The Tension between Capitalism and Corporate Social Responsibility:
A Case Study of Strategic Ambiguity in Clorox Environmental Communication
1970 - Present

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Master of Arts

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I.

Introduction

The popularity of the environmental movement has flooded society with organizations claiming to have upheld their social responsibility through environmental consciousness. Global environmental problems such as limited resources, pollution and climate change are affecting the values and attitudes of the public (Barber, Taylor, & Strick, 2009). However, within the realm of corporate social responsibility (CSR), there lies a tension between CSR and capitalist motives. Growing environmental concern has become apparent in recent years and has attracted the attention of companies seeking to gain profit from environmental marketing (Carlson, Grove, & Kangun, 1993). In a time where going green is “trendy,” both scholars and consumers are asking ethical questions about motives of companies integrating green initiatives into their CSR practices. The capitalistic response by corporations has contributed to the concept of greenwashing, defined by Gibson (2003) as the use of PR or marketing in order to promote a misleading perception that a company’s policies or products are environmentally friendly. While CSR provides support for worthy causes, companies practice it as much to increase visibility as to create social impact. Organizations invest heavily not only in good actions but also in communicating the goodwill to stakeholders (Luo & Bhattacharya, 2006, as cited in Vlachos, Tsamakos, Vrechopoulos, & Avramidis, 2009, p. 170). For example, in 1999, Phillip Morris made $75 million in charitable donations. The company then implemented a $100 million campaign to publicize them (Porter and Kramer, 2004, as cited in Vlachos et al., 2009, p. 170).
The financial benefits of publicizing a socially responsible image, especially an environmentally conscious one, created a market saturated with environmental claims. Research demonstrates that consumers are more likely to react favorably to companies that are thought to be responsive to environmental concerns (Chase, 1991, cited in Carlson et al., 1993, p. 27). A study by Terrachoice (2010) found: “since 2009, the number of ‘greener’ products (products claiming to have environmental benefit) has gone up by 73 percent” (p. 6).

Although products claim to be green, there is no societal or governmental consensus on what green really means. In fact, the ambiguity of words such as “green” “environmentally friendly” and “eco-safe” is a key consideration in the FTC Guides for the Use of Environmental Marketing Claims, or “Green Guides” stating:

“It is deceptive to misrepresent, directly or by implication, that a product, package or service offers a general environmental benefit. Unqualified general claims of environmental benefit are difficult to interpret, and depending on their context, may convey a wide range of meanings to consumers. In many cases, such claims may convey that the product, package or service has specific and far-reaching environmental benefits. As explained in the Commission’s Advertising Substantiation Statement, every express and material implied claim that the general assertion conveys to reasonable consumers about an objective quality, feature or attribute of a product or service must be substantiated.” (FTC, 2011)

However, vague environmental claims still appear on store shelves and in corporate discourse. The standards set by the Green Guides have been largely ineffective because they lack enforcement. The FTC has not made an effort to enforce these regulations
(Gibson, 2009). FTC ineffectiveness is further apparent when one examines Terrachoice research, which reveals that 95 percent of “greener” products committed one or more of the “seven sins of greenwashing” as defined by the company. Through overuse and misuse of environmental terms, greenwashing has changed the meanings of words that imply environmental benefit and consciousness, or “eco-language” (Alvez, 2009, p. 4).

Research shows that “eco” has moved away from its environmental connotation and developed a commercial association from its use in marketing slogans (Benz, 2000). Further, consumers are skeptical of the marketing connotation, attributing it to profit-driven motives of environmental CSR and greenwashing. Scholars, including Alvez (2009) recognize the need for further research. They speculate that the mutation has also negatively transformed other once “green” words such as “fresh”, “natural,” “organic,” and even “green” itself.

The goal of this paper is to analyze and explore how strategic use of ambiguous environmental terms such as “green” and “eco-friendly” contributes to skepticism regarding greenwashing. Ambiguity in environmental CSR language centers on the failure to substantiate environmental claims. Strategic ambiguity and substantiation are undeniably linked. Further, the misuse, overuse and deceptive communication of environmental initiatives changed the meanings of eco-language and caused environmental language to become strategically ambiguous tools as well.

Studying capitalist/socially responsible tensions incorporate approaches to green messaging through strategic ambiguity and greenwashing enables a valuable look at the construction of the public’s perception of environmental CSR actions. While many scholars discuss greenwashing in CSR, few investigate how the use of strategically
ambiguous language constructs the public perception of environmental campaigns. Through historical analysis of how strategic ambiguity shapes a corporation’s environmental practices over time, this study seeks to provide examples and insight into the phenomena of greenwashing yet to be explored in CSR or public relations research. The study provides vital information for PR practitioners and those communicating environmental initiatives as they are creating green messages on behalf of organizations. Because there are no government regulations regarding misuse of environmental claims, responsibility falls upon communications professionals to communicate ethically and effectively in environmental CSR campaigns (Signitzer & Prexl, 2008). Increased understanding of how eco-language is affected by environmental discourse can help corporations better communicate environmental messages and overcome the skepticism of profit-driven CSR better known as greenwashing. The cleaning product industry is a particularly interesting lens in viewing the complexities of CSR, as well as how the push for environmental initiatives affects greenwashing and meanings of strategically ambiguous terms. In a business built on the creation and use of chemicals, the industry has flooded the marketplace with products claiming to be ‘eco-friendly’ and ‘green.’

**Research Questions**

(1) How has Clorox’s communication of environmental initiatives over four decades contributed to the current culture of greenwashing skepticism?

(2) Does Clorox use strategic ambiguity to reconcile conflicting CSR motives?

(3) Does Clorox use eco-language as a means of strategic ambiguity?
Assumptions

Corporate annual reports are a summary of a company’s activities over the course of a year, but often also include historical information about the organization, its leaders, and products and services. It is important to note that disclosure in Clorox annual reports refer to the fiscal year (ending in June), rather than a calendar year (ending in December). Companies use annual reports as communication tools, presenting itself in the best light possible to instill confidence in the stakeholder’s decision to own stocks. However, the extent of the company’s PR language is limited by the legal obligation that the annual report be financially sound and goes through outside financial auditing. In addition, it is expected that CSR initiatives will be related back to their financial returns more in the annual reports than in other external communication. Triangulation of sources will be used to combat this tendency.

Within this study, I will not claim that a company has committed greenwashing. There are no standards to determine “how much” environmental action is needed to support a specific claim; therefore greenwashing as an action is completely subjective. For the purpose of this study, I will explore whether a company’s communication practices contribute to the skepticism of greenwashing that exists in our society. More specifically, I will study what role strategic ambiguity plays in this phenomenon.

II.

Literature Review

Capitalism and Corporate Social Responsibility

For the purpose of this paper, it is important to address the conflicting definitions of what constitutes corporate social responsibility. While organizations struggle to
balance conflicting goals in executing CSR, they are also faced with the ambiguity of what defines being socially responsible, indeed, these are related tensions. Vogel (2005) summarizes this problem, stating, “while increased attention has been given to CSR since the 1990s, there is no consensus on what constitutes virtuous corporate behavior” (p. 4). CSR takes many forms, including philanthropy, cause-related marketing, and environmental responsibility, among others (Ellen, Webb & Mohr, 2006). Regardless of its form, Ellen et al. state that CSR efforts are generally intended to portray an image of an organization as responsive to the needs of society. Ronneberger and Ruhl (1992) emphasize the importance of this society-oriented view of communication management. However, this theme does not take into account contradictory forces such as economic efficiency, social justice and environmental awareness that define the environment in which PR practitioners operate.

Several authors question the role of capitalistic pressures in CSR. Friedman (1996) believes that the social responsibility of corporations in a capitalistic society is to increase profits: “In a free economy, there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase profit so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception and fraud” (p. 245). Scholars including Johnson (1971) and Whetton, Rands, and Godfrey (2001) take a contrary position arguing that corporations have a more complex relationship to society. Johnson states that, “a socially responsible firm is one whose managerial staff balances a multiplicity of interests. Instead of striving for larger profits, a responsible enterprise also takes into account employees, suppliers, dealers, local communities and the nation” (p.50). Schmitt (2005)
agrees with this complexity, suggesting that CSR can co-exist with the profit-driven goals of corporations in a capitalistic society through the triple-bottom-line, which is based on the three pillars of business, social issues, and environment. The three pillars are treated as equal value and cannot be isolated from one another. Together, they form a sustainability triangle in which a corporation can improve its relationships with “people, profit and planet” (Fry & Slocum, 2008). Naturally, profit refers to the economic sustainability of the corporation, while sustainability for the planet considers social issues and the environment. In the triple-bottom-line, people refer to the organizations’ stakeholders, who are both an influencing factor of the creation of an organization’s CSR efforts and also its primary public when communicating those initiatives.

The role of stakeholders in CSR has also been a topic of much debate, when defining CSR from a communications and public relations perspective. Freeman (1984) defines stakeholders as any group that can affect or be affected by the behavior of an organization. Naturally, from a PR perspective, stakeholders are a key consideration in CSR initiatives and play a critical role in the process. In this light, Werther and Chandler (2006, 2011) characterize CSR as both a means and an end. They explain that CSR is a means because it “is an integral part of the firm’s strategy: the way a firm goes about delivering its products and services” (2006, p.8). CSR is an end because it “is a way of maintaining the legitimacy of its actions in the larger society by bringing stakeholder concerns to the foreground.” Similarly, Sethi (1975) believes that CSR is rooted in stakeholder responsiveness through anticipating and addressing expectations in the development of organizational strategy (as cited in Werther and Chandler, p. 30).
Expectations of both internal and external stakeholders can have a strong influence over CSR strategy (Coombs & Holladay, 2012).

Corporations may be pressured by stakeholders to conform to certain expectations, and may experience rewards for doing so through buying behavior. According to Coombs and Holladay (2012) organizations take two approaches to managing stakeholder expectations:

- **Proactive stakeholder expectation utilization** - an organization that works to anticipate the social concerns and expectations of its stakeholders and it includes situations where CSR is part of a founder’s vision.

- **Reactive stakeholder expectation utilization** - occurs when CSR appears to be a reaction to the stakeholder’s expectations and the CSR efforts are adopted after stakeholders publicly challenge the corporations to change.

  (p. 43)

Reactive stakeholder expectation utilization can also bring along unwanted media attention (Husted & Salazar, 2006). Greenpeace’s intervention with many environmental companies can be an example of this change. Corporations that take a proactive approach to stakeholder expectations can be seen as a thought leader for a CSR cause and also generate more positive perceptions.

Other scholars take a larger societal view, taking into account both political and cultural forces. Whetton et al., concluded that socially responsible behavior is synchronized with the ethical, economic and moral expectations of society at a particular point in time (as cited in O’Connor & Shumate, 2009). The social expectations of corporations have undeniably increased due to political and economic forces. In the 2010
decision Citizens United v. Federal Election Committee, First Amendment speech rights were extended to corporations granting them “corporate personhood” (Rubin, 2010). With this decision, the line between corporate and natural citizens became thinner creating a heightened level of social accountability for corporations. While often used interchangeably with CSR, corporate citizenship is defined as the activities and organizational practices adopted by businesses to meet their social responsibilities categorized into four areas: economic, legal, ethical and discretionary (Maignan, Ferrell & Hult, 1999).

Economically, the financial power of corporations demands intervention in global matters. Of the world’s 100 largest economic entities, 63 are corporations, not countries (McKinsey, 2011). Market research shows that consumers are demanding more CSR from these powerful companies. According to the 2011 Cone/Echo Global CR Opportunity Study, 93 percent of consumers say companies must go beyond their legal compliance to operate responsibly. The report found that 36 percent of consumers have researched a company’s business practices or support of issues and 93 percent would boycott a company for irresponsibility. Respondents believed it was important for companies to address a range of societal and environmental issues, labeling economic development and environment as the most important. Although people are demanding more CSR, Gilbert and Malone (1995) found consumers might care less about what firms are doing than about why they are doing it. These consumers are becoming more sensitive to corporate motives behind CSR and skeptical of greenwashing.

Greenwashing
Greenwashing is a topic of increased importance in CSR research. Munshi and Kurian (2005) believe greenwashing allows corporations to manipulate an image of environmental, social and cultural responsiveness. In response to pressure to increase profit, many corporations have integrated green efforts into their CSR campaigns as a reaction to the environmental movement. Gibson (2009) identified that the primary problem with greenwashing is that it misleads consumers into making purchasing decisions or establishing some level of character to an organization based on the erroneous belief that it holds environmental benefit. Because of increased response to environmental advertising, greenwashing has become pervasive in everyday consumer-driven marketing. Research reveals that two-thirds of consumers would change their buying behavior to improve the environment even if it meant paying more for a product (Carlson et al., 1993). Consistent with Social Identity Theory (Tajfel and Turner, 1979), consumers identify themselves with brands that help them satisfy their needs for self-continuity, self-enhancement and self-distinctiveness (Dutton et al., 1994). When consumers perceive a company to be genuine in its association with a social cause, they may identify with the company and make better evaluations of it (Alcaniz, Cacerez, & Perez, 2010). However, deceptive advertising tactics confuse consumers about whether a company is really “green” (p. 425). Porter and Kramer (2004) found that the tension between profit and social responsibility in environmental CSR campaigns has led to public cynicism (as cited in Vlachos et al., 2009). Boff (2003) attributes the mistrust to the very nature of environmental CSR campaigns. He calls CSR a “magic formula with which the world system of production pretends to solve the problems that it itself has created” (as cited in Munshi & Kurian, 2005, p. 515).
The notion that CSR campaigns contradict the operations of an organization is evident in many environmental initiatives. The concept of “fit” has been particularly telling in the relationship between consumers, an organization and its CSR actions. “Perceived fit” refers to the degree of similarity and compatibility that consumers perceive between a social cause and the brand (Lafferty, 2007). Further, “functional fit” pertains to the compatibility of the type of product or service marketed by the company and the type of social cause supported. Lack of “fit” often leads to skepticism and greenwashing in environmental CSR. Research suggests that the perception of fit between the brand and the social cause is a key variable influencing the persuasiveness of CSR campaigns (Alcaniz, et al., 2010). The profitability of environmental CSR and pressure from stakeholders to commit environmental responsiveness causes companies to engage in CSR initiatives that do not naturally fit their operations. In 2004, Ford ran an advertisement in National Geographic that read, “Green Vehicles. Cleaner Factories. It’s the right road for our company, and we’re well underway” (Gibson, 2009, p. 426). However, that same year, Ford sued to block a California law that would limit greenhouse gas emissions. Similarly, others questioned the validity of CSR efforts by BP. BP rebranded itself by using lowercase letters ‘bp’ to emphasize its move to “beyond petroleum.” The company boasted about its green initiatives, yet its main products remain pollutants (Jahdi & Acikdilli, 2009). In 1999, BP stated that endorsing environmental values was equally important as profits. Simultaneously, the company refused to abandon the chance to drill in the Arctic plains despite strong scientific evidence that disaster could strike and threaten the livelihood of natives and endangered species (Munshi & Kurian, 2005). In these examples we see that social and environmental responsibility
then, is only possible when it does not compromise a corporation’s financial interests. Another problem presented by the BP campaign focuses on the issue of substantiation of claims. BP suggested that it was investing “significantly in wind energy,” but did not clarify what “significantly” meant (Jahdi & Acikdilli, 2009). These claims exemplify the concept of ambiguity, addressed later in the theoretical framework.

