Communicating Corporate Social Responsibility to Internal Stakeholders: Walking the Walk or Just Talking the Talk?

Article in Business Strategy and the Environment · May 2015
DOI: 10.1002/bse.1889

3 authors:

Margaret Brunton
Massey University, Auckland
40 publications 270 citations

Gabriel Eweje
Massey University
35 publications 396 citations

Nazim Taskin
Massey University
24 publications 52 citations

Some of the authors of this publication are also working on these related projects:

- Stuck in a rut, Can I try something different? The role of intrinsic motivation and mood in the creative performance of ICT workers. View project
- Disruptive technology in the agri-food sector. View project

All content following this page was uploaded by Margaret Brunton on 17 April 2016.
The user has requested enhancement of the downloaded file.
Communicating Corporate Social Responsibility to Internal Stakeholders:
Walking the Walk or Just Talking the Talk?

Margaret Brunton, Gabriel Eweje and Nazim Taskin
ABSTRACT

As organizations recognize the need to engage in CSR and sustainability initiatives, it is integral to success to communicate that they are doing so. However, the research focus is more often on communicating with external stakeholders to draw attention to corporate responsibility initiatives. Internal stakeholders as employees are not researched as often, despite their integral role in communicating the organization’s CSR vision and sustainability as they interact with external stakeholders. In order to explore employee perceptions of CSR communication, a two-phase mixed-method study was undertaken, including semi-structured interviews with 20 CSR managers in NZ organizations to provide content to inform an online questionnaire survey to seek feedback from employees in these same organizations. This paper contributes to research on internal stakeholders in revealing the influence of the perceived value congruence between managers and employees in influencing internal stakeholder perceptions of CSR and sustainability initiatives. The findings have implications for public policy, enhancing organizational communication, the need for authenticity and managerial recognition of their role in facilitating employee commitment to CSR initiatives.

Keywords: CSR; corporate communication; organizational culture; employee identity; internal stakeholders; New Zealand
Introduction

In the 21st century, sustainability and CSR have become strategic imperatives for organizations as a fundamental market force for financial viability and success (Eweje, 2011; Preston, 2001), where consumers are important stakeholders (Dobers and Wolff, 2000; Haddock-Fraser and Tourelle, 2010). This places an emphasis on how CSR information should be communicated to ensure that an organization is not only legitimate in its activities, but also perceived to be so (Arvidsson, 2010; Brunton, 2011). Businesses need not only to develop CSR initiatives to become better corporate citizens, but also to communicate their activity to both internal and external stakeholders, which may involve a number of groups (Bremmers et al., 2007; Crane, 1995; Delmas and Toffel, 2004; Gonzalez-Benito and Gonzalez-Benito, 2008).

The aim of this paper is to draw attention to the organizations ’behind’ the pursuit of socially and environmentally accepted corporate behaviour. The purpose of this article is to explore the perceptions of internal stakeholders of New Zealand (NZ) companies to explore the way in which the CSR and sustainability culture and identity is communicated internally. In so doing, this paper contributes to the paucity of research on internal stakeholders in revealing the influence of the perceived value congruence between managers and employees in internal stakeholder perceptions of CSR and sustainability initiatives.

Therefore, employee behaviours matter, as organizations that are well regarded in the community attract greater external loyalty, have more stable revenues and face fewer crisis risks (Becker-Olsen and Hill, 2005; Greening and Turban, 2000; Swaen and Vanhamme, 2004), although it must be recognized that some dissent does exist in the literature (e.g. First and Khetriwal, 2010; Sandhu et al., 2010). As external stakeholders are exposed to an organization through interaction with employees, any inconsistencies between what is communicated internally and externally will reduce an organization’s credibility among these same
stakeholders (Stuart, 1999). Furthermore, a positive relationship with staff in an organization through CSR policies will not only attract better employees (Brekke and Nyborg, 2008; Greening and Turban, 2000), it will also influence the morale, motivation and loyalty of existing staff (Maignan et al., 1999). Thus the internal and external are inextricably linked, a factor frequently overlooked when considering the overall influence of organizational CSR programmes.

The effective delivery of CSR initiatives also depends on how responsive employees are (Collier and Esteban, 2007; Michailides and Lipsett, 2013). If companies want to achieve legitimacy by operating within a society’s ethical expectations, they must also communicate internally to ensure that CSR activities are integrated into the organizational culture (Cramer, 2005), seen as not simply ‘talking the talk’, but rather ‘walking the walk’. Thus, the internal CSR communication strategy will need to explain and reinforce a company’s mission and morality, one of the fundamental drivers of employee engagement (Dowling, 2006; Vogel, 2005), for example, their readiness to participate in CSR initiatives such as payroll giving (Haski-Leventhal, 2013).

Although CSR initiatives may rely on the willingness of managers to implement policies (Cassells and Lewis, 2011; Hsu and Cheng, 2012), as internal stakeholders employees are expected to translate the CSR vision into their daily actions, which provide substance to the organizational image and reputation. The support of employees as internal stakeholders is integral to the identity and culture of an organization if it is to perform well (Hatch and Schultz, 2004). This is especially the case when organizations may face tensions between opportunities and responsible decision making in an environment where they are called upon to recognize the importance of their social mandate or ‘licence to operate’ in the eyes of internal stakeholders (Dutton and Dukerich, 1991).

Communicating CSR and Sustainability in Business
Despite the large volume of research about CSR perceptions of various external stakeholders, the organizational communication arena is one that has received less attention so far. One exception is the work of Birth et al. (2008), who used a questionnaire survey to explore managers’ perceptions of CSR; Arvidsson (2010) similarly studied the views of management teams about CSR, using a survey tool and interviews. Rodrigo and Arenas (2008) used interviews to show how employee attitudes towards their own work are influenced by CSR initiatives in their organizations. Managerial or supervisory behaviours are influential in employee willingness to be involved in CSR behaviours (Ramus, 2001; Ramus and Steger, 2000; Ramus and Killmer, 2007). Along with Cramer (2005) and Linnenluecke et al. (2009), Powell (2011), Rupp et al. (2006) and Aguilera et al. (2007) demonstrated cultural influences on organizational CSR activity. Perspectives of internal stakeholders on CSR communication and initiatives will influence the level of organizational commitment (Turker, 2009). Elçi and Alpkan (2009) illustrated links to work satisfaction. Bhattacharya et al. (2008) and Greening and Turban (2000) explored the influence of stakeholder perceptions of organizational attitudes towards CSR activity on job-seeking behaviour, in the competition for human capital.

