Corporate Social Responsibility (CSR) and Stakeholder Approach: A Content Analysis of the Website Home Pages of French and U.S. Forbes Global 2,000 Companies

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This thesis titled
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ABSTRACT

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Corporate Social Responsibility (CSR) and Stakeholder Approach: A Content Analysis of the Website Home Pages of French and U.S. Forbes Global 2,000 Companies (65 pp.)

Director of Thesis: Hong Cheng

Based on the 2009 Forbes Global 2,000 list, this thesis presented a content analysis of website home pages of French and U.S. companies using stakeholder approach to CSR. Twelve stakeholder responsibility issues were analyzed in this thesis. Results revealed that “environment-friendly business practices” emerged as a key issue for both the French and U.S. companies whereas the employee and supplier-related issues were referred to by a very few companies in both countries. Significantly more U.S. companies mentioned the issues of “product/service quality” and “product/service safety” compared to their French peers whereas the issue of “timely and comprehensive communication” with investors was addressed by far more French companies than their U.S. counterparts. While the French companies did not outnumber their U.S. peers in presenting employee issues, the U.S. companies did not surpass their French counterparts in addressing community issues. Possible reasons for these differences were discussed in the thesis.

Approved: _____________________________________________________________

Hong Cheng

Associate Professor of Journalism
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CHAPTER 1: INTRODUCTION

The concept of Corporate Social Responsibility (CSR) has been a subject of exhaustive debate in academia. This debate is evident from Carroll’s 1999 article, in which he reviewed 37 definitions of CSR. Some of the conceptualizations were proposed as early as in the 1950s. CSR initiatives and disclosures of a company “constitute mainly a legitimacy instrument” to demonstrate its appropriate corporate conduct, in line with stakeholder expectations (Branco & Rodrigues, 2008, p. 687). Further, CSR communication is also believed to help a company in “protecting or enhancing its image or reputation” (Hooghimestra, 2000, p. 64).

Businesses have traditionally used advertisements, annual reports, media coverage, and websites to communicate about their ethical policies and actions (Schlegelmilch & Pollach, 2005). Pollach (2003) stated that conventional corporate communication tools such as leaflets and brochures are being substituted by websites. He argued that the only exception to this trend was that of annual reports. However, Hunter and Bansal (2007) posited that websites trump annual reports “because the reporting cycle of annual reports makes the information less timely” (p. 138). Similarly, Esrock and Leichty (1998) pointed to suitability of web pages to convey information about a company’s CSR initiatives in a timely and swift fashion. Further, as a communication tool corporate websites are considered important because “they are likely to be seen by a variety of audiences” (Esrock & Leichty, 2000, p. 330).

As the “gateway” to a website (Ha & James, 1998), a home page is comparable to the front page of a newspaper or the cover page of a magazine, and both are typically reserved for presenting the most important content (Schwalbe, Silcock, & Keith, 2008).
Further, Ha and James (1998) posited that home pages are important because in many cases quality of the home page influences if a visitor will continue to explore a website further. Given that a website is a pull medium, visitors often tend to choose the type of content they want to access and the sequence in which they want to access it (Schlegelmilch & Pollach, 2005). Therefore, the authors suggested that companies should mention, “ethics-related material on the front page of the website” (p. 276).

Scope of Research

Given the value of website home pages in the communications arsenal available to companies, this thesis analyzed Corporate Social Responsibility (CSR) communication of companies from two countries–France and the United States through a content analysis of website home pages (See rationale for the focus on these two countries in the Background section of the thesis.). The extant research about CSR communication through home pages is limited to confirming mere presence or absence of CSR links on them (Esrock & Leichty, 1998). This research contributed to CSR literature by providing a much richer analysis, with adoption of the stakeholder approach to CSR.

According to the stakeholder theory management of a company is responsible for not only providing a decent return on investment to shareholders but also looking after the well-being of broader set of groups such as customers, suppliers, employees, community, and environment (Freeman, 2007). Thus, the stakeholder theory provides a different and more comprehensive perspective on how responsibility of corporate managers should be interpreted (Freeman, Velamuri, & Moriarti, 2006). The authors, therefore, argued in favor of adopting the stakeholder approach to CSR, which focuses
on how a company makes its “customers, suppliers, communities, employees, and financiers better off” (p. 5). Drawing upon the stakeholder approach, specific stakeholder responsibility issues were analyzed in this study, thus significantly expanding our understanding of use of home pages to communicate about CSR. As effectiveness of CSR communication in terms of its persuasiveness depends on how credible the information appears to the audience (Schlegelmilch & Pollach, 2005), this research also assessed if the companies had made an effort in that direction.

The distinctive attitudes of the French and U.S. governments towards CSR provided a unique backdrop to compare the scope and extent of CSR communication, on home pages of the companies from these two countries. Unlike the United States, the French government actively pushes for CSR adoption and communication by companies often through legislations (Antal & Sobczak, 2007; Harribey, 2009). This thesis explored if the French companies had opened up their CSR communication by using home pages to communicate extensively about CSR, beyond the legal obligation like CSR disclosures in annual reports.

Lastly, given the global interest in the CSR paradigm (see, for example, Stohl, Stohl, & Townsley, 2007) this study tapped in timely fashion into a slice of CSR communication of some of the largest global companies. An important global CSR initiative, United Nations Global Compact, was unveiled in June 2000 (Corporate Citizenship, 2008). The UN Global Compact “is both a policy platform and a practical framework for companies that are committed to sustainability and responsible business practices” (Corporate Citizenship, 2008, p. 2). Another network-based organization—
The Global Reporting Initiative (GRI)—released its first set of CSR disclosure guidelines in 2000, inviting corporations to describe how they fulfilled stakeholder expectations, in the form of a report (*Sustainability Reporting*, 2007).

Since the inception of these movements, global discussion about CSR has gained momentum. According to a GRI news release, the total number of companies filing a GRI report reached more than 1,000 in 2008, a jump of 46% from the previous year (“Number of Companies,” 2009). An example of the increasing interest about CSR in society can be seen in the special issue of *Time* magazine focused on “service,” which highlighted how companies are incorporating ethical practices into corporate agendas (“25 Responsibility Pioneers,” 2009). For example, the report mentioned that Starbucks is striving to make all its coffee purchases to be “fair trade coffee” by 2015 or that GAP, the reputed apparel company, successfully brought down its carbon emissions by 20% from 2003 to 2008. While speaking at the World Economic Forum in 2008, Microsoft Chairman Bill Gates called on the business community to adopt the concept of “creative capitalism,” and urged businesses to take on the social challenges in underdeveloped countries (Gates, 2008).

In light of this growing global discussion, insights gained from this study may help the *Forbes* 2000 companies in the two countries to fine-tune their CSR communication strategies. The findings may also help companies in other countries to benchmark their CSR communication on home pages, with their counterparts in France and the United States.
Background

This study focused on the companies from France and the United States for several reasons. International Monetary Fund (IMF) classifies France and the United States as “major advanced economies” (“Country Composition,” 2010). Both nations have a democratic set-up, however, France adopted a hybrid of presidential-parliamentary governing system in 1958 (“France,” 2010), whereas the United States embraced a presidential democracy (“United States,” 2010). According to a World Bank report, the United States is the largest economy in the world in terms of Gross Domestic Product (GDP) whereas France comes at the fifth place and is the second largest economy (after Germany) in Europe (“Gross Domestic Product,” 2009). In terms of size, France is slightly smaller than the state of Texas in the United States. (“France,” 2010).

