



The reputation of the corporate social responsibility industry in Australia

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ABSTRACT

Corporate social responsibility (CSR) is increasingly seen as an imperative for sustainable business and there is a growing literature on the effect of CSR on corporate reputation. Despite this, a pall of ambiguity and uncertainty remains around what CSR means and how it should be practiced. This paper offers a unique addition to the body of literature to date by revealing that CSR is an emerging industry in Australia, which is in the process of developing its own reputation as a set of business practices. The paper is based on exploratory qualitative research using a case study methodology. Interviews were conducted with key actors within the industry to investigate shared understandings of what CSR means, perceptions of CSR practice and of the industry as a whole, and who is involved in shaping these perceptions. The research revealed that the CSR industry in Australia is in its early stages of development and is therefore in need of increased internal cooperation if it is to develop a strong reputation.

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1. Introduction

While the beginnings of modern corporate social responsibility (CSR) can be traced back to the 1920s (Hoffman, 2007), the concept has gained increasing attention over the past two decades (De Bakker et al., 2005; Margolis and Walsh, 2003). Trade liberalisation, technological change, shrinking governments and an increase in corporate power have all paved the way for changing societal expectations regarding the role of business within society (Habisch et al., 2005). The last five years have seen particularly strong triggers for CSR, such as the introduction of the Global Reporting Initiative in 2002 and the United Nations Global Compact in 2000, which propose voluntary reporting guidelines and frameworks for addressing CSR.

While increasing attention is being paid to CSR, it is a phenomenon that is emergent and not yet widely accepted – either in concept or in practice. The CSR literature has been noted as lacking cohesion, definitional consensus and theoretical maturity, resulting in confusion and ambiguity (e.g. Carroll, 1999; Coelho et al., 2003; Godfrey, 2005). It has been postulated that this is partly due to the fact that the meaning of CSR may vary according to different stakeholder perceptions of the construct (Campbell, 2007; Sethi, 1975). Confusion regarding what CSR means is subsequently mirrored in the broadly scattered literature on diverse CSR practices (Matten and Moon, 2004), although a typology has been proposed by Bartlett (2008).

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insight into the possible trajectory of the CSR industry as it begins to develop its own reputation, based on what CSR is perceived to mean, what constitutes legitimate CSR practice, and who is involved in shaping these perceptions. The central research question of this study is therefore, 'What implications does nascent industry development have on the reputation of the CSR industry in Australia?'

Findings from this research will not only aid practitioners in convincing senior management of the growing consensus around CSR and how it is practiced in Australia, but will also provide those involved in CSR with important insights into the state of their industry. This information is particularly salient for producers of CSR products and services given industry reputation affects the reputation of the individual organisations that comprise it (Ravasi and Fombrun, 2004).

2. Literature review

Meaning resides as 'ideas or values in the heads of organisational actors' (Scott, 2001, p. 79). Shared meaning becomes increasingly established over time, until it becomes taken-for-granted and governs not only our actions, but also the way we think (Hatch, 2006). It is therefore critical to understand perceptions of what CSR means across a broad range of actors in Australia, in order to critically assess the ways in which it is becoming taken-for-granted within this context and who is determining this.

As previously noted, there is still much debate in the literature regarding what CSR means. A key contribution to this literature was made with Carroll's (1979) 'three dimensional model' of corporate social performance. Central to the contribution of the model was the definition of CSR which delineated four domains of social responsibility: from traditional economic and legal responsibilities to ethical and discretionary responsibilities. These elements, which were later presented in the form of a pyramid (Carroll, 1991), are summarised in Table 1 below. This definition of CSR provides a useful structure for understanding the diversity of responsibilities corporations assume. Furthermore, it appears to have achieved some level of definitional consensus in the literature (Schwartz and Carroll, 2003).