There are a number of internal communication channels that a company can use to transmit information about CSR initiatives and activities to communicate with stakeholders, including websites and intranets (Esrock and Leichty, 1998), written sources and face to face, individually and in group meetings. Communicating a focus on CSR and sustainability has become integral to the organizational agenda; however, how much of this information is directly geared towards employees? Put another way, do companies adequately communicate their CSR strategies and initiatives to their employees?
Organizations have many potential stakeholders, and a sole focus on managers (see, e.g., Johnson, 2013) can overlook employees, who will also have expectations of the organization and its responsibilities. Active involvement of employees as internal stakeholders is fundamental to organizational CSR initiatives (Harris and Ogbonna, 1998). All of the companies in this research engaged in a series of CSR initiatives in an effort to involve employees. For example, all were involved in encouraging work–life balance, providing financial planning support, career initiatives and flexible working hours (employee initiatives). Providing community sponsorship, donations and tangible support to encourage staff to take part in the community were also included (community initiatives). Finally, practicing sustainable policies, arranging car-pooling for staff and carbon emission reduction (environmental initiatives) were also described by managers in this study.

The concerted focus on external stakeholders (Becker-Olsen and Hill, 2005; Berthon et al., 2005) has been criticized as a myopic view of communication (Powell, 2011). Accordingly, Goodstein and Wicks (2007) suggest that it is time that business ethics became a two-way conversation, with greater emphasis placed on the role internal organizational stakeholders, such as employees, play. After all, the organization’s messages are communicated through employees, particularly in service industries (Liu et al., 2010). This group of stakeholders has a wide reach to other groups of interest to an organization, and is not always utilized effectively (Dawkins, 2004). Shared understanding of CSR must be communicated throughout the organization (Roome, 1992); accordingly, communication strategies are integral to successful CSR initiatives. The enduringly preferred method of communication is face to face (Bavelas et al., 2000; Williams, 1977). Non-face-to-face communication (sometimes referred to as mediated communication) lacks the richness of the context (e.g. facial expression) and therefore has a significant influence on the effectiveness of organizational strategies (Fernandez et al., 2012). Accordingly, we believe this will also be an influence in this study.
Hypothesis 1a: *Face-to-face communication strategy is positively associated with employee initiatives.*

Hypothesis 1b: *Face-to-face communication strategy is positively associated with community initiatives.*

Hypothesis 1c: *Face-to-face communication strategy is positively associated with environmental initiatives.*

Hypothesis 2a: *Non-face-to-face communication strategy is positively associated with employee initiatives.*

Hypothesis 2b: *Non-face-to-face communication strategy is positively associated with community initiatives.*

Hypothesis 2c: *Non-face-to-face communication strategy is positively associated with environmental initiatives.*

Furthermore, as CSR and sustainability initiatives a have close link with organizational culture and organizational identity (Balmer and Greyser, 2006), all are integral to questions of communication, as discussed in the following section.

Organizational Culture

Organizational culture has enduringly been defined as ‘the way we do things around here’ (Deal and Kennedy, 1988, p. 4). It comprises the values and assumptions that drive the organization, typically manifest in behaviours. Culture serves to provide a demarcation by setting and maintaining boundaries, and priorities and connections are expressed through shared values (Schein, 1992). Schein also contends that organizational culture also controls and defines what is ‘normal’ to maintain order and predictability. That is, organizational culture demarcates what is acceptable within the organizational milieu, and thus is a strong driver of internal integration.
Accordingly, although the notion of authentic organizational values will unify the organization, management often do not always realize how vital it is that these same values are understood and internalized by staff (Cornelissen, 2004; Lynch and de Chernatony, 2004). Employee perceptions are more favourable when the organization has an orientation to cultural values rather than compliance as a driver of behaviour (Nielsen and Thomsen, 2009), which includes a strong integration of organizational culture with CSR. However, merely verbalizing organizational CSR values is simply not enough; employees may treat them with contempt or simply ignore them. The diffusion of knowledge about CSR is central to employee buy-in (Siebenhüner and Arnold, 2007); however, the way in which internal stakeholders receive information relies on more than just ‘talk’. The way in which CSR initiatives are developed, articulated and practiced is integral to management communication (Costas and Kärreman, 2013).

Hypothesis 2d: *Face-to-face communication strategy is positively associated with organizational culture.*

Hypothesis 3d: *Non-face-to-face communication strategy is positively associated with organizational culture.*

Hypothesis 3a: *Organizational culture is positively associated with employee initiatives.*

Hypothesis 3b: *Organizational culture is positively associated with community initiatives.*

Hypothesis 3c: *Organizational culture is positively associated with environmental initiatives.*

Organizational Identity

The identity problem of organizational credibility also matters. Management has not only the legal capacity to make decisions, but also the mandate to make legitimate decisions regarding future organizational initiatives (Pruzan, 2001a). Therefore,
if values and virtues are to be more than greenwashing, organizations ‘must reflect on, measure, evaluate and communicate corporate identity’ (Pruzan, 2001b, p. 280), to ‘create an image of "the responsible company"’ (Arvidsson, 2010, p. 348). Despite the organizational challenges, an external stakeholder orientation to CSR is central to a congruent external identity in the eyes of employees (Sharma, 2003; Sharma and Ruud, 2003). In so doing, the opportunity for constructive dialogue is made possible, which may draw on a rich source of data about how employees perceive they relate to the organization, thereby providing the basis for the integration of organizational CSR values (Pruzan, 2001b).

As the foundations of an organization committed to CSR strategies need to be aligned firmly with an ethical organization identity, there is enhanced interest in just what underpins the foundation of this identity (Powell, 2011). Organizational identification, though conceptually distinct, is related to organizational commitment (Ashforth and Mael, 1996). As individuals, we have our own unique identity in the social group. Similarly, we recognize organizations as distinctive from one another. Because we generally define ourselves through attachment to organizations, we are keen to affirm positive perceptions of them, as through our association we also acquire a more positive identity in the eyes of others (Elsbach and Bhattacharya, 2001).

As Podnar et al. (2011) rightly point out; identification with the organization comprises identification with the corporate entity as well as with the collective of individuals with whom employees work. As the CSR actions reveal the ‘character’ or identity of an organization (Sen et al., 2006), this facilitates the way in which internal stakeholders identify with the corporate. Reputation or perceived image is central, as it may well moderate the effectiveness of CSR communication if it is inconsistent with the internal dimensions of an organization (Dutton and Dukerich, 1991). As employees are sensitive to not only the way in which their organization treats them, but also the way in which it is perceived in the wider
community, it is likely to influence their perceptions of CSR activity.

Hypothesis 4a: ‘Identity’ is positively associated with employee initiatives.

Hypothesis 4b: ‘Identity’ is positively associated with community initiatives.

Hypothesis 4c: ‘Identity’ is positively associated with environmental initiatives.

In this study we examine employee perceptions of the CSR initiatives communicated by their organizations. We also investigate whether CSR is integrated as a value into the organizational culture in order to identify whether managers merely talk about a commitment to CSR, or whether it is intrinsic to the value dimensions of the organization.

**Methodology**

The aim of this research was to investigate the perceptions of internal stakeholders about the way in which CSR initiatives were communicated in a sample of NZ organizations. The purpose is to provide insight into the perceptions of internal stakeholders or employees from a sample of NZ organizations that have signalled their commitment to CSR through membership of the NZ Business Council for Sustainable Development (now referred to as Sustainable Business Council) and the Sustainable Business Network. We chose a sample of organizations that had signalled commitment to CSR and were likely to have CSR policies and activities.