The United States is home to the largest number of global corporate giants in the world. The 2009 Forbes Global 2000 rankings include 551 U.S. companies, the largest count from a single country (“The World’s Biggest,” 2009). Among the European Union (EU) countries, France has the highest number of firms on the list, an indicator of the strength of its corporate sector. Both France and the United States boast of high Internet penetration of 67.7% and 74.1% respectively, an important consideration for this study (“Top Twenty Countries,” 2009).

Aside from these similarities, both countries have distinct characters of their own. The United States is known for its capitalist structure that thrives on the concept of free-market enterprise (Peck & Theodore, 2007). Businesses in the United States are said to have more freedom in terms of decision making with respect to employee-related matters,
raising capital, and business expansion than the countries in Western Europe (“United States,” 2010). France, in contrast, has upheld the concept of “welfare capitalism” and the French government often intervenes in the economic activity (Clift, 2008). In fact, government’s right to intervene is seen in positive light by the French (Antal & Sobczak, 2007). The French government often uses legislation and social policies to lessen income inequalities and limit the adverse effects of free markets (“France,” 2010).

Although recent French governments have made an effort to modernize the French economy by divesting government holdings in many large French companies, the public sector remains a strong pillar of the French economy (Antal & Sobczak, 2007). Despite EU’s insistence to lessen French government’s intervention in free markets, the country continues to embrace its brand of capitalism (Birnbaum, 2010). Further, Birnbaum noted that the current French President Nikolas Sarkozy, too, prefers “cross-class coalitions to market dogma” (p. 26).

Aligned with the broader economic and political framework, the businesses in the United States have often established their own CSR initiatives without any specific regulatory mandate or government intervention (Matten & Moon, 2008). However, in Europe (including France), companies have adopted a variety of CSR policies because in many cases, they are required by laws and regulations of a given country (Matten & Moon, 2008). For example, Matten and Moon explained that in case of allowing usage of genetically modified seeds, the EU legally permitted usage of only 18 varieties whereas the U.S. Department of Agriculture adopted a much more “laissez-faire approach” by allowing usage of 60 varieties in the same time frame (p. 413). However, because of the
stakeholder pressure some companies like Wal-Mart voluntarily suspended use of some of the permissible varieties. Likewise, the authors observed that in the EU region many “employee- representation and participation related matters are covered by dense employment regulation and protection covering a significant number of issues” compared to more discretionary practices of U.S. companies (p. 409). Further, in 2004, French President Chirac commended French companies that had joined the U.N. Global compact by inviting them to the presidential palace (Antal & Sobczak, 2007). This is an example of French government’s overt push for CSR adoption by French companies.

France has favored a legislation-based approach on how companies communicate about the CSR issues (Antal & Sobczak, 2007). On May 15, 2001 France became the first country “to make it mandatory for the listed companies to account for social and environmental consequences of their activities” (Harribey, 2009, p. 39). The issues concerning a variety of stakeholders are required to be disclosed such as community work, employee health and safety, opportunities for training and advancement, and measures taken to reduce impact on environment (Harribey, 2009). Similarly, the French government requires listed companies to share a special report with investors on internal controls and corporate governance practices (Harribey, 2009).

Historically, employee well-being issues have always been at the heart of CSR in France (Antal & Soczak, 2007). Similarly, corporate philanthropy, which involves supporting various discretionary social causes, has traditionally been an important aspect of CSR in the United States (Matten & Moon, 2008).
CHAPTER 2: LITERATURE REVIEW

This chapter begins with the discussion of some of the historical conceptualizations of CSR that led to the theoretical framework for this study. Later, relevant literature pertaining to rationale for adoption and communication of CSR is presented. In the end, research questions and hypotheses for this study are introduced.

CSR Conceptualizations

The discussion of CSR has evolved over a period of time. This section encapsulated important conceptual guideposts related to development of this concept.

Carroll (1999) described Howard Bowen as the “father of social responsibility,” and credited him for presenting one of the oldest definitions of CSR in modern times. To Bowen (1953), “CSR refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society” (p. 6). In the same vein, Davis (1960) defined social responsibility as "businessmen’s decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest" (p. 70). Later, Davis (1964) discussed the “public role of management” emphasizing that management should get beyond the narrow responsibility of earning economic benefits, and that management’s responsibilities extend to the larger society.

In 1979, Carroll proposed, “the social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time” (p. 500). Largely based on this definition, Carroll (1991) formulated a CSR model in the shape of a pyramid (see Figure 1, p.10), with the
economic responsibilities of the business at the bottom of the pyramid followed by legal, ethical, and philanthropic responsibilities (which he had earlier labeled discretionary responsibilities). Although a significant contribution to CSR research, Carroll’s 1991 classification lacked a strong theoretical rationale. Interestingly, to make the model more functional Carroll (1991) suggested viewing these responsibilities as towards various stakeholders of the business. Building on Carroll’s (1979, 1991) works, Schwartz and Carroll (2003) proposed a three-domain approach that described CSR as the “overlapping domains of economic, legal, and ethical responsibilities” (p. 508). Elkington (1998) presented another popular concept related to CSR called Triple Bottom Line (TBL) that focused more on measurement of a firm’s CSR performance. Elkington argued that a firm should measure its social responsibility performance in three areas: economic, social, and environmental.

The CSR literature also consists of some arguments against adoption of CSR. Market economists suggested that firms should focus their attention only on earning maximum profits, as long as they follow the letter of the law. Neoclassical economists like Friedman (1990) and Henderson (2001) argued that saddling businesses with social responsibility is contrary to the principles of market economy. Friedman, an ardent proponent of free markets, was of the opinion that management is "to make as much money as possible while conforming to the basic rules of society, both those embodied in the law and those embodied in ethical custom" (Friedman, 1970, p. 1). Henderson (2001) agreed that companies should operate within reasonable moral and legal boundaries set by the society. However, he feared if the businesses are forced to adopt the triple bottom
line definition of CSR; it may adversely affect their operations with cost increases and diminished performance.

![Diagram of the Pyramid of Corporate Social Responsibility (Carroll, 1991)]

*Figure 1. The Pyramid of Corporate Social Responsibility (Carroll, 1991).*

Although the market economists accepted the moral and ethical obligations of businesses, they seemed to give minimal consideration to those norms compared to profit maximization. The market economists were opposed to the philanthropy and welfare aspects of CSR as an additional burden on businesses, so to counter their claim some scholars pointed towards strategic benefits of CSR (e.g., Lantos, 2001; Porter & Cramer,
Lantos (2001) divided CSR into ethical CSR, altruistic CSR, and strategic CSR. He argued that ethical CSR would mean following ethical norms even if following such an approach results into lesser profits. He posited that a company is morally responsible if its actions cause “actual or potential injury” and should therefore avoid such activities (p. 606). According to Lantos, altruistic CSR referred to accepting philanthropic responsibilities “regardless of whether the firm will financially reap what it has spiritually sown” (p. 608). Strategic CSR meant undertaking such initiatives that are “believed to be good for business as well as for the society (p. 618).

