness (through stakeholder-specific communication), which together render a CSR report credible. That way, CSR reports become crucial facilitators of understanding between companies and stakeholders, which ultimately constitutes moral legitimacy and thus companies' license to operate in society.

10. Conclusions and Limitations

It is challenging to translate ideal philosophical theory into practice (Golob and Podnar, 2014), as this study attempted with regard to Habermas. However, such theoretical approaches do not necessarily have to be realistic (Fleming et al., 2013) to provide insights into theory and practice.

Conceptually, this study re-defined and operationalized credibility as a multi-dimensional construct along communicative action theory and thus fills the theory void in the field of CSR reporting. The under-researched area of reporting quality is addressed and expanded by the concept of credibility, which, as shown, emerges from the contents of reports rather than external factors. Moreover, the study finds that voluntary standardization affects reporting credibility positively, whereas legislation did so only in some cases. Achieving credibility and moral legitimacy in complex environments is difficult for companies, as argued by political CSR researchers (Scherer et al., 2013b). The findings indicate that all communicative actors must be on the same page to engage in credible and valid communication. This can be achieved by understandability as a precondition and quality of content as the most important factor enhancing the credibility of CSR reports. Political CSR needs to acknowledge quality of content as specified above and understandability before embarking on deliberately addressing CSR issues. Furthermore, this study offers the following suggestions for business and public policy.

For companies, the findings imply that avoiding jargon and overly positive reporting (Hahn and Kühnen, 2013) and being clear, concise, and objective are preconditions for credibility of CSR reports. Moreover, a focus on contents rather than format or contextual factors and following standardized guidelines lead to higher levels of reporting credibility. The fact that a company belongs to a specific industry or cultural context or is of a particular size does not serve to explain low credibility in reporting.

For policy makers, this study showed that credibility levels of CSR reports are mediocre. Policy makers might conclude that laws are needed to lift these levels. Although this study does not provide consistent evidence that regulation leads to higher credibility of reports, it demonstrates with the examples of France and Spain that different laws can have different impacts on credibility. Thus, comprehensive regulation at a transnational level as proposed by the EU could be a useful move to level the playing field in the market and raise the credibility of reporting.

Limitations: The study's findings, however, must be moderated at least in the following respects. We focused on publicly listed companies from the leading stock indices in the biggest European countries. Thus, these findings are not generalizable to small and medium-sized companies.

Next, it would be interesting to monitor how the credibility of CSR reports develops over time, particularly regarding development of mandatory reporting regulations in the European Union.

Moreover, we observed very diverse formats of CSR reports, including GRI-only reports, summaries of stand-alone publications, and websites printed as PDFs and "sold" as CSR reports. Mapping these different design developments and their impact on quality provides another fruitful avenue for future studies.

11. Article Appendix

Table III-10: Sectors of Sampled CSR Reports.

Environmentally sensitive industry? Y/N (1/0)	Sector	Frequency
0	Agriculture	1
0	Automotive	9
0	Aviation	2
1	Chemicals	12
0	Commercial services	2
0	Computers	1
0	Conglomerates	9
0	Construction	7
1	Construction materials	7
0	Consumer durables	2
1	Energy (and energy utilities)	33
0	Equipment	4
0	Financial services	48
0	Food and beverage	12
1	Forest and paper	1
0	Health care products	6
0	Household and personal care	7
0	Logistics	2
0	Media	6
1	Metals products	5
1	Mining	9
0	Public agency	1
0	Real estate	4
0	Retailers	7
0	Techn. Hardware	4
0	Telecommunications	17
0	Tobacco	2
0	Tourism/Leisure	2
0	Other	15
	N	237

Table III-11: Coding Sheet.

FORMAL VARIABLES		
ID	Variable	Coding rules
V1	Company	Open code
V2	Title	Open code
V3	Year	Open code
V4	Sector	Nominal
V5	Country	Nominal
V6	Size I: turnover	Open code
V7	Size II: no. employees	Open code
V8	Age of firm	Open code
V9	First report issued	Open code
V10	Format of report	Nominal: stand-alone or integrated
V11	Guidelines applied	Nominal: GRI G3, 3.1, 4, none
V12	Sector supplement	Nominal: sector supplement used with GRI
V13	Application level	Nominal: application level (A+, A, B+, B, C+, C, materiality matters)
V14	Accessibility	Table of contents, Electronic navigation helps in PDF, Chapter headings close to page number, Imprint, Free download, PDF open, GRI table
V15	Length of report	Open code: no. of words (software)
V16	Readability	Felsh-Kincaid Reading Ease Index (software): 0-100 points
V17	Balance	Amount of pos./neg. words in report (software): scale 0-10
CONTENT VARIABLES		
ID	Variable	Coding rules
V18	Timeliness	Recent data used
V19	Assurance	Nominal: yes/no
V20	Type of assurance	Nominal: Internal, external, none
V21	Reach of assurance	Nominal: entire report, specific sections, not specified
V22	Assurance standards	Nominal: AA1000AS, ISAE3000, General national standard, Sustainability national standard, Other, None
V23	Accuracy I	Nominal: section on methodology yes/no
V24	Accuracy II	Nominal: info on data measurement yes/no
V25	CSR Standards	Nominal: CDP (Carbon Disclosure Project), IFC (International Finance Corporation), OECD Guidelines for Multinational Enterprises, UNGC (United Nations Global Compact), ISO 9001, 14001, AA1000, None
V26	Materiality	Nominal: impacts, values, risks, goals, prioritization of topics, scope and boundary of report
V27	Management system	Nominal: general CSR mngt, environmental mngt, social mngt, health/safety mngt, no mngt system
V28	Stakeholder dialogue	Nominal: section of stakeholder dialogue
V29	Stakeholder inclusiveness	Nominal: stakeholder description, dialogue, issues
GRI INDICATOR VARIABLES		
ID	Variable	Coding rules
V30- V92	GRI Performance indicators (core)	Scale 0-3: 0: not, 1: partially, 2: fully reported, 3: not applicable/not material
V93	Completeness	Scale 0-10: percentage of reported performance indicators, rescaled 0-10
V94	Investors	Ordinal: amount and extent of indicators reported specific to investors
V95	Employees	Ordinal: amount and extent of indicators reported specific to employees
V96	NGOs	Ordinal: amount and extent of indicators reported specific to NGOs

Chapter IV

Measuring the Credibility Gap in CSR Communication: A Scale Development to Test Readers' Perceived Credibility of CSR Reports

Manuscript under Review:

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Manuscript presented at Academy of Management Meeting, Social Issues in Management Division. Vancouver, 2015.

Abstract

Credibility is central to communication but often jeopardized by “credibility gaps.” This is especially true for communication about corporate social responsibility (CSR). To date, no tool has been available to analyze stakeholders’ credibility perceptions of CSR communication. This paper reports from a scale development to test perceived credibility of CSR reports, one of CSR communication’s most important tools. A novel concept of credibility is operationalized using validity claims of Habermas’ ideal speech situation as sub-dimensions, following established approaches in communication and CSR theory. As a result of the nine-stage scale development process, including a literature review, a delphi study, and three validation studies applying exploratory and confirmatory factor analyses, the 16-item perceived credibility (PERCRED) scale is developed. The scale shows convergent, discriminant, and nomological validity and is the first validated measure for analyzing credibility perceptions of CSR reports. Researchers and practitioners can use it to better evaluate the credibility gap.

Keywords:

Credibility, scale development, Habermas, perception measurement, Corporate Social Responsibility (CSR)

1. Introduction: The Credibility Gap in CSR Communication

A credible communicator is one that audiences believe in; a credible message is one that recipients rely on. Thus, credibility depends on the source, the message, and the recipient (Melican & Dixon, 2008). Not only do individuals aim for credibility in communication, credibility is also central to communicating organizations.

However, credibility in communication is often challenged because discrepancies between words and deeds result in “credibility gaps.” Although the term was coined in the 1960s with regard to presidential speeches about the war in Vietnam (Turner, 2007), it is still “high time to study credibility gaps systematically” (Cornfield, 1987, p. 468). Today, credibility gaps have opened up between companies and stakeholders because companies communicate about their ethical responsibilities regarding society and the environment (i.e., corporate social responsibility, CSR) in a non-credible fashion (Illia, Zygliopoulos, Romenti, Rodríguez-Cánovas, & González del Valle Brena, 2013; Elving, 2012), which jeopardizes their “license to operate” in society (Donaldson & Dunfee, 1999). Inconsistencies between CSR activities and their communication have deepened public skepticism and scrutiny and resulted in the “credibility gap” in CSR communication (Dando & Swift, 2003). CSR reports are one of the most effective tools to communicate CSR (Hooghiemstra, 2000) and are thus most affected by the issue of credibility. Although credible CSR communication is one of the fundamentals of corporate legitimacy (Coombs, 1992; Seele & Lock, 2014), to date the “credibility gap” in CSR reporting (Dando & Swift, 2003) has not evoked researchers’ attention above and beyond conceptual claims.

Hence, this paper pursues two main goals. It systematically and empirically studies the credibility gap in CSR reporting (Dando & Swift, 2003) by developing a scale to analyze recipients’ perceptions of the credibility of CSR reports. To arrive at this tool, the article, secondly, delivers a novel operationalization of credibility by conceptualizing the validity claims of the ideal speech situation (truth, sincerity, appropriateness, and understandability; Habermas, 1984) as sub-dimensions of credibility, showcasing the potential of Habermasian theory for empirical research (Forester, 1992). This new credibility concept is consistent with current CSR and CSR communication theories that include the notion of legitimacy and are built on Habermasian theory (Scherer & Palazzo, 2011; Seele & Lock, 2014).

The article proceeds as follows: After a literature review on credibility and the proposal of a novel conceptualization, the operationalization of credibility along Habermas’ ideal speech situation is described. Then, existing scales and their limited applicability to the research context are reviewed. Afterward, the nine stages of scale development are detailed (for an overview, see Figure 1). This part ends with presentation of the 16-item PERCRED scale (see Table 6) and an assessment of its

convergent, discriminant, and nomological validity. In the final discussion section, implications for theory and practice are discussed, and then paths for future research are described and limitations are addressed.

2. Credibility Concepts and a New Approach for CSR Communication

As Dunbar et al. (2015, p. 650) hold, “[c]redibility assessment is so critical to the process of communication that the construct of credibility occupies a vaulted position in the communication discipline.” Hence, unexpectedly, credibility is not defined clearly, often mistaken with trust, and operationalized in various, often vague, terms.

Credibility has been conceptualized as the source of communication, referring to the recipients’ perceptions of the character traits of the speaker, such as his/her trustworthiness or expertise (Chebat, Filiatrault, & Perrien, 2010; Hovland & Weiss, 1951). “An agent possesses credibility if his statements are considered truthful and valid, and hence worthy of serious consideration” (Kelman, 1961, p. 68). The credibility of the source has a direct impact on acceptance of the message (Haigh & Brubaker, 2010). Marketing scholars have conceptualized credibility as a form of CSR attribution that, together with CSR awareness, constitutes CSR beliefs (Du et al., 2007) or as a necessary attribute of CSR messages and communication channels (Du & Vieira, 2012). Others have viewed credibility as a dimension of corporate reputation (Fombrun, 1996; Sohn & Lariscy, 2015), where constituents’ perceptions of credibility in terms of trustworthiness and expertise of the company enhance positive perceptions of the corporate brand and lead to higher purchase intentions (Lafferty, 2007). Credibility may also be seen as a subcategory of trust, defined as “a characteristic which is attributed to individuals, institutions or their communicative products (verbal or written texts, audiovisual displays) by somebody (recipient) in relation to something (events, facts, etc.)” (Bentele & Nothaft, 2011, p. 216). In this sense, credibility is viewed as a fundamental of trustful relationships between stakeholders and companies. However, trust and credibility are often not clearly separated (Stamm & Dube, 1994).

The “credibility gap” embraces the three dimensions of source, message, and recipient (Melican & Dixon, 2008), but the aforementioned conceptualizations of credibility fall short of including all three. Furthermore, for the context of CSR communication, credibility must incorporate a deliberative and legitimacy-based notion to grasp the meaning of the concept adequately.