As Stewart and Gapp (2012) and Battaglia *et al.* (2010) argue, business networks and local support systems can provide an environment which fosters innovation. Consistent with this viewpoint are the organizations selected for this research from NZ Sustainability Council listed organizations. To belong to the Council or Network, businesses must provide tangible ongoing evidence of their practice of CSR. The NZ context is one not unique to a small country of a population of 4.4 million. Typically, organizations are small – even in the context of small to medium enterprises (SMEs), as 92% of NZ companies employ fewer than 20 staff,
including a number of transnational companies. The average number of employees in NZ companies is 10.5 (Mills and Timmins, 2004). As there are typically resource limitations in SMEs (Cassells and Lewis, 2011), it is argued that small organizations may need a heightened awareness of the value of investing in CSR (Bradford and Fraser, 2008)

The goal was to identify whether CSR communication was meeting stakeholder communication needs, was perceived to represent a legitimate identity and was seen as integral to the culture of the organization by internal stakeholders,. The specific questions that drove this study were the following.

1. Are employees aware of the CSR policy and initiatives in which their companies are engaged?
2. How are CSR policy and initiatives communicated to internal stakeholders?
3. How do internal stakeholders experience CSR as a value-driven cultural dimension in their organizations?
4. Do employees identify with the CSR policy and initiatives of their company?

In order to explore employee experiences of CSR, two data collection methods were used. In Phase 1, a series of one-to-one semi-structured interviews with 20 CSR managers in NZ organizations determined the scope of the study and provided content to inform a questionnaire survey for staff in these same organizations. In Phase 2, a quantitative online questionnaire sought feedback from employees (including invitations to add additional comments), which also provided qualitative data, as outlined below.

**Procedure**

**Phase 1**

As noted, only those organizations that have communicated that they have a commitment to CSR and sustainability and belong to the NZ Business Council for
Sustainable Development and the Sustainable Business Network were selected for this study. Following ethical approval, semi-structured interviews were held with 20 CSR managers in organizations in the banking, retail, manufacturing, service, innovation, energy and telecommunication sectors in Auckland (10), Wellington (7), Hamilton (2) and Tauranga (1). An extensive review of the company websites was triangulated with the interview data to ensure validity. Interviews were carried out in the respondents’ offices by the second author over a period of 8 months, each lasting between 60 and 80 min. The purpose was to identify the full range of CSR initiatives, the way in which they were communicated and the perceptions of the managers about the effectiveness of that communication. In particular, we examine the way in which managers communicated with internal stakeholders alongside their perceptions of the communication climate for CSR in their organizations. The interviews were recorded and transcribed verbatim. Reliability entailed keeping an audit of all phases of the research process, and a high level of internal reliability derived when authors independently classified key content for the questionnaire survey.

**Phase 2**

The second phase of data collection comprised an online self-completion questionnaire, constructed using existing organizational culture and identity scales, as described below. There were five sections. In the first, respondents were asked to identify the employee, community and environmental CSR initiatives (identified from the interviews) in which their company engaged. They were then asked about the amount of information received about CSR policies and initiatives received through identified channels of communication.

The next two sections related to employee experiences of CSR policies and initiatives in their company. The survey included a focus on their personal level of awareness (communication), their experience of initiatives, their involvement in and perceptions about the policy and initiatives (organizational culture) including
how the initiatives were perceived externally (identification). Finally, demographic data were sought. The online survey tool was piloted with three general staff and three academics. Some minor changes were made to the wording to ensure clarity. An email was sent out the CSR managers in each of the organizations from Phase 1 with a request to provide the link to the questionnaire (included in the email) on their respective intranets for staff to access.

Results

Our results report the ways in which CSR initiatives were communicated, and the perceptions of internal stakeholders about whether they identified with those policies and how they perceived that those CSR initiatives infiltrated the culture of the organization. Both quantitative and qualitative data are included.

Phase 1

Sample

The demographics of the sample comprised senior sustainability managers/directors and two chief executive officers (CEOs), with 5–20 years of experience in CSR and sustainability disciplines. Ethical approval required anonymity for respondents. As managers were promised anonymity, the organizations have not been identified by name because of the small number of firms in the Council and Network, and in each NZ sector.

Results

Without exception, the managers articulated the importance of communicating CSR initiatives and policy to their employees, as well as recognizing the need to improve their CSR internal communication strategies. According to the managers, CSR initiatives are promoted to create better corporations and a more ethical business environment. These included recycling, carpooling, staff development and social activities. External initiatives included volunteering,
fundraising and charitable donations.

The interviewees primarily focussed on how important it was that strong cultural CSR values informed the way in which they operate. In the words of one respondent,

Our company is driven by CSR philosophy. The philosophy goes back many, many years and it comes from our head office in [country] and flows to all the subsidiaries in various countries. We have a lot of initiatives going on; some are driven by our parent company, some driven locally in the form of corporate responsibility. We’ve got a corporate code of conduct which mentions corporate responsibility and how we communicate it to employees.

Also, this philosophy was integrated throughout the communication with employees, as a manager of a confectionery company comments:

We have three main pillars. We have education, we have health and welfare and we have environment, so within those three pillars we have organizations that we sponsor…. We do communicate our CSR activities to our employees in many forms. We post them around the offices. And discuss our initiatives at staff meetings, in newsletters and those type of things. So there is a variety of mechanisms that we actually use to communicate the initiatives.

Further, on the way in which initiatives are communicated, a manager in food manufacturing explained the ways in which they worked to involve staff as much as they can using questionnaires, newsletters and speakers who talked about social issues (such as domestic violence). Initiatives for both staff and the community were communicated using ‘team meetings, so all the section managers speak with the people at a forum… and they lead discussions at forums as well, so a lot of communication’. However, in most cases this tended to be a ’top-down’ approach; for example, it was recognized by one CSR manager that ’for specific
programs or products we put out that have a particular CSR message attached to it, they are certainly reinforced further sort of top down’.

In nearly all cases, managers undertook employee surveys, from quarterly to annual basis to stay updated on employee perceptions. The above respondent continues

…one thing we should mention is annually we hold a staff survey. We survey them on the same 50 questions that we asked them for 80 years and compare the results outlet by outlet, or occupational by occupational group, a lot of cross company, so we are trying to get everything on how they are feeling and where we can press the right buttons in this area to improve our performance.

Managers also referred to the way in which they incorporated training in business principles for employees, consistent with their company’s CSR. For example, one stated

We provide training and have a very heavy focus for our employees on appropriate values because the company made a very conscious decision to become a value-based organization because we saw that as being a way to increase productivity in the company.