The perceived act of greenwashing and consumer skepticism can have negative consequences for an organization. As noted above, consumers may develop a sense of attachment or connection with companies when engaging in CSR activities they care about. (Bhattchachara and Sen, 2004). Battchachara and Sen (2004) classify this connection as identification. However, the strong relationship can be threatened by companies partaking in deceptive CSR such as greenwashing. Consumers will feel personally “mistreated” by a company. Through identification, stakeholders recognize that part of their own identity is reflected in the corporation’s actions.

Communication is the key component in linking CSR and identification (Coombs & Holladay, 2012). Although identification is a powerful tool in building stakeholder relationships and consumer loyalty, there are also risks involved. In corporate social responsibility, organizations run the risk of developing expectation gaps: differences between how stakeholders expect a corporation to behave and how they perceive the corporation actually acts. Coombs and Holladay identify two types of expectation gaps in CSR: perception and reality gaps. Perception gaps occur when corporate policies and behaviors meet stakeholder expectations but stakeholders fail to recognize the match. While this disconnect may seem unlikely, it is more and more fitting in a communication environment filled with consumer skepticism. In addition, even when stakeholders claim
that CSR concerns shape their decision making, their knowledge of actual CSR practices is often limited (Dawkins, 2004). Reality gaps occur when corporate policies and behaviors do not align with stakeholder expectations. For example, Nike’s unfit labor practices led to negative media attention and the disapproval of stakeholders. In reaction to Nike’s questionable corporate behavior, the company launched a campaign to improve labor conditions. In environmental CSR, expectation gaps naturally lead to skepticism of greenwashing.

When stakeholders view an expectation gap they often withdraw their support for a company and may engage in negative word of mouth or organized boycotts. In today’s communication landscape, word of mouth and boycotts are further fueled by the presence of social media. Environmental organizations have leveraged new communication technology by forming websites dedicated to identifying and exposing corporate greenwashing. Greenpeace has emerged as one of the best examples of “whistleblowing” utilizing these online platforms. The organization maintains the website, www.stopgreenwash.org, to expose greenwashing and educate people about its practices (Greenpeace, 2012). In addition, Enviromedia Social Marketing and The University of Oregon teamed to form the Greenwashing Index, a website that allows users to upload and share greenwashing examples in advertisements and corporate communications (Enviromedia, 2012). The public then rates the content based on its level of greenwashing. Both websites are examples of how society is becoming skeptical of corporate environmental actions.

**history of the environmental movement and greenwashing.**
The modern environmental movement gained momentum in the late 1960s with the release of Rachel Carson’s book *Silent Spring*. The book revealed the detrimental effects of pesticides on birds and captured public attention. Following *Silent Spring*, the 1970s were filled with both corporate and governmental steps to clean up the environment. The government responded in the 1970s with the National Environmental Policy Act, the Clean Air Act, the Water Pollution Control Act, and the Endangered Species Act (Kline, 2000). Simultaneously, the oil, chemical and automobile corporations, along with industrial associations and utilities, spent nearly $1 billion a year on advertising. Madison Avenue advertising executive, Jerry Mander, famously referred to early forms of greenwash as “ecopornography” (1972). He explained that while many companies were jumping on the environmental bandwagon, in the process they were “destroying the word ‘ecology’ and perhaps all understanding of the concept” (p. 47).

The 1980s, however, were plagued by environmental disasters such as Bhopal, Chernobyl and the Exxon Valdez oil spill. The term greenwashing was coined by environmental activist Jay Westerveld in 1986, in an essay criticizing the hotel industry’s “save the towel” movement (Motavalli, 2011). He saw the irony of the industry encouraging guests to reuse towels noting that they were really trying to cut laundry costs and create larger profits.

The environmental movement heightened in the 1990s. Transnational companies recognized that consumers wanted to buy green products and responded with more sophisticated greenwash campaigns. In a 1990 survey, 77 percent of Americans said that a corporation’s environmental reputation affected what they bought (Doyle, 1990). One-fourth of all new household products released onto the market in the US around the time
of "Earth Day 20" advertised themselves as "recyclable," "biodegradable," "ozone friendly," or "compostable" (Durning, 1993, p. 18). The environmental movement continued to gain speed in the Twenty First Century with threats of global warming. Former Vice President and Senator Al Gore brought climate change into mainstream consciousness with his 2006 documentary *An Inconvenient Truth*. In addition, the United Nation responded to climate change with the Kyoto Protocol, an international environmental treaty aiming to stabilize greenhouse gas emissions. The United States, however, remains the only UN member that has not signed the protocol. While the concept of global warming is still debated, the first generations of Earth Day children are taking their environmental values into the workplace and marketplace making them the most environmentally conscious generation (Phillips, 1999). However, with real environmental problems looming, consumers have become increasingly sensitive to organizations attempting to capitalize on the environmental movement.

**Balancing Motives**

Public skepticism questions whether organizations are executing socially responsible campaigns to benefit society or rather to ultimately improve its image to maximize profits. The public is sensitive to the thin line that organizations meander when managing these conflicting goals. Corporate motives behind CSR are a major variable explaining consumer reaction to CSR and overall campaign effectiveness (Godfrey, 2005). It is the responsibility of corporate communicators to execute socially responsible campaigns while managing the often-conflicting goals of the organization. Communicating social responsibility to the public can be difficult, particularly when
consumers are already skeptical of environmental corporate action (Jahdi & Acikdilli, 2009).

Ellen et al. (2006) state that consumers differentiate four types of motives. Egoistic motives exploit a cause rather than helping it. Stakeholder-driven motives support social causes mainly because of pressure to meet the expectations of stakeholders. Strategic-driven motives focus on reaching business objectives (e.g., increase market share, creating positive image). Finally, values-driven motives refer to benevolence-motivated giving (as cited in Vlachos et al., 2009). Vlachos concludes that consumers are most likely to accept attributions of values-driven motives because they consider the organization to be acting from sincere intentions.

Coombs and Holladay (2012) contend that the viewing the four CSR motives independently is an oversimplification, because CSR efforts are a mix of multiple motives. Further, people perceive CSR as more value driven and strategic when there is a fit between the corporation and its CSR actions. Further, purchase intention increases when the CSR motives are perceived as more value-driven and strategic, and it decreases when the motives are viewed as stakeholder-driven and egoistic (Ellen et al., 2006).

Stakeholder perceptions of CSR motives can be instructive for PR practitioners and those trying to communicate social initiatives. Coombs and Holladay (2012) find that stakeholders accept a strategic focus when they believe a corporation genuinely cares about the cause. On the other hand, stakeholders reject CSR when they believe a corporation was forced into the cause as a response to stakeholder pressure or to serve its own self-interests. Coombs and Holladay believe that stakeholders realize CSR includes an element of serving business interests, but the challenge is that the strategic element
cannot outweigh the value-driven motivations. Fit is particularly telling in environmental CSR, because the nature of many industries involves the consumption of natural resources. Beyond obvious examples of the oil, mining and foresting industry, the cleaning industry has been particularly telling of the role of fit in the greenwashing phenomenon.

**washout of eco-language.**

The flood of the word “green” has affected how consumers react to environmental CSR communication. Alvez (2009) states that “language, written and symbolic, is central to green marketing” (p. 4). Benz (2002) expands this idea, arguing that “eco-” has moved away from its green connotation and into more commercial realms through its use in marketing communications. Alvez (2009) believes “this mutation has afflicted other ‘green’ words like fresh, natural, organic, and even green itself (p. 4). Industrialists argue that the corporate use of “green” language and the resulting connotations result in positive effects by expanding environmental consciousness.

Many environmentalists disagree, however, arguing that the original term has been corroded. While I agree with Alvez that the adoption of “eco-language” has helped bring greater awareness to environmental issues, the manipulation of environmental terms has created new challenges in the way that stakeholders decode the terms and attribute their meanings. This creates opposition for corporations crafting environmental messages.

The overuse of environmental terms is apparent in examining the results of market research. In 2008, Lake Superior State University listed ‘ubiquitous green’ and all of its variables, such as “going green,” “building green,” “greening” and “green
technology” as number one on their 34th annual List of Words to Be Banished from the Queen’s English for Misuse, Over-use and General Uselessness (LSSU, 2008). A Business Week survey uncovered similar results: “green” was the number one buzzword that PR and marketing specialists are tired of hearing (Alvez, 2009).

The ambiguity of what constitutes a “green” product or service may be viewed as a way to reconcile the conflicting motives behind an organization’s CSR initiatives. Ambiguous terms allow a company to exaggerate or over-estimate the reach of their environmental initiatives. The next sections of this paper will explore how strategic ambiguity is used to reconcile conflicting motives and how consumers attribute corporate actions and the use of ambiguous terms in environmental CSR.

**Attribution Theory and CSR**

Attribution theory can be used to analyze how individuals perceive CSR actions based on an organization’s motives. Developed by Heider (1958), attribution theory is concerned with how individuals interpret events and how this relates to their thinking and behavior (as cited in Griffin, 1991, p. 138). Fein (1996) found that attributional processes are often evoked in the context of heightened suspicion (as cited in Ellen et al., 2006, p. 154). As addressed above, the overload of environmental claims forced on the public has created an ideal environment for attribution to occur.

Attribution theory relies on the assumption that individuals try to determine why people (or organizations) do what they do. A person trying to understand why an organization did something may attribute one or more causes to that behavior. Because of capitalistic tension, organizations manage many goals in producing a socially responsible outcome. A three-stage process underlies attribution: (1) perception of the action, (2)
judgment of intention, and (3) attribution of disposition (Griffin, 1991). The second step of Hieder’s chain of causal influence requires that an individual believes the action was intentionally performed. It is within the judgment of intention that an individual measures the impact of an organization’s motives.

Harvey, Ickes, and Kidd (1981) revealed that certain human tendencies arise when judging intention. They found that we tend to hold others more responsible for negative results than for positive outcomes. This tendency serves as a barrier for PR representatives when communicating socially responsible actions. An individual is more likely to think negatively of a company if they make a mistake, than to think positively of a company from ongoing socially responsible behavior. A second tendency is that individuals tend to hold others more responsible when they aim to improve their position rather than avoid loss.

This concept leads up to the interpretation of motives. The impact of motives in CSR has been identified in communication research and will be discussed further in the next section. The final stage of the process is the attribution of disposition. Heider defined attribution as a way to “predict and control the world by assigning transient behavior to relatively unchanging dispositions” (as cited in Griffin, 1991, p. 138). He states that individuals constantly assess how much an action is due to personality as opposed to environmental pressure. In the realm of CSR, these pressures stem from the conflicting goals of an organization. Pressure to increase profit and act socially responsible creates tension in corporate action. In this final step of the attribution process, individuals associate character with an organization based on their actions. Further, they attribute disposition based upon the motives behind the organizational action.
Traditionally, organizational CSR motives are characterized as being intrinsic or extrinsic. Extrinsic motives are judged by individuals as serving economic objectives (Drumwright, 1996). On the contrary, intrinsic motives reflect an organization’s sincere social concerns. Ellen et al. (2006) found attributions were more dimensional when interpreting CSR messages and further differentiated the perceived motives of CSR initiatives. Their research identified that individuals often differentiate four types of motives. Egoistic-driven motives relate to exploiting the cause rather than helping it. Strategic-driven motives are those most highly driven by capitalistic pressure. These goals support attaining business objectives, such as increasing market share and creating positive impressions for the purpose of attracting consumers. Stakeholder-driven motives are a reaction to the demands of external stakeholders, such as NGOs and pressure groups. Jahdi and Acikdilli (2009) state that CSR action driven by stakeholder motives can be largely cosmetic because “an organization’s heart is not really in it” (p. 105). Lastly, values-driven motives relate to benevolence-motivated giving. Individuals who perceive organizations to have values-driven motives view corporate action as a commitment to ethical and/or environmental issues.

The perceived legitimacy of an organization’s environmental CSR claims stem from the public’s attribution of the motives behind the actions. The stigma of greenwashing has emerged as a common barrier, making individuals increasingly sensitive to profit-driven motives. In 2005, Godfrey found that CSR evaluators are not likely to accept motives that are economic or flow from moral or legal obligations (as cited in Vlachos et al., 2009, p. 172).
Individuals are most likely to respond positively to attributions of values-driven motives because they consider an organization to be acting out of sincere and benevolent intentions. CSR evaluators believe organizations design CSR actions because they care, and view socially responsible behavior as a part of a company’s moral behavior.