The connection between dialogic communication and legitimacy was first established in deliberative democracy research in referring to political institutions’ legitimacy (Chang & Jacobsen, 2010; Zhang, 2015). This idea was taken up by CSR scholars, who applied the Habermasian idea of deliberative democracy and

communicative action to business-society relationships (Scherer & Palazzo, 2007): In a globalized economy and when nation states are losing power, powerful multinational corporations step into the global governance gaps and assume responsibilities that were with the state previously. With these new “political” responsibilities, corporations are called upon to help solve public issues. In this postnational constellation, corporations’ license to operate is established in communication with stakeholders regarding solutions for these problems (Scherer & Palazzo, 2011). Thus, corporations obtain their right to conduct business through moral legitimacy. Contrary to pragmatic and cognitive legitimacy (Suchman, 1995), moral legitimacy is continuously negotiated in the public sphere. In this ‘moralized’ (Castellò, Morsing, & Schultz, 2013) communication, CSR reports are one of the most effective tools (Hooghiemstra, 2000) and play a crucial role as facilitators: They help companies respond to the information needs and expectations of stakeholders and thereby help companies manage their perceived legitimacy (Hahn & Kühnen, 2013). CSR reports are defined as discrete, independent corporate editorial works that provide information about corporate responsibility and citizenship (Biedermann, 2008) and represent “a prime channel for companies to communicate their response to CR [corporate responsibility] issues” (Dawkins, 2005, p. 111).

However, currently, CSR reports suffer from “cherry picking” behavior regarding the reported items (Milne & Gray, 2013, p. 17) and weak comparability, and they offer a big variety of topics, which renders them non-credible communication tools in the eyes of many readers (Chen & Bouvain, 2009). Although at first glance the CSR report appears to be credible, it may not be perceived as such by the audience. This “credibility gap” in CSR reporting (Dando & Swift, 2003) harms both sides: Stakeholders cannot satisfy their information needs with regard to CSR, while companies, because of stakeholders’ lack of trust and their own low credibility, risk their “license to operate.”

Thus, credibility is a basis of legitimacy (Coombs, 1992) and an outcome of reporting quality (Perera Aldama, Awad Amar, & Winicki Trostianki, 2013). The crucial role of credibility calls for a conceptualization that accounts for this legitimacy notion. With the help of political CSR theory (Scherer & Palazzo, 2011) that is built on Habermas’ communicative action and deliberative democracy theories (1984, 1996), such a new approach to credibility is provided.

3. Operationalizing Habermas’ Validity Claims as Sub-Dimensions of Credibility

Following Forester, “Habermas’s sociological analysis of communicative action [...] has a vast and yet unrealized potential for concrete social and political research” (1992: 47f). To amalgamate the literature on Habermasian communicative action theory, credibility, and moral legitimacy regarding CSR reports, an approach to operationalize

the four validity claims of Habermas that is consistent with CSR communication approaches is presented in the following.

According to Habermas (1984), there are two forms of social action: strategic and communicative. In the teleological model of strategic action, actors aim at achieving success. In contrast, communicative action is oriented toward agreement and mutual understanding between the participants. This notion of agreement and dialogue matches well with the Habermasian notion of political deliberation as proposed in the concept of the new political role of corporations (Scherer & Palazzo, 2011). Due to globalization and a loss of power of traditional nation-state actors, this approach views corporations as being in the position to engage in resolving global public issues and therefore bearing new, so-called political responsibilities in global governance. Legitimacy for such activities is reached through deliberations, which is conceptually based on the Habermasian notions of deliberative democracy and communicative action (1996, 1984).

In communicative action, “[r]eaching an understanding functions as a mechanism for coordinating actions through the participants coming to an agreement concerning the claimed validity of their utterances, that is, through intersubjectively recognising the validity claims they reciprocally raise” (Habermas, 1984, p. 163, emphasis in original). These four validity claims are “communicative presuppositions” (Anderson, 1985, p. 86) in an “ideal speech situation” that can be applied to “real-world cases ranging from the general to the specific” (Dryzek, 1995, p. 104). They refer to the truth, sincerity, appropriateness, and understandability of communication:

- *Truth*: objective truth of propositions or factual truth
- *Sincerity*: subjective beliefs underlying the statements
- *Appropriateness*: communication that is appropriate in its normative context
- *Understandability*: ensuring that the statement is understandable to the reader (Habermas, 1984)

In everyday communication, these claims are underlying and implicit; in argument or discourse, they become explicit (Johnson, 1993) and will give power to the best argument (Chappell, 2012). Only if the speaker’s statements are factually true, the speaker is sincere, the statement is appropriate in its normative context, and the actors understand what is said can we speak of a situation of communicative action that is aimed at mutual understanding and agreement and thus addresses credibility.

Validity claims are “central” to the theory of communicative action (Habermas, 1984, p. 10) and lead to the required trustfulness needed to arrive at credibility. Senders (in the form of companies issuing CSR reports) as well as recipients (stakeholders and the general public) of CSR communication must redeem these four presuppositions in the discourse. As Johnson holds, “[c]ommunicative action derives its force from the

potential for rational agreement embodied in validity claims” (1993, p. 75). In line with Habermas, this article argues that if all four claims are fulfilled by the actors, credibility between the parties can be (re-)established. Therefore, the overall research hypothesis sums up to the following:

H. The perceived credibility of CSR reports is characterized by their perceived truth, sincerity, understandability, and appropriateness.

Hence, this paper presents an operationalization of the four validity claims to measure the current degree of credibility of CSR reports as perceived by recipients. An overview of existing scales of credibility and the validity claims is provided in the next section, together with an evaluation of their suitability for the study of CSR reporting.

4. Existing Scales and Their Limited Suitability for Measuring CSR Report Credibility

The “credibility gap” in CSR reporting (Dando & Swift, 2003) has created distrust on stakeholders’ side toward these communication tools. To measure this gap from the recipients’ perspective, a scale of perceived credibility regarding CSR reports is needed. Existing scales that help in operationalizing credibility or the four validity claims for a novel scale are identified and evaluated, also from neighboring disciplines.

In the communication sciences, credibility is often context-specific. For instance, studies on Internet credibility (Melican & Dixon, 2008), credibility in interviewing (Dunbarl et al., 2015), or media credibility (Stamm & Dube, 1994) have all operationalized the concept with regard to their specific contexts. The notion that credibility depends primarily on the source of communication (McCroskey, 1966) has often been taken as a reference or starting point (Rains, 2007). Research from neighboring disciplines has engaged in similar attempts to capture this concept.

Credibility has frequently been operationalized in marketing research. Researchers developed a scale of credibility regarding attractiveness, which is operationalized as a form of source credibility that relates to a person’s attractiveness or to his/her expertise in a particular field of knowledge (Ohanian, 1990; Newell & Goldsmith, 2001). Moreover, credibility has been measured regarding someone’s trustworthiness, and thus his/her honesty and sincerity (Ohanian, 1991). Williams and Drolet (2005) developed a measure for the general credibility of an advertisement. Keller and Aaker (1992) put forward a scale to test the credibility of a company as a source of communication. However, none of these scales incorporates the idea of consensus and legitimacy as we put forward with the Habermasian operationalization, and the three dimensions of source, recipient, and message are neglected.

Reliable and applicable scales for the validity claims of truth, sincerity, appropriateness, and understandability are also lacking. Only a very few scholars have attempted to operationalize them for quantitative empirical research (e.g., Chang & Jacobson, 2010). Qualitative research using the theory of communicative action has been conducted primarily in deliberative democracy studies in the political sciences (e.g., Steiner, 2008; Forester, 1992). The following paragraphs provide an overview of how the four claims can be operationalized for quantitative research.

Perceived understandability can be measured using a “cloze procedure” (Taylor, 1953), which, however, is not a perception measure, but one based on behavior. Chang and Jacobson (2010) built a three-item scale to measure perceived comprehensibility of a smoking ban advertisement.

For perceived truth, a single-item scale was developed in risk management research (Schapira, Nattinger, & McAuliffie, 2006): “How accurate or true does the statement appear to you?” Single-item scales always bear limitations in terms of dimensionality and the item does not seem to be cut sharply enough as it uses “accurate or true.” Highly contextual items have also been developed for health communication (Chang & Jacobson, 2010). Another method is to choose single statements and ask participants to rate whether they think they are true/false or accurate/inaccurate (Koch & Forgas, 2012; Ozubko & Fugelsang, 2011). Statement-based items are not suited for CSR reports as the reports cover an array of different topics that are difficult to capture with only a few items.

Perceived sincerity can be measured by the sincerity sub-scale of brand personality, where respondents are asked to rate four single-word items on a scale from 1 to 7: domestic (down-to-earth), honest, genuine, and cheerful (Aaker, 1997). However, this does not seem adequate when applied to CSR reports because they are communication products, not persons. On the other hand, Dahlstrom (2010) proposes a scale that asks subjects about the perceived truthfulness of certain statements. Furthermore, a scale from deliberation research tests sincerity by checking two items, “I feel that people expressed what was truly on their mind” and “I cannot escape the feeling that many participants were hindering their true beliefs from the discussion” (Steiner, 2008). However, the scale does not seem to apply to CSR reports since they are communicational artifacts, not human beings. Only one self-developed but not validated scale measuring perceived appropriateness was found, which is highly dependent on the health communication context (Chang & Jacobson, 2010).

Thus, there is a need to develop a new scale for the following reasons: To the best of the authors’ knowledge, (1) no credibility perception measurement of communicational artifacts exists, (2) there is no specific instrument for the context of CSR and CSR reports, and (3) a comprehensive measurement tool for the four

dimensions of the Habermasian ideal speech situation is lacking. Thus, first, scales for every one of the four single constructs are developed, and then it is tested whether these four claims describe the higher order construct of perceived credibility (PERCRED).

5. Methodological Approach of Scale Development and Validation

This study follows established scale development process methods (Clark & Watson, 1995; Hinkin, 1995) to develop scales that measure the four validity claims. As illustrated in Figure 1, scale development is an iterative process that in this case went through nine stages, reducing the initial number of scale items from 98 to 16.

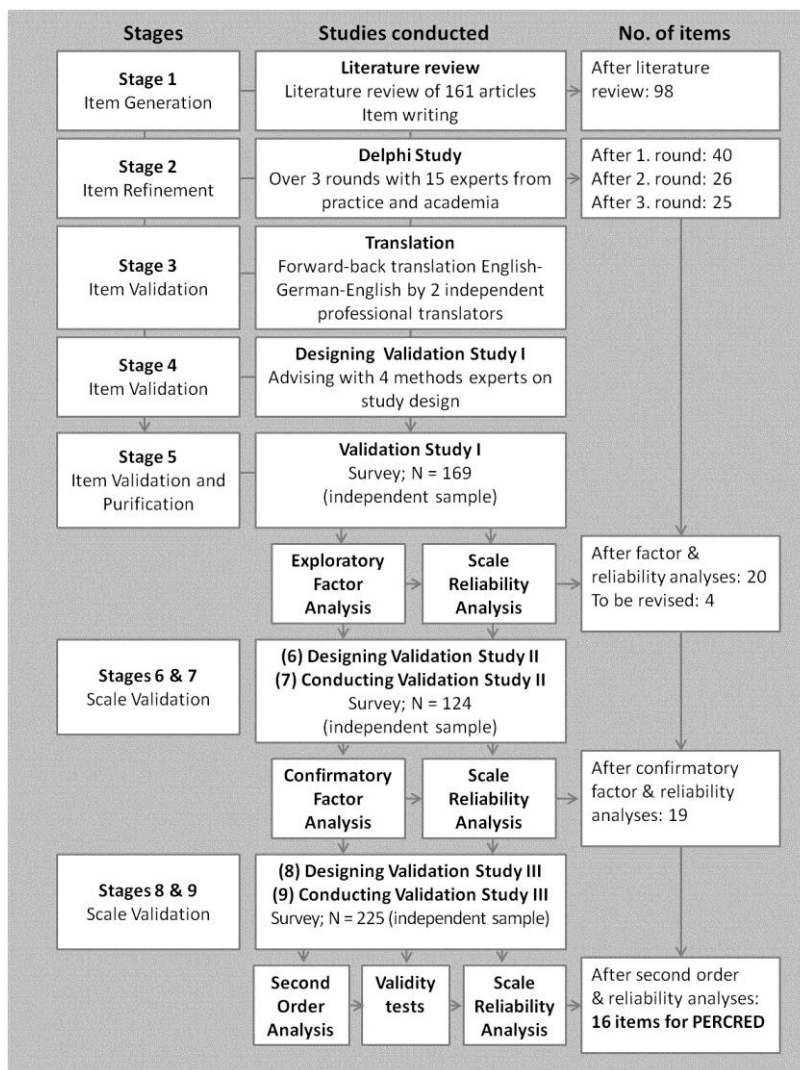


Figure IV-1: The Scale Development Process to Arrive at the 16-Item PERCRED Scale.