Based on the discussion of CSR conceptualizations thus far, the following broad questions emerge. The first question is, if the sole responsibility of the management should be maximizing the stockholder value. Second, should CSR be equated merely to philanthropic activities or it is a broader concept than corporate charity? Lastly, should CSR be undertaken for purely egalitarian purposes without expectations of direct business benefits?

The stakeholder approach to CSR, adopted in this thesis, is discussed in the next section. The stakeholder approach constitutes looking at CSR through the lens of stakeholder theory and appears to provide answers to all the three questions raised above.

Theoretical Framework

The early managerial model placed investors at the center of the business activity and management attention (Freeman, 2007). The traditional management model advocated maximizing stockholder value because of the risk assumed by them in terms of money invested in a company (Bowie, 2007). The model in a way implied that catering to
interests of other groups such as employees, customers as being in conflict with maximizing the shareholder value. The traditional model, to an extent, suggested that if investors’ interests were served, even at the cost of other stakeholders, it was acceptable (Freeman, 2007).

Freeman (1984), in his stakeholder theory, argued against the traditional management model. He posited that management is responsible to protect the interests of other groups, beyond investors. Freeman defined stakeholder as “any group or individual who can affect or is affected by the achievement of the organization's objectives” (p. 8). His definition included other groups such as customers, suppliers, community, and environment as the stakeholders. Freeman (2007) argued that as in the case of stockholders, these groups also have a stake in a company, although not necessarily, fiduciary in nature. Therefore, management is responsible to them and should work to maximize value for them.

However, Freeman’s definition was criticized for being too broad (Bowie, 2007). Orts and Strudler (2002) argued that the stakeholder approach should be limited to the narrow definition that excluded government, community, and non-human entities such as environment. Starik (1995), on the other hand, suggested, “natural environment, its systems, and living and non-living components, can be considered stakeholders by all organizations, since all organizations significantly affect or are significantly affected by these entities” (p. 215).

Although, descriptive and instrumental justifications for the stakeholder theory have been put forth, they have been found to be inadequate (Donaldson & Preston, 2007).
The authors argued that *Descriptive justifications* for the stakeholder theory merely reflect managers’ experiences in running the businesses. Similarly, they stated that evidence on *instrumental justifications*—linking adoption of the stakeholder theory and narrow economic gains—has been somewhat inconclusive. Therefore, Donaldson and Preston argued that the best-suited justification for stakeholder theory is normative–based on ethics and values. Hasnas (2007) also observed:

> When viewed as the normative theory the stakeholder theory asserts that regardless of whether the stakeholder management leads to improved financial performance, managers should manage business for the benefit of all the stakeholders. (p. 118)

Freeman, Velamuri, and Moriarti (2006) argued that when a company fulfills obligations towards a multitude of stakeholders, for example, investing in employee safety and advancement, selling quality and safe products, and earning a decent return on investment, “then asking the additional question of whether or not it is socially responsible simply makes no sense—it is a meaningless question” (p. 4). In fact, the authors preferred the term “company stakeholder responsibility” (p. 5) to convey in its entirety the philosophy of CSR from the stakeholder perspective. They argued in favor of focusing “on how value is created in the basic business proposition” by making shareholders and other stakeholders “better off” (p. 5).

Clarkson (1995) classified stakeholders as primary and secondary based on their significance for survival of business. This classification may help managers in prioritizing their responsibilities in the short term. Similarly, Jamali (2008) posited that it
may not be possible for managers to fulfill expectations of all the stakeholders at the same time, so they may prioritize stakeholder issues depending upon their discretion and “instrumental and/or normative inclinations” (p. 219). However, Freeman, Velamuri, and Moriarti (2006) advocated that a company should “never trade off the interests of one stakeholder versus another continuously over time” (p. 9).

According to Clarkson (1995), an important contribution of stakeholder theory in CSR conceptualization is that it recognized an individual company’s responsibilities towards specific stakeholder groups including community and environment. Thus, he argued that the stakeholder theory helped in clarifying and explaining the word social in CSR. Second, the stakeholder approach suggested balancing interests of shareholders with other stakeholders (Freeman, Velamuri, & Moriarti, 2006). Jamali (2008) posited that the stakeholder approach helps in interpreting responsibilities of a company in a new fashion: “By suggesting that the needs of shareholders cannot be met without satisfying to some degree the needs of other stakeholders, it turned attention to considerations beyond direct profit maximization” (p. 217). Similarly, Freeman, Velamuri, and Moriarti (2006) suggested that companies should “seek solutions to issues that satisfy multiple stakeholders simultaneously (p. 7).

The stakeholder approach to CSR has been adopted in several social responsibility-related studies in the past. In their analysis of CSR activities of firms in Cyprus, Papasolomou, Krambia-Kapardis, and Katsioloude (2005) considered employees, customers, investors, suppliers, community, and environment as key stakeholders. They outlined various CSR actions corresponding to these stakeholder
groups to probe CSR initiatives of the firms under study. Maignan and Ralston (2002) compared CSR issues related to key stakeholders mentioned on the websites of corporations from France, the Netherlands, the United Kingdom and the United States. Further, Longo, Mura, and Bonoli (2005) used stakeholder approach to examine CSR practices of Italian SMEs. The authors constructed “a grid of values” to reflect expectations of various stakeholder groups (p. 30). The authors identified value classes with respect to each stakeholder and only the companies that fulfilled at least half of the value classes pertaining to each stakeholder, were regarded responsible corporate citizens. Additionally, Jamali (2008) used stakeholder approach to investigate CSR interests and practices of Lebanese and Syrian firms with the help of best practices related to six important stakeholder groups, outlined by Spiller (2000).

Motivations for CSR

Companies adopt and communicate about CSR initiatives for various reasons. Swanson (1995) delineated three types of motivations for the firms to adopt CSR. According to the utilitarian perspective proposed by Swanson, CSR is considered a tool to help a firm achieve its business goals. Swanson explicated these business goals in terms of profitability, return on investment, and sales volume. Although the existing literature establishing this relationship is ambiguous, a few studies suggested that CSR might help firms increase sales and reduce costs (Luo & Bhattacharya, 2006; Waddock & Graves, 1997).