However, other research suggests that individuals can also accept the duality of intrinsic and extrinsic motivations. In fact, Ellen et al. (2009) found that consumers responded more positively when both self and other-serving motives were present. Thus, while the public may look cynically at organizations, they recognize that businesses can serve two masters: their bottom lines and the needs of society. Williams and Aker (2002) demonstrated the idea that consumers are able to reconcile the self- and other-centered motives, both having the ability to positively influence purchase intent. They suggest that openly addressing the presence of strategic benefits in addition to values-driven motives of CSR programs might inhibit the negative influence of consumer skepticism (as cited in Ellen et al., 2009, p. 155).

Previous studies have used attribution theory to investigate the public’s perception of CSR. However, little research has identified how the heightened skepticism created by greenwashing impedes communication of environmental initiatives. Because of profit-driven marketing and advertising campaigns, the public is increasingly aware of intrinsic motives. Further, the appeal of intrinsic financial benefits of the environmental movement has made self-centered CSR motives even more appealing to organizations. Attribution theory provides insight into how the motives of an organization can affect the communication of environmental CSR campaigns. The theory provides an analysis of the way that individuals delegate praise or blame. Studying the attribution processes of
environmental CSR messages creates an understanding of how distrust and negative opinions toward an organization are created. Further, it also reveals how the public positively perceives environmental CSR, consequently forming opinions that corporations are environmentally responsible and conscientious. Additionally, it can explain how PR practitioners can respond to organizational perceptions and adjust their communication strategies accordingly. Strategic ambiguity is used to reconcile multiple and conflicting motives.

**Strategic Ambiguity and CSR**

Traditional views often suggest that effective communication hinges on clarity and openness. Multiple interpretations of CSR messages due to the complexity of motives is scrutinized by this “optimal” model of communication. Ambiguity is often criticized in CSR messages. For example, the Green Guides of Environmental Marketing developed by the Federal Trade Commission address vagueness in CSR claims as a problem (2011).

Eisenberg (1984), however, states that clarity is not always, nor should be, a primary communicative goal. He notes, “Individuals often have conflicting goals which they orient toward in an effort to satisfy rather than maximize attainment of any one goal in particular” (p. 227). The value of strategic ambiguity (SA) in communication stems from a critical response to linking effectiveness with clarity. Eisenberg defines strategic ambiguity as use of ambiguity where individuals use ambiguity purposefully to accomplish their goals. Eisenberg and Goodall (1997) explained that strategic ambiguity serves four functions: (1) promotes unified diversity, (2) preserves privileged positions, (3) is deniable and (4) facilitates organizational exchange (as cited in Ulmer & Sellnow,
2000, p. 148). For the purpose of this study, I will be focusing on the first and third functions in relationship to communicating corporate environmental change.

Strategic ambiguity promotes unified diversity. This aspect makes SA particularly relevant for the multiple and conflicting goals of CSR. Becker (1968) states that the “problem” of divergent goals is not always best resolved through consensus, but rather through the development of strategies, which preserve and manage these differences (as cited in Eisenberg, 1984, p. 231). Through strategic ambiguity, language is purposefully used to express values at a stage of abstraction which agreement can occur. Williams (1976) states that the use of strategic ambiguity encourages individuals to focus on the more abstract concepts in which they agree, rather than the specific details upon which they disagree (as cited in Paul and Strbiak, p. 150).

Several factors of environmental claims often serve as specific aspects that cause suspicion of greenwashing. Because there are no government regulations regarding how far an organization must go to substantiate its claims, much judgment is left to the individual to assess the validity of CSR efforts. The organization’s motives are further questioned in this attribution process. The use of strategic ambiguity in environmental CSR claims shifts the focus back to the overall contribution and environmental consideration of the company. Deniability refers to the fact that future options are preserved through its use. In terms of environmental CSR, this describes maintaining flexibility for future environmental actions by a corporation.

Researchers have examined the use of ambiguity as organizational principle for external and internal communication (Eisenberg, 1984; Eisenberg and Goodall, 1997). The use of ambiguity is often studied in organizational missions and goals. Edelman
(1977) found that when organizational goals are stated concretely they are often strikingly ineffective (as cited in Eisenberg, p. 231). Strategic ambiguity can be essential because it allows multiple interpretations to exist when perceiving the same message. For example, organizational mission statements must be strategically ambiguous to allow diverse departments to integrate their multiple functions in a way that meets a company’s mission.

Eisenberg also recognizes that it is a political necessity to engage in strategic ambiguity. It is vital when communicating political messages that different constituent groups may apply different interpretations to the symbol. Public relations representatives encounter the same barriers when communicating CSR messages to multiple publics. Most recently, Wexler (2009), studied the relationship between strategic ambiguity and what he called the “triple bottom line” (p. 69). The triple bottom line is a coalition of three communities - profits (economic rationality), people (social rationality) and planet (ecological rationality). Strategic ambiguity enables harmony and co-existence between the communities, even in circumstances where their goals conflict.

There are numerous advantages to using the concept of strategic ambiguity to analyze the communication of multiple goals in environmental CSR messages. Ambiguity theory provides valuable insight into managing conflicting goals. Strategic ambiguity can also reconcile diverse motives of environmental initiatives. However, strategic ambiguity presents some ethical limits. When used unethically, strategic ambiguity can be perceived as deceptive. Communicating environmental initiatives in a context that requires the consideration of greenwashing creates the ideal context for a resource such as strategic ambiguity. Strategic ambiguity counters the assumption that
clarity equals communication effectiveness. An analysis of the use of strategic ambiguity in environmental CSR campaigns demonstrates how PR could benefit from deviating from the “optimal model” of communication.

**attribution theory and strategic ambiguity.**

Although they maintain definable differences, strategic ambiguity and attribution have subtle commonalities. Both of the concepts take into account the public perception and impact of a message. Strategic ambiguity has been identified as a resource that can maintain and amplify existing attributions (Eisenberg, 1984). Manis (1961) states that when interpreting and assigning attributions of an ambiguous statement or opinion, the average person would be more influenced by their own views than when interpreting a statement that is not ambiguous (p. 76). This function of strategic ambiguity has been proven to help preserve and enhance attributions of credibility (Weick, Gilfillen, & Keith, 1973). Attribution theorists have studied the influence of ambiguity (Jones & Nisbitt, 1972). They have found that highly credible people have greater flexibility in what they can say to maintain a positive impression. Eisenberg (1984) notes a source that is perceived as being credible could speak ambiguously and be considered a prophet. However, a source with perceived low-credibility speaking identically might be considered a fool (p. 235). The attribution of credibility correlates to organizations as well.

An example of both of these concepts is BP, which underwent scrutiny for making claims about its operations being “environmentally friendly”. These claims were examined because the nature of the company creates environmental concern. The motives behind its claims were further questioned because of increased public skepticism.
regarding greenwashing. While strategic ambiguity may be a way to recognize and communicate multiple goals, the attribution assigned to these goals can also be highly variable. Strategic ambiguity complicates the task of interpretation and subsequently the process of attribution for the receiver.

Strategic ambiguity reflects a structuralist viewpoint. The role of language and identity formation in sense-making and meaning-making is emphasized. Attribution theory also studies how individuals make sense of the world and form causal inferences. Meanings are given to communication acts through the attribution processes. The strategies used to research ambiguity and attribution have some correlation. Eisenberg and Whitten (1987) state that the measurement of ambiguity as a construct requires knowledge of communicative goals, linguistic choices and receiver interpretation. With the knowledge of these three things, the level of correspondence between intent and interpretation can be assessed. Intent and interpretation relate directly back to Heider’s chain of causal influence. Perception of the action and judgment of the intention are the first two steps in perceiving organizations as causal agents. The third, attribution of disposition, refers to assessment of how much of an action is a reflection of character. Maintaining image and “character insurance” are seen as positive outcomes of strategic ambiguity.

The main differences between the concept of strategic ambiguity and attribution theory stem from their relationship to message assessment. Attribution is a process in which individuals draw inferences from messages, based upon properties such as organizational motives. When related to green initiatives, attribution would highlight an individual’s perception of a company through evaluation of CSR messages and the
motives behind them. Attribution reveals how judgment of an organization’s intentions affects an individual’s views of a company’s CSR actions and further shows how the skepticism of greenwashing affects the interpretation of motives. Strategic ambiguity is a way to manage multiple and conflicting motives behind these messages. It is important to note strategic ambiguity is defined relationally, and not as a property of messages (Eisenberg, 1994).

In relation to communicating environmental CSR, the concept highlights the reconciliation of multiple goals. The tension between CSR and capitalist motives demands some recognition of these goals for communication to be effective. By recognizing the complexity of capitalist and socially responsible goals, a critical self-awareness emerges that can motivate different kinds of practices toward responsibility. Awareness of these organizational motives can result in the use of strategies, such as ambiguity, to communicate these sometimes-conflicting goals. Through the use of ambiguity, the constant push for substantiated and clear environmental claims is subsided. It allows for the possibility that organizations can make environmental initiatives without being constrained by them.

For the purpose of explaining how multiple motives are managed in corporate environmental campaigns, the use of ambiguity as a strategy strongly contributes to this understanding. In this process however, attribution plays a large part in assessing these statements. Although attribution may be the most obvious choice for explaining this phenomenon, ambiguity plays an unscathed role in the reconciling of multiple goals in environmental CSR.
Eisenberg’s criticism of communication’s constant thrust for clarity is profound and begs for exploration in the context of corporate green initiatives (1984). However, this profoundness does have limits, especially in the ethically dense arena of corporate social responsibility. Therefore, in this study I will focus on ambiguity as a communication strategy through the use of ambiguous environmental terms and subsequently the role of attribution in evaluating these claims. The two frameworks have an evident correlation and can be utilized to explain the complexity of organizational motives and public perception of CSR. Scholars have recognized the value of using ambiguity to articulate organizational goals to society. Eisenberg (1984) acknowledged the image of the company as a fundamental goal that must be developed through both internal and external communication. However, most research on ambiguity has focused on the internal aspects of communication. The unique cynical environment of today’s green movement provides a valuable opportunity to explore the effect of ambiguity as a CSR strategy.

**Clorox background.**

Cleaning corporations seeking to uphold their corporate social responsibility through environmental initiatives have done so in several different ways. Commonly, companies have executed their initiatives through the development of green product lines. However, some view the development of green products as simply a growth opportunity and not a true reflection of altruistic motives. From Friedman’s viewpoint that the only social responsibility of corporations is to increase profits, the cleaning industry has undeniably encountered these financial benefits. Green cleaning companies are exposed to a $3 billion dollar market (Kamenetz, 2008). However, with this success has come
much criticism of greenwashing, contributing to overall consumer skepticism in the marketplace. Since 2009, the number of environmental claims by products such as detergents, window cleaners and general purpose cleaning liquids has increased by 105 percent. In a 2010 study examining 605 cleaning chemistry products and 120 tissue products found in a variety of retailers including grocers, DIY construction outlets and houseware specialty retailers, the products made a combined total of 2,001 “green” claims. However, only 3.73 percent of these claims were free of greenwashing (TerraChoice, 2010). Vagueness was the most common offense in this category, making the study of strategic ambiguity particularly applicable.

Cause related marketing in the form of green product lines often spearheads the CSR and sustainability reports of cleaning product companies, but the profitability of the green products once again raises skepticism regarding the organizational motives. Further, green product lines are just a small part of the operations of many large cleaning corporations. Beyond green brands, many companies are still creating chemicals that produce harmful environmental consequences. Therefore, questions arise regarding how much of an organization’s social responsibility is effectively carried out through cause related marketing. Some skeptics believe that they only trying to fix problems that the industry itself creates. While environmental consciousness and the use of green products have environmental benefits, some argue consumerism can have negative consequences. Stauber and Rampton (2000) state that green consumerism does not address the root of environmental problems because it doesn’t encourage a decline in consumption. In fact, “green” is a vehicle for misleading consumers about “sustainable” business practices. However, other scholars argue that environmental product lines play a positive role in
“greening” the American consciousness by creating a balance between consumer expectations and business product motives (Hailes, 1998).

Despite the capitalistic motives of some cleaning companies, there is a need and demand for safer cleaning products. Chemicals in household products can cause a variety of health problems. The chemicals in traditional cleaning products are associated with asthma, respiratory problems, some cancers, as well as reproductive disorders. In addition, most synthetic chemicals made in laboratories have not been tested for chronic health effects (Hoback, 2008). By choosing less hazardous products, consumers can minimize harmful impacts to custodial workers, improve air quality, and reduce water pollution (EPA, 2010).

Positive attributes of green cleaning products are often biodegradability, low toxicity, low volatile organic compound (VOC) content and reduced packaging. Environmentally conscious consumers are willing to pay more for products with such attributes, but the rapidly growing green cleaning sector makes it difficult for consumers to figure out what’s toxic, what’s environmentally friendly and what actually works. “There is a lot of greenwashing going on. Everybody is calling themselves green,” said Annie Bond, executive editor of Care2, a green living website (Hoback, 2008, p.78).

While many emerging product lines consist of a larger percentage of natural and plant-derived cleaning agents, none of them are actually “friendly” to the environment (TerraChoice, 2010). Finding a legitimate green cleaning product can be particularly difficult for consumers because of, “unelaborated uses of terms such as: eco-friendly, environmentally-friendly, earth-friendly, environment safe, harnessing nature and eco-chemistry” (p. 6). None of these terms have a federally approved definition when it
comes to cleaning products, allowing marketers and advertisers the capability to abuse the attributions that consumers derive from these messages. The vagueness presents a communication disconnect between corporations and consumers that can lead to skepticism of greenwashing. In the 2010 Terrachoice greenwashing report 77.4 percent of cleaning products were guilty of vagueness, the highest percentage of any industry.