5.1 Stage 1: Item Generation through the Literature Review

A deductive approach for generating items based on relevant social sciences literature was used. To collect existing definitions of the four constructs of truth, sincerity, appropriateness, and understandability, a keyword search was performed for the terms “Habermas” + “communicative action” in six databases, including publications from various academic disciplines: *Business Source Premier*, *Communication & Mass Media Complete*, *EconLit*, *Psychology & Behavioral Sciences*, *PsychInfo*, and *Science Direct*. Moreover, the references in the selected articles to find other relevant literature were checked, applying a snowballing technique. The researchers also intended to map any existing measurement scales for the four constructs and thus searched for scales of (perceived) truth, sincerity, appropriateness, and understandability within the same databases. All in all, 161 articles were reviewed in depth for definitions of validity claims and for scale measures. Multiple definitions were extracted for each of the four constructs. Then, using the mind-mapping technique, the authors first defined sub-categories within the constructs that emerged from the definitions. In a second step, the authors refined these sub-categories, arriving at four sub-dimensions for understandability, seven for truth, ten for sincerity, and four for appropriateness. Based on these sub-categories and the definitions from the literature, the authors started to write items. The written items were double-checked by an expert for scale development regarding style and format. All in all, the authors arrived at 98 items for the four constructs to be tested in a delphi study: 18 for understandability, 28 for truth, 34 for sincerity, and 18 for appropriateness.

5.2 Stage 2: Delphi Study - Content Validity and Initial Refinement

To ensure content validity of the generated items and to purify the scale, the delphi method was applied. Delphi studies are often chosen to reach a consensus among several experts. The experts are consulted over several rounds, showing them also results of the previous rounds, until they reach a consensus (Linstone & Turoff, 1975). For this purpose, the authors compiled a list of renowned academics from the fields of CSR, CSR communication, CSR reporting, and Habermas and practitioners in the corporate and consultancy realms. 23 experts were contacted personally via email, and 22 agreed to participate in the study.

The first round started in June 2014, with 17 participants responding to the online questionnaire. They were presented with the 98 items developed previously and asked to rate their adequacy to measure each of the four concepts on a scale from 1, not at all adequate, to 5, very adequate (to measure the construct). To analyze consensus among the experts, the authors followed a two-step-process: First, all items that scored above the construct mean (e.g., for truth) were considered to be included in round two;

second, the comments of the participants on every item were analyzed qualitatively. Based on these two steps, the number of items was reduced to 40.

The second round of the delphi study started in July 2014. Prior to this stage, the items were edited by a professional English language editor. All in all, 15 members of the expert panel participated. The format of the questionnaire was the same as in round one. The authors also applied the identical method of data analysis as in the first round. Another 14 items were deleted and the remaining 26 items were refined according to the experts' comments.

The last round began at the end of July 2014, with 14 valid responses. This time, participants were asked to rank the items per construct according to their adequacy for measuring it. One more item was deleted, which resulted in the final item pool of 25 items. Based on the comments of the delphi study participants, two items were worded negatively (inverse scores).

5.3 Stage 3: Validation - Translation of Items

The item generation process was conducted in English. However, the validation study was conducted at a German university. To improve the study's validity through enhanced understandability, the authors translated the items into German. However, as "there is no single perfect translation technique" (Maneesriwongul & Dixon, 2004, p. 183), a forward-back translation method was used, following Beaton and Guillemin (2000).

First, a professional mother-tongue German translator translated all 25 items into the target language, German. Second, an independent English mother-tongue professional translator translated the items back into the original language, English. Only slight linguistic differences existed between the two English versions (original and back-translation). To agree overall on final items in both languages, the authors re-contacted the second translator to obtain her opinion of the German translations in the first step. Afterward, the authors convened to agree on the specific formulation of the items in German and English (see appendix Table 1).

5.4 Stage 4: Designing Validation Study I

Given that the authors aimed to develop a measure for the perception of CSR reports, objects on which to rate these perceptions were needed. Since CSR reports are quite large documents, ranging from 20 to more than 300 pages, the authors agreed that one specific section would be chosen on which to measure the perception. To design the validation study, the authors sought advice from two scale development experts. The population for this questionnaire consisted of undergraduate business students from a German university. It is reasonable to assume that most of these students will be future

employees of companies. Therefore, the employee section of the CSR report was used to test credibility perceptions.

From an analysis of CSR reports evaluating content credibility (Lock & Seele, 2015b), the researchers selected a credible and a non-credible report, both from the same country (Germany) and sector (consumer goods). The focus was on one country and one sector only as CSR reporting is sensitive when it comes to cultural and industry bias (Chen & Bouvain, 2009). Furthermore, a consumer goods company was selected under the assumption that the business students were regular consumers of these products, which were also tested in the questionnaire.

Furthermore, two questionnaire experts advised the authors to anonymize the CSR reports, such that the study participants were not biased against single brands. Thus, comprehension questions and attention checks were built into the questionnaire and the items were randomized to avoid response patterns.

The questionnaire was pretested with a convenience sample of 12 people to ensure technical functionality and to refine the contents and presentation.

5.5 Stage 5: Validation Study I

5.5.1 Data Collection and Sample

The study involved an online and in-class survey with undergraduate business students from a German university in December 2014. The survey links (in a laptop as well as a smartphone version) were sent out via email to 355 students right before class. Half of the population received links to the survey with the credible CSR report, the other half to the survey with the non-credible report. In class, the authors allowed 20 minutes for the students to answer the survey. To trigger interest and increase response rate, the survey applied a lottery scheme, where participants could win ten online shopping vouchers. All in all, 193 students answered the survey, and 169 responses were valid. This amounts to a response rate of 47.6%. 24 participants were singled out for failing the attention and comprehension checks and for not finishing the survey completely.

The descriptive statistics of the sample are given in Table 4. Regarding their consumption behavior, 95.8% of the participants buy personal care products and 79.2% purchase household goods once or more than once a month, indicating that most members of the sample are indeed regular customers of consumer goods companies.

5.5.2 Exploratory Factor Analysis and Scale Reliability

The authors analyzed every validity claim construct along factor loadings to develop scales for each item. Principal component exploratory factor analysis (EFA) was

conducted with all four constructs. Table 1 in the appendix illustrates the items and constructs and shows the theoretical connection to perceived credibility (PERCRED).

5.5.2.1 Understandability

The Kaiser-Meyer-Olkin (KMO) coefficient and the Bartlett test of sphericity were calculated. The KMO coefficient for the understandability scale was 0.819 and the Bartlett test was significant ($\chi^2 = 386.675$; $df = 15$; $p < .001$), a clear indication that the data are appropriate for further factor analysis (Field, 2009). The correlation matrix showed that all six items correlated significantly at $p < .001$. The results of EFA showed that the items for understandability loaded on one factor with an eigenvalue greater than 1 (3.32), which explained 55.4% of the variance. The scree-plot illustrated a one-factor solution. All six items loaded greater than 0.6 or lower than -0.6 on this one factor (Hair, Tatham, Anderson, & Black, 2006).

To assess the internal consistency of the scale, the authors computed Cronbach's α . For the six-item solution, α resulted in a score of 0.67. However, Cronbach's α if item deleted indicated that α levels rise to a very good score of 0.84 if item U4 is deleted. ("The text uses too much specialist terminology"). The authors conducted an additional split-half test to underline this result and found that, with U4 excluded, all items correlate and the Spearman-Brown coefficient shows a high level of 0.87. After consulting with a methods expert, the authors decided not to delete, but to reformulate item U4 ("The text uses too much specialist terminology that I do not understand") and test it again with confirmatory factor analysis. Thus, for further scale validation, the authors retained the transformed U4 and thus used six items for understandability.

5.5.2.2 Truth

The truth scale consists of seven items that load on two factors with an eigenvalue greater than 1. Factor one had an eigenvalue of 3.32 and explained 49.5% of total variance, whereas factor two was only slightly higher than an eigenvalue of 1 (1.075) and explained 15.4% of total variance. KMO of the data resulted in 0.83 and the Bartlett test was significant at $p < .001$ ($\chi^2 = 384.324$; $df = 21$). All items loaded higher than 0.3 or lower than -0.3 on factor one; in contrast, only three items loaded above 0.3 on factor two. Since all items correlated significantly at $p < .001$, the authors chose oblique rotation to rotate factors. The pattern matrix showed that truth can be constituted by two sub-dimensions, grouping items into T2, T3, and T4 (load higher than 0.7 on factor two) and T1, T5, T6, and T7 (load higher than 0.5 on factor one).

Reliability of the truth scale was investigated by Cronbach's α , which resulted in a good level of $\alpha = 0.82$. Given the results of the EFA, the authors also conducted a split-half test to check for reliability and found that all items correlate significantly at $p <$

.01; the Spearman-Brown reliability coefficient resulted in 0.73. Hence, the scale for truth is composed of seven items, which are regrouped in two dimensions.

5.5.2.3 Sincerity

For the sincerity scale, the KMO test resulted in 0.85 and Bartlett's test was significant at $p < .001$ ($\chi^2 = 330.64$; $df = 21$). All seven items were significantly correlated at $p < .01$. EFA showed only one factor with an eigenvalue greater than 1 (3.35), explaining 47.8% of total variance. The scree-plot indicated a one-factor solution. All seven items loaded higher than 0.54 on factor one.

Cronbach's α for sincerity showed a satisfactory level of 0.8; the split-half method confirmed that all items correlate significantly at $p < .01$ and show a Spearman-Brown coefficient of 0.79.

Accordingly, the results indicate that sincerity is composed of seven items.

5.5.2.4 Appropriateness

The KMO for this five-item scale was 0.67, passing Bartlett's test of sphericity at a $p < .001$ significance level ($\chi^2 = 97.352$; $df = 10$). The items loaded on one factor with an eigenvalue greater than 1 (2.0), which explained 40.2% of total variance. All but two items correlated significantly at $p < .001$. A5 did not correlate with any other item, and A4 was not correlated with A1. Further reliability analyses will clarify how to treat these items for the scale.

Cronbach's α for these five items showed a low level of 0.60. If A5 were deleted, α would rise to 0.63. If A4 were also deleted, α would increase to an acceptable 0.64. Based on the correlations of the items, A5 does not correlate significantly with the others, and A1 does not correlate with A4. Thus, it is not surprising that the Spearman-Brown coefficient is low at 0.48.

Hence, the validity and reliability levels for this construct were acceptable. Compared to the other three constructs, the levels for validity and reliability were quite low. Nevertheless, perceived appropriateness is an important construct for the operationalization of perceived credibility. Therefore, the authors re-formulated the items and tested them again in the next validation study. More details on this step are provided in Stage 6 below.

5.5.3 Summary of Validation Study

Table 1 summarizes the results of the validation study, in particular the factor analysis and specific statistical values such as eigenvalue, total variance, and Cronbach's α .

Table IV-1: Selected Statistics on Exploratory Factor Analysis of Scale from Validation Study I.

	Construct	Factor Loading				
		<i>Understand-ability</i>	<i>Truth factor 1</i>	<i>Truth factor 2</i>	<i>Sincerity</i>	<i>Appropriate-ness</i>
Items	U1	0.70				
	U2	0.79				
	U3	0.86				
	U4	-0.61				
	U5	0.66				
	U6	0.83				
	T1		0.58	0.28		
	T2		0.07	0.74		
	T3		0.00	0.81		
	T4		-0.03	0.87		
	T5		0.71	0.07		
	T6		0.76	0.12		
	T7		0.93	-0.19		
	S1				0.75	
	S2				0.75	
	S3				0.74	
	S4				0.79	
	S5				0.67	
	S6				0.54	
	S7				0.57	
	A1					0.70
	A2					0.79
	A3					0.66
	A4					0.34
	A5					0.59
Statistics	Eigenvalue	3.32	3.47	1.08	3.35	2.01
	Total variance explained (%)	55.41	49.50	15.36	47.85	40.17
	Cronbach's α	0.62	0.82		0.80	0.60
	α if item deleted	0.84 (delete U4)	-		-	0.64 (delete A4, A5)

5.6 Stage 6: Designing Validation Study II

The scales for perceived truth, sincerity, and understandability showed good levels of content validity and reliability. The reliability test for perceived understandability indicated that item U4 (“The text uses too much specialist terminology”) could be deleted to increase reliability. Instead, the authors chose to re-

formulate it because the original version could have been subject to misunderstanding: Even if a text is written with too many technical terms, it can still be understood by the reader. This item was supposed to reflect the sub-dimension labeled “sender and recipient talk the same language.” Thus, the item was re-formulated and subsequently tested in validation study II (U4: “The text uses too much specialist terminology that I do not understand”).

The perceived sincerity construct showed overall high factor loadings and reliability, which is why all sincerity items are included again in validation study II.

Perceived truth showed a tendency toward bi-dimensionality, caused by item T7. Unidimensionality is a central characteristic of factor analysis, which is why this item was deleted from further validation.

Perceived appropriateness showed only acceptable levels of validity and reliability; the items explained only 40.2% of variance. To render this construct more valid, the theory was reviewed and all items of appropriateness were revised. Emerging from the literature review and the following item generation (stage one), the authors defined four sub-dimensions of this validity claim: culture, norms, context, and legitimacy. During the three stages of the delphi study, all items referring to culture were evaluated as being inadequate to measure appropriateness by the experts and thus dropped. The final scale items tested for this claim referred to the sub-dimensions norms (A1, A2), context (A3, A4), and legitimacy (A5). A1 (“The text reflects what I expect from a CSR report”) did not correlate significantly with A4, was rated as subjective, and received critical comments from two delphi participants claiming that “the item on expectation can elicit a cynical as well as hopeful response. I think it will make data interpretation difficult,” which is why this item was omitted from further analysis.