Second, according to the negative duty approach advanced by Swanson (1995), firms are compelled to embrace social responsibility initiatives to be able to conform to
stakeholder expectations with respect to reasonable corporate practices. This approach is similar to the concepts of legitimacy and corporate reputation. *Legitimacy* is defined as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, value, beliefs, and definitions,” (Suchman, 1995 p. 574). Similarly, Shocker and Sethi (1973) noted that because corporation is a social institution, it has to consistently adapt its behavior to changing social expectations. They explained:

> In a dynamic society, neither the sources of institutional power nor the needs for its services are permanent. Therefore, an institution must constantly meet the twin tests of legitimacy and relevance by demonstrating that society requires its services and that the groups benefiting from its rewards have society’s approval. (p. 97)

Hooghiemstra (2000) posited that from a corporate communication point of view, social reporting is a tool to influence peoples’ perceptions. He argued that quite like the legitimacy perspective, social and environmental reporting is useful in preserving and improving social standing of a company. Lindgreen, Swaen, and Johnston (2009) reported that managers in U.S. firms believed CSR had positive influence on customer satisfaction, corporate reputation, and employee satisfaction.

Third, positive duty view proposed by Swanson (1995) suggested that businesses may adopt CSR initiatives for the greater good even when there is no societal pressure to do so (Swanson, 1995). In fact, Mintzberg (1983) argued that businesses should practice CSR without the expectation of any return from the society. Mintzberg observed, “Only
in the purest form—as an ethical position—can corporate social responsibility stand by itself (p. 5).

CSR Definition and Stakeholder Responsibility Issues under Study

In this thesis, CSR is defined as: “Corporations’ being held accountable by explicit or inferred social contract with internal and external stakeholders, obeying the laws and regulations of government and operating in an ethical manner which exceeds statutory requirements” (Bowd, Bowd, & Harris, 2006, p. 150). This definition highlights two distinctive features of CSR: First, management is responsible to internal and external stakeholders not merely stockholders. Second, the nature of such responsibilities is both legal and ethical.

The stakeholder responsibility issues under consideration for this thesis are listed in Table 1 (p.18), which were adapted from the works of Maignan and Ralston (2002) and Spiller (2002). The issues chosen cover major responsibility areas and are deemed suitable for the comparative analysis proposed in this study. For the operational definitions of these issues, please refer to codebook (see Appendix A).
Table 1

Stakeholder Responsibility Issues Examined in the Thesis

<table>
<thead>
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<th>Stakeholders</th>
<th>Specific Responsibility Issues</th>
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<td>Investor</td>
<td>Corporate governance</td>
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<td>Timely and comprehensive communication</td>
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<td>Community</td>
<td>Corporate philanthropy</td>
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<td></td>
<td>Volunteering</td>
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<td>Environment</td>
<td>Environment-friendly business practices</td>
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<td></td>
<td>Environment stewardship</td>
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<td>Customers</td>
<td>Quality products/services</td>
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<td></td>
<td>Safe product/services</td>
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<td>Employee</td>
<td>Diversity/Equal opportunity</td>
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<td></td>
<td>Employee welfare practices</td>
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<tr>
<td>Suppliers</td>
<td>Ethical sourcing practices</td>
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<td></td>
<td>Assistance to improve social and environmental performance</td>
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Adapted from Maignan and Ralston (2002) and Spiller (2000).

Research Questions and Hypotheses

As previously noted, the motivation to adopt and communicate about CSR could come from the desire to earn narrow economic benefits as well as the need to maintain reputation and legitimacy (Branco & Rodrigues, 2008; Hooghiemstra, 2000; Shocker &
Sethi, 1973). As a home page is the gateway to a website (Ha & James, 1998) and a central location accessed by all the stakeholders (Esrock & Leichty, 2000), it can be considered an important place to mention a company’s CSR activities so that the information reaches the highest number of visitors (Schlegelmilch & Pollach, 2005). Therefore, following the stakeholder approach to CSR adopted in this study, communication of 12 stakeholder responsibility issues on the home pages of French and U.S. companies is examined. The different approaches towards CSR adoption and communication in France and the United States provide an interesting backdrop. The first set of research questions in this thesis is formulated as follows:

**RQ1a:** To what extent do French and U.S. companies communicate the stakeholder responsibility issues on their home pages?

**RQ1b:** Typically, how many stakeholder responsibility issues do French and U.S. companies mention on their home pages?

Further, it is important to explore if the issues deemed important by French companies—measured in terms of higher frequency of mentions—are similar to those preferred by U.S. companies. In other words, if the rank order of stakeholder responsibility issues—from the most frequently mentioned to the least frequently mentioned—between the two countries is similar. Therefore, RQ2 is constructed as follows:

**RQ2:** Is there a similarity between French and U.S. companies on how the stakeholder responsibility issues are ranked?

CSR awards received and CSR rankings such as inclusion in sustainability indices are helpful in building “source credibility,” an important element to make CSR
communication persuasive (Schlegelmilch & Pollach, 2005). Chambers, Chapple, Moon, and Sullivan (2003) stated that CSR reports are considered an indicator of seriousness of a company towards institutionalizing CSR. Given the importance of the home page, it appears to be an ideal place to mention these credibility markers for maximum effect. Therefore, the third research question is formulated as follows:

**RQ3:** To what extent do French and U.S. companies convey credibility of CSR efforts on their home pages?

Historically, corporate philanthropy has been a common CSR practice for companies in the United States compared to their European counterparts (Matten & Moon, 2008). Maignan and Ralston (2002) found a significantly high number of U.S. firms reporting issues related to community stakeholders (except environment-related community issues) than the French companies. Similarly, Googins (2002) argued “nothing is more authentically American than the spirit and practice of volunteerism” (p. 93). He further stated, “Volunteering is perhaps the fastest-growing component of U.S. corporate citizenship” (p. 93).

In contrast, French society has historically viewed social welfare as the government’s responsibility (Antal & Sobczak, 2007). Also, as a result of catholic influence on society, the French approach towards communicating philanthropic practices has been subdued. Antal and Sobczak (2007) observed: “Traditionally, to the extent that business chose to engage in the community, it was not deemed appropriate to report on its activities publicly” (p. 10). The French government has been encouraging firms to assume responsibility for community initiatives, although acceptance for such practices
among the French companies has been low (Halba as cited in Antal & Sobczak 2007). Given the distinct differences in France and the United States towards involvement of companies in community initiatives, the first set of hypotheses is formulated as follows:

**H1a:** U.S. companies are more likely to mention the issue of “corporate philanthropy” on their home pages than French companies.

**H1b:** U.S. companies are more likely to mention the issue of “volunteering” on their home pages than French companies.

Traditionally, employee issues have been significantly important in France. In fact, CSR had a limited connotation in France: Taking good care of the employees and providing proper working conditions (Antal & Sobczak, 2007). Antal and Sobczak discussed a law enacted as early as 1977 that required a company to submit a report on the labor practices such as health and safety, training, working conditions, and labor relations to a government agency. Furthermore, the 2001 law places special emphasis on similar requirements and has expanded the scope of reporting by including them in the annual report (Harribey, 2009). Additionally, the 2001 law requires companies to provide information on issues of diversity and equal opportunity, for example, “employment and professional integration of the disabled” (Harribey, 2009, p. 40). Another example of the French government’s effort to promote equal opportunity is reflected in the government’s 2004 initiative that created a special label for the companies that developed especially proactive policies for women employees (Antal & Sobczak, 2007). Additionally, in 2004, 35 important French companies such as Adecco, Adia, France-Television, and Accor signed a charter against discrimination, an initiative launched by Montaigne Institute, an
independent think-tank in France (Latraverse, 2008). Latraverse reported that this initiative has evolved since then and 1700 French companies, including most of the listed companies, have adopted the charter of diversity. All the French companies included in this study are large public listed organizations. Given the special place for employee well-being in France, and the recent push for diversity/equal opportunity initiatives, H2a and b were formulated as follows:

**H2a:** French companies are more likely to mention the issue of “diversity/equal opportunity” on their home pages than U.S. companies.