While green cleaning agents were once a niche market, they have undeniably gone mainstream. Cleaning giants such as Procter & Gamble and Clorox have capitalized on the demands of eco-consumers. Specifically, Clorox serves as an example of both the success of environmental marketing and greenwashing criticism associated with it. In 2008, during the launch of Green Works, Clorox’s natural cleaning product line, Chief Executive Don Knauss told Fast Company, “You’re always trying to figure out what megatrends are going on.” The view of sustainability as just a megatrend caused backlash from greenwashing skeptics. Despite being labeled one of America's most chemically dangerous companies by U.S. PIRG in a 2004 report, Knauss stated he had been focusing on the “explosive growth opportunity” in sustainability since day one (Kamenetz, 2008). Fast Company states, “Green Works is one of the most successful launches of a new cleaning brand in recent memory, but it also has wider implications for anyone interested in the movement of the mainstream marketplace of greener products.”

To combat initial reports of greenwashing, Clorox chose an unlikely partner in the Sierra Club. Clorox announced that the Sierra Club Logo would appear on all Green Works labels. In return, the Sierra Club would receive an undisclosed percentage of Green Works sales. As the country’s first and largest national environmental
organization, this was uncharted territory connecting with the for-profit world. Within the group itself, many Sierra Club members protested the partnership.

In March of 2008, the Sierra Club made an unprecedented decision removing the heads of its 35,000-member Florida chapter and suspending the chapter for four years for publicly rejecting the Clorox deal. Carl Pope, the executive director of the Sierra Club at the time told Sierra Club leaders, “We consulted with the executive committee of the board of directors, the corporate relations committee, the Toxics Committee, energy committee, and the environmental-quality committee. None of these entities found fault with Green Works as a product line” (Kamenetz, 2008). However, the co-chair of the club’s toxics committee publicly announced that she never saw the report. Despite the rejection of the deal by the corporate relations committee, Pope carried out the partnership without any independent scientific assessment of Green Works products.

III.

Methodology

For the purpose of this study, I am employing textual analysis and a case study of Clorox. I believe a mixed methods approach will provide support and strengthen my research. Daymon and Holloway explain that case study methodology compliments textual analysis, because it provides an alternative perspective on the same topic (2002). The approach takes into account organizational factors surrounding the text and how they might shape culture. Thus, the methodology allows investigation of how the use of strategic ambiguity to reconcile capitalistic motives can contribute to a culture that is skeptical of greenwashing. Through combination with a longitudinal case study, the evolution of Clorox’s communication of environmental initiatives will be explored.
Case Study

Case study research provides deep, narrow exploration of Clorox’s use of strategic ambiguity and its role in the greenwashing phenomenon. In addition, it brings the concepts to life by focusing on communication events in their real-life context (Daymon & Hollaway, 2002). According to Daymon and Hollaway, case study provides a holistic view that explores relationships and connections. Within this study I discuss a causal chain between capitalistic pressure in CSR that encourages greenwashing, which in turn uses and creates ambiguity in communicating environmental initiatives. Case study allows a lens to explore the complexity of these relationships.

Clorox is the object of this case study. Clorox is a relevant sample for my study because it portrays many of the qualities that characterize corporate greenwashing. For example, the very nature of the company is to produce toxic chemicals, giving rise to problems of CSR fit. Chemicals, such as chlorine bleach (the basis for the company’s name), pose human health hazards, along with disposal concerns that threaten aquatic life. However, the company has taken several steps toward a more environmentally conscious image over the past years, despite the fact that environmental concern contradicts the nature of their business. This irony has given rise to much greenwashing skepticism. Further information on Clorox’s environmental initiatives can be found in the previous chapter.

For the purpose of this study it is important to identify boundaries of the case study scope. While Clorox built its name on bleach, the company has diversified its product line in the last 30 years acquiring products including Hidden Valley Ranch salad dressing, Fresh Step kitty litter and various insecticides. This case study will only analyze
the household cleaning product market of the company’s operations. Further, the case will provide a longitudinal study of how the use of strategic ambiguity in the greenwashing has evolved over time. To do this, I will analyze the company’s communication using a historical perspective from 1970 to the present. I chose 1970 for two reasons: that is the year that Clorox regained its independence from Procter & Gamble, marking a time that the company started forming its own identity. Second, the early years of environmentalism provide a particularly rich view into how the company has shaped their environmental communication. Further, this study examines how Clorox’s environmental communication shapes the current culture of consumer greenwashing skepticism.

**Textual Analysis**

In addition to case study, I will perform textual analysis to examine how Clorox uses and constructs meanings of strategically ambiguous language. Mckee (2003) describes textual analysis as a way of understanding the culture in which we live. In regards to this investigation, textual analysis will explore how corporate communication of environmental initiatives has contributed to a culture of greenwashing skepticism among consumers.

Fürsich (2009) expands on this definition, describing textual analysis as a type of qualitative analysis that, beyond the manifest content of media, focuses on the underlying ideological and cultural assumptions of the text. Further, Fürsich argues for a culturally critical perspective of textual analysis. Cultural analyses combine textual analysis with contextual studies of the condition of its production on several points: the institutional, systemic and personal production level. This research highlights institutional constraints,
economic resources, and professional strategies that shape content (e.g., Butsch, 1995). When performing textual analysis we explore the interpretations that might be made from the text. Thus, the method looks beyond the words in the text to explore their larger implications. Potter and Whetherell describe the transforming nature of text by stating:

“Social texts [that is, discourse] do not merely reflect or mirror objects, events and categories pre-existing in the social and natural world. Rather, they actively construct a version of those things. They do not just describe things; they do things. And being active they have social and political implications.” (1987, p. 6)

Within textual analysis I will practice deconstruction to critically analyze ideas that rest under the surface of the text (Mickey, 2003). According to Fürsich, deconstruction is a radical questioning of underlying assumptions of a text by exposing internal inconsistencies (based on Derrida’s *Of Grammatology*, 1976). By challenging assumed meanings, I will be able to recognize underlying capitalist motives that exist in greenwashing and the communication of environmental initiatives. Further, deconstruction enables me to explore the multiple interpretations behind strategically ambiguous terms. Deconstructing raises fundamental questions about corporate discourse. It seeks to know why, for whose welfare, or in what sense we might understand the material, making it particularly relevant to explore the motivations and meanings behind environmental CSR communication.

Fürsich (2009) believes that textual analysis is particularly valuable in mass communication and journalism research. He explains, “Despite many advantages of large-scale research projects that integrate moments of production, content and reception, only independent textual analysis can elucidate the narrative structure, symbolic
arrangements and ideological potential of content” (p.239). Since corporations are such significant institutions for creating meaning in our society, there is a need for scholars to analyze and interpret what spectrum of reality corporations create. Thus, in this study I will examine the dual role that corporations have played in creating a culture of both environmental awareness and skepticism.

**Sample.**

The primary sampling data for the case study is Clorox’s annual reports from 1970 to the present. However, I also corroborate evidence from different sources to support information in the annual reports and to shed light on a particular theme or perspective. Such sources include press releases, advertisements and other forms of corporate communication. Further, I will refer to documents of other companies to reveal any industry or cultural themes that might affect Clorox’s actions in a given year. The triangulation of ideas will help achieve a measure of validity, comprehensiveness and interconnectivity (Chen & Pearce, 1995).

For the purpose of this investigation, a text is more than something that can be simply “read.” While the sample of this study centers on Clorox annual reports, a text is a complex set of discourse strategies that are situated in a special cultural context (Barthes, 1972). Fürsich states, “The textual analysis approach typically results in a strategic selection and presentation of analyzed text as the evidence for the overall argument” (2009, p. 240).

Annual reports present the summation of a company’s actions in that fiscal year. For that reason, they prove as a valuable sample and starting point for both textual analysis and case study. In addition to texts used by Clorox in external communication,
corporate actions of Clorox itself warrant consideration. Cultural studies stress that not only written material but every cultural practice or product can be analyzed as text (Fürsich, 2009, p. 240). Textual analysis allows the researcher to discern latent meaning, but also implicit patterns, assumptions and omissions of a text.

IV.

Case Study: 1970-1999

The first chapter of my investigation provides historical insight into the communication of Clorox’s environmental initiatives from 1970-1999. While this time period does not provide the largest amount of environmental communication from Clorox, corporate action during this era is indicative of how its corporate environmental policy and identity evolved. The three decades show the roots of Clorox’s relationship with the environment, despite the company’s recent attempts to prove otherwise.

The 1970s: A Time of Growth

The 1970s were an important time for The Clorox Company because the decade marked an era when the company formed its identity. Prior to 1970, Clorox was a subsidiary of Procter and Gamble. The companies were forced to split in 1970 because of the threat of decreased competition and a monopoly on chlorine bleach. By court order, the two companies officially divided in 1969, allowing Clorox to gain its independence. At the time of the split, Clorox was a one-product company that centered all of its operations on the production of liquid chlorine bleach.

The 1970s also marked a period of unparalleled growth. The 1970 Clorox annual report stressed that the company’s existence began with and still centered bleach as its primary product. However, during this time the company also prepared for growth and its
first acquisition as it bought Liquid Plumr drain opener. This was just the beginning for the company in terms of acquiring diverse brands. According to the company profile history, bleach sales increased during that time because of concern about health and environmental effects of phosphate and enzyme detergents.

The annual report itself did not use any eco-language or make reference to the environmental impact of its product within the text. That said, however, the lack of acknowledgement of this impact speaks for itself. The annual report stated that bleach is established as a key part of the cleaning industry: “The housewife will obviously not accept a less effective substitute.” This statement is particularly telling of the company’s strong roots in its original, chemically derived product and contradicts its later release of natural cleaners.

In 1971, Clorox’s product portfolio expanded with the release of Clorox 2, a non-chlorine bleach. The annual report revealed that with the addition of chemical-based products, the Clorox Company had been operating multiple chemical companies for production. The 1971 annual report focused heavily on talk of additional acquisition and diversification. Imagery in the annual report sparked strong chemical association as the Clorox logo undeniably mirrored hazard labels [Figure 1 (Clorox Logo v. Hazard Labels)]. While early communication of Clorox products seemed to embrace the company’s chemical roots, this strongly contradicts the natural identity that The Clorox Company strived to embrace in later years.
In 1972, Clorox bleach sales were stronger than the past 10 years. Clorox attributed this growth to the fact that people were discovering bleach could be used for more than just a household disinfectant. During this time, the only sustainability the company was concerned with was financial. When referencing goals for the company, Clorox stated:

“For the foreseeable future, the Clorox Company will concentrate on developing its business in the three areas that make up its corporate growth plan. Pursuing this plan, Clorox has thus far only laid the groundwork for achieving its overriding goal of building an ever stronger, more profitable, and more diversified company - a company headed to and equipped to sustained growth over the long term.” (p. 4)

The 1973 annual report marked Clorox’s first mention of environmental concern. Clorox identified that it “shares the growing concern over the energy crisis” However, the company’s concern related directly back to business initiatives stating in the next sentence “Like other businesses, we can expect shortages, higher costs and new
challenges as a result of the problem. It is difficult at this point to know what the outcome will be, but we are confident that the proper solution will be developed.”

The Clorox Company archive displayed the organization’s response to the energy crisis in January 1974. The company established a corporate-wide energy conservation policy with the goal of reducing energy consumption by ten percent. Again, this goal directly related back to cutting costs. The annual report also referenced the bottom line adding, “with simple actions such as closing blinds and turning off lights and coffee water heaters when they were not being used, Clorox employees reduced energy usage at the company’s headquarters in Oakland, California” (Clorox, 1974). The company reached its goal of reducing energy consumption by ten percent within the first quarter of the 1974 calendar year. In response to its success, the U.S. Department of Commerce recognized Clorox for its energy conservation.

The 1974 and 1975 annual reports omitted any mention of environmental initiatives despite the company’s recent success. The bulk of the reports focused on the economic recession. In 1976, Clorox created a public policy committee concerned with “significant trends and developments in the political and social environments in which Clorox must operate and evaluates their possible effect on the company” (Clorox, 1976). The creation of the public policy committee signified an approach that stayed consistent with Clorox for many years. The committee was created to recognize trends, whether politically or socially, that might affect the company. Environmental issues were undeniably both a political and social issue. Politically, the production of chemical products is governed by federal regulations. Socially, concern for the environment and
the impact of products on the environment are an issue for consumers. Arguably, consumer responses to trends play a part on Clorox’s desire to monitor them.

During 1976, the regulation of toxic chemicals proved to be a political concern. Congress passed the 1976 Toxic Substances Control Act (TSCA), a federal law gave the Environmental Protection Agency the power to study chemicals and, if necessary, to ban chemicals used in everyday products and materials (EPA, 1976). While the TSCA gave the EPA more access to chemical information, the law did not do the same for consumers. Today, the TSCA still allows household cleaning companies to not disclose the chemical ingredients on their product labels.

In 1977, Clorox emphasized its connection with society with the theme that Clorox was a “consumerist company” (Clorox, 1977). The theme stated, “Clorox products and services are part of the lifestyles of millions of modern families across the country” (p. 5). Such a statement displayed a stronger level of immersion in society and culture than in past communication. The report continued the pattern of increased community involvement with Clorox’s first mention corporate social responsibility. Although the report addressed CSR at the end of the document, the company still gave significant space to justify its efforts. According to the annual report, Clorox donated money towards a PAC, community involvement and non-profit organizations. There was no mention in their initial CSR of environmental initiatives.

In 1978, the annual report featured a Q&A section addressing questions from stakeholders. One such question asked, “Why do you feel company involvement in the local community is important to the business and to or stakeholders?” The Clorox organization replied:
“The core areas of many cities, including Oakland, need revitalizing – numerous social and economic problems have to be solved. We’re involved in this work because we want the community to be an attractive living and working environment for our employees. This is vitally important to the Company’s ability to recruit, train and retain good people at all levels for our continued growth and success. We also believe that community involvement visually demonstrates to a public that is largely disenchanted with business that business contributes in many ways to social betterment.” (p.4)

This statement indicated the overarching public skepticism that surrounds organizational CSR. Clorox related most of the reasons for community back to the financial and organizational benefits for the company. While the company made reference to the role of business in social betterment, it supported the claim with the reputational benefits of CSR action.

