



Corporate Social Responsibility and CSR Communication according to the Society

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The aim of my study is to access the knowledge of the CSR, to examine the usage of CSR communication tools and to survey the attitude to CSR activities concerning classical music.

In the study firstly the definition of CSR was described this is how the corporate social responsibility can be interpreted. Then the CSR communication tools were demonstrated and the hypotheses were formulated. In the main part of the writing the online questionnaire was examined with SPSS program on which it was researched that how the people know Corporate Social Responsibility within the CSR activities concerning classical music, and it was examined how people inform about CSR, which CSR communication tools are the most used.

The main research questions were:

- 1. How well does the Hungarian population know the term of CSR?*
- 2. What CSR communication tools does the society use for being informed about Corporate Social Responsibility?*
- 3. What is the attitude of Hungarian population to social responsibility within the classical music issue of CSR activities?*

Keywords: corporate social responsibility, CSR communication, classical music

1 Theoretical Background

Despite its short history the term Corporate Social Responsibility is widely addressed in literature. Appearance of the CSR has resulted in the development of corporate sector and business literature explained that the term played an important role in the elaboration of the theoretical background. CSR is interpreted in many ways, ones associate it to the idea of legal responsibility and obligation, for others it means socially responsible behaviour in moral sense, others make it equal to the concept of charity, some people link it to social awareness, many people use it as a synonym of law in context of compliance and validity, some regard it as a kind of fiduciary duty of businessmen [7].

1.1 Definition of CSR

In 1970 in his article *Milton Friedman* denied the fact that companies deal with tasks apart from their mission, he declared that the only social responsibility of the corporation is to increase profits. But Friedman's ideas are not widely accepted in society or even in the business world itself [5].

The *Green Paper* of the European Union described CSR as a “concept whereby companies integrate social and environmental concerns into their business operations and in their interaction with their stakeholders on a voluntary basis” [4].

On the basis of my definition CSR is carried out voluntarily by all businesses, which contribute to economic, social and cultural development whilst still taking into account the interests of stakeholders.

1.2 CSR communication tools

The communication tools of corporate social responsibility can be categorized based on the quantitative research of Ipsos-Insight, The Worldwide Qualitative Research Company in 2002-2003 [6]:

The advantage of *information papers* and *corporate prospects* is that the person may decide to read it or not. It is costly, less efficient and pollutes the environment, which is not compatible with socially responsible behaviour. Only specific events, conferences connected should be used.

The *advertisements* are very effective CSR communication tools as it is widely available for the target group, but only for short, simple information suitable for broadcasting. The *social ad* is the most common way of CSR communication, which is preferable for the media.

The *report of a truly independent body*, which is known and recognized in society, may be the most reliable means of communication.

The *journalist report* gives an opportunity to provide more detailed information, but the credibility of the report depends on the individual, so media meeting or journalism forums may prove more effective tool.

The *company report* is equally important for all stakeholders and gives a free opportunity to further express of the CSR activities.

Extending this list some more categories can complete the CSR communication tools of Ipsos Insight [1]:

Informing *through the salesman* or *in the store* is one of the easiest way of CSR communication, because the consumer can be informed directly about Corporate Social Responsibility and there is possibility for the feedback too.

The *corporate CSR report* offers a greater responsibility in a detailed presentation of the activities.

The *corporate website* is a tool that increasingly is used by businesses for communicating CSR issues. They usually have a specific section in their website where they set out their policies for the economic, social and cultural issues. It can also include reports, publications and CSR-related conferences, events, websites but also updated information.

The study “Communicating corporate social responsibility” [2] and “The first ever European survey of consumers’ attitude on corporate social responsibility” [3] provide a further communication tool: *communication on product packaging*.

2 Methodology and data

This chapter introduces the elements of my research plan: the research methods used in my research, the sampling process, the characteristics of my sample, and then I formulate my hypotheses related to research.

2.1 Secondary and primary research

In the study a *secondary research* was primarily done on the concept of CSR, than I assessed the application possibilities of CSR communication tools concerning large banks with *qualitative document analysis*, which I presented in a conference paper.