Second, A2 (“The text is ethically appropriate for a CSR report”) was re-formulated as readers might not be able to understand what “ethically appropriate” meant. In this case, it refers to the normative context, which may be described by the sector of the company. The industry of a company has a strong impact on the materiality of what companies report with regard to CSR and what stakeholders might perceive as being important (Idowu & Towler, 2004; Fifka, 2013). Thus, the authors decided to integrate the sector specificity into this item and re-formulated it: “The CSR report fits to the context of the _____ industry and its social and environmental challenges.” From now on, this item is referred to as A1.

Third, regarding the context of the communication act, the authors generated two items A3 (“The text is embedded in the context of CSR”) and A4, inverted item (“The text is not appropriate to the situation”). A3 might seem tautological – a CSR report is by definition embedded in the context of CSR. A re-formulated item reflecting the initially intended theme could be “I think that the topic presented in the text relates to CSR”

(now: A2). With this item, the focus shifts to the topic that is presented in the text of the CSR report and thus may be answered more easily by the readers. A4 opens up the question to which situation the item refers. In the re-formulated item, the situation is specified as the communication process between company and recipient when reading a report on CSR topics. A re-formulated item that better describes this situation would be: “As a reader of this CSR report, I feel that the text addresses CSR issues well” (now: A3). Finally, A5 was intended to reflect the legitimacy of the sender of communication: “The author speaks legitimately on behalf of the company.” However, often, it is not clear to the reader at first glance who the author of a CSR report is, although the report counts as an official public statement of a company. Therefore, the new item avoids the question of authorship and shifts focus to the text and its legitimacy, asking whether it represents the company in a rightful way: “I think the text rightfully represents the company” (now: A4).

All in all, 23 items were included in this round of scale validation (see appendix Table 2). The re-formulated appropriateness items and U4 again underwent a forward-back translation procedure, as described in validation study I, because validation study II was also conducted with a German-speaking sample.

5.7 Stage 7: Validation Study II

5.7.1 Data Collection and Sample

Data were collected with an online and in-class survey in January 2015 among business students from the same university, using the same study design as in validation study I. The samples of validation studies I and II were independent. The survey links (in a laptop as well as a smartphone version) were sent out via email to a population of 396 students right before class. The sample was randomly divided in half: One half received links to the survey with the credible CSR report, the other half to the survey with the non-credible report. In class, students had 20 minutes to answer the survey. The same lottery scheme was applied. All in all, 133 students answered the survey, and 124 responses were valid. This amounts to a response rate of 33.59%. Nine answers were deleted for failing the attention and comprehension checks.

The descriptive statistics of the samples are given in Table 2.

Table IV-2: Descriptive Statistics of the Samples from Validation Studies I and II. (The Statistics Include Missing Values.)

	Participants study I		Participants study II	
Age (M)	19.91		19.92	
Gender (%)	female (f)	male (m)	f	m
	34.91	63.91	29.84	68.55
Study Program (%)	89.94 BSc business studies		91.94 BSc business studies	
	7.69 MSc engineering		4.84 MSc engineering	
	1.18 MSc business studies		1.61 MSc business studies	
Work experience (%)	56.21 < 6 months		62.90 < 6 months	
N	169		124	

Instead of measuring the consumption behavior, the students were asked about their intention to purchase a product from the company on a seven-point scale (Yi, 1990). The weighted average of the three items resulted in a mediocre intention to purchase of $M = 4.5$ ($SD = 1.4$).

5.7.2 Confirmatory Factor Analysis and Scale Reliability

The goal of this second validation study was to confirm the four-factor structure found in the EFA. Therefore, a confirmatory factor analysis (CFA) was performed on the 23 items and four factors using maximum likelihood estimation in AMOS 22 (MacKenzie, Podsakoff, & Podsakoff, 2011; Brown, 2015). To arrive at the final model, three iterations of model fitting were conducted, with the items A2, U4, U1, and U5 deleted due to loadings < 0.5 and their standardized residual covariances (modification indexes; MIs). Almost all items of the final model showed significant ($p < .01$) loadings above 0.5 with their four latent factors (see Table 5). Only A3 loaded at 0.48 on appropriateness. However, given that this item is conceptually important as it represents the context sub-dimension, the authors refrained from excluding it at this point of scale development.

Three of the four factors showed significant covariance ($p < .001$). Understandability, however, shows a non-significant covariance with truth and barely significant ($p = .04$) relationships with sincerity and appropriateness (see Table 3). Also, one of its items, U2, loads slightly above 1, which could be problematic (see Table 4).

Table IV-3: Covariances of Latent Factors after Validation Study II.

	Pair	Estimate	Standard error	p-value
Understandability	↔ Truth	.09	.05	.09
Understandability	↔ Sincerity	.15	.07	.04
Appropriateness	↔ Understandability	.15	.07	.04
Truth	↔ Sincerity	.41	.09	.00
Appropriateness	↔ Truth	.39	.08	.00
Appropriateness	↔ Sincerity	.42	.09	.00

The final model contained 19 items and its chi-square test was significant ($p < .05$) with $\chi^2 = 174.98$. However, relying on this test alone as a measure of the goodness of fit is not recommended in the literature because it is sensitive to the size of the sample; moreover, fit indexes for CFA models are strongly debated since no one test is considered best (Brown, 2015). Thus, more than one index to assess model fit is reported. The authors obtained very good values for other goodness-of-fit indexes: CFI = 0.96, TLI = 0.94, CMIN/DF = 1.28, PCFI = 0.77, RMSEA = 0.05, SRMR = 0.06 (Brown, 2015). This scale shows very good reliability with Cronbach $\alpha = 0.90$.

In general, the CFA partially confirmed the results of the EFA of validation study I: The four-factor structure and the newly developed items for appropriateness and truth are confirmed (see Table 4). One item, A2, was dropped due to low loadings. Moreover, the results indicate that understandability is the weakest of the four factor structures. This might be due to the student sample: One can reasonably assume that students have higher reading skills than the general population. Hence, before evaluating a second-order model with these results, another step of validation with a non-student population was conducted to test whether understandability remained a weak construct in a more general population. Therefore, all items of the understandability factor were included again in validation study III.

Table IV-4: First-Order Model after Validation Study II – Selected Statistics.

Factor	Item	Loading	$p <$	M	SD
Understandability $\alpha = 0.78$	U2	1.01	.01	3.78	1.06
	U3	0.97	.01	3.93	1.01
	U6	0.50	- ¹⁾	3.93	1.13
Truth $\alpha = 0.81$	T1	0.51	.001	3.42	1.08
	T2	0.67	.001	3.30	.89
	T3	0.73	.001	3.43	.89
	T4	0.70	.001	3.21	.98
	T5	0.58	.001	2.58	1.10
	T6	0.66	- ¹⁾	3.25	1.05
Sincerity $\alpha = 0.82$	S1	0.61	.001	3.38	.85
	S2	0.66	.001	3.11	.90
	S3	0.64	.001	3.13	.95
	S4	0.59	.001	3.11	.96
	S5	0.59	.001	3.19	.96
	S6	0.66	.001	3.27	1.02
	S7	0.57	- ¹⁾	3.43	1.14
Appropriateness $\alpha = 0.65$	A1	0.52	.001	3.19	.97
	A3	0.48	.001	2.99	.95
	A4	0.69	- ¹⁾	3.10	.90

1) Item was constrained to 1.

5.8 Stage 8: Designing Validation Study III

The goals of validation study III were fourfold: (1) to validate the four-factor structure in a more general population, (2) to validate the scale with a broader sample of CSR reports, (3) to establish a second-order model showing how the four latent factors relate to PERCRED, and (4) to demonstrate convergent, discriminant, and nomological validity of the final scale.

The authors continued validating the scale with a German-speaking sample. The SoSci Panel, which contains a participant pool of more than 90,000 people, was chosen

(Leiner, 2014). To enter this panel, validation study III had to undergo a review process with two expert reviewers, which it passed with minor revisions mainly concerning formatting.

The CSR report sample was enlarged by two more reports to test the degree of validity for the scale, not only for German consumer goods reports and their employee sections, but also for other sections, formats, and cultures. Borrowing from the same database (Lock & Seele, 2015b), two more reports were chosen: one non-credible report in a combined report format from the real estate industry in Switzerland and another credible report from the oil and gas sector in Austria in the form of a stand-alone publication. The excerpts to be read by the survey participants were a section with general information on the report for the Swiss publication and a section on the environment for the Austrian report. That way, the scale could be validated in three different national contexts (Austria, Germany, Switzerland), with three different topics (employees, general information, environment), in two different reporting formats (stand-alone and combined reports), and with two different levels of credibility (credible and non-credible). The names of the companies were anonymized. The study was pre-tested with six people in addition to undergoing the panel's review process to ensure technical functionality. The scale's items were randomized to avoid response patterns.

In addition, validated scales were included in this study to describe the nomological net: trust (Kim, 2001), trustworthiness (McCroskey & Teven, 1999), corporate distrust (Adams, Highhouse, & Zickar, 2010), corporate credibility (Newell & Goldsmith, 2001), and intention to purchase (Yi, 1990). Hypotheses regarding the relationships of these constructs with the PERCRED scale are described in detail below (section: Nomological net). Furthermore, convergent and discriminant validity of the scale was tested.

5.9 Stage 9: Validation Study III

5.9.1 Data Collection and Sample

A sample size of 300 respondents was targeted with SoSci Panel; data were collected over three rounds in spring 2015. The final sample of $N = 225$ (after comprehension and attention checks) showed the characteristics listed in Table 5.

Table IV-5: Descriptive Statistics of the Sample from Validation Study III. (The Statistics Include Missing Values.)

Participants study III	
Age (M)	38.75
Gender (%)	female (f) 55.56 male (m) 40.89
Work experience (%)	16.89 < 6 months 81.33 > 6 months
Education level (what is your highest degree? in %)	53.33 university degree 36.44 university entrance diploma 8.44 certificate of secondary education
Employment (are you currently employed? in %)	62.22 yes 5.33 seek work 9.78 pensioners 2.22 housewives 20.00 no (incl. students)
N	225

86 % of the population in Germany has completed secondary education; in this study's sample, this figure is up to 97.8%. 73 % of Germans have a paid job; in this study's sample, only 62.2% were employed (OECD, 2015). Furthermore, the sample for this study is younger than the median age of 46.1 years and more females are represented than in the general population (ratio male/female = 1.06; CIA, 2015).

5.9.2 Second Order Analysis and Scale Reliability

To confirm the four-factor structure from previous studies and to determine whether these four factors reflect the higher order construct PERCRED, the authors conducted a second-order analysis in AMOS 22 using maximum likelihood estimation. All items of the previous study except A2 were tested, including all understandability items from validation study I, to analyze whether the factor shows different results with a non-student sample. All in all, 22 items were tested.

A second-order model with PERCRED as the higher order construct and perceived truth (six items), sincerity (seven items), appropriateness (three items), and understandability (six items) were tested. The authors constantly referred to the theory represented by the sub-dimensions of the four constructs to ensure content validity. The first model showed insufficient model fit statistics. The MI suggested deleting items S5 and U4 due to their standardized residual covariance. The second 20-item model still displayed weak model fit. The MI statistics reported bad values for the standardized residual covariances for S1, S6, and T1, which led to deletion of these items. The MI's

standardized residual covariances demonstrated that A3, A4, and S7 could be deleted as well. However, when looking at the theoretically deduced sub-dimensions, the authors observed that deleting these items would eliminate important sub-dimensions of sincerity and appropriateness. Appropriateness covers three sub-dimensions: norms, context, and legitimacy. By deleting A3 and A4, context and legitimacy would be lost, which is why these items were retained. Furthermore, sincerity is defined by trustworthiness and intentions. Deleting S07 would eliminate the important dimension of trustworthiness; hence, it was retained in the scale. Regarding the sub-dimension of intention, the authors observed that in the present scale it is represented by three items, S2, S3, and S4, which potentially leads to an overemphasis. Linguistically, the wording of S2 and S3 appears to be closer to the idea of intention, which is why S4 was deleted from the scale.