**H2b:** French companies are more likely to mention the issue of “employee welfare practices” on their home pages than U.S. companies.
CHAPTER 3: RESEARCH METHOD

This study adopted the stakeholder approach to CSR and was focused on 12 stakeholder responsibility issues identified previously (see Table 1, p. 18). In addition, mentions of CSR credibility markers such as CSR awards/rankings and CSR reports on the website home pages were investigated. Mention of a CSR link on the home pages was also examined. For operationalizations of all the variables, please refer to the codebook (see Appendix A).

Sample

The companies for this study were selected from the Forbes Global 2,000 list of 2009, which ranks the top 2000 publicly traded companies from across the world, based on a combination of following parameters: sales, profits, assets, and market values (DeCario, 2009). Because these are large, public limited companies, they are responsible to a broader base of shareholders and other stakeholders. Moreover, the composite ranking makes the companies in the list more comparable than those based on purely revenue-based ranking such as in the Fortune 500 list.

There are 72 French companies and 551 U.S. companies in the list. In this study, websites of all the French companies were analyzed while every fifth company, after a random start was selected from the U.S. list, yielding 108 U.S. companies for the analysis. The different sampling strategies used for French and U.S. groups were to make the two samples comparable in size.

The unit of analysis for this study was the website home page or the front page. In this study, a home page is defined as the first landing page of a website “which is usually
named as “<index.html,> <home.html,>” or as a default page of the domain name such as
<http:/www.epson.com.>” (Ha & James, 1998, p. 468). In case of French companies, the
home page is considered the front page in English language. As we know, each website
consists of several interlinked pages and the number varies from company to company.
Focusing on a highly representative and extremely important unit of a website such as a
home page in this study enhanced comparability of the data. Limiting the scope of
research to the home page provided the assurance that no content was missed because of
the ambiguity of navigating internal pages of the websites.

The URL of a company website was found using the Google search engine. In all,
72 French and 108 U.S. company home pages were analyzed (see Appendix B for coding
sheet). In two cases, where home pages of French companies were unavailable in
English, translations of the pages into English were obtained from a translator before
coding was completed. The translator has completed a certificate in intermediate level
French and works as an instructor of French at a language institute in India.

Content Analysis

Riffe, Lacy, and Fico (2005) defined content analysis as follows:
Quantitative content analysis is the systematic and replicable examination of
symbols of communication, which have been assigned numeric values according
to valid measurement rules and the analysis of relationships involving those
values using statistical methods, to describe the communication, draw inferences
about its meaning, or infer from the communication its context, both of
production and consumption. (p. 25)
As can be observed from the above definition, content analysis is appropriate for systematically analyzing content using predefined categories to understand the “symbols of communication.” This method has been widely used to analyze content of newspapers, magazines, and television, as well as the content on the Internet (e.g., Chaudhari & Jian, 2007; Varma, Cheng, & Slater, 2006). As mentioned before, home pages of the websites are comparable to magazine covers and newspaper front pages, and can be subjected to systematic content analysis using predefined categories.

Inter-coder Reliability

In a pretest, two coders (including the author of the thesis) independently coded 20% of the samples from the two countries one after another. Both coders are graduate students from a large mid-western university with strategic communications as an area of specialization. Both coders are fluent in English. The inter-coder reliability results for both samples are summarized in Table 2 (p. 26). The entire coding was done online within a period of a typical week to avoid any vast differences in content mentioned on the home pages because of external factors.
Table 2

*Inter-coder Reliability Results by Country*

<table>
<thead>
<tr>
<th>Variable groups</th>
<th>French sample</th>
<th>U.S. sample</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average % agreement</td>
<td>Average % agreement</td>
</tr>
<tr>
<td>General CSR variables</td>
<td>95</td>
<td>96</td>
</tr>
<tr>
<td>Investor</td>
<td>95</td>
<td>98</td>
</tr>
<tr>
<td>Community</td>
<td>94</td>
<td>93</td>
</tr>
<tr>
<td>Environment</td>
<td>90</td>
<td>86</td>
</tr>
<tr>
<td>Customer</td>
<td>90</td>
<td>91</td>
</tr>
<tr>
<td>Employee</td>
<td>87</td>
<td>93</td>
</tr>
<tr>
<td>Supplier</td>
<td>100</td>
<td>95</td>
</tr>
</tbody>
</table>
CHAPTER 4: RESULTS

A total of 180 home pages of French and U.S. companies in the 2009 list of Forbes Global 2000 rankings were content analyzed in this study. As noted at the outset, this study intended to analyze use of home pages to communicate about stakeholder responsibility issues relating to the key stakeholders: investors, community, environment, customers, employees, and suppliers.

RQ1a—To what extent do U.S. and French companies communicate stakeholder responsibility issues on their home pages?—was mainly answered by the information presented in Table 3. Out of the 12 stakeholder responsibility issues identified in this study, 10 issues were mentioned at least once in the French sample whereas all the 12 issues were mentioned at least once on the home pages of the U.S. companies.

Among the U.S. companies, 29.62%, mentioned “safe products/services,” the highest in that group; closely followed by 28.70% companies that mentioned “environment-friendly business practices.” The issue of “quality products/services” was mentioned on 26.85% of the U.S. company home pages and corporate philanthropy was mentioned by 25.92% of the U.S. companies. As can be observed, the variance between the frequencies of the top four issues in the U.S. sample is quite small.

Among the French companies, 34% mentioned environment-friendly business practices on the home pages, the highest in the group. The issue of “timely and comprehensive communication” with investors was mentioned by 27.77% of the French companies and 25% of the French companies mentioned corporate philanthropy (see Table 3). The issue of corporate governance was mentioned on 15.27% of the French
company home pages. The variance between the frequencies of the top four issues is quite substantial in the French sample.

As seen in Table 3 (p. 29), between both the groups, presence of employee related responsibility issues was almost negligible. Only 5.55% of the U.S. companies mentioned diversity/equal opportunity on the home pages followed by 3.70% that mentioned employee welfare practices. Only 9.72% of the French companies reported the issue of diversity and equal opportunity and merely 4.17% mentioned employee welfare practices. Similarly, very few U.S. companies (1.85%) mentioned, “ethical sourcing,” and “assistance to improve social and environmental performance” of suppliers was mentioned by a measly 0.92% of the U.S. companies. None of the supplier issues was mentioned on the home pages of the French companies.