The links to the identity of the organization were revealed in some interviews. One CSR manager recognized how this aided in recruitment and retention:

We know that our employees are very proud to work for a company who does things for the community and they are very proud of our reputation. We attract our employees through our reputation, we know if we advertise that people will know the company and so we already have the benefit of being quite well known. We ask people who wish to volunteer to be involved in new initiatives or new programs. So we are very open. For example, we talk about social responsibility in
Most agreed that there were some common factors, such as employee work-related project deadlines, different branch locations and at times lack of interest on the part of some employees that impeded communication of their CSR work. Notwithstanding, concerted efforts were being made to improve communication due to the significance of social and environmental initiatives and practices to the companies’ bottom line. For example, this point was stressed by a senior CSR manager of one of the telecommunication companies interviewed, who talked about various strategies:

Let’s talk about how we communicate. We have various ways. There are a lot of communications formally in respect to how we do with our strategy including CSR initiatives. The other thing that happens is that our CEO attends every induction – that is every three months and he has a session and one of the things he tends to do is to discuss our company’s CSR strategy.

Similarly, another manager who espoused a participative approach to CSR decision making related how he used ways to increase employee involvement in organizational initiatives:

We have a big focus around job satisfaction in a tight market…. We keep our employees regularly informed about what we are up to, for example, for the charity we decided to support… previously we had actually come up with three charities we asked staff to be involved and decide which charity that they thought would be most important and which they would mostly like to support. So what we did is to promote to them who we are supporting, and why we are supporting it.

The above quotations from the managers in these organizations demonstrate that corporations recognize the importance of communicating their CSR initiatives to
their employees, and consider the process as a significant organizational communication strategy, based on the premise that CSR was central to both their culture and identity.

The interviews were content analysed and the policy initiatives identified by interviewees were aggregated into the three identified components of CSR: community initiatives; employee initiatives; environmental initiatives. The way in which the initiatives were communicated was also included. It is not the purpose of this paper to explore the composite elements of the CSR messages; rather, the focus was on the perceptions of internal stakeholders.

Phase 2

To facilitate Phase 2, a link to an online questionnaire was sent to the managers interviewed in Phase 1, which was distributed to organizational staff on intranets (or in one case, in hard copy). A post-paid envelope addressed to the researchers was included with all hard copies.

The original sample size was 171. However, some responses that included a number of missing values were deleted. Those remaining cases with just a few missing variables were replaced with the series means, resulting in 161 respondents from five organizations: 29.2% female, 70.8% male, age 8.1% less than 20 years, 28.2% 20–29, 35.4% 30–39, 20.5% 40–49 and 7.5% 50+, ethnicity 4.3% Māori, 87.6% NZE and 8% PI, Asian, Eur (see Table 1). Time spent with their company: 2–10 years with company, 58.5%; less than 2 years, 21.7%; over 10 years, 19.9%. Occupational status: 1.9% managers, 30.4% technical staff, 17.4% production staff, 5.6% office personnel and 9.9% sales staff (see Table 2).

The survey data were analysed in SPSS, and PLS, an SEM based analysis, was run to identify which of the variables (organizational culture, identity and communication strategies) might have the most influence on the dependent variable of perceptions of CSR initiatives. PLS based analyses provide robust
solutions for works using multiple indicators (Kline, 1998) and allow testing of both the measurement model and the theoretical model (Chin et al., 2003). The sample size of 161 was adequate for the statistics used (Argyrous, 1996).

Non-response bias was assessed to check whether the results present a bias as part of the external validity test. A common way to measure the non-response bias is to test mean differences between early and late respondents (Lambert and Harrington, 1990; Armstrong and Overton, 1977). To serve this purpose the data were divided into two groups based on the response received from the participants as early respondents and late respondents. Mean differences for these two groups of respondents were examined via an independent samples t-test. There was no significant difference for demographics, organizational type or strategy between early and late respondents (Armstrong and Overton, 1977). Therefore, non-response bias is not a concern in this study.

Factor analysis, as in Table 3, reveals that all factor loadings are above the threshold value of 0.5, or 0.6 for strong loading (Hair et al., 2006), ranging between 0.617 and 0.934. One of the variables, ‘identity2’, is slightly

<table>
<thead>
<tr>
<th>Table 1. Demographics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total years in the N</td>
</tr>
<tr>
<td>Female 47</td>
</tr>
<tr>
<td>Male 114</td>
</tr>
<tr>
<td>Age N</td>
</tr>
<tr>
<td>Under 20 years 13</td>
</tr>
<tr>
<td>20–29 years 46</td>
</tr>
<tr>
<td>30–39 years 57</td>
</tr>
<tr>
<td>40–49 years 33</td>
</tr>
<tr>
<td>50 years or over 12</td>
</tr>
<tr>
<td>Ethnicity N</td>
</tr>
<tr>
<td>Maori 7</td>
</tr>
<tr>
<td>NZ European 141</td>
</tr>
<tr>
<td>Pacific Island 2</td>
</tr>
<tr>
<td>Asian 5</td>
</tr>
<tr>
<td>Other 6</td>
</tr>
<tr>
<td>Percentage Less than 2</td>
</tr>
<tr>
<td>29.2 2–10</td>
</tr>
<tr>
<td>70.8 11–20</td>
</tr>
<tr>
<td>Percentage 21–30</td>
</tr>
<tr>
<td>8.1 More than 30</td>
</tr>
<tr>
<td>28.2 Years working for this company</td>
</tr>
<tr>
<td>35.4 Less than 2</td>
</tr>
<tr>
<td>20.5 2–10</td>
</tr>
<tr>
<td>2.5 11–20</td>
</tr>
<tr>
<td>7.5 21–30</td>
</tr>
<tr>
<td>4.3 More than 30</td>
</tr>
<tr>
<td>87.6</td>
</tr>
<tr>
<td>3.1</td>
</tr>
<tr>
<td>3.7</td>
</tr>
</tbody>
</table>
Table 2. Occupation and Qualifications of Respondents

<table>
<thead>
<tr>
<th>Qualifications</th>
<th>N</th>
<th>Percentage</th>
<th>Occupational status</th>
<th>N</th>
<th>Percentage</th>
<th>No qualifications</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>3</td>
<td>1.9</td>
<td>High school qualification</td>
<td>47</td>
<td>29.2</td>
<td>9</td>
<td>5.6</td>
</tr>
<tr>
<td>Technical staff</td>
<td>49</td>
<td>30.4</td>
<td>Polytechnic qualification</td>
<td>27</td>
<td>16.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production staff</td>
<td>28</td>
<td>17.4</td>
<td>University qualification and above</td>
<td>78</td>
<td>48.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support or clerical staff</td>
<td>9</td>
<td>5.6</td>
<td>Industry that you work in</td>
<td>N</td>
<td>Percentage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales staff</td>
<td>16</td>
<td>9.9</td>
<td>Banking</td>
<td>35</td>
<td>21.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>56</td>
<td>34.8</td>
<td>Retail</td>
<td>97</td>
<td>60.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Manufacturing</td>
<td>26</td>
<td>16.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Energy</td>
<td>3</td>
<td>1.9</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

cross-loading on two factors. However, Ferguson and Cox (1993) suggest that as long as the difference between the primary loading and the secondary loading is more than 0.2 in cases where the primary loading is 0.35 or more, the cross-loading does not indicate a problem. In these cases the variable is considered as loading on the primary factor and further analysis can proceed. In addition the reliability analysis, both Cronbach’s alpha and composite reliability (Fornell and Larcker, 1981; Nunnaly, 1978), show that all the reliability measures are above 0.7 (or 0.6 for marginal acceptance), within the acceptable range (Gliner and Morgan, 2000).

