

ISSUES OF CORPORATE SOCIAL RESPONSIBILITY WEB SITE COMMUNICATION OF METAL INDUSTRY COMPANIES

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Abstract

Companies processing and manufacturing metals belong to those which activities have significant impact on various issues covered by Corporate Social Responsibility towards several groups of affected stakeholders. One of the medium used for communication with the external stakeholders is also web site. Which information about companies should be or need not to be offered on web is the result of decision making. This is internal the concern of managers resulting from the influence of different forces and interest. Paper presents the result of web sites content analysis focused on CSR communication of metal industry companies. The major objective of the analysis is to find out which themes within CSR are communicated through this medium by the companies in metal industry in the Czech Republic.

Key words: CSR, metal industry, web, communication

1. INTRODUCTION

Companies as social systems cannot exist without communication. Through the process of communication more or less important data, information and messages are transmitted from the point of origin ("source of message") to the receivers – most often with the use of some media. Internet and web pages represent one of media category which nowadays in many countries can be ranked among standard tools for communication with the surrounding [1].

Corporate Social Responsibility (CSR) is phenomenon that attained rapidly growing concern together with demand for business and organizations to operate in a socially responsible manner [2]. Companies' responsibilities are multi-faceted complex covering diverse areas in the internal and external environment towards various recipients of results coming from the responsibility execution. In this paper attention is focused just on one of the typical themes, falling under corporate social responsibility issues, specifically the environment in the connection to the other CSR themes.

This paper presents results of research on concrete CSR issues communication on web provided by companies from metal industry in the Czech Republic. Environmental legislation (especially in the EU member countries) has forced manufacturers in majority of branches within metal industry to develop more environmentally friendly production processes and products [3]. Except legislation there are other forces that drive or push producers in this industry to be more environmentally oriented and involved in their business activities. Among all for instance customers, and their growing demand for greener products, community raising the voice for minimising negative impact of enterprises on the nature, governments showing proactive, and under the pressure of some interest groups also reactive behaviour towards policies concerning environmental sustainability.

Business processes comprehend many activities more or less related to value creation as the essence of existence of every company. These value-added activities are performed typically in forward direction from

purchasing the inputs, producing the product and distribute it to the market together with some other so called primary activities, e.g. warehousing, transport etc. Nevertheless, still bigger part of activities has backward or reverse direction of flow. Despite the existence of many reasons why companies must or want to participate in these flows, concern for environment sustainability and for responsible environmental behaviour in doing business regards also this area of management.

As introduced above, the attention in this paper is focused primary on one area of CSR issues, namely environment in the context of reverse logistics or/and returns management. Reverse logistics (we prefer to use this term in the text) does not belong to the concepts that are of frequent use in business vocabulary. More often concepts that express or describe partial activity within reverse logistics are used and these terms are also communicated widely. Reverse logistics is the field which is still underexplored in the Czech Republic [4] although companies more or less intensively deal with many reverse logistics activities. Communication on web can enrich knowledge about reverse logistics management of companies in the context of their Corporate Social Responsibility.

The research has exploratory and descriptive character – according to our knowledge this is the first investigation of CSR communication using the web in the Czech metal industry and one of very few existing surveys worldwide related to web communication of reverse logistics practices from the point of view of social environmental responsibility. The basic purpose of research was to find out which CSR issues narrowed to primary environmental responsibility connected to reverse logistics management do companies from metal industry communicate on their web pages and how companies use the web for this theme. Exploratory character of research is linked to limited number of analysed companies.

2. THEORETICAL BACKGROUND

2.1 CSR and reverse logistics

Although responsibility of business and social concern in academic discussion began in the first half of 20th century [5], growing interest in the responsibilities of companies toward society among academics influencing later also the increasing recognition of companies themselves, organizations and governments, originated in 1953 when economist Bowen published his work “Social Responsibilities of the Businessman”. Among all Bowen stated that the primary obligation (or responsibility) of companies is to “*pursue those policies, to make those decisions, or to follow those lines of action that are desirable in terms of the objectives and values of our society*” [6, p. 6]. In 1980s emerging stakeholder theory helped to structure rather broad and vague concept of society into relevant parts that enables to personalize or to join responsibilities with some specific interest groups or stakeholders [7]. Freeman described them as “*those groups who can affect and/or are affected by the achievement of an organization’s purpose*” [8, p.49]. In 1995 Clarkson [9] developed the definition and described stakeholders as “*persons or groups that have, or claim, ownership, rights, or interest in a corporation and its activities, past, present, or future*” (p. 106) and broadened the meaning of stakeholders for CSR practice for more clear and precise targeting of different responsibility utilizing more concrete goals, vocabulary, shared values, methods etc., that enable planning and measurement as well.