In another question, the organization was asked about its dependence on natural gas and whether they would use alternative sources of energy. The organization responded saying:

“The Clorox Company as a whole is not energy intensive. Yet, increased energy and fuel costs would obviously have a negative effect on our operations, at least in the short term. However, deregulation might have advantages that would outweigh the increased costs since the free market system traditional produces more cost-effective results than the best of government regulations and controls.” (p. 7)
The response to this question made Clorox seem unconcerned with the larger problem of energy consumption. While the company clearly did not view the problem globally, their only solution presented the financial benefit for the company. Environmental concern did not seem to be a large priority based on the response. In addition to this ambivalence, Clorox stated, “In no event would we expect the impact of a shortage of any source of energy to be greater for the Clorox Company than for the economy as a whole” (Clorox, 1978, p. 7). One could argue that in this statement Clorox was concerned only for itself, and did not see itself socially involved in the larger problems of the environment.

Once again, corporate social responsibility made an appearance at the end of the annual report in 1978. The company formed a group called the Corporate Contributions Committee to manage corporate giving. Corporate giving only occurred in geographical areas surrounding Clorox factories. While the company was strong in its community relations efforts, the geographical limitations of the program contradicted the global viewpoint and citizenship reflected in later messaging. Areas addressed in the corporate social responsibility were government affairs, economic education, affirmative action, community involvement, corporate giving and minority economic development. The end-of-report CSR section continued in the 1979 document. The areas of community involvement stayed consistent with the previous two years. Once again, the efforts lacked mention of environmental activism.

**The 1980s: Community Involvement Era**

The corporate social responsibility section that had become common in the last few years was not featured in Clorox’s 1980 annual report. Instead, the report featured
disclaimers about the poor state of the economy. The trend continued that when profits decreased and the company showed financial instability, the communication regarding corporate responsibility also diminished.

The Clorox Company Foundation was created in 1980 to increase effectiveness of the company’s CSR programs (Clorox, 2012). During 1981, CSR continued to be omitted from the company’s communication. In 1982 though, the Clorox annual report took the discussed the responsibility of business. The report stated, “There has been a lot of public discussion lately about what responsibilities business should assume in our society.” The company acknowledged that it believed that its first responsibility was to “continue to build a sound, growing, profitable business so we can meet our obligations to our stockholders, employees and customers” (p. 5). The company’s approach took on Friedman’s perspective that the responsibility of an organization in a capitalistic society is to increase profits (1996). However, Clorox continued, stating that in consequence of its financial success that it could give back to deserving community groups. In addition, the company reaffirmed that it had a community assistance program for many years.

The CSR section returned in the 1982 annual report. Within the bulk of the report Clorox stated that it had been taking steps to reduce fossil fuel consumption in past years. Further, the annual report mentioned that the company worked to reduce pollution in its manufacturing facilities. The CSR report acknowledged within the first paragraph that as a publicly-owned company Clorox’s first responsibility was to its shareholders. First, the company must first do well, before it can “do good” elsewhere (p. 30). The report stated that there were three areas of the Clorox social responsibility program, which remained consistent with the company’s communication of the past years. Once again,
environmental sustainability was not mentioned as a priority. Community involvement remained the company’s focus.

Clorox’s communication of its CSR efforts fluctuated in 1983. After strong mention of the company’s initiatives in 1982, the next annual report omitted CSR programs. For the first time, the annual report outlined the state of the company’s debt, continuing the trend of lower profits and lower communication of outside involvement. In 1984, the social responsibility section returned within the bulk of the report. The placement of the report suggested CSR was becoming more integrated in the company’s identity, rather than an afterthought by having it as an occasional appendix at the end. However, environmental initiatives were not mentioned.

1985 provided a summary of new improvements to its household cleaning products. Highlighting the chemical nature of the company, many of these improvements involved making chemical ingredients safer for consumers. At the time, Clorox’s household products included Formula 409, Soft Scrub, Clorox 2, Tilex and Clorox. The social responsibility report continued to be more integrated into the content of the annual report with its placement on page 17 instead of being in the appendix. Social responsibility centered on the company’s commitment to youth and did not mention environmental initiatives.

Communication in the 1986, 1987 and 1988 annual reports centered on the 75th anniversary of the company and did not mention environmental concern. The only mention of CSR was integrated into the overall summary of the company’s history focusing on the company’s commitment to youth. In 1989, Clorox launched lemon fresh scented Clorox bleach. The company advertised the product with a television commercial
featuring a woman directly inhaling the bleach [Figure 2 (Clorox Lemon Scented Bleach Commercial)]. However, directly smelling bleach, as portrayed in the commercial is extremely harmful due to VOC content. This indicated either complete ignorance or disregard for the product’s effects. Once again, there was no corporate social responsibility report. After years of CSR seeming like a permanent and important fixture of the annual report and company policy, it was surprisingly missing in the past few years.

Figure 2 (Clorox Lemon Scented Bleach Commercial)

The 1990s: Reactive Green PR

In 1990, Clorox acquired Pine-Sol, a cleaning liquid, and Combat, an insecticide. Both acquisitions increased the chemical identity of the company. Throughout the 1990 report, the company referred to bleach as their “core” product. In 1991, the annual report
contained an important special report titled “Clorox Liquid Bleach – What is it?” The introduction stated,

“Preparing the weekly shopping list isn’t as easy as it used to be. The leading criteria for list makers, product performance and price, are beginning to share billing with two additional “Ps” – product ingredients and packaging…How well does Clorox liquid bleach fit with consumers who are balancing environmental issues, from air quality to solid waste, with product benefits?” (Clorox, 1991, p. 14)

While in the past Clorox alluded to environmental issues and occurrences, this was the first time that the company acknowledged the public’s concern with the environment. Within the text Clorox acknowledged only health “benefits” of bleach, not any potential hazards. The company also stated that efficient use of resources was an integral part of the Clorox culture. However, the only support given to this statement was that they “consistently developed programs to reduce, reuse and recycle materials in manufacturing and distribution with benefits both to the environment and the bottom line” (p.15). In addition, the company reduced the amount of plastic used for bottle making, but the initiatives were not quantified.

1991 also marked a significant public relations crisis for the Clorox Company. The company’s environmental practices attracted much media attention when their PR agency, Ketchum, drew up plans for a hypothetical PR disaster involving Clorox and Greenpeace. While the hypothetical crisis PR plan was never supposed to reach the public, it was leaked to Greenpeace, which gave it to the news media. The plan outlined suggestions for Clorox in the event that Greenpeace targets its bleach. Several scenarios
were discussed in detail: If a reporter called for a Clorox boycott, the company would consider suing him for slander. If a scientific report linked bleach to cancer, which had not been proven, Ketchum suggested that Clorox should “try to shed doubts on the methodology and findings” (Campbell, 1991, p. 13). Perhaps most telling, one approach suggested that Clorox deal with environmentalists and any “unalterably green” journalists by accusing them of “environmental terrorism.”

Greenpeace denied any plans to target household Clorox bleach. However, they were campaigning against the pulp and paper industry’s use of chlorine, which Greenpeace said was harmful to people and the environment. Clorox issued a statement distancing the company from Ketchum’s plan. “Clorox management was not involved in its preparation and is not acting on its recommendations,” said Sandy Sullivan, manager of consumer information and education. “The consulting firm’s language and overly descriptive analysis detracts from its central theme” (Campbell, 1991). Greenpeace spokesman Peter Dykstra countered Clorox’s defense asking, “If there is no such problem, then why this document?”

Clorox’s inclusion of a special environmental report in 1991 was consistent with the reactive approach of the last 20 years. Since 1970, Clorox only made environmental claims and improvements after a crisis, energy shortage or in response to consumer interest. This reactive approach is indicative that Clorox’s motives are not altruistic. Clorox is less motivated by others-centered motives and more driven by what benefits the company itself. In the 1991 annual report, Clorox included information about the company’s green initiatives without acknowledging that the PR crisis ever occurred.
As a new CEO G. Craig Sullivan entered in 1992, he recognized public responsibility as one of five priorities of the company. When discussing the geographic areas of its responsibility, the CEO emphasized Oakland and areas that surrounding Clorox facilities. Secondly, he mentioned that the company had a responsibility to the environment. When discussing the communities in which they have facilities, their responsibility centered on their more traditional forms of CSR – community development and the ongoing commitment to youth and grants. Based upon the layout of the report, there seemed to be two separate areas of Clorox CSR – traditional community involvement and environmental initiatives. The CEO noted that Clorox had continued a reduced packaging initiative to fulfill their environmental commitment. In addition, the company created the position vice president of Health, Safety & Environment to oversee environmental actions. Within the 1992 annual report Clorox never used the words “green” or “eco.”

In 1992 the Chicago Tribune ran an article titled, “Environmental Worries Soil Chlorine’s Image.” The content centered on a proposal by the U.S. and Canadian governments to phase out the use of chlorine because of an environmental hazard to the Great Lakes. While the article and the proposed regulation did not target Clorox, as the leading manufacturer of liquid chlorine bleach the company stepped into the limelight to oppose it. “When people think chlorine, people think bleach,” said Michael Riley, Clorox’s director of environment marketing, who believed the social and economic impact of banning chlorine “would be immense” (Bukro, 1992). Government concern heightened in April when the International Joint Commission recommended that “use of chlorine and its compounds should be avoided in the manufacturing process.” The
government made this suggestion because many toxic chemicals found in the Great Lakes were synthetic chlorinated organic substances (Bukro, 1992).

In 1993, corporate responsibility discussion began with a focus on communities. In addition, the annual report mentioned that The National Environment Development Corporation honored Clorox for safe chlorine handling. Fortune also named the company one of America’s top 10 corporate environmental leaders (Clorox, 1993). They were given the award based on reduction of airborne releases and reduction of product packaging. However, this is all occurred while the government was being resistant to chlorine production. The 1993 annual report had a special section focusing on Clorox corporate social responsibility. Once again, the company divided their CSR between community and environment. They used terms such as “environmentally compatible,” stating that Clorox products, process & packaging were more environmentally compatible” (p.14). The actions supporting these claims included: wetland preservation around one of their facilities, reducing toxic emissions, safe chlorine handling, reducing virgin materials from packaging, and minimizing waste in production of plastic bleach bottles. In addition, Clorox mentioned partnership with various environmental groups, as well as its support for environmental education programs, such as student water testing of nitrates in the Mississippi River. For the most part, all claims were substantiated. Beyond the company’s positive actions, the report included the conclusion:

We believe our involvement in such projects encourages the next generation of environmental decision makers to openly evaluate all sources of information when they form opinions about the effect products may have on the earth.” (p.15)
Concern over chlorine in the early 1990s emanated from widespread publicity at the time about the 11,000 or so compounds that result when chlorine reacts with substances that contain carbon. The mixture creates what are known as organochlorines, or chlorinated organics. Environmentalists say organochlorines are persistent, toxic, damaging to the ozone layer and sometimes carcinogenic, using DDT and dioxin as examples (Greenpeace, 1994). Throughout the 1990s environmental consequences of Clorox bleach continued to be investigated by manufacturers and independent scientists. Among the players were the Washington, D.C.-based International Joint Commission (IJC), an advisory agency founded in 1909 by the U.S. and Canadian governments to assess problems and progress in the Great Lakes region (Reilly, 1995).

In 1994, the IJC released a report titled “The 6th Biennial Report on Great Lakes Water Quality.” Among the findings was a chart summarizing endocrine damage in wildlife, including the failure to hatch in birds, fish and turtles. Similarly, the EPA found dioxin in the Great Lakes, which even at low levels may suppress the human immune system and decrease fertility. Based on these findings, Greenpeace took aim at chlorine trade organizations, specifically the Chlorine Chemistry Council (CCC). Similar to the infamous scientific trade organizations of the tobacco industry, the CCC’s test results regarding the environmental effects of chlorine often contradicted that of independent and government scientists. For example, the CCC concluded that modifications to pulp mills decreased concentrations of chlorinated dioxins in the environment by a hundredfold and that current levels “would not be expected to cause adverse effects in fish or wildlife.” Peter de Fur, Ph.D., senior scientist at the Environmental Defense Fund, stated, “The Chlorine Chemistry Council has as much credibility as a cockroach around
here” (Reilly, 1995). Despite the CCC’s efforts, government concern over industrial use of chlorine continued to grow. In February 1994, President William J. Clinton proposed the phase out of chlorine in the Clean Water Act (Bufton and Link, 1994).

While Clorox initially took a stance against the proposed phase-out of chlorine, the company began distancing itself from the issue in 1994. The company launched an ad campaign stating that Clorox bleach is safe for the environment. “We’re trying to explain the difference,” explained Jim McCabe, senior environmental scientist at Clorox's technical center in Pleasanton, California, “There are all different types of bleaches and all different uses.” Clorox’s scientists stated that the pH in household beach is too high to produce a chlorine organic compound. However, the use and manufacture of all chlorine products were a topic of debate (Reilly, 1995).

Beginning with G. Craig Sullivan’s term as CEO in 1992, Clorox’s annual reports were structured around his “Five P’s – portfolio, people, pace, performance, and public responsibility.” Public responsibility was featured last, perhaps symbolizing its role in the order. Portfolio is undeniably first considering the audience of the annual reports and their interests. In 1996, the public responsibility portion of the annual report featured the CEO emphasizing that corporate social responsibility was part of the Clorox culture. The discussion began with the company’s commitment to community development, specifically mentioning the involvement with United Way and disaster relief. The environmental discussion in the annual report was comparably brief. However, it substantiated the use of recycled materials. There was no update on the status of other environmental initiatives launched in the previous years. Clorox claimed that the company performed on-going environmental assessments of their facilities.
Environmental assessments were used to determine the environmental impact of a structure or operation. The report stated:

“During each facility assessment, compliance with environmental laws and regulations is evaluated and the facility is reviewed in an effort to identify possible future liabilities...Expected costs have been accrued for the probable future costs of environmental liabilities without offset for expected insurance recoveries or discounting for present value.” (Clorox, 1996, p. 23)

This messaging was the first of its kind in Clorox annual reports. It acknowledged that the company’s operations might be an environmental liability and that it might have a negative impact.