Statistically significant results were noticed relating to some stakeholder responsibility issues. As seen in Table 3, 26.85% of the U.S. companies mentioned quality products/services whereas a significantly less number of French companies (12.5%), mentioned this issue on the home pages. In case of safe products/services 32% of the U.S. companies mentioned it on the home pages in contrast to only 6.94% of the French companies. Because both the results are statistically significant, they could be said to be representative of a trend in the population. Additionally, the issue of “timely and comprehensive communication” with investors was presented on the home pages of 27.77% of the French companies compared to merely 3.77% of the U.S. companies. The statistical significance of the result implies that this trend can be witnessed in the population as well.
In sum, a relatively higher number of companies in both the groups mentioned environment-friendly business practices and corporate philanthropy. Further, the French companies emphasized investor responsibility issues whereas the U.S. companies focused more on customer responsibility issues. Additionally, presence of a CSR link on the home pages of both French and the U.S. companies was also investigated. Twice as many (59.33%) French companies provided a CSR link on the home page compared to 29.62% of U.S. companies. This difference is statistically significant ($X^2=4.702; df=1; p<.001$).

Table 3

*Frequencies of Stakeholder Responsibility Issues Mentioned on the Home Pages by Country*

<table>
<thead>
<tr>
<th>Stakeholder responsibility issues</th>
<th>France (n=72)</th>
<th>U.S. (n=108)</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investor</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate governance</td>
<td>11</td>
<td>10</td>
<td>$X^2=1.518; df=1; p&gt;.05$</td>
</tr>
<tr>
<td>Timely &amp; comprehensive communication</td>
<td>20</td>
<td>4</td>
<td>$X^2=21.667; df=1; p&lt;.001$</td>
</tr>
<tr>
<td><strong>Community</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate philanthropy</td>
<td>18</td>
<td>28</td>
<td>$X^2=0.019; df=1; p&gt;.05$</td>
</tr>
<tr>
<td>Volunteering</td>
<td>1</td>
<td>4</td>
<td>$X^2=0.857; df=1; p&gt;.05$</td>
</tr>
<tr>
<td><strong>Environment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environment-friendly business practices</td>
<td>25</td>
<td>31</td>
<td>$X^2=0.730; df=1; p&gt;.05$</td>
</tr>
<tr>
<td>Environment stewardship</td>
<td>14</td>
<td>18</td>
<td>$X^2=0.730; df=1; p&gt;.05$</td>
</tr>
</tbody>
</table>
Another interesting dimension of this study was to learn how many of the 12 stakeholder responsibility issues were typically mentioned on both French and U.S. companies’ home pages (RQ1b).

It is evident in Table 4 (p. 31) that highest number of the French (30.55%) and the U.S. (29.62%) companies mentioned just one CSR issue on their home pages. Out of the 12 stakeholder responsibility issues indentified in this study, the highest number of issues mentioned on the home page in the French sample was six whereas the highest number of issues mentioned by a company in the U.S. sample was five.

Adding to our understanding of CSR communication in both countries would be to know if there is a similarity between the French and U.S. companies on how the
stakeholder responsibility issues were ranked (RQ2). The ranks essentially represented preference of companies towards various stakeholder responsibility issues. To explore the relationship between the two sets of rankings Spearman’s rho was calculated ($r_s = 0.603$, $df =10, p < .05$). The coefficient revealed moderate correlation between the rankings of stakeholder responsibility issues mentioned on the home pages of the French and U.S. companies. The ranking, as explained previously, was based on the frequency of each issue mentioned on the home pages coded.

Table 4

_Frequencies of Number of Stakeholder Responsibility Issues Mentioned on the Home Pages by Country_

<table>
<thead>
<tr>
<th>Number of issues mentioned</th>
<th>France (n=72)</th>
<th>U.S. (n=108)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Freq.</td>
<td>%</td>
</tr>
<tr>
<td>0</td>
<td>17</td>
<td>23.61</td>
</tr>
<tr>
<td>1</td>
<td>22</td>
<td>30.55</td>
</tr>
<tr>
<td>2</td>
<td>19</td>
<td>26.38</td>
</tr>
<tr>
<td>3</td>
<td>8</td>
<td>11.11</td>
</tr>
<tr>
<td>4</td>
<td>3</td>
<td>4.16</td>
</tr>
<tr>
<td>5</td>
<td>1</td>
<td>1.38</td>
</tr>
<tr>
<td>6</td>
<td>2</td>
<td>2.77</td>
</tr>
<tr>
<td>7</td>
<td>0</td>
<td>--</td>
</tr>
<tr>
<td>Total</td>
<td>72</td>
<td>100.00</td>
</tr>
</tbody>
</table>
The final research question (RQ3) for this study examined efforts of companies to convey credibility of CSR policies. As evident from Table 5, almost none of the companies in both groups mentioned either any CSR rankings or awards on the home pages. Availability of CSR report links on the home pages was limited; 13.88% of the French companies and 8.33% of the U.S. companies provided such a link.

Table 5

<table>
<thead>
<tr>
<th>CSR Credibility markers</th>
<th>France (n=72)</th>
<th>U.S. (n=108)</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Freq.</td>
<td>%</td>
<td>Freq</td>
</tr>
<tr>
<td>Rankings/awards</td>
<td>1</td>
<td>1.38</td>
<td>1</td>
</tr>
<tr>
<td>CSR report</td>
<td>10</td>
<td>13.88</td>
<td>9</td>
</tr>
</tbody>
</table>

Given the contrasting perspectives in France and the U.S. on a company’s involvement in community welfare, it was hypothesized in this study that U.S. companies are more likely to mention community-related responsibility issues of corporate philanthropy and volunteering than their French counterparts (H1a & b).

As evident from Table 3, 25.92% of the U.S. companies mentioned corporate philanthropy, while 25% of the French companies mentioned it on the home pages. The difference is statistically insignificant, so H1a is rejected. Similarly, slightly higher (3.7%) of the U.S. companies mentioned volunteering compared to only 1.39% of the
French companies. This difference is not statistically significant either, and therefore **H1b** is rejected.

Based upon the review of relevant literature discussed previously it was expected that French companies are more likely to mention the employee-related CSR issues of diversity/equal opportunity and employee welfare practices (**H2a & b**).

The results presented in Table 3 denote that 9.72% French companies mentioned diversity/equal opportunity compared to 5.55% of the U.S. companies. Although almost twice as many French firms mentioned diversity/equal opportunity, since the difference is statistically insignificant, **H2a** is rejected.

While slightly more (4.17%) of the French companies mentioned employee welfare issues, 3.70% of the U.S. companies mentioned the same. Given that the difference is not statistically significant, **H2b** is also rejected.
CHAPTER 5: DISCUSSION

This research was aimed at analyzing the extent of CSR communication, in the form of specific stakeholder responsibility issues mentioned, on the home pages of French and U.S. Forbes global 2000 companies.

Despite the different approaches towards adoption and communication of CSR initiatives—selected by individual companies in the United States as opposed to largely enforced by law in France—the extent of stakeholder specific issues mentioned on the home pages of the U.S. and the French companies was quite similar in many cases. In fact, although all the public listed companies in France are required to report on employee safety and advancement, environmentally responsible actions, and community work in the annual reports; French companies did not mention any of these issues overwhelmingly more often than their U.S. counterparts. So it may be fair to say that French companies did not open up CSR communication extensively beyond what is required by law, for example, the mandatory disclosures in annual reports. Even the most frequently mentioned issue of environment-friendly business practices was found on the home pages of only about 33% of the French companies.