According to Signitzer and Prexel [10] CSR is „an umbrella term“ for various concepts reflecting the role of business in society. Several terms might be labelled as synonyms for CSR (as perceived by practice), e.g. corporate or business governance, corporate citizenship, corporate accountability, business ethics, sustainability or sustainable development, corporate environmental management, business and society, stakeholder management, corporate philanthropy, triple-bottom line, community development or social performance [11]. As can be seen, some of them are very narrow, the others are very broad and even going beyond the scope of CSR and most of them are overlapping. Particularly two concepts – environment and sustainable development – could be understood both as different and common terms. Álvarez-Gil et al [12]

bring short explanation of the evolution and conceptualisation of the problem. Sustainability was in the past linked to environmental issues related to the nature and as late as in 1987 World Commission on Environment and Development promoted it (as sustainable development) as “to mean the economic, social, and environmental issues to take into account to foster permanent development in the world” [13, p. 264]. Environment in its broadest meaning includes everything in the neighbourhood, surrounding of individuals, organizations, groups. For the explanation of meaning of this term in its narrower interpretation we can apply definition of ISO 14001:2004 “*surroundings in which an organization operates, including air, water, land, natural resources, flora, fauna, humans, and their interrelation*” where the environmental aspects are “*element of an organization’s activities or products or services that can interact with the environment*” and environmental impact is “*any change to the environment, whether adverse or beneficial, wholly or partially resulting from an organization’s environmental aspects*”. [14].

To understand what all responsibilities company can have towards society, we can adhere to the above mentioned determination of three basic pillars of CSR: economic, social and environmental [13]. This is in line with the so called Triple Bottom Line approach introduced in 1997 by Elkington. Triple Bottom Line emphasizes mutual interconnection and dependence of these pillars [5].

The interest among academics about CSR issues in the frame of reverse logistics is rather rare. Most concern is dedicated to environmental impact of reverse logistics, just few cases deal also with the other pillars (for instance [15] and [5]). Even in instance of reverse logistics practice’ linkage with the environmental responsibility, the approaches are concentrated on individual cases or specific topics or activities of reverse logistics and less attention is put on direct relation between these two themes. This is quite surprising situation opening variety of possibilities for research. Another surprise is the fact that there are many existing common points of intersection between CSR and reverse logistics. As for instance de Brito and Dekker summarize [16], the drivers or motives are very similar, namely economic, corporate citizenship and legal. By the way, although older work stressed that CSR involvement is voluntary for companies, this seems to be not true anymore. Much of responsibility has its legal grounding as already in 1991 Carroll underlines in his Pyramid of CSR with legal responsibility being the second after the economic one [7]. De Brito and Dekker proposed another pyramid for various reverse activities which represents options of recapturing or recovery of potential value within given activities. Resale of content of reverse flows harms environment at minimum and brings the highest economic benefits to several stakeholders, the other activities up the pyramid (re-use and re – distribution, repair, refurbishing, remanufacturing, parts retrieval and recycling) still offer potential benefits to stakeholders, while the last two activities - incineration and landfilling have usually negative impact [16].

Companies in metal industry can be labelled as ideal subjects for reverse logistics, especially for reuse, recycling and remanufacturing issues and for the utilisation of waste. According to the information of World steel Association, steel producers can serve as the support for this claim – steel belongs to the most recycled materials in general, about 95% of by-products are reused and focus on several issues within reverse flows in the context of Sustainable development policy of members of this Association (increase in resource efficiency through the product life cycle comprehending resource reduction and eco-design of products and production processes) underline this approach [17].

2.2 CSR and communication on the web

The reason for CSR communication of companies is obvious. Both sides of communication can have some benefits – most or some at least of stakeholders expect, want or even enforce to be informed about what and how companies do to be responsible. Companies expect positive image, enhancing reputation, and relationships development with stakeholders and their identification with company, loyalty, increase of the legitimacy of activities in the mind of stakeholders and even financial benefits (more sales, investments, and profit), improvement in competitiveness in the long term [18].

Disclosure of the information concerning CSR on the company's web pages has many advantages, for instance very low costs (if any), much space, speed of publishing possibility, interactivity and possibility to let inform anybody who could be interested in "in one package".

Communication is the result of some actions and activities and about some actions and activities (in the past, in the present and in the future). These are "performance cues" showing corporate values and they help to identify CSR principles, processes and outcomes of behaviour together with policies and programs aiming at CSR, as well as the level of involvement and commitment to CSR and motives and preference of stakeholders (or perception of their power, legitimacy and urgency by managers) [19]. [20]. Communication using this media should correspond with the values of managers and its content should be approved by managers. It could serve as the mirror of their approaches, priorities, policies, orientation and to some extent also of strategies and practices that are evaluated as proper for disclosure [18]. [21]. Absence of these "performance cues" does not necessarily indicate the absence of involvement in CSR (or any other activity) [22].