The 1997 report focused on the 5 P’s. Consistently, the company stated “public responsibility is not a new thing for us” (Clorox, 1997, p.23). Clorox supported this statement saying that for the past 80 years it had been dedicated to the community. However, in reality the company has often blanketed the environment under this title without actually performing consistent environmental initiatives. Environmental responsibility was much more of a new approach for the company than it admitted. There were, ironically, no environmental initiatives listed in the public responsibility portion of the annual report.

Behind the scenes in the late 1990s, Clorox and trade organizations such as the American Cleaning Institute (ACI) were performing environmental risk assessments of sodium hypochlorite, the central ingredient in chlorine bleach. The ACI released a comprehensive risk assessment in 1997 that acknowledged some risk to the environment and aquatic organisms in bleach disposal. During this period, Clorox rapidly beefed up its...
corporate social responsibility, which became evident in the 1998 annual report. The 1998 report stated that the company focused on the 5 P’s, the same way that they had since 1992. However, this was the first year that the company mentioned environmental responsibility before community development. The report touted environmental responsibility as a fundamental value, but provided little support for that claim.

This 1999 public responsibility section did not mention the environment. The company simply stated that “the well-being of our company and our people are tied to the communities in which we live and work” (Clorox, 1999, p.13). However, the report did include examples of Clorox’s commitment to the environment. The company explained that it supported government regulations. The majority of the discussion referred to the chlorine handling system, undoubtedly in response to the controversy over chlorine safety in the 1990s. In addition, the report stated that Clorox take environmental issues seriously. The company used the common phrase, “reduce, reuse and recycle” in reference to the handling of packaging. By using post-consumer recycled plastic the plastic content of the bottles decreased. Within the section, one of the first strategically ambiguous terms appeared when the report conveyed, “I hope to make the next generation of our bottles more environmentally-friendly” (Clorox, 1999, p. 23).

V.

Case Study 2000-Present

The new millennium marked a step forward in the integration of Clorox’s financial and environmental statements. The 2000 annual report stated:

“Historically, the Company has not made material capital expenditures for environmental control facilities or to comply with environmental laws and
regulations. However, in general, the Company does anticipate spending increasing amounts annually for facility upgrades and for environmental programs. The amount of capital expenditures for environmental compliance was not material in fiscal year 2000 and is not expected to be material in the next fiscal year. The Company is involved in certain other environmental matters, including Superfund clean-up efforts at various locations. The potential cost to the Company related to ongoing environmental matters is uncertain due to such factors as: the unknown magnitude of possible pollution and clean-up costs; the complexity and evolving nature of laws and regulations and their interpretations; and the timing, varying costs and effectiveness of alternative clean-up technologies. Based on its experience and without offsetting for expected insurance recoveries or discounting for present value, the Company does not expect that such costs individually and in the aggregate will represent a material cost to the Company or affect its competitive position.” (Clorox, 2000)

The statements made in this annual report can be interpreted in multiple ways. It is important to note that the company took its first steps toward claiming capital expenditures for environmental control initiatives. The statements proved the fact that the company’s environmental initiatives were increasing. While Clorox did not claim the expenditures, it was an indicator that the amount the company spent on environmental expenditures increased so rapidly that the release of such numbers warranted discussion. Wording in the second paragraph indicated not only responsibility, but faults the company’s operations. Clorox stated that they did not know the “magnitude of possible pollution” at some of their plant locations. Thus, they could not estimate the amount of
money it would take to clean it up. The company did not expect that the costs for environmental acts would represent a material cost necessary to disclose to their stakeholders or the SEC. Without further substantiation, the statements about their environmental cleanup efforts were ambiguous for the public and its shareholders.

In the 2000 10-K, Clorox admitted that the company itself might be a potential environmental liability. The 2000 report stated:

“ENVIRONMENTAL MATTERS CREATE POTENTIAL LIABILITY RISKS. The Company must comply with various environmental laws and regulations in the jurisdictions in which it operates, including those relating to air emissions, water discharges, the handling and disposal of solid and hazardous wastes, and the remediation of contamination associated with the use and disposal of hazardous substances. The Company has incurred, and will continue to incur, capital and operating expenditures and other costs in complying with those laws and regulations in the United States and internationally. The Company is currently involved in or has potential liability with respect to the remediation of past contamination in the operation of some of its presently and formerly owned and leased facilities. In addition, some of the Company’s present and former facilities have been or had been in operation for many years, and over that time, some of these facilities may have used substances or generated and disposed of wastes that are or may be considered hazardous. It is possible that those sites, as well as disposal sites owned by third parties to which the Company has sent waste, may in the future be identified and become the subject of remediation. It is possible that the Company could become subject to additional environmental liabilities in
the future that could result in a material adverse effect on the Company’s results of operations or financial condition.” (p. 5)

The statements made in the 10-K contradicted the company’s claims in its annual report. For example, Clorox stated, “the Company could become subject to additional environmental liabilities in the future that could result in a material adverse effect on the Company's results of operations or financial condition.” However, they previously stated in the document that they did not believe the environmental liability was a big enough of a risk to warrant disclosure to the shareholders. Because of the risk to the company’s financial condition, one would think that the shareholders deserve to know about the environmental liability.

Thus far in the company’s history, this statement stands as the most important admittance of environmental fault. Clorox admitted to the need for compliance with laws relating to air emissions, water discharges, the handling and disposal of solid and hazardous wastes, and the remediation of contamination associated with the use and disposal of hazardous substances. Further, it stated that some of the company’s facilities may have used substances or generated and disposed of wastes that are or may be considered hazardous.

In the 2001 annual report, Clorox discussed its traditional bleach as the “namesake bleach.” Such reference indicated a strong loyalty and connection to the toxic product. Within the report, the company stated that in 2002 Clorox would focus around four key priorities, all of which involved streamlining processes and efficiencies. This outline deviated from the “Five P’s” emphasized by the previous chairman and excludes mention of environmental initiatives. However, the third priority mentioned “sustainable
process improvements” but whether this referred to environmental sustainability was undetermined. Further, the four P’s directly related back to cost-saving benefits and made no mention of other-centered motives.

Deeper into the report, Clorox mentioned energy efficiency as one of the ways to streamline costs. The company planned to use motion-censored lights and perform energy audits. Clorox also continued to reduce raw material costs for petroleum-based packaging materials. However, whether these actions were taken to fight larger environmental problems or were simply to help the bottom line was not stated. There was no mention of corporate social responsibility or any of environmental initiatives not related to cost effectiveness in the annual report. The CEO stated many times that 2001 was a bad year for the company. Staying consistent with the pattern no CSR in bad years, there continued to be a lack of communication regarding CSR in 2002 and 2003.

In 2004, new CEO Gerald Johnston stepped in after four financially troubling years for The Clorox Company. Within his executive summary, Johnston identified the company’s focus as the “3 C’s and 3 P’s”. The 3 P’s represented people, process and partnerships. Using the same analogy as the previous years, this was a strong and very direct omission of environmental concern and public responsibility. Consistent with the 3 P’s, the annual report did not mention any CSR or environmental initiatives.

However, in 2004, Clorox received environmental attention elsewhere. In June, the U.S. Public Interest Research Group (PIRG) named Clorox one of the “Dangerous Dozen” (PIRG, 2004). PIRG based this decision on an analysis of U.S. manufacturing plants, the chemicals stored in the facilities and the emergency response procedures in place at the sites. The report stated that the “Dangerous Dozen” endangered as many as 5
million Americans in the event of an accident or terrorist attack. In addition, PIRG reported that since 1990, the National Response Center (NRC) received more than 8,400 reports of incidents involving oil or chemical spills at facilities owned by the Dangerous Dozen. Based on scientific research, PIRG urged the federal government to require high-hazard chemical plants to review and use safer chemicals and processes.

In 2005, the Clorox stated that the biggest challenge the company faced during the fiscal year was an increase in energy costs, such as oil and natural gas. However, the annual report did not contain long-term solutions for Clorox’s energy dependence. The 3 P’s company strategy returned, once again lacking environmental consideration. Interestingly, the theme of the 2005 report was “making life easier, healthier and better” (Clorox, 2005, p.1). Within the report, Clorox described the success of “leveraging” bleach and home cleaning goods under a health and wellness platform” (p.3). The use of the word “leveraging” suggested the actions were a branding initiative and not a true fit between bleach and health.

The 2006 annual report continued the theme “making life easier, healthier, better.” During 2006, Don Knauss took over as incoming CEO and Chairman. During this time, the company turned its focus to partnerships. Through these partnerships, Clorox was building a platform for its upcoming environmental initiatives.

For the first time since 2000, Clorox focused on social responsibility. The report began: “At Clorox, we believe the long-term health of our company depends on maintaining high standards of business conduct, integrity, safety, quality, and respect for people and the environment” (Clorox, 2006, p. 13). In addition, the report stated “We
recognize the importance of conserving our environment and strive to find sustainable solutions.”

In support of the statements, Clorox gave examples of some of its recent initiatives. For example, the West Virginia Department of Environmental Protection recognized one of Clorox’s manufacturing facilities with a 2006 Environmental Excellence Award. However, this was the only mention of strictly environmental achievements. The rest of the examples were community-related projects such as Habitat for Humanity.

The statements made in the 2007 annual report marked a major shift in the Clorox strategy. The change took place based in part to the influence of new CEO Don Knauss. In his letter to the shareholders, Knauss stated, “Our focus will be to further capitalize on four “megatrends” that are developing around the world: health and wellness, convenience, environmental sustainability and a more multicultural marketplace” (Clorox, 2007, p. 3).

Looking closer at this statement emphasizes the change Knauss represented. The word “capitalize” made a strong statement suggesting that the company thought financially and not altruistically. Also, the CEO referred to environmental sustainability as a “megatrend.” To many, environmental consciousness should be to the core of an organization and not simply a temporary trend, even if the word “mega” is attached to it. In the next few years, the company made claims to have a long history of environmental consciousness; however the perception of sustainability as a trend sharply contrasts such statements. Furthermore, despite the company’s new focus on the four trends, ironically there is no mention of CSR or environmental initiatives in the report. However, Clorox
took positive steps within the organization to monitor its environmental impact by establishing the Eco Office. The company described the Eco Office’s role:

“The Eco Office has been working with all facets of Clorox’s operations to advance our goals to reduce greenhouse gas emissions, save energy and water and decrease solid waste. At the same time, the Eco Office has engaged with our business teams to improve the overall sustainability of our products and packaging.” (Clorox, p. 6)

In addition to Clorox’s shift toward megatrends, 2007 also marked the company’s first environmental claim for one of its products. The annual report presented a case study of the Latin American market. Clorox responded to an insight suggesting that Latin American consumers wanted a better smelling bleach. To meet this demand, Clorox used natural oils such as mint and eucalyptus to scent the bleach.

An advertisement featured the Clorox bottle in a forest with the phrase “Tomamos lo mejor de la Naturaleza para que lo lleves a tu hogar” in large print (Clorox, 2007, p. 11). In English the copy reads, “We take the best of nature to your home.” This claim accentuates the challenge of substantiation [Figure 3 (Clorox Naturally Scented Bleach Ad)]. While the scent of the bleach may contain natural oils, the actual product itself is chemical and not natural. By volume, the amount of natural product vs. chemical is minimal, yet Clorox made this claim to capitalize on consumer demand for natural goods. The use of the word “natural” created a level of strategic ambiguity.

Other copy on the ad included “renovamos nuestra linea de fragancias. Renueva la desinfeccion de tu hogar.” In English the text reads “Renew our line of fragrances. Renew disinfecting your home.” While this statement weakly connected the fragrances to
the natural claim, placement of this text also provided some question to its message. The text was in smaller font in the bottom right corner of the advertisement. Naturally, this message would be seen as secondary, if it was even read at all.

Figure 3 (Clorox Naturally Scented Bleach Ad)
In January 2007, Clorox faced a health and environmental crisis. The EPA fined the company for distributing unregistered and mislabeled Chinese versions of Clorox disinfectant bleach. Interestingly enough, bleach was (and still remains) registered as a pesticide with the EPA, putting the act in violation of federal pesticide law. According to an EPA press release, “The EPA annually reviews production reports submitted by industry, and found discrepancies in The Clorox Company reports for 2005 and 2006. The agency conducted a detailed investigation that uncovered 38 Federal Insecticide, Fungicide, and Rodenticide Act violations” (EPA, 2007). The requirements for US bleach products were set to protect public health and the environment by ensuring safe and appropriate distribution, handling, and application of pesticides. Clorox later settled with the EPA for $95,000.

In 2008, Clorox once again mentioned that they would continue to capitalize on “megatrends,” one of which being environmental sustainability. Early in the report Clorox mentioned the launch of Green Works, its line of natural cleaners. The line won a sustainability innovation award from Walmart early in 2008. The source of the award proves to be interesting because Walmart does not have a reputation for environmental consciousness. In fact, Walmart later paid $27.6 million for environmental violations in California in 2010 (Perry, 2010). Walmart also has a record of being scrutinized for greenwashing (Mitchell, 2012). Therefore, its qualifications to make such an award are questionable.