However, significantly more French companies had a CSR link on their home pages than their U.S. counterparts. So, although the French companies did not mention CSR issues specific to stakeholders, they did try to communicate overall responsible approach more than their peers in the United States.

Another important dimension of this study was to find out which stakeholder responsibility issues were preferred to be mentioned on the home pages. As the results
indicated, environment-friendly business practices emerged as a key issue on both French and U.S. websites. It appears that companies are attempting to project an environment-conscious approach by mentioning commitment to environment protection including responsible practices such as use of renewable energy, recycling, green products, and responsible treatment of industrial waste. As indicated in the literature the effort to communicate environment-friendly business practices may be a strategy to legitimize corporate actions in the wake of increasing discussion in recent years about global warming, energy efficiency, climate change etc. For example, at the 2009 Copenhagen Climate Change summit the heads of states joined hands with global business leaders to discuss measures to avert climate change (Carey & Scott, 2009). Environment responsibility is also a prominent issue on the agenda of key global corporate citizenship movements like the United Nations Global Compact (“Corporate Citizenship, 2008”) and the Global Reporting Initiative (“Sustainability Reporting,” 2007). However, only a few companies mentioned any environment stewardship activities—promoting dialogue and external initiatives for environment conservation.

Similarly, corporate philanthropy emerged as a relatively important issue on the home pages of both the French and U.S. companies. Although, ranked fourth among the U.S. group and third among the French, there is almost no difference between the two groups in percentage terms. This is in contrast to the results reported by Maignan and Ralston (2002) who found that French companies significantly lagged behind their U.S. peers with respect to reporting community issues (except environment-related issues) and policies on foundations, charitable donations, and sponsorships. Traditionally, French
society frowned upon disclosing one’s good deeds and such an entity was looked upon with distrust (Antal & Sobczak, 2007). However, results of this study may be indicative of a significant change in CSR composition in France. Alluding to this change, Harribey (2009) observed that “recent laws regarding sponsorships have given rise in the last three years to a multiplication of philanthropic actions and company foundations have flourished (p. 53). This study provided empirical evidence to document slowly rising corporate philanthropy in France and contributed to updating the literature in this area.

Esrock and Leichty (2000) measured salience of a stakeholder issue from its presence or absence on the home page. They argued that “content may be present somewhere on the site, but it may not be highlighted or given prominence through inclusion on the front or home page (p. 331). They stated: “Indeed Web pages also communicate because of the content that may be omitted” (p. 331). Given negligible mentions of responsibility issues relating to employees on the home pages, it may be fair to assume that these issues are not deemed as important by companies in France and the U.S. Specifically, in the context of French companies this treatment comes as a surprise given the continued importance of employee issues in the country.

There could be two potential causes for such a low occurrence of these issues on the homepages of the French companies. First, a more generic reason could be that the corporate websites are used more to communicate with external stakeholders and companies might be using other internal mediums such as an intranet portal to communicate with the existing employees. However, given the role of home pages in
reputation management, it may help the companies if these issues are mentioned upfront on the home pages, to create a favorable image among potential recruits.

Secondly, given the ability of the websites to reach global audiences, French companies may have chosen to focus on popular issues more than the employee well-being issues such as employee safety, training, advancement, and the issue of diversity/equal opportunity. So although employee issues remain at the forefront of mandatory social reporting, in their voluntary CSR communication French companies are choosing to appeal to broader global CSR expectations such as environment responsibility of businesses and corporate donations.

Apart from the issues of environment-friendly business practices and corporate philanthropy, the French and U.S. companies chose stakeholder issues relating to investors and customers respectively, to be prominently addressed on the home pages.

The French companies extensively used home pages to communicate with investors. The French companies significantly outnumbered the U.S. companies in the area of communicating with investors in a timely (stock price) and comprehensive (annual report) manner. Similarly, the issue of corporate governance ranked relatively high in the French group. However, despite the law, that mandates disclosure of corporate governance practices and internal controls through a special report to investors (Harribey, 2009) the French companies did not significantly surpass the U.S. companies in communication of corporate governance through the home pages. This finding goes on to show that statutory reporting requirements haven’t had a significant effect on voluntary communication, in this area.
Customer welfare issues such as quality products/services and safe products/services emerged as relatively important in the U.S. group. Further, these issues were mentioned by substantially more U.S. companies compared to their French peers. It may be an indication of the fact that the U.S. companies may be using the home pages more prominently as a marketing tool to engage with customers compared to their French peers.

Mitchell, Agle, and Wood (2007) noted that power, legitimacy, and urgency are the three important attributes that determine salience of stakeholders for the management. Near absence of supplier issues of “ethical sourcing” and “assistance to improve social and environmental performance” is indicative of low priority given to these issues by companies in both countries. Negligible presence indicates suppliers may not be deemed as salient a stakeholder as the environment, customers, or community. A further analysis, for example, through interviews of managers, may reveal the exact reasons for the lack of these issues on the home pages.

Conclusion

Through a comparison of the French and U.S. companies, this study has added to our understanding of contemporary practices of using website home pages to communicate CSR issues. The stakeholder approach to CSR adopted in this study ensured a comprehensive analysis of CSR communication on the homepages. The findings revealed that various CSR disclosure related laws in France, have had a limited effect on voluntary CSR communication in France, for example, through homepages. Further, this cross-country comparison unraveled some interesting facts about CSR
communication in France in some aspects such as corporate philanthropy and mentions of CSR links on the home pages.

Broadly, most of the U.S and the French companies preferred mentioning just one or two stakeholder responsibility issues. Further, less pressing nature of some issues like employee welfare practices and diversity/equal opportunity from legitimacy and instrumental considerations may have played a role in overall fewer mentions of these issues by the French firms on the home pages. A similar argument can be made for why the U.S. companies mentioned volunteering only a few times. This low occurrence may be one of the reasons why significantly more French companies were not found mentioning employee issues compared to the U.S. companies and why the U.S. companies did not outnumber their French peers in mentioning the issue of volunteering.

A content analysis of voluntary CSR reports where companies have an opportunity to detail all of their CSR practices, or exploration of CSR practices through surveys or interviews of managers may prove more helpful in understanding fully if the country-specific preferences over these responsibility issues exist.

Given the significance of CSR in the current business and social environment, these companies have an opportunity to utilize home pages more effectively—by addressing more stakeholder responsibility issues on home pages; although the choice of those issues may vary from company to company. Additionally, given a small number of companies that mentioned the CSR credibility markers, there is an opportunity for these companies to make CSR communication more persuasive by providing information such as CSR awards, rankings, and reports that will act as the evidence of their CSR
commitment. As Schlegelmilch and Pollach (2005) noted: “Appeals to reason provide rational evidence for the company’s assertions, thereby suggesting that the claims are verifiable and true” (p. 278).