Table 4 reveals that all factors, except non-face-to-face communication strategy and community initiatives, and environmental initiatives and culture, were positively and significantly correlated with each other at the 0.01 or 0.05 level. In the same table, on the diagonals, square roots of AVE values were used to test discriminant validity. As the values on the diagonal, square roots of AVEs (sAVE), are higher than the correlations associated with the variable that sAVE is corresponding to (Fornell and Larcker, 1981), the results in Table 4 confirm that the discriminant validity is acceptable. A further test of multicollinearity in PLS/SEM models shows that variance inflation factors (VIFs) or average VIF (AVIF) in this study is 1.969, indicating no risk for multicollinearity. The PLS based analysis,
model fit using average path coefficient (APC) and average R-squared (ARS) indicate a good model fit with values of 0.195 for APC (p<0.01) and 0.289 for ARS (p<0.01). (see Figure 1).

**Table 3 Factor loadings and reliability measures**

<table>
<thead>
<tr>
<th>Factors</th>
<th>Culture</th>
<th>EmplNi</th>
<th>ComIni</th>
<th>EnvIni</th>
<th>nf2fc</th>
<th>f2fc</th>
<th>Identity</th>
<th>Cronbach’s alpha</th>
<th>Composite reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture1</td>
<td>0.934</td>
<td>0.000</td>
<td>-0.023</td>
<td>-0.057</td>
<td>0.090</td>
<td>-0.071</td>
<td>0.046</td>
<td>0.882</td>
<td>0.928</td>
</tr>
<tr>
<td>Culture2</td>
<td>0.921</td>
<td>-0.050</td>
<td>0.099</td>
<td>-0.058</td>
<td>0.104</td>
<td>-0.115</td>
<td>-0.074</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture3</td>
<td>0.844</td>
<td>0.054</td>
<td>-0.082</td>
<td>-0.126</td>
<td>-0.214</td>
<td>0.205</td>
<td>0.030</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EmplNi1</td>
<td>-0.150</td>
<td>0.789</td>
<td>0.112</td>
<td>-0.006</td>
<td>-0.043</td>
<td>-0.006</td>
<td>0.223</td>
<td>0.874</td>
<td>0.903</td>
</tr>
<tr>
<td>EmplNi2</td>
<td>0.160</td>
<td>0.819</td>
<td>-0.087</td>
<td>0.053</td>
<td>-0.119</td>
<td>0.136</td>
<td>0.027</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EmplNi3</td>
<td>-0.280</td>
<td>0.671</td>
<td>-0.088</td>
<td>-0.034</td>
<td>-0.035</td>
<td>-0.191</td>
<td>0.121</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EmplNi4</td>
<td>0.217</td>
<td>0.701</td>
<td>-0.060</td>
<td>-0.061</td>
<td>0.015</td>
<td>-0.117</td>
<td>-0.364</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EmplNi5</td>
<td>0.047</td>
<td>0.777</td>
<td>-0.089</td>
<td>0.053</td>
<td>0.013</td>
<td>0.076</td>
<td>-0.014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EmplNi6</td>
<td>-0.187</td>
<td>0.721</td>
<td>0.130</td>
<td>-0.002</td>
<td>0.057</td>
<td>0.136</td>
<td>0.108</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EmplNi7</td>
<td>0.150</td>
<td>0.804</td>
<td>0.074</td>
<td>-0.015</td>
<td>0.116</td>
<td>-0.066</td>
<td>-0.058</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ComIni1</td>
<td>0.160</td>
<td>-0.043</td>
<td>0.732</td>
<td>0.103</td>
<td>-0.105</td>
<td>0.199</td>
<td>-0.108</td>
<td>0.724</td>
<td>0.828</td>
</tr>
<tr>
<td>ComIni2</td>
<td>-0.005</td>
<td>0.074</td>
<td>0.736</td>
<td>0.252</td>
<td>-0.262</td>
<td>0.119</td>
<td>-0.035</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ComIni3</td>
<td>-0.084</td>
<td>-0.136</td>
<td>0.755</td>
<td>-0.329</td>
<td>0.203</td>
<td>-0.064</td>
<td>0.176</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ComIni4</td>
<td>-0.068</td>
<td>0.109</td>
<td>0.735</td>
<td>-0.016</td>
<td>0.158</td>
<td>-0.252</td>
<td>-0.039</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EnvIni1</td>
<td>-0.198</td>
<td>-0.027</td>
<td>0.049</td>
<td>0.788</td>
<td>0.118</td>
<td>-0.004</td>
<td>0.294</td>
<td>0.887</td>
<td>0.912</td>
</tr>
<tr>
<td>EnvIni2</td>
<td>0.233</td>
<td>0.059</td>
<td>0.103</td>
<td>0.710</td>
<td>-0.169</td>
<td>-0.121</td>
<td>-0.221</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EnvIni3</td>
<td>-0.037</td>
<td>0.070</td>
<td>0.177</td>
<td>0.664</td>
<td>-0.070</td>
<td>-0.106</td>
<td>-0.141</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EnvIni4</td>
<td>0.094</td>
<td>-0.045</td>
<td>-0.182</td>
<td>0.771</td>
<td>-0.158</td>
<td>0.120</td>
<td>-0.035</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EnvIni5</td>
<td>0.048</td>
<td>0.059</td>
<td>-0.046</td>
<td>0.791</td>
<td>0.051</td>
<td>-0.091</td>
<td>-0.126</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EnvIni6</td>
<td>0.221</td>
<td>-0.087</td>
<td>-0.024</td>
<td>0.844</td>
<td>-0.004</td>
<td>0.132</td>
<td>-0.249</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EnvIni7</td>
<td>-0.339</td>
<td>-0.007</td>
<td>-0.039</td>
<td>0.832</td>
<td>0.191</td>
<td>0.035</td>
<td>0.427</td>
<td></td>
<td></td>
</tr>
<tr>
<td>nf2fc1</td>
<td>-0.044</td>
<td>-0.015</td>
<td>-0.142</td>
<td>0.193</td>
<td>0.781</td>
<td>-0.013</td>
<td>-0.170</td>
<td>0.756</td>
<td>0.847</td>
</tr>
<tr>
<td>nf2fc2</td>
<td>-0.028</td>
<td>0.056</td>
<td>0.011</td>
<td>-0.139</td>
<td>0.779</td>
<td>-0.035</td>
<td>0.049</td>
<td></td>
<td></td>
</tr>
<tr>
<td>nf2fc3</td>
<td>-0.079</td>
<td>-0.075</td>
<td>0.111</td>
<td>0.277</td>
<td>0.857</td>
<td>-0.028</td>
<td>0.106</td>
<td></td>
<td></td>
</tr>
<tr>
<td>nf2fc4</td>
<td>0.201</td>
<td>0.052</td>
<td>0.012</td>
<td>-0.106</td>
<td>0.617</td>
<td>0.099</td>
<td>0.006</td>
<td></td>
<td></td>
</tr>
<tr>
<td>f2fc1</td>
<td>0.053</td>
<td>-0.015</td>
<td>0.029</td>
<td>-0.149</td>
<td>0.111</td>
<td>0.830</td>
<td>0.129</td>
<td>0.850</td>
<td>0.899</td>
</tr>
<tr>
<td>f2fc2</td>
<td>-0.074</td>
<td>-0.014</td>
<td>0.049</td>
<td>0.058</td>
<td>0.005</td>
<td>0.848</td>
<td>-0.196</td>
<td></td>
<td></td>
</tr>
<tr>
<td>f2fc3</td>
<td>0.081</td>
<td>0.061</td>
<td>-0.054</td>
<td>0.096</td>
<td>0.016</td>
<td>0.856</td>
<td>-0.250</td>
<td></td>
<td></td>
</tr>
<tr>
<td>f2fc4</td>
<td>-0.064</td>
<td>-0.036</td>
<td>-0.025</td>
<td>-0.009</td>
<td>-0.141</td>
<td>0.789</td>
<td>0.345</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Identity1</td>
<td>0.246</td>
<td>0.000</td>
<td>0.002</td>
<td>0.085</td>
<td>0.031</td>
<td>-0.122</td>
<td>0.892</td>
<td>0.805</td>
<td>0.885</td>
</tr>
<tr>
<td>Identity2</td>
<td>-0.519</td>
<td>-0.054</td>
<td>-0.005</td>
<td>0.095</td>
<td>-0.115</td>
<td>0.239</td>
<td>0.831</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Identity3</td>
<td>0.258</td>
<td>0.054</td>
<td>0.003</td>
<td>-0.188</td>
<td>0.083</td>
<td>-0.109</td>
<td>0.822</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