In this case study a *quantitative survey* was conducted to explore the cause-effect relationships of the knowledge of CSR concept and communication and the attitude of Hungarian population to CSR activities concerning classical music.

The online questionnaire was available on:

<http://www.kerdoivem.hu/kerdoiv/251548255/> web site.

2.2 Measurement and scaling

During the research mostly non-metric scaled questions were asked (nominal and ordinal) because this greatly increased the willingness to respond to the questionnaire. Decided questions were asked concerning CSR, classical music CSR and the communication tools. The last question was an open air question which was not analysed in this case study due to the absence of coding.

2.3 The process of sampling

The multitude is continuous because it stands from real but only arbitrarily separable units. The population fund is over 18 year old Hungarian people, so my sampling unit and also my observation unit is the Hungarian population over 18 year old.

During my research not random sampling technique was applied because my results are not applicable for the population fund. The error of the characteristics calculated from the

sample can not be determined, so the uncertainty can not be estimated. The items were chosen arbitrarily with arbitrary sampling.

As exploratory research is carried out, the primary purpose is to understand the problem better and deeper. For this purpose this smaller sample size is good, which is $N=157$ in my case.

The sample is *non-representative* since it is not characterized by the purpose fund.

The online questionnaires were sent out among my friends. The survey began in November 2009 when the questionnaire was sent to 200 friends. 157 pieces were returned in one month. This means nearly 75% of respondents willingness, which is above the acceptable level, but this is probably due to that people filled out the questionnaire were my friends.

2.4 The characteristics of sampling

Three categories were defined according to *the year of age*: students (18-23), young workers (24-35) and above 35 year old people. Based on *the gender proportion*, 59,9 % were women and 40,1 % were men. 47,8% of the people who filled the questionnaire *live in* Budapest, 22,3 % of them in county towns and the remaining 29,9% live in city or village. According to their *education*, 30,6% of the sample have high school, 10,8% have bachelor and more than 50% have university education.

2.5 The hypothesis

According to preliminary surveys and studies the following hypotheses were formulated.

- H1: *The location, the age and the level of education influence the knowledge of the term CSR.*
- H2: *The CSR activities concerning classical music are less well-known than the CSR itself.*
- H3: *The corporate website is one of the most popular in society among CSR communication tools.*
- H4: *Among industries the financial sector has mostly CSR activities concerning classical music.*

3 Analysis and findings

During data processing base statistics were calculated (frequency, mean, standard deviation). In order to explore the deeper contexts bivariate (cross-analysis) and multivariate (multidimensional scaling) methods were applied.

3.1 The frequency analysis of the answers to questions

The second, third and fourth hypotheses were tested by univariate analysis.

3.1.1 The knowledge of CSR and CSR concerning classical music

The 74,5 % of respondents has already heard about *Corporate Social Responsibility*. Only 3,2 % are fully aware of the CSR, 14% almost fully, and more than 80% just moderately or less. 84,5 % would like to know more about CSR, which is really positive. Nearly 60 % of the respondents would be affected positively in their decision the knowledge of a company's CSR activities.

According to *CSR concerning classical music*, only 7 % of the respondents has already heard about it, but the knowledge of this type of activity would positively affected almost 35 % of them in their decision.

3.1.2 CSR communication tools

In terms of CSR communication tools more than 50 % of the respondents would prefer to hear about Corporate Social Responsibility through two of the tools: *journalist and company reports*. The corporate website, the product packaging, the advertisement and the report of a truly independent body reached the value between 20 % and 40 %. The other tools were interested by only less than 20 % of them.

3.1.3 CSR activities concerning classical music

The questionnaire also looked for the answer which industries support the most the classical music according to the respondents. The *telecommunication sector* were chosen by 71,3%, the next three sector, trade, finance and energy got only 20-30 %.

3.2 Cross analyse

The first hypothesis was tested by cross analyse. It is presented, what extent the location, the age and the level of education affect the knowledge of CSR.