Another concept that has served to improve the level of focus and clarity in the CSR literature is that of the 'triple bottom line' (TBL) (Elkington, 1998), a concept that has been used for both CSR management and reporting practices (Adams and Zutshi, 2004). This definition acknowledges three roles of business in society: economic, social and environmental. It emphasises the interdependency between these three areas; neglect of one area will negatively impact upon the other two. This is similar to the argument offered over a decade previously by Mintzberg (1983): there is an inevitable cascading effect of economic decisions into the social arena (and vice versa). As society becomes more aware of this

affect it increasingly demands that businesses accept a more holistic responsibility to society, beyond that of profit maximisation.

While meaning governs our actions (or 'practices') (Lawrence and Suddaby, 2006), it is also shaped from the 'bottom up' by those practices (Giddens, 1979; Hoffman, 2001; Sewell, 1992). CSR practice is therefore not only based on shared meaning, but loops back to influence that meaning. It is therefore also important to understand what constitutes legitimate CSR practice in Australia. Legitimacy can be defined as 'a generalized perception or assumption that the actions of an entity are desirable, proper or appropriate within some socially constructed system of norms, values, beliefs, and definitions' (Suchman, 1995, p. 574). It is an especially important resource in emerging industries, facilitating access to capital, markets, and governmental protection (Aldrich and Fiol, 1994). It can therefore be seen that legitimacy, created through shared meaning and practices, is critical to the growth and survival of a CSR industry in Australia.

CSR practice is rarely explicitly acknowledged in the literature, instead scattered throughout and is often referred to in terms of theoretical approaches (e.g. Adams and Hardwick, 1998; Bruch and Walter, 2005; Garriga and Mele, 2004). CSR practices are diverse and the 'rules of CSR application are relatively open' (Matten and Moon, 2004, p. 16). Social and environmental reporting practices have proven a popular topic of investigation (e.g. Adams and Zutshi, 2004; Boele and Kemp, 2005; Deegan and Gordon, 1996; Golob and Bartlett, 2007; Gray et al., 1996). Cause-related marketing and sponsorship of social groups, activities and events is another area of CSR practice evident in the literature (e.g. Murray and Montanari, 1986; Varadarajan and Alcorn, 1988). Sponsorship (d'Astous and Bitz, 1995), community consultation (Centre for Corporate Public Affairs, 2001) and corporate-community partnerships (Brown, 2006; Loza and Ogilvie, 2005; Redmond, 2005) are also examples of CSR practices. Recent attention has been given to employee volunteer programs (EVPs) and workplace giving programs (e.g. Zappala, 2004), with researchers investigating their effects on organisational reputation in the labour market (Greening and Turban, 2000; Harris, 2000; Turban and Greening, 1997).

A number of researchers have attempted to refine this broad array of CSR practices into frameworks (Marquis et al., 2007; Matten and Moon, 2004), however their scope remains limited in comparison to Bartlett's (2008) more extended taxonomy of CSR practices (see Table 2). This taxonomy groups CSR practices under the categories of philanthropy, commercial advantage, business legitimacy/sustainability and performance. This framework clearly links back to the two central definitions of CSR this study points to: philanthropic practices links back to the discretionary level, business legitimacy/sustainability practices to the ethical level and performance and commercial advantage practices to the economic level of Carroll's (1991) pyramid; 'performance' practices

Table 1
Four domains of corporate responsibility.

Domains of responsibility	Description of responsibility
Economic	Generating profit by producing goods and services and effectively managing the business
Legal	Complying with minimum standards of behaviour set in law (which is a system of codified ethics)
Ethical	Acting according to societal norms, standards and expectations in regard to what is seen as moral or just behaviour
Discretionary	Undertaking philanthropic activities that go beyond legal and ethical societal expectations in order to be a good corporate citizen

Source: adapted from Carroll (1979, 1991).

Table 2
Taxonomy of CSR practices.

Taxonomy of CSR practices	Examples of CSR practices
Philanthropy	Donations Foundations
Commercial advantage	Sponsorship Cause-related marketing
Business legitimacy/sustainability	Employee programs Community engagement and development Political positioning ISO standards
Performance	Triple bottom line reporting Reputation and measurement Internal audit Social audit

Source: Bartlett (2008).

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