EmplNi, employee initiatives; ComIni, community initiatives; EnvIni, environmental initiatives; nf2fc, non-face-to-face communication strategy; f2fc, face-to-face communication strategy.
The research model tested in this study as well as path coefficients and \( R \)-square values are shown in Figure 2. The results reveal that culture and employee initiatives (\( \beta = 0.45 \) and \( p < 0.01 \)), non-face-to-face communication strategy and environmental initiatives (\( \beta = 0.20 \) and \( p < 0.01 \)), face-to-face communication strategy and culture (\( \beta = 0.46 \) and \( p < 0.01 \)), employee initiatives (\( \beta = 0.13 \) and \( p < 0.05 \)), community initiatives (\( \beta = 0.20 \) and \( p < 0.01 \)) and environmental initiatives (\( \beta = 0.25 \) and \( p < 0.01 \)) and identity and employee initiatives (\( \beta = 0.14 \) and \( p < 0.05 \)), community initiatives (\( \beta = 0.28 \) and \( p < 0.01 \)) and environmental initiatives (\( \beta = 0.35 \) and \( p < 0.01 \)) are positively and significantly associated with each other.

Variances explained are 0.40 for employee initiatives, 0.21 for community initiatives, 0.34 for environmental initiatives and 0.21 for culture for the tested model. Dashed lines shown in the figure represent the non-significant relationships found in the analysis. Results from the analysis of quantitative and qualitative data were combined to provide the advantages of linking the two approaches, such as using the former to describe patterns and the latter to validate, clarify and illustrate findings. The results in response to the research questions follow.

**Table 4. Bivariate correlations and square root of AVEs**

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Culture</th>
<th>Emplni</th>
<th>Comlni</th>
<th>Envlni</th>
<th>nf2fc</th>
<th>f2fc</th>
<th>Identity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture</td>
<td>(0.900)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emplni</td>
<td>0.599 **</td>
<td>(0.757)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comlni</td>
<td>0.349 **</td>
<td>0.474 **</td>
<td>(0.739)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Envlni</td>
<td>0.183 *</td>
<td>0.231 **</td>
<td>0.501 **</td>
<td>(0.774)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>nf2fc</td>
<td>0.153</td>
<td>0.081</td>
<td>0.161 *</td>
<td>0.337 **</td>
<td>(0.764)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>f2fc</td>
<td>0.400 **</td>
<td>0.325 **</td>
<td>0.237 **</td>
<td>0.358 **</td>
<td>0.717 **</td>
<td>(0.831)</td>
<td></td>
</tr>
<tr>
<td>Identity</td>
<td>0.837 **</td>
<td>0.544 **</td>
<td>0.379 **</td>
<td>0.252 **</td>
<td>0.096</td>
<td>0.364 **</td>
<td>(0.849)</td>
</tr>
</tbody>
</table>

Square roots of AVEs are presented in diagonal cells, in parentheses.

*Correlation is significant at the 0.05 level (two tailed).

**Correlation is significant at the 0.01 level (two tailed).
1. Are employees aware of the CSR policy and initiatives in which their companies are engaged?

Respondents were asked about their perceptions of the CSR policies and initiatives in their company, using a seven-point Likert type scale (‘not at all’ to ‘to a very great extent’, including a ‘don’t know’ option) in response to the company’s initiatives.

*Environmental initiatives.* Respondents were asked to what extent their company engaged in CSR initiatives. Employees were aware of environmental initiatives, such as practicing sustainable policies and commitment to initiatives across all organizational practice). However, when explaining their own involvement in environmental initiatives, there was a level of frustration that some employees were not ‘walking the walk’. For example, one explained ’We have waste for rubbish, recyclables and food, but every day everything appears in all of them. I care about the environment and so this annoys me and while the bins are in place, it appears pointless’ (R40).

Another respondent noted ’I’m afraid that there is still a widespread perception
that much of the CSR work is "green-wash" (R39), continuing 'CSR will only be meaningful when it is incorporated into the fabric of what we do every day. It starts with the simple stuff, like turning off monitors at night. It progresses to be an integral part of everything we do’. There were suggestions made for staff training and site audits to try and improve environmental management. A degree of cynicism crept in at times. For example, ‘Very few at branch level are involved with policy

![Figure 2. Research model and path coefficients](image)

(even though they should be). Being involved in this organization means playing lip service to executives’ (R23).

*Community initiatives.* Staff were also aware of the initiatives outlined above, such as sponsorship, volunteering staff time and access for disabled clients, but respondents made no comments in this section.

*Employee initiatives* were perceived as less of an overall organizational focus by employees (such as encouraging work–life balance, flexible working hours and tangible rewards). Some evidence of communication issues arose, such as
geographical distance combined with perceived organizational distancing, e.g. ’I found this very hard to answer due to disparities in initiatives and attitudes between head office and the local team I work in’ (R42). The respondent continued ’I know the CSR team are doing a good job, I have faith in them, but I don’t think we KNOW (emphasis in original) what they’re actually doing as yet. Little communication and little tangibles’ (R42).