The 2008 annual report also contained largely ambiguous claims about Clorox’s environmental history. Within the annual report the company stated, “Building on our long-standing heritage of environmental stewardship, we established a companywide
environmental sustainability strategy that we anticipate will help us achieve cost savings over time” (2008, p.3). The interesting aspect of this statement is that the company claims to have an established heritage of environmental stewardship. Because of the longitudinal nature of this study, case study results suggest that Clorox takes an “opportunist” approach to environmental stewardship, rather than consistent environmental consciousness. Clorox’s green initiatives are most often a reaction to environmental scrutiny or directly related back to the bottom line. In addition, the company frequently received negative press regarding its environmental practices over the last 30 years. If the company made a similar statement about community outreach it would not be such a stretch.

In addition, Clorox referred to its recent environmental initiatives as “capitalizing on a megatrend” (2007, p. 3). The “megatrend” approach completely contradicts the statement regarding “long term environmental stewardship.” The focus on environmental stewardship continued in a five-page feature within the 2008 annual report. The section began by stating, “With society’s increased interest in the environment, we’re stepping up our long-held focus on environmental stewardship even more” (p. 14). This statement is important because it demonstrates the reactive nature of Clorox’s initiatives. In a capitalist society, there will always be the pillars of supply and demand. If the consumers want companies that are environmentaly-minded and products with environmental benefits, then it is Clorox’s responsibility to supply this to the consumers. However, research has shown that consumers want companies that stand for just making money. More specifically, consumers respect and trust companies with values-driven motives (Ellen et al., 2009).
Based on the messaging in the 2008 report, Clorox acted reactively based on the financial benefit that environmental claims offer. Further, the messages created what some might consider greenwashing because the company claims to have longstanding environmental ties which are not supported by this research. While Clorox indeed stepped up its focus on environmental stewardship, to claim that the company increased them “even more” needs to be benchmarked against its past actions. It is hard to gauge the veracity of Clorox’s claims for the future when it is so ambiguous about the past.

In January 2008, The New York Times wrote an article about Clorox’s recent attempts at being “green.” At the time the word “green” increased in popularity in the media and also in Clorox’s language. While there were no mentions of “green” in previous Clorox annual reports or external communication, one can argue that the creation of Green Works contributed to the pervasiveness of the word itself.

The Times article appeared after Clorox’s acquisition of Burt’s Bees. The article asked importance questions about the company’s newfound commitment to sustainability and emphasized that Clorox is best known for bleach, reiterating the company’s roots. Clorox stated it sought to learn from Burt’s Bees unique business practices, particularly from its roots in environmental sustainability. A disconnect was created by Clorox’s statement, however, because Burt’s Bees products are natural and at its core environmentally-conscious. Clorox on the other hand, creates toxins as its namesake product. These differences present unique challenges for Clorox that cannot be overlooked. If Clorox used the same environmental communication practices as Burt’s Bees, then Clorox would most likely encounter greenwashing skepticism. The Times stated that Clorox was willing to pay almost $1 billion for Burt’s Bees because
corporations have identified opportunities in the market for green products. However, the article also claimed, “as companies rush to put out more and more ‘natural,’ ‘organic’ or ‘green’ products, consumers and advocacy groups are increasingly questioning the meaning of these labels” (Story, 2008). Indeed, skepticism emerged as the media questioned Clorox’s legitimacy to market a natural product. Alison Stewart, a host on National Public Radio said in November, “Who likes Burt’s Bees now that it’s been bought by Clorox. You know, just slap some bleach on your lips, it’ll all be good” (Story, 2008).

The New York Times also discussed the role of shareholders in the movement toward sustainable products. The article stated that many corporate leaders sold their shareholders on green initiatives by pointing out that they help cut costs — an argument that is more persuasive when energy costs are sky high. Within the article, Burt’s Bees CEO John Repogle said, “Don’t judge Clorox as much by where they have been as much as where they intend to go.” The CEO made a good point focusing on Clorox’s most recent initiatives. However, his statement also suggested a negative connotation toward where Clorox had been further disproving Clorox’s statements about their “long-term commitment to environmental stewardship” (2008, p. 3).

The 2009 annual report continued to emphasize consumer “megatrends” as Clorox invested in Green Works and environmental CSR. One CSR campaign used Earth Month to connect with environmentally-minded consumers. However, the company focused on the return of their initiatives stating, “During Earth Month 2009, Brita shipments increased by 39 percent, and the brand gained 3.9 points of market share” (p.10). The megatrends section of the report articulated that Clorox’s environmental
initiatives stemmed from consumer insights. Once again, Clorox used the term “capitalizing” on these trends (p.12).

Clorox also referred to Green Works as a “natural brand” (p.14). The natural and environmental soundness of Green Works has been debated by experts, particularly since there are no criteria determining what constitutes a “natural” product. Most debate about the Green Works product line centered on the problem that no industry standard definition existed for “natural” products (Lee, 2009). Despite bloggers and scientists debating whether or not Green Works was really “green,” sales proved that the launch of the line was undeniably successful. During 2009, the line doubled the “natural” cleaning market by 80 percent and held a 40 percent market share (Clorox, 2009). This success paid dividends, literally, to the Sierra Club for its endorsement. According to a 2009 press release, the success of the line in 2008 resulted in a $470,000 contribution to the Sierra Club (Clorox, 2009).

In a Q&A section about the brand, the company identified four barriers into green cleaning adoption: Consumers did not believe natural cleaners worked well. Second, natural products were not readily available where they shopped. Third, consumers said the products were too expensive. Finally, natural products did not come from brands most consumers knew well or trusted. While Clorox created successful solutions to the four problems, it did not address another main consumer consideration – the mistrust of green claims.

In 2009, Climate Counts, a non-profit that rates companies based on their actions regarding climate change released Clorox’s scorecard for the previous year. The company scored 15/100 points. Climate Counts reported, “Although the Clorox Co. has recently
started reporting its greenhouse gas emissions, it has yet to adopt goals for reducing its emissions or requiring its suppliers to reduce their emissions” (Climate Counts, 2009). While reporting greenhouse gas emissions showed signs of increased transparency, the Climate Counts score suggests that there was little action behind Clorox’s words about environmental commitment.

2010 marked the release of the first ever corporate responsibility report for Clorox. Within the report, the company outlined its newly formed CSR strategy centering around five key areas or “pillars” — Performance, Products, People, Planet and Purpose. Clorox acknowledged that it is at an early stage of CSR reporting. No external validation certified the report, but the company ensured that the environmental information was accurate based upon a combination of internal and third-party compliance tracking and measurement.

The advertisements in the report stated, “Clean naturally” in reference to Green Works (p. 2). The term “natural” seemed to be the chosen word in reference to the green cleaners. The company still referred to bleach as its namesake, creating a contradiction of sorts in the brand. The goal of the fourth pillar of the company’s corporate responsibility, (planet) was summarized saying, “Shrink our environmental footprint while we grow our business” (2010, p.4). In addition, Clorox indirectly addressed the FTC’s Green Guides in the CR report:

“We are committed to marketing our brands in a responsible and truthful manner, adhering to the laws and guidelines of the Federal Trade Commission and other relevant governing bodies. We strive to communicate the benefits, performance
and attributes of our products accurately and directly, with claims that are substantiated.” (Clorox, 2010, p. 20)

Clorox directly addressed the problem of substantiation in environmental claims, but did not explain how they correct the problem. Mention of Clorox’s namesake bleach was not mentioned in relation with the company’s environmental acts. Rather, it was positioned as improving health, more specifically fighting the H1N1 virus that was prevalent. The report spoke generally about product safety and the high health and environmental standards that the company sets for its products. Clorox detailed the success it had bringing natural products into the mainstream.

The goal for the Green Works was to use naturally-derived bio-degradable ingredients. The cost had to be reasonable and actually clean. The company successfully addressed some of the criticisms of natural products in a special section:

“Our research prior to the launch of the Green Works® line showed similar confusion among consumers about the true meaning of “natural” and “green” product labeling. These insights prompted us to be extremely clear that Green Works® products are derived from plant-based, readily biodegradeable cleaning ingredients. Green Works® products are also recognized by the Environmental Product Agency’s Design for the Environment (DfE) program and carry the DfE logo, which demonstrates that Green Works® products meet the program’s stringent criteria for human and environmental health. The Burt’s Bees® brand has also addressed the problem of label confusion by joining with other natural personal care companies and the Natural Products Association to develop standards regarding which ingredients can and cannot be considered natural, and
ultimately, whether or not a product can be labeled as natural. In order to meet the seal’s criteria, products labeled as natural must be:

• Natural: Made of natural ingredients and manufactured to maintain ingredient purity.
• Safe: Avoid any ingredient that research shows may have a suspected human health risk.
• Responsible: Use no animal testing in its development.
• Sustainable: Use biodegradable ingredients and the most environmentally sensitive packaging.” (Clorox, 2010, p.28)

The planet section of the CR report discussed some of the specific environmental initiatives that the company took as a whole. Clorox reported lowering greenhouse gas emissions and water consumption, reducing landfill waste by doing employee “dumpster dives” and monitoring local ecosystems. Undeniably, Clorox needed to make these changes to respond to societal and governmental pressures as well as decreasing the contradictions made by their ever-greening portfolio. Once again, the company claimed that the environment was a long-term commitment, but that they had accelerated it in recent years. The company summarized their strategy saying, “We are making investments in more sustainable products, reducing the environmental footprint of our operations, driving toward a more sustainable supply chain, integrating environmental sustainability into our business processes and culture, and participating in industry sustainability initiatives” (Clorox, 2010, p. 38).

The bulk of the planet section contained large amounts of eco-language. The background was visually “green” with many mentions of “eco,” “sustainability” and
“environmental stewardship.” None of the terms were further substantiated. However, the company outlined its independent management and measurement systems, thus giving a level of accuracy. Showing further improvement, the company established “eco-goals” in the 2010 report that contained measurable objectives. However, many of the objectives resulted in an improved outcome for the organization, not the environment, which is discussed further in the results section of this study.

The 2010 annual report discussed the consumer’s desire for more “sustainable” products. The report stated, “based on our strong consumer insights, we’ve also identified two global platforms to focus on for accelerated growth: Stop the spread of infections and natural products” (Clorox, p. 9). Clorox incorporated environmental consciousness into the brand in preceding years by purchasing Burt’s Bees, repositioning Brita and releasing Green Works. The sustainability section in the annual report once again used the word “capitalized” in reference to the company’s approach towards megatrends (p.11). The section also discussed Sierra Club’s role as a continued supporter of Green Works. While the term “supporter” suggests voluntary support, this message is not transparent because the Sierra Club is making a percentage of Green Works profits. Clorox had other success when The Natural Products Association granted its Natural Homecare seal to four Green Works® product - the first homecare products to receive such a designation.

In 2011, Clorox returned to releasing only one annual report. However, in many ways the report was very different than previous years. For the first time, Clorox combined the company's financial, environmental, social and governance performance. This style of reporting was consistent with the idea of the triple-bottom-line, suggesting integration of CSR, particularly environmental initiatives into the core of the company’s
operations. Clorox organized priorities into the five pillars: performance, products, people, planet and purpose. To the shareholders, environmental initiatives were often communicated as a cost-saving and efficiency measure. For example, Clorox stated: “We also delivered cost savings and efficiencies through our environmental sustainability initiatives, reducing our greenhouse gas emissions, energy and water use, and solid waste across the company” (Clorox, p. 13). The cost-saving context was more prevalent next to data about the recession and current economic environment. The company said, “We know consumers and investors are voting with their wallets when it comes to expecting companies to do the right thing” (Clorox, p. 18). This statement suggested that Clorox used corporate responsibility because of financial return, not for altruistic motives.

While it is easy to discuss some of the things that Clorox did wrong, there are many things that the company did right. Clorox lacked ambiguity in the way the company disclosed product ingredients. Chemical corporations are not required to list ingredients, but Clorox launched a mobile application in 2011 that allowed consumers to view its ingredient. The company approached this consumer concern head on. In addition, Clorox continued to fund many environmental projects, such as initiatives to reduce greenhouse gases, water consumption, energy and packaging. All of the initiatives had positive effects for both the environment and the company’s bottom line. In addition, Clorox’s home office in Oakland, California, became LEED certified in 2011.

While Clorox’s annual report shifted to a focus on CSR and sustainability in 2011, the New York Times identified an opposing trend taking place. As recession gripped the U.S. in 2011, the sale of green products declined. The sale of Green Works
fell from $100 million in 2008 to $60 million in 2011 (NYT). New York Times reporters wrote:

“Sales in most consumer-products categories dropped off during the recession. But according to an analysis by Sanford C. Bernstein & Company, certain green products have fared worse…You see disproportionately negative impact from products like Green Works, out of the big blue-chip companies that have tried to layer a green offering on top of their conventional offering, and a relatively better performance from the niche players who remain independent,” said Stephen Powers, an analyst at Bernstein.” (Clifford & Martin, 2011)

The article demonstrated that independent brands such as Method and Seventh Generation had a more loyal following than that of larger corporations. While Clorox focused on “bringing green mainstream,” it seemed that the independent brands still hung onto the committed green consumers.

VI.

Results

After analyzing 41 years of Clorox annual reports and various outside sources, I have come to the following conclusions:

- Clorox has contributed to a culture of greenwashing skepticism through the use of strategically ambiguous environmental claims.
- The company uses strategic ambiguity not only to hide the capitalistic motives behind its environmental initiatives, but also to combat the problem of CSR fit.
Beginning in 1970, Clorox focused all of its operations on the production of liquid chlorine bleach, a registered pesticide and environmental toxin. Throughout the next couple of decades, the company maintained loyalty to its chemical roots. However, as environmentalism emerged as a consumer trend, communication of its chemical nature was often replaced with strategically ambiguous environmental claims. Clorox’s current environmental platform hinges on the statement that the company has a long-standing history of environmental stewardship. This study disproves this claim about its history, further strengthening the argument that Clorox has played a part in creating skepticism regarding corporate environmental claims.