Thus, the final second-order model contained four factors that reflect PERCRED employing 16 items. Figure 2 shows the item and factor loadings. All item loadings are above 0.5 and significant ($p < .01$). Moreover, the four factors load significantly ($p < .001$) on the higher order construct PERCRED. Again, understandability has a low loading of 0.44, while truth loads at 0.99, sincerity at 0.97, and appropriateness at 0.79. Thus, understandability is more important to the construct of PERCRED than in study II. The overall model fit is very good with $\chi^2 = 158.91$, $p < .001$, CFI = 0.96, TLI = 0.94, CMIN/DF = 1.81, PCFI = 0.70, RMSEA = 0.06, and SRMR = 0.06 (Brown, 2015). Reliability for this PERCRED scale has a high Cronbach's α of 0.88; α would not be higher if any item were deleted from the scale. In conclusion, the authors find that this 16-item scale is a good representation of PERCRED.

The descriptive statistics of the PERCRED scale (all cases aggregated) are as follows: $M = 3.22$, $SD = 0.61$, $Min = 1.44$, and $Max = 4.88$. Hence, overall, participants perceived this study's CSR reports as credible at a mediocre level. When looking into the four different cases tested in this study, no significant differences in the mean credibility levels between the four report sections were found, as established by an analysis of variance (ANOVA) test ($t(3) = 1.64$, $p > .05$) and the Bonferroni post-hoc procedure.

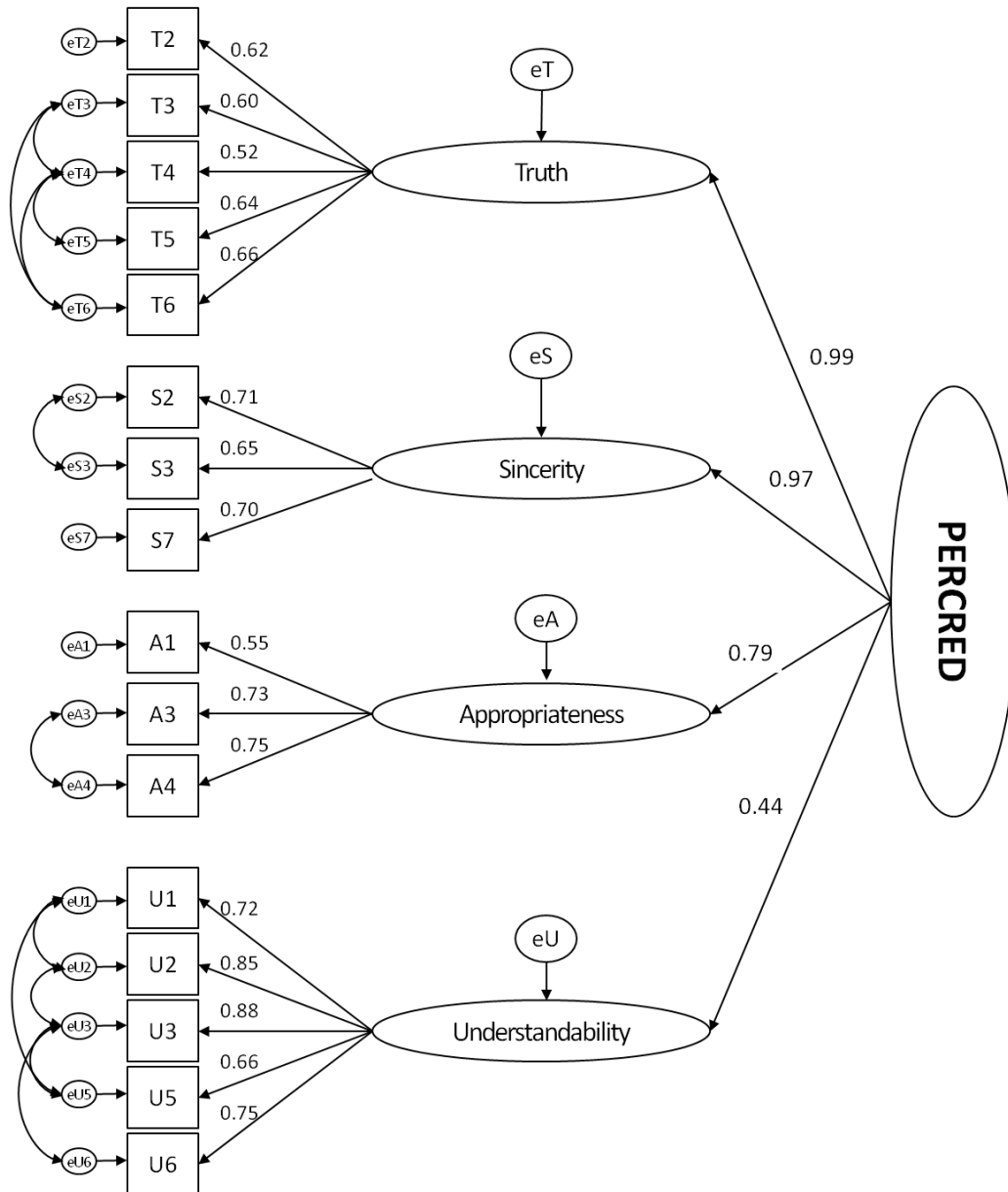


Figure IV-2: Final Second-Order Model of Perceived Credibility after Validation Study III. (Parameter Estimates are Standardized.)

Table IV-6: Final Scale Items in English.

	Sub-dimensions of validity claim		Items Final Model
Truth	accuracy	T2	I think that the statements in the text are accurate.
	truthfulness	T3	I think that the claims made in the text are correct.
	truthfulness	T4	I am confident that the statements are true.
	facts	T5	I think that the text uses the best evidence at hand.
	facts	T6	The arguments are justified by the facts in the text.
Sincerity	intentions	S2	The text reflects the genuine intentions of the company.
	intentions	S3	I think that the company's intentions correspond with the text.
	trustworthiness	S7	The text is not misleading.
Appropriateness	norms	A1	The CSR report fits to the context of the _____ industry and its social and environmental challenges.
	context	A3	As a reader of this CSR report, I feel that the text addresses CSR issues well.
	legitimacy	A4	I think the text rightfully represents the company.
Understandability	technical	U1	I understand the text.
	technical	U2	The text is clearly written.
	technical	U3	The text is written in an understandable way.
	meaning	U5	I understand the meaning of the text.
	completeness	U6	The text is easy to read.

5.9.3 Convergent Validity

Tests of the second-order model for convergent validity revealed that all four factors are significantly related ($p < .001$) to the higher order construct PERCRED and loadings are above 0.5 except for understandability (0.44). In addition, all items relate significantly ($p < .001$) at above .05 to their respective first-order factors. This verifies the hypothesized relationships between the constructs. Furthermore, scale reliability serves as an indicator of convergent validity (Hair et al., 2006). Cronbach's α of the PERCRED scale is high with a value of 0.88. Convergent validity is further established by the average variance extracted, which is demonstrated by the mean of the squared multiple correlations of the first-order factors (MacKenzie et al., 2011, p. A2). Values

larger than 0.5 are desirable. For the PERCRED scale, this value is 0.68. Thus, this scale demonstrates convergent validity.

5.9.4 Discriminant Validity

Discriminant validity is established if the model of the PERCRED scale is sufficiently distinct from other models. To test for discriminant validity, the authors constrained all factor and item loadings in the model to 1 and compared this model to the PERCRED model using a chi-square difference test (MacKenzie et al., 2011; Ballard & Seibold, 2004). The constrained model displayed the following model fit indicators: $\chi^2 = 226.73$, $p < .001$, CFI = 0.92, TLI = 0.91, CMIN/DF = 2.20, PCFI = 0.79, RMSEA = 0.07, and SRMR = 0.10. The chi-square difference between the models resulted in 67.28 ($df = 15$) and is significant at $p < .001$. Thus, the PERCED model is significantly distinct from the constrained model, which demonstrates the discriminant validity of the scale. To further establish discriminant validity, the PERCRED model was compared to a reduced model with three first-order factors only. Understandability was deleted as a factor given that it loaded slightly below the threshold of 0.5 to compare whether a second-order model with three first-order factors was superior in fit to the PERCRED model with four first-order factors. The reduced model resulted in $\chi^2 = 86.36$, $p < .001$, CFI = 0.94, TLI = 0.91, CMIN/DF = 2.47, PCFI = 0.60, RMSEA = 0.08, and SRMR = 0.053. The chi-square difference test resulted in $\chi^2 = 72.54$ ($df = 53$), which was significant at $p < .05$. Hence, the PERCRED scale with the four first-order factors of truth, sincerity, appropriateness, and understandability is superior to the reduced model without understandability. This provides further evidence for the discriminant validity of the PERCRED scale.

5.9.5 Nomological Net

A nomological net describes the relationship of one theoretical construct with others (Cronbach & Meehl, 1955). To analyze a nomological net, MacKenzie et al. (2011) suggested that researchers “test whether the focal construct is significantly related to other constructs hypothesized to be in its nomological network” (MacKenzie et al., 2011, p. A4). For the analysis of nomological validity, five related concepts were tested with their associated hypotheses.

5.9.5.1 Trust

Trustful relationships are a central part of communication between companies and their stakeholders when it comes to CSR. The notion of organization-public relationships incorporates this idea as a central component (Heath et al., 2013). Thus, trust is conceptualized as one construct of the organization-public relationship scale developed by Kim (2001) and consists of four items measured on a 7-point scale. Trust and PERCRED are assumed to demonstrate a positive relationship. PERCRED might

even partially overlap the trust construct; however, the PERCRED scale does not only measure trust, which is why the relationship between the measures is assumed to be rather weak.

H1. Perceived credibility of CSR reports is (weakly) positively correlated with a measure of trust.

5.9.5.2 Trustworthiness

The validity claim of sincerity is sometimes also translated as trustworthiness; it refers to the perceived honesty of communication (Habermas, 1984). The conceptual model in this study assumes that sincerity contributes to perceived credibility. Thus, it is reasonable to expect that trustworthiness is positively related to PERCRED, although this relationship is supposed to be rather weak because sincerity covers more sub-dimensions than trustworthiness. McCroskey and Teven (1999) conceptualized trustworthiness as part of the Aristotelian concept of goodwill. It is measured on a single-word six-item bipolar scale with a scale length of seven.

H2. Perceived credibility of CSR reports is weakly positively related to trustworthiness.

5.9.5.3 Distrust

Skepticism and distrust are high when it comes to CSR reporting (Illia et al., 2013). Credible CSR reports are supposed to overcome this distrust of the reports and the reporting company. Thus, distrust is assumed to have a negative relationship with the PERCRED scale. The concept of corporate distrust comprises the reliability of the statements made by a company and the expectations in its operations. This notion was measured by Adams et al. (2010) with 13 items on a five-point Likert-type scale.

H3. Perceived credibility of CSR reports displays a negative relationship with distrust.

5.9.5.4 Corporate Credibility

Newell and Goldsmith (2001) understood a company's credibility as the amount of trustworthiness and expertise that customers perceive with regard to the company. This was measured on an eight-item, seven-point Likert-type scale. This notion of credibility partially overlaps with PERCRED's sub-dimensions of perceived sincerity and, although to a lesser extent, perceived appropriateness. Thus, a positive relationship is assumed between both constructs. However, corporate credibility is still different given that it refers to a company, not a CSR report, and does not include truth and understandability. That is why both concepts are expected to relate positively, but not close to 1.

H4. Perceived credibility of CSR reports relates positively to corporate credibility.

5.9.5.5 Intention to Purchase

The concept of purchase intentions was included to explore whether the perceived credibility of CSR reports influences a person’s decision to buy the company’s product. Intention to purchase measures are largely used in marketing research. Yi (1990) developed a seven-point bipolar scale consisting of three items to measure this construct. The authors assumed that the perception of credible CSR reports also affects the willingness to purchase a company’s product because credibility decreases distrust, which negatively affects consumers’ purchase intentions (Adams et al., 2010).

H5. Perceived credibility of CSR reports is positively linked to a person’s intention to purchase a product of the company.

Table 5 summarizes the reliability statistics (Cronbach’s α), correlation coefficients (Pearson’s r), sample sizes (N), and significance levels (p -value) of the tested scales.

Table IV-7: Evidence of Nomological Validity.

Construct (no. items)	Source	α	r	N	$p <$
Trust (4)	Kim, 2001	0.82	0.55	224	.001
Distrust (13)	Adams et al., 2010	0.92	-0.29	225	.001
Trustworthiness (6)	McCroskey & Teven, 1999	0.90	0.59	212	.001
Corporate credibility (8)	Newell & Goldsmith, 2001	0.83	0.63	224	.001
Intention to purchase (3)	Yi, 1990	0.93	0.34	194	.001

All measures showed high levels of reliability.

The authors thus tested whether the PERCRED scale differed from the related and conceptually overlapping constructs of trust and trustworthiness. Trust (Kim, 2001) correlated significantly ($p < .01$) with the PRECRED scale, but showed a coefficient of only $r = 0.55$, which is why H1 is accepted. Trustworthiness (McCroskey & Teven, 1999) showed a significant ($p < .01$) relationship with this study’s focal construct, but also a low correlation coefficient of $r = 0.59$, providing support for H2. Furthermore, corporate distrust, a construct that is logically opposed to credibility, was measured. Thus, the researchers tested whether the corporate distrust scale (Adams et al., 2010) was negatively correlated to the PERCRED scale. Pearson’s correlations between both scales

displayed a weak negative correlation coefficient $r = -0.29$ ($p < .01$), indicating support for H3.