Others were more direct. These trends were supported by comments such as ’This company is great with environmental responsibilities but not so fantastic with staff needs’ (R127), and (emphasis in original) ’I REALLY DON’T UNDERSTAND what [organization] has to do with this survey. Us little people – the ones that do the hard work – get no recognition for anything’ (R59).

2. How are CSR policy and initiatives communicated to internal stakeholders in a sample of NZ companies?

The face-to-face communication strategies used by organizations were positively associated with employee initiatives ($\beta = 0.13$ and $p < 0.05$), community ($\beta = 0.20$ and $p < 0.01$) and environmental ($\beta = 0.25$ and $p < 0.01$); initiatives. In contrast, non-face-to-face methods had no association with initiatives, with the exception of environmental initiatives ($\beta = 0.20$ and $p < 0.01$). Nonetheless, there were no comments provided regarding communication channels with one exception. A respondent noted ’Not overly interested in the communication rather the ACTIONS and OUTCOMES that most interest me’ (emphasis in original) (R167). Thus, it appears that employees were aware of whether or not such initiatives were integral to the day-to-day functioning of their organizations.

3. How do internal stakeholders experience CSR as a value-driven cultural dimension in their organizations?

As organizational culture is a multi-faceted concept, the Organizational Culture Survey (Glaser et al., 1987) was used to examine whether employees perceived
that the organization’s culture was integral to their organization’s espoused CSR policy initiatives. As Glaser et al. (1987) recommend, the scale was used in conjunction with interviews. The scale performed as expected in determining ‘why employees believed as they did’ (Zamanou and Glaser, 1989, p. 190). Employee perceptions of culture were central to this study, indicating that the instrument was fit for purpose in this research.

Organizational culture was positively associated with face-to-face communication ($\beta = 0.46$ and $p < 0.01$). In contrast, the only non-face-to-face communication strategy with a positive association with initiatives was with environmental initiatives ($\beta = 0.20$ and $p < 0.01$). Culture was also positive associated with employee initiatives ($\beta = 0.45$ and $p < 0.01$), but not the externally focussed community or environmental initiatives. The qualitative responses to this section of the questionnaire survey appeared bimodal. A number of respondents felt part of the culture, for example ‘The company looks after me and makes me feel valued’ (R51) and ‘my [company] walks the talk really!’ (R160). Such comments compared with the other extreme, such as ‘I am just a nobody, an assistant…’ (R74) and ‘Unfortunately as a long term employee I have never felt valued, and my knowledge experience and wisdom are never called up’ (R128). Others expressed a sense of disillusionment; in the words of one, ‘This company has no interest in listening to its workers. They make policy without referral, or thought of HOW it impacts on the workload of the staff – then introduce it. The ‘Corporate/Head Office’ staff have NO IDEA (emphasis in original) about [work role] and the issues that face it. Staff in general are not trusted – this is obvious by the micro-managing that goes on. I believe that the staff genuinely try to fulfil the [organization’s] requirements in all areas however, this is simply beyond 90% of the staff… Welcome to our world :)’ (R23). Another respondent reflected a sense of disempowerment: ‘I am not allowed to
access the emails nor allowed at the meetings. Us little people get no recognition for anything. They recognize the managers but not us, and we are the ones that do the hard work’ (R59). Other comments were in a similar vein:

Sometimes what management think is happening and what is actually happening are two different things. I am at the coalface of opinion and this can easily be shattered by an obvious inconsistency. This can become frustrating when the direction of the company remains the control of Directors rather than the team. Often this is as a result of those same directors not having the breadth of skill involved in carrying out initiatives that are actually measurable. Often the business and human components of the organization are not compatible, or the infrastructure and support does simply not exist in a useful way. It often does not relate to the way the team actually works, it assumes we are all the same and work and think like the decision makers (R162).

The positive relationship between organizational culture and face-to-face communication shows the preference of employees for this approach over mediated communication. However, the comments also highlighted a level of frustration with a perceived top-down approach. Non-face-to-face communication was positively associated only with environmental initiatives – perhaps these are perceived as ‘out there’ and thus inaccessible through face-to-face communication.

4. *Do employees identify with the CSR policy and initiatives espoused by their company?*

Organizational identification, though conceptually distinct, is related to organizational commitment (Ashforth and Mael, 1989). The Organizational Identification Questionnaire (Cheney, 1983) was adapted to measure the level of identification of employees with each component of organizational CSR identified by
Patchen (1970), using a seven-point Likert scale (‘not at all’ to ‘a very great extent’). This tool was selected as it demonstrates consistently high reliability. This scale has been repeatedly used in other studies, where it has been found to be ‘especially appropriate in a communication context’ (Rubin et al., 2004, p. 21), supporting the instrument as fit for purpose in this study.

Identification was positively associated with all initiatives, including employee ($\beta = 0.14$ and $p < 0.05$), community ($\beta = 0.28$ and $p < 0.01$) and environmental ($\beta = 0.35$ and $p < 0.01$) initiatives. One comment encapsulated a number of responses relevant to identification with the corporate:

I believe the company I work for is extremely concerned about their public image. They are less concerned, however, about the worth of their staff. We are the final contact between customers and company, yet are given less consideration. Sometimes I feel that [company’s] CSR is a bit of a token gesture when it comes to their staff (R77).

A senior respondent provided a contrasting perspective: 'In as much as I am a senior manager, I probably look at things with "rose covered glasses" compared to my colleagues’ (R165).

A level of disenchantment was reflective of a number of responses, such as 'I feel like I work for a solid company that strives for more and more of the market but it neglects and under-values the importance of its frontline employees. There is a turnover in staff because anyone with a bit of ambition soon sees that you have no show of advancement and you are just a number easily replaceable’ (R128).

However, a more senior respondent explained 'We have done a huge amount of work, but it is fair to say, we have a very long way to go yet and as the team have only been on board since the start of the year, many of our programmes and communications initiatives are new’ (R44). The positive association of identification with all initiatives illustrates the importance of this construct in
influencing employee perceptions of CSR activities. A summary of the hypotheses as discussed above is shown in Table 5.

Discussion

We accept that our findings are limited, as both managers’ and internal stakeholders’ perceptions of the communication of CSR interventions are reported retrospectively. Also, CSR practice is occurring in organizations inhabiting a dynamic, complex and multi-faceted environment in the new millennium. Furthermore, as the way in which CSR is conceptualized and practiced will be influenced by the socio-economic, political and cultural environment in which it exists (Steurer et al., 2012), as in the single case of a large NZ corporate reported by Tregidga and Milne (2006), the contextual differences between SMEs and larger corporates in NZ is brought to the fore. Although CSR must be a cultural imperative if it is to succeed (Clarke and Roome, 1999), it is evident that the influences are myriad, as with any stakeholder group (Onkila, 2011, 2013). However, as Moon and Shen (2010) have pointed out, CSR research from North America and Europe tends to dominate the field, thus examining the NZ perspective of even a small number of organizations adds to our understanding of what is needed to imbed the values of CSR into corporate communication. In identifying whether the managers in this sample had first communicated CSR to employees, and second done so in a way that was considered credible by staff, there were some interesting practical and theoretical contributions.