Limitations and Future Research

First, this study did not take into account placement of a particular stakeholder responsibility issue on the home pages, for example, whether a particular issue appeared on the main menu bar, at the focal point of the home page or merely as a link in the lower half of the home page. Clearly, a CSR issue mentioned at the focal point of a home page is considered relatively salient by a company than an issue mentioned at the bottom of a page as a link. Now that the top-ranked stakeholder responsibility issues are known, future research could exclusively focus on placement-related issues, for example, which among the top five CSR issues indentified in this study are preferred to be presented at the focal point of a home page.

Secondly, this research did not explore if CSR issues mentioned on the home pages depended on the nature of a company’s business—for example, if oil and chemical companies highlighted environment-friendly business practices more often than financial institutions. Future research should tap into this aspect by selecting companies from a specific sector and analyzing their home pages for multiple stakeholder-specific CSR issues to understand sector influence.

Thirdly, as noted in the literature, whether companies actually back CSR claims with appropriate actions cannot be verified through content analysis. Although given the increasing influence of social media and well-informed activist groups and NGOs,
companies will be discouraged from presenting CSR rhetoric devoid of real actions. Fukukawa and Moon (2004) observed that “in the light of the assumption that reporting, transparency and accountability are part and parcel of CSR, there is reason to expect increasing congruence between communication and action” (p.16).

Lastly, if a similar but longitudinal study were conducted in the future, it may point towards a trend about use of home pages in CSR communication. Such a comparative study could include companies headquartered in some hot markets like China and Japan to broaden the scope of the existing literature on the use of home pages in CSR communication.
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Top twenty countries with the highest number of Internet users. Retrieved from Internet World Stats website: http://www.internetworldstats.com/top20.htm


APPENDIX A: CODE BOOK

This codebook defines home page and provides operationalizations for all the variables to be coded in this study.

Home page

In this study, a home page is defined as the first page of a website. In case of French companies, the home page is considered the front page in “English” language. In this case, if a language choice has to be made as a precondition to entering any content-driven page, then, the page that appeared immediately after the language is counted as the home page. In the case of French companies, the English language website may be named global/international. Non-content driven pages such as introductory flash presentations are skipped to reach the main content page.

Drop-down menus and any other content on the home page not visible, is not included in the definition of home page to maintain consistency in the comparison. If a company has distinct product and corporate websites, the later is chosen for the analysis given the multi-stakeholder focus of the content.

Variables

V1 Country

This variable refers to the country where a company is headquartered, according to the information provided in the Forbes Global 2000, 2009 list.

V2 CSR link

This variable refers to CSR (also referred to as sustainability, citizenship, social responsibility, commitment, responsibility etc.) in form of a link.
**V3 to V14**

These variables represent various CSR issues pertinent to stakeholders (investors, community, environment, customers, employees, and suppliers) *mentioned* on the home pages. The issues could be mentioned anywhere on the homepage, for example, main menu bar, news scrolls etc. and could be links, plain text or text as part of the graphics/pictures.

**Investor variables**

**V3** Corporate governance

This variable refers to the corporate governance issues and may appear in the form of a “corporate governance” link, facility to report ethics violations/concerns to the management, or mentions of any other measures to enforce financial vigilance inside the organization.

**V4** Timely and comprehensive communication with investors

This variable refers to stock price/chart and link to the annual report/s. The stock price should be displayed on the home page and not merely be a link.

**Community variables**

**V5** Corporate philanthropy

This variable refers to mentions of social initiatives such as foundations, donations, sponsorships, and partnerships with not- for- profit organizations etc. for social causes. The definition also includes references to community involvement, responsibility towards community etc. as they are largely indicative of corporate philanthropy.

**V6** Volunteering
This variable includes references to volunteering, for example, information on a community event organized by the employees or a link labeled volunteering.

**Environment variables**

**V7 Environment-friendly business practices**

This variable refers to environment-friendly approach of the company described through commitment to environment including environment-friendly business practices such as use of renewable energy, environment-friendly products and services, efforts to eliminate harmful impact on environment, awards won for environment responsibility, environment link etc.

**V8 Environment stewardship**

This variable refers to company activities that promote dialogue about environmental conservation as well as external initiatives, for example, environment-related educational events, discussion on environment topics (Join our discussion on Facebook about climate change, conservation tips, environment related blogs) or donations for environment-related activities (funding Habitat for Humanity for green housing, fund for saving polar bears) etc.

**Customer variables**

**V9 Quality products/service**

This variable indicates references to product/service quality. The definition also includes descriptions that refer to products as being superior, extraordinary, excellent, of high-performance, exceptional, premium etc. For service-sector companies such as banks,
insurance, and investment companies the definition also includes references to high skills, expertise, and excellence in customer service.

**V10 Safe products/services**

This variable refers to explicit mentions of safe products and services, products without harmful effects, information on product recall etc. For service-sector companies such as banks, insurance, investment companies the definition also includes references to reliability, responsibility, trustworthiness, fraud alert, identity theft, internet security etc.

**Employee variables**

**V11 Diversity /equal opportunity**

This variable refers to a diversity/equal opportunity link or mention of other related information such as a policy against discrimination, attempts to hire people from all walks of life, awards won for diversity. Although slightly different in meaning, these two measures largely reflect adoption of equality in hiring and promotion practices by companies. Therefore, they are clubbed together in this study.

**V12 Employee welfare practices**

This variable refers to mention of either of employee health, safety, security, training, and advancement issues, for example a link labeled health & safety, references to professional development, training, team-building activities etc.

**Supplier variables**

**V13 Fair-sourcing practices**

This variable refers to mention of ethical sourcing or issues like diversity in supply chain, opposition to child labor in supply chain etc.
V14 Assistance to improve social and environmental performance

This variable refers to any initiatives mentioned that refer to assisting suppliers to improve their environmental and social performance.

**CSR credibility markers**

V15 CSR awards/rankings

This variable refers to the mention of credibility-building factors for CSR, for example, CSR awards, ethics awards, CSR rankings, or a CSR index like Dow Jones Sustainability Index.

V16 CSR report

This variable refers to the link of CSR (also called sustainability, citizenship) report on the website home page. Please include also when labeled as annual and CSR report together.
APPENDIX B: CODING SHEET

Case No: ____________

Name of the company: _______________________

V1 Country of headquarters:  1 = United State,  2 = France  ____

For variables V2 to V16:  1 = Mentioned,  2 = Not mentioned

V2 CSR Link: _____

V3 Corporate governance: _____

V4 Stock price and annual report: _____

V5 Corporate philanthropy: _____

V6 Volunteering: _____

V7 Environment-friendly business practices: _____

V8 Environment stewardship: _____

V9 Quality products/services: _____

V10 Safe products/services: _____

V11 Diversity/equal opportunity: _____

V12 Employee welfare practices: _____

V13 Fair sourcing practices: _____

V14 Supplier assistance: _____

V15 CSR awards/rankings: _____

V16 CSR report: _____
APPENDIX D: A SAMPLE WEBSITE HOME PAGE OF A U.S. COMPANY