The question, '*Have you heard about Corporate Social Responsibility?*' is the dependent variable, the place, the age and the level of education are the independent variables. In all three cases it can be concluded the connection is significant and the predictive ability of the independent variables is very low, so it is likely that other variables also play a role in that the respondent has heard about CSR. Since the cross is significant and although the relationship is statistically not so strong it is worth to analyze the table and draw the most important findings.

3.2.1 Location and CSR

The table shows that half of the observations are from Budapest and the reminder people are roughly evenly divided between the other two categories (county city, town or

village). If we look at the proportions of the infield and the standardized residuals supporting these, the conclusion is that the two relations are linked: people of Budapest have already heard about CSR, but people living in a town or a village haven't. *Country people are less likely to come across this term.*

3.2.2 Age and CSR

From the table it can be read that nearly 45 % of the observations came from students and young workers and the remaining 8 % is from people over 35. Based on the standardized residuals it can be stated that university students have more heard about CSR than the older generation. *People over 23 less know the CSR than people under 23*, because nowadays Corporate Social Responsibility has become better known and used expression.

3.2.3 Education and CSR

More than half of the respondents are graduated, 30% go to high school and the remaining 10 % of people have bachelor qualification. People having university degree are often not familiar with the term CSR. *The students are likely to be rather associated with this term*, because nowadays we can hear more about the Corporate Social responsibility and it is increasingly appearing in the higher education as a separate subject.

3.3 Multidimensional scaling

The multidimensional scaling method was applied in those issues for which more than one answer was possible.

3.3.1 How would you like to know more about Corporate Social Responsibility?

Respondents, who wrote the 'yes' answer to this question, were examined so they would like to know more about CSR. Based on that criteria N=133.

Additional criteria was that only those variables were used to the multidimensional scaling which were selected at least 5 % of respondents. So the corporate brochure is excluded from the scope of the variables analyzed.

The value of the Stress belonging to Figure 1 is 0,0893 so the adaptation in space to each other of data can be reproduced with an 8,93% error. The value of RSQ is very high (95,910%) so the selected variables together are largely explained the outcome of the election.

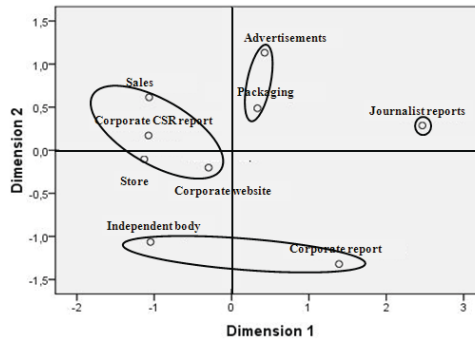


Figure 1

Multidimensional scaling, ALSCAL method, Stress = 0,08983 and RSQ = 0,95910

Figure 1 shows, that four clusters can be distinguished based on the CSR communication tools. The *first cluster* is the journalist report which is completely separated from all other variables. The explanation for this can be that this type of CSR communication tool is easily available in everyday life and well-known, so the CSR communication of a corporate can be positively affected by the application of journalist reports. The advertisement and the product packaging constitute the *second cluster*, which also give an opportunity to provide easily accessible information. Corporates are easily able to inform their customers about their CSR activities though advertisements and the scope of information available by customers can be increased by marking the production. In the *third cluster* there are the sales, the store, the corporate website and the corporate CSR report, which tools give more detailed information. So these tools are the most appropriate for customers who are more interested in CSR activities and would like to know exactly which direction the corporate is committed. The *fourth cluster* involves the report of truly independent body and corporate report, which differ from the previous CSR communication tools. The corporate report contains specified information with real data not only according to CSR. In the case of an independent body's report the third person, an outside observer has a really important role in evaluating the CSR activities of a company. These tools are chosen by customers who consider the credibility an important aspect.

Based on the four clusters seen on Figure 1 the four groups of customers are named the following words: 1. *Everyday people*, 2. *Interested people*, 3. *People monitoring details*, 4. *People committed to credibility*.