First, although it was clear that there was passion and enthusiasm expressed by all managers, the findings suggest that the challenges of communication require a developmental strategy in SMEs in NZ, which in turn has implications for national public policy. Management values and beliefs were a significant driver for NZ managers to engage in CSR policies and practices, as argued by Collins et al. (2010). However, this is to be expected, as there are no legislative mandates for CSR activity in NZ organizations. Instead, the government tends to look towards
the ‘soft’ policies (Steurer et al., 2012), which do not impose strict requirements by which organizations must abide. However, as NZ currently faces an international challenge to the ’100 Pure NZ’ brand because of pollution and incidents such as the baby milk powder disaster and botulism scare with Fonterra, it is recommended that national policies may be a prudent response.

**Table 5. Hypotheses and their status**

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Hypothesis 1a.</em> Organizational culture is positively associated with employee initiatives</td>
<td>supported</td>
</tr>
<tr>
<td><em>Hypothesis 1b.</em> Organizational culture is positively associated with community initiatives</td>
<td>not supported</td>
</tr>
<tr>
<td><em>Hypothesis 1c.</em> Organizational culture is positively associated with environmental initiatives</td>
<td>not supported</td>
</tr>
<tr>
<td><em>Hypothesis 2a.</em> Face-to-face communication strategy is positively associated with employee initiatives</td>
<td>supported</td>
</tr>
<tr>
<td><em>Hypothesis 2b.</em> Face-to-face communication strategy is positively associated with community initiatives</td>
<td>supported</td>
</tr>
<tr>
<td><em>Hypothesis 2c.</em> Face-to-face communication strategy is positively associated with environmental initiatives</td>
<td>supported</td>
</tr>
<tr>
<td><em>Hypothesis 2d.</em> Face-to-face communication strategy is positively associated with organizational culture</td>
<td>supported</td>
</tr>
<tr>
<td><em>Hypothesis 3a.</em> Non-face-to-face communication strategy is positively associated with employee initiatives</td>
<td>not supported</td>
</tr>
<tr>
<td><em>Hypothesis 3b.</em> Non-face-to-face communication strategy is positively associated with community initiatives</td>
<td>not supported</td>
</tr>
<tr>
<td><em>Hypothesis 3c.</em> Non-face-to-face communication strategy is positively associated with environmental initiatives</td>
<td>supported</td>
</tr>
<tr>
<td><em>Hypothesis 3d.</em> Non-face-to-face communication strategy is positively associated with organizational culture</td>
<td>not supported</td>
</tr>
<tr>
<td><em>Hypothesis 4a.</em> ‘Identity’ is positively associated with employee initiatives</td>
<td>supported</td>
</tr>
<tr>
<td><em>Hypothesis 4b.</em> ‘Identity’ is positively associated with community initiatives</td>
<td>supported</td>
</tr>
<tr>
<td><em>Hypothesis 4c.</em> ‘Identity’ is positively associated with environmental initiatives</td>
<td>supported</td>
</tr>
</tbody>
</table>

Second, the centrality of a perceived organizational commitment to authenticity was a dominant finding in the context of the positive association between organizational culture and perception of employee initiatives. Evidence that employee willingness to commit to CSR activity is a direct result of managerial communication is provided by Ramus and Steger (2000). In this study face-to-face communication was positively associated with all organizational initiatives. As
Maignan et al. (1999) and Lindgreen and Swaen (2010) have argued, corporate citizenship is integral to organizational success, as CSR has moved from ideology to reality. The qualitative comments also spoke to a ‘top-down’ approach, which may undermine effective communication. Individual stakeholders have the capacity to make ethical decisions, and it is recommended that accountability must be integrated in all best-practice perspectives of the operations, not just part of a narrative. However, as Linnenluecke et al. (2009) showed, this involves more than the assumption of a straightforward ‘blanket’ approach to employee differences. The positive association of organizational culture to employee initiatives illustrates that organizations must be willing to ensure they ‘walk the walk’ through a cultural integration of CSR, especially when considering employee initiatives.

Third, on an employee level, there was evidence that perceptions of congruent values between employees and their organizations created a more favourable identification with all organizational initiatives, both in the positive association with face-to-face communication and also with all three types of initiative. Comparison of the findings between the interviews with company managers and employees suggests that managers are struggling to effectively communicate their CSR and sustainability projects and initiatives to their employees. This may once again reinforce the ‘top-down’ approach, with a perceived lack of communication from head offices to company branches and other locations. Those who are in senior or leadership roles may perceive that ethical values are ‘shared’, rather than ‘accepted’ as a result of a top-down process familiar to most notions of bureaucracy and hierarchy, which may overlook the embedded nature of institutionalized beliefs not consistent with managers’ perceptions (see, e.g., Harris and Crane, 2002). In this case, as such perceptions are undermining effective communication of CSR in some organizations, it is recommended that managers make it clear that CSR values extend beyond the immediate
managerial sphere.

This study demonstrates that, although face-to-face communication strategies are positively associated with employee perceptions of CSR initiatives, some of the qualitative data indicate that there is some disconnect between what managers believe they communicate and the messages employees believe they receive, which may be the outcome of a lack of employee awareness, but it may also be the case that sometimes general business activities are privileged over CSR activity (Ramus and Steger, 2000). As Cramer (2005) found, employee perceptions of a strong organizational commitment to CSR facilitated employee involvement in initiatives, which suggests that this perspective is worthy of further investigation.

Finally, the narrative from managers in this study does demonstrate a high level of commitment to the importance of communicating their CSR initiatives to their employees, and that they consider it a significant organizational communication strategy. However, although employees did acknowledge that some action was being taken towards credible solutions, there also appeared to be issues with the perceived responsibility of organizations towards their employees in the form of CSR employee initiatives provided. Thus, it is evident that merely communicating CSR without taking contextual factors into account is likely to create barriers to employee buy-in (Siltaoja et al., 2014). As Costas and Kärreman (2013) have argued, employees may well resist the attempts to co-opt them into CSR initiatives if they feel ambivalent about the organizational activity.

Conclusion

It is evident that communication of CSR is a two-way process if it is to be effective in shifting commitment to CSR (Burström von Malmö, 2002; Ramus, 2001). The findings illustrate the need to not only communicate with internal stakeholders using preferred strategies, but also to orient the organizational culture towards one which heightens awareness of initiatives, including those
for employees, which will enhance involvement in CSR programmes and increase identification with the organization. This is important because, as Lozano (2013) argues, unless organizational initiatives recognize employee attitudes, they are unlikely to be integrated into employee behaviour. Although CSR communication has an important role to play, it is whether organizations are perceived to consistently ‘walk the walk’ that is crucial to employee perceptions of authentic commitment to CSR programmes. In turn, this will influence stakeholder alignment of values with the ethos of the organization, and their subsequent representation of that same organization. There is much to gain – or lose.
References


Powell SM. 2011. The nexus between ethical corporate marketing, ethical corporate identity and corporate social responsibility: an internal organisational