As assumed, trust, trustworthiness, corporate credibility, and intention to purchase showed significant but weak positive correlations with PERCRED, supporting all formulated hypotheses. Distrust is significantly negatively correlated with the developed scale. These findings confirm the nomological net described above.

6. Discussion and Conclusions

“It is high time to study credibility gaps systematically,” wrote Cornfield (1987, p. 468) in a book review in this journal. Even though this statement was made with regard to discrepancies in US presidents’ speeches and behaviors during the Vietnam War (Turner, 2007), it holds true for the communications of companies today. The “credibility gap” in CSR communication (Dando & Swift, 2003) has opened up between sender and recipients of CSR communication because companies communicate about their responsibilities to society in a non-credible fashion, which is also being perceived as such.

However, much ado about credibility in CSR communication has neither resulted in a consistent conceptualization of credibility nor led to a systematic examination of the topic.

In response to the call for a systematic study of credibility gaps and a novel, legitimacy-based notion of credibility, this study set out to develop a measurement scale that analyzes recipients’ perceptions of CSR reports in terms of their credibility. The recipients of CSR communication are diverse stakeholders, which is why the PERCRED scale was designed to apply to different audiences.

To provide a measurement of perceived credibility, this paper delivered a novel conceptualization of credibility consistent with the Habermasian ideal speech situation and its four validity claims, contributing to the potential of this theory for empirical inquiry (Forester, 1992). This multidimensional concept of credibility was then taken as a reference to operationalize perceived credibility for CSR communication that leads to moral legitimacy (Seele & Lock, 2014; Palazzo & Scherer, 2006).

The overall hypothesis of this study was that perceived credibility is represented by the perceived truth, sincerity, appropriateness, and understandability of CSR reports. This was confirmed by development of the 16-item PERCRED scale. In this model, perceived credibility is the higher order construct that is described by the first-order factors of perceived truth, sincerity, appropriateness, and understandability (see Figure 2). The scale shows high reliability and construct validity through tests of convergent, discriminant, and nomological validity. The development process to arrive at this measurement tool comprised nine stages, including a literature review, a delphi study,

and three validation studies with independent samples, student- as well as non-student-based.

Among the four factors describing the PERCRED scale, perceived understandability showed the lowest factor loadings. In validation study II, this construct showed non-significant covariances with truth and barely significant relationships with sincerity and appropriateness. This indicated that understandability is not the most important construct to consider in the conceptualization of perceived credibility. However, this initial conclusion had to be taken with a grain of salt because validation study II was conducted with a student sample. Given their higher education level, students may be more literate than the general population, which is why understandability was tested again in validation study III, where this assumption was confirmed. Although understandability in the second-order model still loads weakest on perceived credibility, this relationship is significant and only slightly below the threshold. Perceived truth, sincerity, and appropriateness are considered more important to the concept of perceived credibility than perceptions of understandability. However, the studies indicate that perceived understandability in the PERCRED scale depends on the sample's composition.

The PERCRED scale was evaluated not only in terms of its validity and reliability, but also with regard to related measures. Trust, trustworthiness, and corporate credibility were anticipated to show positive relationships with the PERCRED measure, which was confirmed by the nomological analyses. As argued in the beginning, CSR reports are heavily criticized and barely trusted by stakeholders (Illia et al., 2013). This assumption is supported by the negative correlation between the PERCRED and the distrust scale. In addition, the overall mean credibility levels of perceived credibility of CSR reports landed in the middle of the scale, indicating that CSR reports are indeed perceived as being only somewhat credible. Most crucially, mean perception levels were equally mediocre, regardless of whether the CSR report was evaluated in a primary study as being credible or non-credible. This finding confirms stakeholders' mistrust toward CSR communication (Elving, 2012) and therefore serves as evidence that the "credibility gap" (Dando & Swift, 2003) is still in place.

6.1 Implications for Theory and Practice

These results carry several implications for theory and practice.

Credibility and its operationalization based on Habermas: A novel conceptualization of perceived credibility that includes the three dimensions of sender, message, and recipient (Melican & Dixon, 2008) and the notion of legitimacy has been developed. In doing so, the authors contributed to the conceptual discourse around credibility and extended existing conceptualizations with an approach grounded in the

ideal speech situation (Habermas, 1984). This operationalization provides a measure for the perceptions of communicational artifacts such as CSR reports. At the same time, the critical theory of communicative action was operationalized for quantitative empirical research, which, to the authors' knowledge, is the only attempt resulting in a validated measure in communication research to date.

Confirming credibility and legitimacy in political CSR theory: This research adds to the growing body of CSR communication studies and theory. It provides a legitimacy-based notion of credible CSR communication in the political-normative framework (Schultz et al., 2013). Thus, it strengthens and expands this research stream that is coupled with political CSR theory (Scherer & Palazzo, 2011) and Habermasian communicative action and deliberative democracy reflections (1984, 1996). The study demonstrated theoretically and conceptually that CSR reports may serve as facilitators in the discourse between companies and stakeholders, if they are credible. The link between credibility and legitimacy is therefore further confirmed (Coombs, 1992; Arvidsson, 2011). This measurement tool allows researchers in CSR communication to analyze the perceptions of different audiences regarding a company's perceived credibility of CSR reporting and communication.

A new scale to measure perceived credibility: The PERCRED scale can not only be used in research, it is also well suited in applied contexts. Complex environments challenge companies' communication strategies and behavior, especially when it comes to norm-dependent and versatile topics such as CSR. With the developed tool, businesses are supplied with a measure for their stakeholders' perceptions. They may analyze their CSR communication efforts in terms of credibility, and thus legitimacy, and test whether, although they are designed to be credible, they are perceived as credible. This allows corporate players to better evaluate their communication tools and ultimately may have an impact on CSR communication strategy more generally. The "credibility gap" may thus be bridged eventually.

6.2 Future Research

The PERCRED scale applies in a variety of contexts and research situations.

Measuring the credibility perceptions of different groups of stakeholders on the same CSR reports can shed light on the question of the degree to which CSR communication is, and has to be, stakeholder-specific (Morsing et al., 2008).

Furthermore, laboratory experiments testing for causal relationships of perceived credibility offer an interesting avenue for future studies. This would also open up the possibility of testing not only sections of CSR reports, but also entire publications.

In this vein, further studies can investigate whether audiences of CSR reporting are overly self-confident of their own perceptions. Furthermore, whether and the degree

to which prior beliefs about companies in general and CSR in particular influence the credibility perceptions of the communication instruments can also be tested.

Another fruitful avenue would be to investigate the degree of change in credibility perceptions over time and whether manipulations in terms of corporate crises or scandals have a (negative) impact.

6.3 Limitations

This scale development process underlies limitations, of which one related to each stage of scale development is addressed hereafter.

The two authors of this article were engaged in the item writing for this process. One might argue that more brains are needed to arrive at an initial item pool that covers all relevant content adequately. That is why at the end of the item writing process, two scale development experts assessed the initial item pool and suggested improvements to ensure that the style of items is consistent and applicable to scale testing.

The second stage of item refinement was pursued with a delphi study. Experts from academia and practice were asked to participate in the study over three consecutive rounds. Not all contacted experts were willing to participate, which could represent a self-selection bias among the participants. However, since this study aimed for experts in the fields of CSR, CSR reporting, and Habermas, some of the approached experts declined to participate because they felt their expertise was not sufficient to contribute to the study's goals.

To validate the reduced item pool with EFA, the items had to be translated from English to German. From this stage onward, the scale was validated in German. To make sure no differences in meaning occurred, the forward-back translation method was applied, following Beaton and Guillemin's (2000) established procedure. After validation study I, another round of forward-back translation was conducted, which resulted in the validated PERCRED scale in German and English.

Validation studies I and II were incentivized with a lottery scheme to increase students' response rate. This might have led to click-through answering on the side of the students to skim the online shopping voucher. However, every study was controlled with attention and comprehensibility checks to make sure this did not happen.

Validation study III was not incentivized, which is why fewer click-through answers were encountered than in study II. It ran via the SoSciPanel, where participants voluntarily subscribe and participate. Thus, the study most likely attracted only participants interested in the topic of CSR and willing to read the CSR report sections provided. Generalization of the results is therefore limited; generalization, however, was

not the goal of this last study, as it was conducted to perform confirmatory factor analysis for scale development.

Conclusions

Conclusions

As Cornfield already noted in 1987: “It is high time to study credibility gaps systematically” (p. 468). Discussions around the (lacking) credibility of companies have already been present at that time, but issues of CSR had not yet been as much on the public’s agenda as today. Just as the present is a high time for the debate of CSR issues, it is also an era of public scrutiny and mistrust, catalyzed by real-time communication technologies and a 24/7 news cycle. The present work embarked on the endeavor to investigate the “credibility gap” in CSR communication from a corporate and a stakeholder perspective theoretically, methodologically, and empirically.

Theoretically, it mainly draws from normative political CSR, dialogic approaches to (CSR) communication, and the theory of communicative action. Thus, it combines the fields of business ethics, management studies, political theory, and communication sciences in theory and method. Methodically, this thesis provides insights from normative-conceptual reasoning, from methodological considerations aimed at combining ethical arguments with empirical research, and from two positivist quantitative studies. A summary of the four chapters of this thesis is provided hereafter.

1. Summary of the Chapters

Chapter I engaged in a theoretical discussion that localizes Habermasian communicative action theory within CSR communication. It proposed a typology of CSR communication tools clustering them into a two-by-two deliberative/instrumental and published/unpublished toolbox. The chapter pronounces the communicative core of CSR by underlining that Habermasian communicative action theory is basal to political CSR theory and to the acquisition of moral legitimacy. Hence, it is demonstrated that the idealistic notion of ideal speech and its validity claims may serve as a theoretical approach to bridge the “credibility gap” in CSR communication. These theoretical reflections result in a discussion of the tools applied by companies when they communicate about their CSR and a classification into deliberative and instrumental ones. Thus, the chapter stresses the importance of communication for CSR and shows how CSR communication tools may serve as facilitators for companies to maintain their license to operate in society.

Chapter II provided a methodological reflection that demonstrates the usefulness of quantitative content analysis as a method for business ethics research. Stressing the disciplinary proximity of communication sciences and business ethics, the chapter illustrates that especially in research on CSR and CSR communication, this method is suitably applied to generate novel insights. Drawing from examples in literature, it discusses the advantages of human- and software-based coding procedures and proposes a concurrent mixed methods design to benefit from both approaches. To account for the

need of human judgment and ethical reasoning in business ethics research, the chapter suggests that quantitative content analyses be followed by an ethical interpretation and sensemaking of the quantitative results.

Chapter III included an empirical study finding that European CSR reports tend to be credible and that credibility is achieved by focusing on the contents of the reports, while the impact of contextual, format, and firm-level factors is secondary, at best. To arrive at this result, a quantitative content analysis of 237 CSR reports from the 11 economically most powerful countries in Europe was conducted and data was analyzed using multiple regression models along with parametric tests. The chapter put forward a multidimensional operationalization of credibility along Habermasian communicative action theory and the validity claims of truth, sincerity, appropriateness, and understandability found in an ideal speech situation. The findings reveal that to be considered credible, CSR reports must first be understandable for their readers; in addition, reporting credibility involves truth, sincerity, and stakeholder specificity. Voluntary standardization impacts credibility positively, whereas regulation does not yet have the same positive effect. It is suggested that companies focus on the content of reports to achieve higher levels of credibility. Furthermore, policy makers are called upon to level the playing field in CSR reporting by way of regulation in order to reach this goal consistently across Europe.

The empirical *Chapter IV* developed a scale to measure the perceived credibility of CSR reports. It focused on the recipient's side of CSR communication and proposes that perceived truth, sincerity, appropriateness, and understandability constitute credibility perceptions of CSR reports. The scale development comprised nine stages including a literature review, a delphi study, and three validation studies applying exploratory and confirmatory factor analyses to arrive at the final 16-item PERCRED (perceived credibility) scale. Participants in the final study perceived CSR reports to be rather credible, regardless of whether the same reports had been found credible or non-credible in Chapter III. The PERCRED tool has the potential to be used by companies to evaluate the perceptions of their constituents and by researchers to deepen the understanding of why CSR reports are often perceived as self-laudatory public relations tools. Thus, this scale may eventually aid in reaching more credible CSR communication between companies and their stakeholders.