3.3.2 What do you think which industries support mostly the classical music in the frame of CSR activities?

All of the respondents were examined in this case of question (N=157).

The criteria was that only those variables were used to the multidimensional scaling which were selected at least 10 % of respondents. So the commodity and the other categories are excluded from the scope of the variables analyzed.

The value of the Stress belonging to Figure 2 is 0,03949 so the adaptation in space to each other of data can be reproduced with only 3,949% error which is considered an excellent value. The value of RSQ is very high (99,585%) so almost entirely true that the selected variables together are largely explained the results of the election.

Based on Figure 2 it can be stated that the telecommunication industry is clearly listed to companies who support the classical music. The finance, the energy and the trade industry are located in a horseshoe shape so these industries were selected with almost the same probability. From the respondents view all other sectors do not typically apply CSR activities concerning classical music.

The formed three clusters can be named as follows: 1. cluster: *Companies committed to classical music*, 2. cluster: *The classical music lovers*, 3. cluster: *The neutrals*.

The three clusters are almost reflecting the results of my previous research which was based on the information available on the internet. So the telecommunication and the finance industry are the leaders in supporting classical music. The reason is that these industries can fit into their profile this type of CSR activities the best.

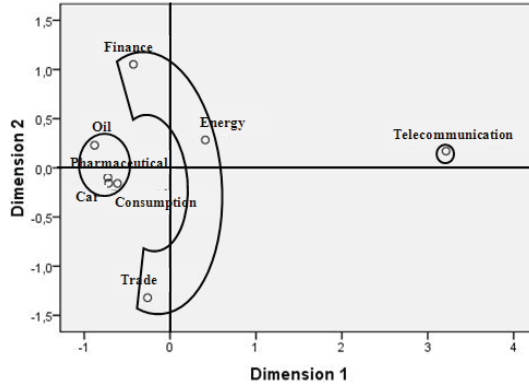


Figure 2

Multidimensional scaling, ALSCAL method, Stress = 0,03949 and RSQ = 0,99585

4 Conclusion and proposal

Based on the cross analysis the *H1 hypothesis was confirmed*, so the knowledge of the term Corporate Social Responsibility was affected by the location, the age and the education. People living in Budapest have heard more about CSR than people living in countryside. The students and people under 23 are more familiar with the term CSR than the older age groups.

Based on the frequencies it can be concluded that *H2 hypothesis is true*, people less know CSR activities concerning classical music than CSR itself, since 7% of respondents have

heard about responsibility of classical music, in contrast CSR, which is known by 75 % of respondents.

<i>Number of the cluster</i>	<i>Name of the cluster</i>
1. cluster	Everyday people
2. cluster	Interested people
3. cluster	People monitoring details
4. cluster	People committed to credibility

Table 1

Cluster based on the CSR communication tools

To prove *H3* hypothesis frequencies multidimensional scaling were used. Based on the frequencies it *was proved* because corporate website is one of the most popular CSR communication tool in the society according to the frequency analysis. The multidimensional scaling analysis provided an opportunity to explain the choice of the tools. Table 1 summarizes in groups the Hungarian population over the age of 18. So for every day people one of the CSR communication tools is the corporate website.

H4 hypothesis has to be rejected because based on the view of society the telecommunication industry is the most prominent in CSR activities concerning classical music, which industry was chosen by 70 % of the respondents, while only 25 % of people choose the financial industry. According the the multidimensional scaling the telecommunication industry is the most committed to CSR concerning classical music

In summarizing it can be stated that the Corporate Social Responsibility has become more and more well-known term among young and people living in Budapest. In order to make the CSR more well-known in a wider range of the Hungarian population, it can be important to use such CSR communication tools which are currently not or less used by companies, but a high percentage of respondents selected. The society should get CSR activities concerning classical music known through these tools so they can be brought closer to the classical music and the term CSR too.

The topic is calling for further research, therefore as a continuation of this work, further empirical study will be realized, with tools of both qualitative and quantitative methods.

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