Communication of CSR involvement, though concerning one specific area, should reflect different and sometimes even conflicting expectations of diverse stakeholders groups and even individuals in these groups. On the company web page this requirement can be difficult to fulfil – web page communication must cope with the problem of reaching the right receivers with right message right time and at right place. This means to make the right decision about design of web page, content, amount of time and effort to find right information (the question of hierarchy and organisation of the content and accessibility of information), about the level of interactivity (internet is the most interactive medium that enables immediate response to individual subject).

3. METHODOLOGY

Content analysis (combination of qualitative and quantitative) of web pages was used as the method to get results for our research objective. Since the analysis had exploratory character with the aim to gain an initial insight into the issue, only limited number of companies was investigated. We used the list of companies that are members of Association of ferrous foundries of the Czech Republic with 56 members in total. The members are companies which are active also in other metal branches and not just foundry what means that the analysis can enable some lower level of generalization through whole industry.

First the categories of content (reverse logistics practices) were determined based on literature research on reverse logistics processes and activities and category "CSR" which comprehends all possible subcategories that might be found in the text. After variables: ownership and level of hierarchy (1 – visible access to searched categories on the first web page, 2 – necessity to click more than once to get to the other page with the information) were added. Category of programs and policies was opened to potential existence of EMS (environmental management system like ISO 14001), official policy toward environment sustainability support etc. Finally linkage of environmental responsibility to other CSR issues and introduction of objectives, performance measures or any kind of perceived benefits from environmental responsibility and reverse logistics processes was evaluated. We omitted social responsibility in this paper except some remarks.

4. FINDINGS

From 56 members presented on the list of the Association only 52 have functioning web page but three companies are subsidiaries of other members and we excluded them from the analysis. The rest four companies were not accessible. 39 companies are owned by Czech owners, ownership of two companies was not possible to discover, several companies are owned by German parent corporations, one by Slovak owners.

26 companies do not communicate on their web page anything what would concern either Corporate Social Responsibility as such or at least some features or trace of responsibility to the environment at least. No information could be joined to any reverse logistics practices. Their web pages perform just basic information about the existence of company and products or some history, references and contact information.

Five companies published certificate about ISO 14001 policy but without any text except one example of the internet interactivity application – visitors on one company who would like to know more about environmental policy and practice could write an e-mail to the concrete employee of the company. We can just hypothesise that this environmental management system (EMS) certification relates with some responsibility to environment sustainability though on just the bottom legislative level. Four companies present ISO 14001 certificate and document that contains policy about EMS (again very vague).

Three companies do not have any EMS certification and claim vague environmental policy using one or two sentences. One of them mentions also sponsoring as separate activity of CSR. One company does not publish anything about any of searched issues except the news about the involvement into the program of ecological disposal of waste - Green business - and one company promotes the involvement in the EU education project concerning the knowledge and skills in waste management.

One company introduces rich proclamation about CSR but in their perception CSR is about social issues only. One small piece of information about environment and waste reuse and recycling could be found after browsing some time in their annual report from the 2009. This company belongs to the big companies in the sample.

Only three companies link their CSR activities toward society with the environmental issues (and economic as well). They belong to the small group of companies, which develop environmental sustainability in several areas together with more forms of reverse logistics activities and two of them introduce also measurable variables for the past and future within this linkage. Virtual five members of these groups are those companies that separate environment from other responsibilities but quality of their disclosure of commitment is relatively high.

And only one company develops special report about environmental responsibility (comprehending also several reverse logistics tasks).

When focusing on just reverse logistics, waste disposal and reduction is the most frequent term (relatively) followed by recycling of own waste, reuse and sorting. Only two companies inform that they deal with the sale of waste as the inputs for production of their customers and with the recyclability of new products in their production.

5. DISSCUSSION AND CONCLUSIONS

The analysis indicates that CSR communication on the web of companies in metal industry in the Czech Republic cannot be characterized as the excellent one. The question is if the reality is different from the communication level. Matter of interest would be beside all, for instance the reasons of status quo and/or potential barriers. Another point is the forces of stakeholders and their approach and concern for the responsibilities and activities. Many companies export most of their production to their customer from developed countries and these customers can share some values related to CSR with them.

Despite exploratory character of research no special differences were detected in the case of size of companies (this variable is often related to the e-business lower involvement) but on the contrary there probably is some relation with the country of owners – subsidiaries of foreign corporations perform better.

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