2. Discussion of the Findings

This thesis contributes to the emerging field of CSR reporting (Fifka, 2013). Although many studies tackle questions of disclosure quantity, likelihood, or adoption, this thesis is one of the few empirical endeavors that have focused on reporting quality (Hahn & Kühnen, 2013). This is surprising because quality in terms of credibility is central to reporting given that credible reports are facilitators of understanding between

companies and stakeholders and may ultimately help constituting moral legitimacy (Seele & Lock, 2014). Instead, the findings suggest that companies and academics focus on quantity rather than quality. Moreover, the influence of external factors such as format, firm-level (size, experience), and context-level (regulation, industry) indicators on CSR reporting, as often primarily investigated by researchers (Hahn & Kühnen, 2013; Fifka, 2013), have not been confirmed regarding the credibility of European reports. Instead, this thesis provides evidence that it is the content that matters for reporting credibility, external factors are secondary. If this content is structured along voluntary guidelines, such as those from the GRI, reporting credibility is even enhanced.

By conceptualizing credibility as a multilayered construct both as a perception measure as well as an indicator for reporting quality, the research in this thesis helps to fill the theory void in CSR reporting identified by Hahn and Kühnen (2013). The lack of conceptually rich theoretical approaches is partially due to the multidisciplinary nature of the field, which is obvious in the array of journal outlets available when publishing on this topic. On the other hand, this thesis is an example of how bringing together theories and methods from multiple disciplines can help in arriving at a sound theoretical framework for CSR reporting. The combination of political CSR, Habermasian communicative action, and dialogic CSR communication theories provided a fruitful avenue to conceptualize credibility in CSR reporting.

By being methodically rigorous in the application of quantitative content analysis and the studies of the scale development, this thesis demonstrates that research in the business ethics arena can be methodologically sound aside from surveys and case studies (Brigley, 1995). It suggests quantitative content analysis as a suitable method for business ethics research and adjusts it to the context of normative and ethical questions. Furthermore, this thesis engages in a conceptualization of critical philosophical theory for quantitative research by operationalizing the Habermasian ideal speech situation (1984) in two studies. Thus, idealistic theory may well be used to provide novel insights into practice (Fleming et al., 2013). Normative-ethical theories such as the ideal speech situation are capable of serving as a noble ideal that companies can strive for in their everyday CSR communication to maintain moral legitimacy.

This thesis was written to address, amongst others, the criticism that is formulated by academics and stakeholders regarding CSR reports. They are often depicted as marketing brochures that purport an overly positive picture of the company without addressing its actual social and environmental responsibilities. In this vein, Milne and Gray (2013, p. 17) criticize: “The one thing you cannot learn from a sustainability report is the contribution to/detraction from sustainability that the organization has made.” The picture of the CSR communication paradox well describes the quandary companies are confronted with: even though firms have communicated ever more information regarding their CSR in the last twenty years, this communication

has not led to more goodwill on the side of stakeholders, but to heightened mistrust and skepticism (Waddock & Goggins, 2011). This thesis provides evidence of where this distrust and criticism has its seeds: CSR reports in Europe have been found to be only somewhat credible, leaving much room for improvement for companies in terms of reporting standards and assurance (truth), stakeholder engagement and materiality (sincerity), and stakeholder-specific communication (appropriateness). Low reporting credibility also results in challenged perceptions of the credibility of CSR reports, as described by the “credibility gap” (Dando & Swift, 2003).

The results obtained in Chapter IV demonstrate that the “credibility gap” equally exists from the recipients’ perspective as perception levels of reporting credibility are mediocre. Most critically: no matter whether the quantitative content analysis found a CSR report to be credible or not, it was still perceived as being only somewhat credible by study participants. Hence, even where the content of a CSR report was true, sincere, appropriate, and understandable, audiences still perceived it as barely credible. The same held true for the opposite: a non-credible report was perceived as equally credible as a credible one. Theoretically, this finding confirms the “credibility gap;” but it also shows that the gap in communication originates rather from the perceptions of the audiences than from companies’ reporting. Thus, which side is to blame for this situation? Companies can do better than reporting semi-credibly, but stakeholders could also attenuate their overall mistrust towards business. Stakeholders have become over-skeptical and suspicious after a multitude of corporate scandals that have affected them directly or indirectly. Corporations have gambled the goodwill potential of the idea of CSR and now struggle with the effects in their CSR communication. This situation is disadvantageous for both sides: stakeholders cannot fulfill their information needs with regard to CSR and companies jeopardize their license to operate in society. These findings have important implications for theory and practice, which will be addressed in turn.

3. Theoretical Implications

In light of these findings, several contributions to theory emerge. First, implications for the concept of credibility in the communication sciences are detailed. Then, three contributions to the approach of political CSR (Crane et al., 2008; Scherer & Palazzo, 2011), which was taken as a reference point for this thesis, are proposed centering on the issues of voluntariness, the role of the state, and consistency in legitimacy strategies.

3.1 A New Concept and Operationalization of Credibility

This dissertation advances the understanding of credibility in the communication sciences. The existing conceptualizations of credibility do not capture the three dimensions message, sender, and receiver (Melican & Dixon, 2008) adequately. Furthermore, a legitimacy-based notion is missing for the context of CSR communication. With the conceptualization of the validity claims of ideal speech as sub-dimensions of credibility, these flaws can be overcome. Truth refers to the message content's objective truth, sincerity targets the consistency between actions and communications in terms of intentions and honesty, appropriateness takes into consideration the context of communication, and understandability refers to the recipient's ability to understand the contents of the message. Through this "moralized" communication (Castellò et al., 2013), legitimacy may ultimately be achieved.

Moreover, the concept of credibility is operationalized on the one hand as a perception construct, on the other hand as an observable quality of communicational artifacts. This perspective is possible, because credibility is not conceptualized from the beginning as a measure of perception only, but along the ideal speech situation, where all participants underlie the same normative demands. According to the theory of communicative action, both, sender and recipient, need to adhere to the validity claims of ideal speech to reach consensus and mutual understanding (Habermas, 1984). Communicating truly, sincerely, appropriately, and understandably is required by all parties in a discourse. If the sender in the communication act does not communicate directly, but indirectly via a communicational artifact such as a CSR report, then this object underlies the normative claims of validity and has to be true, sincere, appropriate, and understandable. In this case, credibility is not a perception, but a communication quality. This is underlined by the etymological roots of the word. Credibility, by definition, is the "the quality or state of being credible; capacity to be believed or believed in" (Oxford English Dictionary, 2015). Thus, by the very sense of the word, it is not necessarily a perception only. When looking at the German translation of the word credible, i.e. 'glaubwürdig', this becomes further evident. Translated, the suffix '-würdig' means 'worthy'. Etymologically, 'würdig' means that something or someone qualifies for a task (DWDS, 2015). Hence, the conceptualization of credibility as a communication quality or characteristic draws from this meaning of quality or qualification. To capture the sender's as well as the recipient's side, thus, a novel interpretation of credibility was delivered, viewing it as a concept of perception and a communication quality.

3.2 Voluntariness

In the normative-political approach of CSR, corporations take on a "new political role" in the globalized economy voluntarily, engaging in self-regulation or multi-

stakeholder initiatives to receive moral legitimacy through discourse with multiple stakeholders to help solve global public issues.

Soft laws play a crucial role in the realm of CSR reporting. The GRI reporting guidelines have become *the* standard in reporting in Europe, even though they have been criticized for being work-in-progress (Milne & Gray, 2013) and for leaving too much leeway for companies not to report comprehensively (Knebel & Seele, 2015). Nevertheless, applying the guidelines resulted in higher levels of reporting credibility, which confirms the assumption that voluntary initiatives such as the GRI help companies fulfill their responsibilities. On the other hand, CSR reports are credible only at a mediocre level and are also perceived as such by the recipients. Hence, voluntary application of soft law alone will not suffice to render reporting on CSR more credible and bridge the “credibility gap”. It has been criticized that voluntary corporate actions regarding CSR did not have the desired positive impact on society: “unless soft laws and norms become enforceable on a particular entity their effectiveness will be limited” (Banerjee, 2010, p. 269).

3.3 The Role of the Nation State

Instead, regulation is needed to provide an external assessment of CSR reporting. In Europe, hard law regulations will take effect by 2016 (EC, 2014), forcing large corporations to disclose their CSR regularly. Thus, at least in Europe, nation states are not retrieving, as purported by political CSR (Scherer & Palazzo, 2011), but become again or remain the most important actors in governance that set the rules of the game. Thus, in line with Whelan (2012), political CSR should acknowledge that states are still the “central” actors on the global playing field, as suggested by Habermas (2009).

3.4 Consistency and Legitimacy

Two conflicting perspectives have been brought forward with regard to consistency in CSR.

It was argued that the consistency of thinking, talking, and doing is crucial when it comes to CSR (Basu & Palazzo, 2008). If the company’s CSR communication diverges from the actual CSR issues of the company, a lack of credibility is perceived (Palazzo & Richter, 2005). CSR conduct, with its various activities and goals, should therefore be inherently consistent and treated as a “whole package” (Basu & Palazzo, 2008: 129). Furthermore, consistency is not only important *within* CSR, it is also vital for legitimacy *between* different firm strategies (ibid.). Hence, corporations do not profit from “playing at two [or more] chessboards” (den Hond et al., 2013) over the long run, since this challenges their legitimacy overall. On the contrary, Scherer et al. (2013b) argued that paradox strategies of cognitive, pragmatic, and moral legitimacy can be more successful in preserving legitimacy than monolithic strategies focused on consistency.

Thus, combining strategic manipulation, isomorphic adaptation, and deliberation would be a fruitful way to maintain legitimacy (ibid.).

This thesis provides an addendum to the perspective on legitimacy and consistency. Rather than mixing up different legitimacy types that potentially lead to more confusion and mistrust on the side of stakeholders, a focus on one ideal to strive for is another option. From a normative perspective, striving for true, sincere, appropriate, and understandable communication, even though idealized and not fully attainable in practice, would be a fruitful avenue for companies to re- and maintain their “license to operate” in society. The theory of communicative action acknowledges that ideal speech and consensus are desirable, but not necessarily attainable in practice (Habermas, 1984; Chang & Jacobson, 2010). However, rather than purporting dissent as the solution to the polyphony of voices (Schultz et al., 2013; Castellò et al., 2013), striving for consensus as a noble ideal is proposed. In line with Habermas (1984), the *orientation* toward reaching a consensus is stressed, not the achievement of consensus per se (Chang & Jacobson, 2010). Hence, consensus and mutual understanding are desiderata in communication processes and may supply a normative orientation for the CSR communication strategy.

4. Managerial Implications

This thesis also provides implications for CSR communication and reporting practice. The most crucial implication for companies when reporting on CSR can be summarized by the advice: “[a]void groundless hype that will only create unduly high expectations” (Sohn & Lariscy, 2015, p. 253).

In the past, business has jeopardized stakeholders’ trust by a myriad of corporate scandals and non-credible communication, resulting in a “credibility gap”. Chevron’s claim that “shale gas needs to be good for everyone” in light of the simultaneous oil spill serves as a vivid example for such practices. This is obvious since audiences perceive CSR communications as being only somewhat credible, no matter whether they fulfill the requirements for credibility. However, this situation cannot be overcome by over-emphasizing the positive aspects of business with marketing-language, but by avoiding jargon and by being clear, concise, and objective in communication. Furthermore, engaging stakeholders and taking the “response-“ in responsibility seriously by responding concretely to their demands may help in re-building credibility and in consequence legitimacy.

For the design of CSR reports, the findings imply that to be credible, reports must first be understandable. The content can then be checked for being objectively true, material, and stakeholder-specific. In general, a focus on contents rather than on format or contextual factors enhances credibility, along with standardized guidelines. Hiding

behind industry affiliations or national-cultural contexts does not serve as an explanation for low credibility of reporting.

To help (re-)gain stakeholders' trust, companies are provided with a tool to measure the perceived credibility of their communication tools. The PERCRED scale, along with the toolbox of CSR communication, can help firms evaluate better their communication tools and ultimately may have an impact on the CSR communication strategy more generally. The CSR communication paradox could thus eventually be mitigated and the "credibility gap" be bridged.

5. Implications for Public Policy

In general, the lack of trust in corporate activities evidenced by the "credibility gap" should also evoke concern in public policy Europe. The EU directive on non-financial disclosure (2014) is a first step toward holding companies more accountable for their social and environmental responsibilities.

However, hard law regulation of CSR reporting in single countries has so far not had the effect of raising the credibility of reports. This could be due to the short time legislation has been in force. On the other hand, it could also be a sign that regulation is not designed in a way that externally controls the reporting of companies strictly and is thus not taken seriously enough in the corporate world.