Since 1970, Clorox focused many initiatives on community involvement, specifically in areas where the company holds facilities. I believe that Clorox blanketed their long-standing community outreach with infrequent environmentally-related actions. Because the company’s claims of “environmental stewardship” are broad and unsubstantiated, one might argue that this platform is misleading. While Clorox’s use of eco-language before 2000 was limited, the company drastically increased the use of unsubstantiated eco-language in the mid-2000s.

VII.

Discussion

Communication Trends

The results of research question (RQ) 1 revealed that Clorox performed several communication practices that contributed to the culture of greenwashing skepticism. The company’s environmental communication is defined by its evolution and a series of events throughout the past four decades. While the events are described in Chapters 3 and
4, among them several important trends emerged that warrant notice. The 1970s were a
time of forming a corporate identity for Clorox. At the time, Clorox’s identity centered on
the production of bleach, a toxic substance, with little acknowledgement of the health or
environmental consequences. Clorox had a community perspective in the 1970s and did
not see past the areas that the company believed it directly affected. For example, its
community relations efforts focused only on Oakland, the company’s headquarters.
Clorox did not seem to view any problems globally. In fact, in regards to an energy
shortage Clorox stated that they did not see the problem being any greater for Clorox than
for the economy as a whole. The company also publicized an initiative to turn off the
lights in its offices, but then related it directly back to cost-saving measures. The
company’s response suggested ambivalence and short-sightedness in regards to
environmentalism in the 1970s.

The 1980s were a decade of inconsistency for Clorox. While the annual reports
questioned the role of corporations in society, the company seemed to be ignorant of
health and environmental effects of its products. For example, the company released a
commercial in 1989 featuring a woman directly inhaling lemon-scented bleach.

The 1990s were characterized by the reactive nature of Clorox environmental
CSR. The company faced several environmental and public relations crises, including the
leak of their environmental crisis communication plan and a governmental phase out of
industrial chlorine. Shortly after both of these incidents Clorox drastically increased its
communication of environmental initiatives.

The new millennium marked the first decade of consistent environmentalism for
Clorox, mostly in part to Donald Knauss becoming CEO in 2006. Clorox itself best
(summed up its environmental approach by using the term “megatrend” in 2007. In response to consumer demand, the company announced that it would focus on four consumer megatrends, one being environmental sustainability. Shortly after, the company launched Green Works. Clorox has consistently made environmental claims via eco-language ever since. 2013 will mark the 100th anniversary of the Clorox Company and the ending benchmark for its 2010 Eco-Goals. It will be interesting to continue to follow the company’s environmental communication practices through this milestone.

While Clorox’s environmental communication seemed to evolve throughout the decades, a few aspects of its practices stayed consistent. Within the company’s annual reports, if the report was filled with disclaimers about a bad financial year, communication of environmental initiatives (and CSR) were often non-existent. This trend held true even during time periods where corporate responsibility seemed to be a priority. The decrease of environmental initiatives based on the company’s financial condition suggests that Clorox’s first priority is profit. In fact, in 1982 Clorox recognized that as a publicly-owned company it must first do well as a company, before it could “do good” (Clorox, 1982, p. 30). While Clorox’s approach seems natural in a publicly held company, the view of CSR as a consequence of success conflicts with Clorox’s later claims that environmental sustainability is ingrained in its business.

Clorox’s environmental CSR actions seemed consistently reactive over the last 42 years. Coombs and Holladay (2012) described CSR that appears to be a reaction to stakeholder expectations as reactive stakeholder expectation utilization. Reactive utilization occurs when stakeholders publicly challenge the organization to take action.
This approach characterizes Clorox’s actions in the 1990s with the leak of the company’s environmental crisis communication plan and also the chlorine phase out.

Beyond the visible acts of reactivity, Clorox’s responses also warrant consideration under the surface. Clorox often alluded to Green Works being the result of consumer insight research. In addition, the consideration of environmental sustainability as a “megatrend” suggests high levels of reactivity. Coombs and Holladay also warned of the danger of reactive stakeholder expectation utilization, noting that company’s taking the approach will not be seen as a company’s vision. Clorox’s failure to acknowledge this is one of the factors that cause consumers to be skeptical of its environmental claims. The company is visibly reactive, yet often claims to have environmentalism to its core.

**Strategic Ambiguity**

In response to RQ 2, this study concluded that strategic ambiguity is used in multiple ways within Clorox’s environmental communication. First, it is used to reconcile the fact that the majority of the company’s environmental initiatives are performed for financial benefit with the element that consumers respond more positively to companies with benevolent intentions. Organizations are aware that consumers value and respond to companies that act out of altruistic motives, instead of the desire to increase profit. Clorox was surprisingly direct in acknowledging that the company took advantage of consumer behavior to purchase environmental products by stating it was, “capitalizing on a megatrend” (2007). However, these statements are contradicted by further claims that the company has a “long-standing history of environmental stewardship.” There are two parts of this claim that warrant consideration. First, what constitutes a long-standing history for Clorox? The results of this study suggest that
Clorox has had an inconsistent past regarding environmental initiatives. Perhaps the strongest initiative was a campaign to turn off office lights to reduce energy costs in the 1970s. Beyond that, Clorox has only acted reactively and in response to government regulations prior to its release of “green” products. It is beneficial to view Clorox’s environmental communication from a longitudinal perspective to determine whether their current platform presents greenwashing skepticism. Secondly, what constitutes an environmental steward? You might as well make it an eco-steward to make this statement even more confounded. In this context, failure to substantiate leaves room for multiple interpretations of Clorox actions and ultimately skepticism of greenwashing.

Clorox used strategic ambiguity not only to reconcile its financial motives, but also to mask the problem of CSR fit. The fact that environmental CSR does not easily fit Clorox made the company’s capitalistic motives even more visible. Clorox lacks both perceived and functional CSR fit. While functional fit of Clorox increased with the introduction of Green Works, a large disconnect still remained with perceived fit of the overall brand. Environmentalism and the Clorox brand still strongly conflict based upon the company’s past and its roots with chemical production. Over the last four decades, Clorox was named one of the “Dangerous Dozen,” admitted to having past pollution and environmental liability while still claiming to have strong environmental roots. Clorox used strategic ambiguity to avoid directly acknowledging the problem of perceived fit, which left room for consumers to be skeptical of Clorox’s CSR actions.

In other greenwashing research, substantiation of environmental claims is regarded as independent of strategic ambiguity. However, I believe that there is strong overlap between the two concepts. The problem with failure to substantiate
environmental claims is that the lack of information allows for multiple interpretations of a company’s actions. For example, a company can state that they are “going green” by taking steps to reduce paper consumption. However, the action behind this statement could simply be that the corporation installed hand dryers in the bathroom of one of its numerous facilities. The failure to substantiate environmental claims is more appropriately characterized by strategic ambiguity, because the word “strategic” shows a level of responsibility on the part of the company. Failure to substantiate cannot be seen as accidental anymore in environmental communication. Ethical communication of environmental claims requires an awareness of consumer greenwashing skepticism.

Eco-Language

The results of RQ 3 revealed that Clorox often uses eco-language as a mean of strategic ambiguity. Clorox’s use of eco-language is most accurately portrayed in the company’s 2010 Eco-Goals [Figure 3 (2010 Eco-Goals)]. While the word “eco” suggests some environmental benefit, most of the goals provide benefit to the company not the environment. This connection further articulates how eco-language is being turned into a tool of strategic ambiguity. Clorox’s overall “Eco-Objective” was to make environmental sustainability core to how the company does business (Clorox, 2010). However, all but one of the goals involved direct financial benefit to the company. The last goal is perhaps most telling of the company’s motives stating, “to achieve an environmental stewardship reputation at consumer packaged goods exemplar levels.”

The environment does not benefit in any way by Clorox improving its reputation. Moreover, it seems that many of Clorox’s initiatives exist simply to improve the company’s reputation, not to help the environment. By making reputation an “eco-goal,”
the company consequently convolutes the meaning of “eco.” Because there is ambiguity in the way that Clorox uses the term, consumers naturally are skeptical of the company’s motives behind it.

Figure 4 (2010 Eco-Goals)

Strategically ambiguous use of eco-language continued in product claims throughout Clorox’s past years. The company’s claim regarding “naturally” fragranced bleach in 2007 proved particularly telling [Figure 3 (Clorox Naturally Scented Bleach Ad)]. Clorox marketed the product as natural using symbolic messages and eco-language. The only thing natural about the otherwise toxic product was the natural oils in the fragrance. However, Clorox seemed to blanket the “natural” claims across the entire product. The ambiguous use of “natural” in regards to the bleach caused greenwashing backlash and environmental skepticism.

Conclusion

In a time of global environmentalism, corporations have tremendous power not only to make environmental change, but also to influence society. While this power can be used to build a more environmentally-conscious society, irresponsible use fuels
consumer skepticism. Corporations are trying to create a balance between the financial benefit of green initiatives and consumers’ desire for altruistic environmental concern and strategic ambiguity can be a way to help manage the communication of multiple goals. While strategic ambiguity may serve as a viable alternative in some corporate communication practices, there is a higher level of responsibility when using it as a tool in environmental campaigns because of the pre-existing problem that many environmental already lack universal definitions. Corporate history of misuse, overuse and deceptive use of environmental terms has further convoluted the meanings of eco-language and has turned terms into tools of strategic ambiguity.

Corporations need to become aware of the ambiguity of eco-language to responsibly communicate environmental initiatives and to ensure that they do not further contribute to greenwashing skepticism. For much of its history, Clorox viewed environmentalism reactively and saw it as a “megatrend” contributing to the cynicism that corporations only perform environmental acts to make money. However, in more recent years the company has disclosed environmental information, defined environmental terms and incorporated environmental CSR into its financial reporting. As other corporations try to maintain this balance between capitalism and environmental CSR, learning from the past communication mistakes and successes of Clorox serves as a viable way to develop effective and responsible environmental communication strategy

Further Research

The case study of Clorox provides material that warrants further research. More specifically, I believe that there is a need to study consumer perception of strategically ambiguous environmental claims. While this study explores environmental
communication from a historical perspective, qualitative insight into how consumers perceive the strategic ambiguity in environmental claims would provide a different angle that has not yet been uncovered in previous research. Environmental messages are increasing as consumers desire more green products. There are specific areas where targeted investigations into strategic ambiguity are needed. As more companies make environmental claims, eco-labels are additional texts that need consideration. Further, Clorox’s relationship with the Sierra Club sparks the need for investigation into the ethics and legitimacy of environmental partnerships with non-profits. As more non-profits offer to put their name on environmental products, the meaning of environmental certifications becomes confounded as there are no standards for universal certifications.

While this investigation focuses on Clorox, it is important to note that the company is just one example of the larger processes that have contributed to environmental skepticism. In fact, Clorox’s most recent steps can be seen as an improvement in the way corporate America communicates environmental claims. Clorox’s most recent annual report combined corporate responsibility and financial reporting, taking the first steps toward a triple-bottom-line. Most successfully, the company addressed ambiguity of environmental terms head-on in its 2010 corporate social responsibility report. The report aimed to create universal definitions of environmental language. Since 2013 marks the 100th anniversary of the company and the ending point for its 2010 eco-goals, it will be interesting to see how Clorox’s relationship with the environment evolves in the future.
Appendix
Clorox Timeline: 1970s

Clorox Timeline: 1970-1979

- Clorox splits from KCL
- Sales of the "namesake" Clorox breached a ten-year high
- The U.S. passes the 1976 Toxic Substances Control Act, allowing companies to not disclose the chemical ingredients in household items
- First "Corporate Social Responsibility" section appears in Clorox's 1977 annual report
- Clorox acquires Liquid Plum after being a core product company since 1913
- Clorox establishes a corporate-wide energy conservation policy in response to energy crisis
- Clorox establishes public policy committee to monitor "political and social trends that might affect the company"
- Clorox launches community improvement programs, first sign of CSR

Clorox Timeline: 1980s

Clorox Timeline: 1980-1989

- The Clorox Company Foundation was created to increase effectiveness of CSR programs
- Clorox mentions plans to reduce facility pollution
- Clorox CSR continues to focus on community and youth programs
- Clorox states in their annual report that the company's first responsibility is to "continue to build a sound, growing, profitable business"
- Clorox releases bleach-scented hand sanitizer. The product's commercial features direct bleach inhalation
Clorox Timeline 1990s

Clorox Timeline: 1990-1999

Clorox refers to chlorine bleach as its "Clorox" product throughout the 1990 annual report.

Ketchum's hypothetical environmental trial plan for Clorox is leaked to Greenpeace.

Clorox structures its priorities around 5 Ps: portfolio, people, process, performance, and public responsibility.

Clorox names one of America's top 10 corporate environmental leaders by Fortune magazine.

Clorox introduces new Clorox liquid bleach that combines consumers' balancing environmental costs and product benefits.

U.S. and Canadian governments suggest a phase out of chlorine by 1998 because of environmental hazard to the Great Lakes.

President Clinton proposes ban on the industrial use of chlorine in the Clean Water Act.

Clorox performs environmental assessments on its facilities to determine the environmental impact of each operation.

Clorox Timeline 2000s

Clorox Timeline: 2000-Present

Clorox admits to past pollution in 1979.

CEO Gerald Johnson introduces the "3 Ps" once again, consisting of 3 Ps and the environment.

Don Knutts announces that Clorox will focus on four "megatrends" including environmental sustainability.

Don Knutts named incoming CEO & chairman.

CEO Martin Kallstrom.

January, 2008: Clorox introduces "Green Works".

Don Knutts announces that Clorox will focus on four "megatrends".


New CEO Craig Subramanian announces the "5 Ps" to focus on four "megatrends".

June, 2004: Clorox named one of the "Dangers Dozen" by the U.S. Public Interest Research Group.

Clorox makes first environmental claim for a product releasing "natural" fragrance bleach in Latin American markets.

January, 2005: Sierra Club gives a $476,000 contribution from Clorox.

Clorox began triple-bottom line reporting.
References