On the other hand, regulation could also limit the possibilities of CSR application. Strict adherence to law might result in a box-ticking exercise with companies ensuring that they fulfill the minimum legal requirements only without engaging in any further CSR activities voluntarily. This effect of "perverted supererogation" (Manzeschke & Brink, 2010) is not desirable, as it could hamper creativity and innovation in CSR, which in the past has led to positive outcomes. Thus, designing CSR reporting regulation well at a national level as a result from the EU directive will be a challenging task for governments that take the ethical responsibilities of companies seriously. Attention to external control mechanisms, clear guidelines, and prompts to engage above the minimum legal requirements are some important cornerstones of such laws.

If, however, CSR regulation will not have the desired effect of rendering companies more accountable to their impacts, other public policy measures could be applied. A glance at India offers an interesting example. Since the entry into force of the Companies Act in 2013, large corporations have to spend 2 % of the 3-years average net profits on CSR (Ministry of Corporate Affairs, 2013). Although such strict policy measures are not necessarily desirable, they could be an option for governments if the corporate sector does not eventually fulfill its responsibilities to society to the satisfaction of the stakeholders, to which governments belong as well.

6. Limitations

Specific limitations with regard to each single chapter are detailed at the end of each chapter. In general, two main theoretical limitations moderate the findings of this dissertation.

First, the approach of political CSR used in this dissertation is normative in nature and lacks evidence of a positive impact on society. Indeed, Banerjee (2010) argued that evidence is lacking that voluntary political CSR initiatives such as the UN Global Compact have actually led to more positive CSR outcomes. This is due to the voluntary nature of many multi-stakeholder initiatives that are weakly, if at all, enforceable. This limits their effectiveness overall. Fleming et al. (2013) take the same line, but criticize CSR more generally, when stating: “After years of ‘talk’ about the way capitalist economic rationality and ethical social outcomes might be wed within the modern firm [...], it is almost as if none of it really mattered when it comes to the day-to-day behaviour of many large business enterprises“ (p. 338). Hence, the proof that CSR impacts society positively is yet to be provided.

Second, credibility may not be the only determinant of communication effectiveness. For companies, the cultural context in which the communication takes place plays a crucial role, too. Apart from language-specific hurdles, high-context cultures might respond adversely to direct messages, while low-context cultures might be more prone to accept them (Gudykunst et al., 1996). Being sincere as a communicator might thus be more important than a true message in high-context environments, while the opposite could be the case for low-context cultures. This is complicated by the difficulty to distinguish these kinds of cultures, especially in the heterogeneous societies in which companies operate and the globalized workforce they employ. In addition, the sector of a company and its competitors can impact communication effectiveness. So-called ‘sin industries’, e.g. alcohol, tobacco, defense, extracting, and increasingly also food and beverage companies, have such a low reputation amongst NGOs, the media, and regulators that effective communication is hardly possible when confronted with a cynical audience (Illia et al., 2013). Hence, companies should be “careful” in communicating CSR (Elving, 2012), because other factors apart from credibility can affect communication effectiveness strongly and have to be taken into account by researchers and practitioners alike.

7. Research Outlook

This thesis opens up viable avenues for future research. Future studies that emerge from each single chapter are discussed in detail in the final parts of Chapters I-IV. More general lines of future inquiry will be briefly addressed in this chapter.

Overall, this dissertation provides indication that the “credibility gap” in CSR reporting exists. Future studies could now start investigating how deep this gap actually is. For this reason, a study applying the PERCRED scale to different groups of stakeholders could provide empirical evidence on the recipients’ side. These could be matched with the findings from the empirical analysis of reports. Further investigations into the credibility of reports outside Europe from the sender’s perspective would shed light on the question in how far the “credibility gap” is a cross-cultural phenomenon.

Moreover, empirical research analyzing the causes of the “credibility gap” from the side of recipients is lacking. Experimental studies modeling credible communication and moderating reputation and trust could elucidate the reasons for missing credibility perceptions by stakeholders.

Theoretically, the findings of this dissertation could be brought into the broader context of CSR’s impact on society and the role of credible communication to achieve more positive outcomes for sustainable development. Thereby, the criticism that political CSR lacks proof of impact could be addressed conceptually, followed by empirical inquiry.

Furthermore, the implications of the “credibility gap” on theory advancement in CSR could be discussed. Is political CSR suitable to explain and model corporate behavior and communication when it comes to gaps in credibility; does it have to be advanced conceptually to meet reality; or is even a new theory needed to arrive at this end?

Digitalization is an important societal trend that will open up avenues for future research on CSR reporting. Not only is website-based reporting another pathway for studying reporting credibility, but particularly the introduction of the unified digital data repository XBRL. This software allows regulators to receive CSR data in real-time, carries the possibility of instant transparency and an accurate and credible picture of a company’s CSR actions. Case studies analyzing the introduction of this software in companies could provide a view on the process and its effects when changing from once-in-a-year reporting to real-time CSR reporting. Experimental studies could also aid to analyze the causal effect of instant transparency on reporting credibility.

In the end, more ethical reflections of the tools of corporate communication and company strategies are needed to provide a critical perspective on mainstream instrumental approaches that stress the ‘business case’ of business-stakeholder relationships over and over. If CSR and communication are to share a common foundation not only in theory but also in practice, the ‘business case’ rhetoric has to be overcome. Ethical considerations not only help to bridge credibility gaps, but may

Conclusions

eventually contribute to a change of perspectives by not regarding business and society as two distinct spheres, but by a shift to viewing business in society. This way, the pressing problems of our time could eventually be tackled by all of society's members together.

Final Remark: Learning Experience

Looking back at almost four years of PhD research, I realize how rich this experience was to me on a professional and a personal level. I have acquired a broad set of knowledge, skills, and competencies that will guide my professional and personal life in the years to come.

My background in the humanities and the social sciences has certainly helped in navigating the different topics and publications in business ethics and the communication sciences. Scholars from different disciplines conduct research on CSR, which renders this audience adaptation process challenging. I have quickly been (and am still) confronted with differing paradigms, so I had to learn how to “speak the language” of the respective audiences.

On the other hand, it was also highly interesting to study such a diverse field, especially when I had to evaluate others’ output as a journal reviewer. Reviewing taught me respect for other peoples’ work and an appreciation to be part of the academic community. Moreover, putting myself in the shoes of the reviewer also gave me the opportunity to see behind the curtains and understand better how and why reviewers react the way they do. My supervisor’s illustration of the reviewer sitting in his study Saturday night and drinking a bottle of red wine while reading our paper (probably because he did not find the time during the week) was certainly helpful in coping with the one or the other reviewer’s comment during these years.

On a personal side, the blind reviewing processes also helped me develop a professional attitude. Taking reviews personally is a reaction every PhD student (and maybe also professor) may not entirely abandon, but here, pragmatism comes with experience. For sure, my level of frustration tolerance has raised several bars in these years.

Although putting me on the spot has never been an issue, standing the test of being confronted with an academic audience was tough. However, I was plunged in it at the deep end right at the beginning of my studies. After two weeks of working as a PhD, I was sent to an academic conference to present a paper based on my master thesis. This was a smart move, as from that point onwards I knew I could cope with such presentations, and actually loved it. Taking part in academic conferences made me travel to around ten countries; exchanges with colleagues from all over the world rendered this PhD a uniquely international experience that I do not want to miss.

PhD studies are often described as lonely years in front of a computer racking your brain about a topic that specific that no one else knows what you are dealing with. I have certainly spent most of my time doing exactly this. However, or maybe because of

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that, I enjoyed most the times when I could exchange with colleagues or sit together and receive (and sometimes give) advice on a specific issue. My curiosity to learn about new methods brought me to summer schools and doctoral courses and resulted in the fact that this dissertation applies multiple methods and far more statistics than I ever wanted to learn.

Finally, I discovered my proclivity for teaching and collaborating with students. In the content analysis study, I had the chance to experience how to lead a team of research assistants to arrive at the same end. I also had the great opportunity to co-teach a course for several years, which advanced my teaching experience and appreciation for this task. During the last year, I had a bachelor and a master thesis under my supervision, which taught me to lead and motivate students in their final projects; just as my supervisor led and motivated me during these years.

Appendix

Appendix

A. List of Publications

Peer-Reviewed Journal Articles

- Georg von Schnurbein, Seele P., & Lock I. (accepted). Exclusive Corporate Philanthropy: Rethinking the nexus of CSR and Corporate Philanthropy. *Social Responsibility Journal*, 1-17.
- Lock I., & Seele P. (2015). Quantitative Content Analysis as a Method for Business Ethics Research. *Business Ethics: European Review*, 24(S1), S24-S40.
- Lock I., & Seele P. (2015). Analyzing sector-specific CSR reporting: Social and environmental disclosure to investors in the chemicals and banking & insurance industry. *Corporate Social Responsibility and Environmental Management*, 22(2), 113-128.
- Seele P., & Lock I. (2014). Instrumental and/or Deliberative? A Typology of CSR Communication Tools. *Journal of Business Ethics*, 1-21, online first.

Other Journal Articles

- Lock I., & Seele P. (2014). Stichwort: Glaubwürdigkeit. *Forum Wirtschaftsethik*, 3, 17-19.

Book Review

- Lock I. (2014). *Franziska Weder: Die CSR-Debatte in den Printmedien*. Rezensionen:kommunikation:medien, August 14, 2014, <http://www.rkm-journal.de/archives/16805>; 727 views until July 31, 2015.

Conference Proceedings

- Seele P., & Lock I. (2013). *Conceptualizing CSR communication within political CSR*. Anne-Ellerup Nielsen, Christa Thomsen, Urša Golob, Wim Elving, Friederike Schultz, Klement Podnar (Eds.). The second international CSR communication conference. Proceedings. CSR Communication Conference 2013. Aarhus University. 18th-20th September 2013
- Lock I., & Seele, Peter (2011). *Analyzing industry-specific CSR reporting to investors*. Wim Elving; Ursa Golob; Friederike Schultz; Anne Ellerup Nielsen; Christa Thomsen; Klement Podnar (Eds.). Proceedings, CSR Communication Conference, Amsterdam, October 26-28.

Conference Presentations

- Lock I., & Seele P. (2015). Buying Fool's Gold? A Scale Development to Test Readers' Perception of CSR Reports. *Academy of Management Meeting, Social Issues in Management Division*. Vancouver, Canada. August 7-11.
- Lock I., & Seele P. (2015). Voluntary and/or mandatory standardization of CSR reports? Critical comments from a quantitative content analysis of CSR reports. *31st EGOS Colloquium, Sub-theme 24: Critical Perspectives on Corporate Social Responsibility and Stakeholder Relations*. Athens. July 2-4.
- Lock, I., & Seele, P. (2015). Astroturf lobbying damages stakeholders' trust! Or maybe not? Findings from a perception measurement study. *International PR 2015 Conference*. Barcelona. July 1-2.
- Seele P., Gibbert M., & Lock I. (2014). Case Studies in Business Ethics Research: Reviewing methodological accuracy. *European Business Ethics Network EBEN Annual Conference*. Berlin. June 12-14.
- Lock I., Seele P., & R. L. Heath (2014). Grass with no roots: How Astroturf lobbying undermines OPR's intention to promote good in society. *EUPRERA 2014 International Congress*. Brussels. September 11-13.
- Seele P., & Lock I. (2014). Measuring the perceived credibility of CSR reports with scales using Habermas' "communicative action". *Society for Business Ethics Annual Meeting 2014*. Philadelphia, USA. August 1-3.
- Seele P., & Lock I. (2013). Conceptualizing CSR communication within political CSR. *2nd International CSR Communication Conference*. Aarhus. September 18-20.
- Lock I., & Seele P. (2013). CSR departments in the most sustainable companies: Communications, isn't it? *International PR 2013 Conference: Representing PR: Images, Identities, and Innovations*. Barcelona. July 2-3.
- Lock I., & Seele P. (2013). Departmental organization of CSR and the role of corporate communications. *ICA pre-conference 2013 - CSR and Communication: Extending the Agenda*. London. June 17.
- Seele P., & Lock I. (2013). Towards Deliberative Lobbying: Managing Nonmarket Activities from a Political CSR Perspective. *2013 Annual Meeting of the Society for Business Ethics*. Orlando, FL. August 8-11.
- Lock I., & Seele P. (2012). Exploring the 'credibility gap' in CSR communication. *Doctoral Workshop preceding the 5th International CSR Conference at the Humboldt-Universität zu Berlin*. Berlin. October 3.

- Lock I., & Seele P. (2012). Industry-specific risks in CSR reporting to investors. *EBEN Research Conference: Business School Newcastle; Special track on: Sustainable Finance & Investment*. Newcastle. June 7-9.
- Lock I., & Seele P. (2012). Quantitative content analysis in business ethics research. *EBEN Research Conference: Business School Newcastle. Special stream on Research methods in business ethics research*. Newcastle. June 7-9.
- Lock I., & Seele, P. (2011). Analyzing industry-specific CSR reporting to investors. *1st CSR Communication Conference*. Amsterdam. October 26-28.

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