

# THE ROLE OF CORPORATE COMMUNICATION IN THE PERCEPTION OF SOCIAL RESPONSIBILITY'S DIMENSIONS

### **Doctoral Thesis - Summary**

to obtain the scientific title of Ph.D at
The "Politehnica" University of Timişoara
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In a world full of changes that bring about visible negative effects on the environment, on society in general, and on living conditions, the importance and timeliness of the chosen topic, synthesized in the title of this doctoral thesis "The Role of Corporate Communication in the Perception of Social Responsibility's Dimensions" are obvious. At present, there is a recognized consensus on the potential and development opportunities of the two concepts, their strategies, methods and means associated with the literature and the praxiological approaches of the consultancy firms in the field of communication and social responsibility.

The European Commission (COM / 2011/0681) mentions that Corporate Social Responsibility is equally important for companies, the economy and society due to the following recognized benefits:

- for companies, it offers important benefits in areas such as risk management, cost savings, access to capital, customer relations, human resources management, and innovation management;
- at the level of the European Union's economy, it determines and constrains companies to be more sustainable and innovative, which contributes to the development of a more sustainable economy;
- for society, it provides a set of values on which to build a more humane society and based on the transition to a sustainable economic system.

Organizations increasingly face challenges in assuming environmental, social and economic responsibility, challenges that will need to be integrated into the organizational sustainability strategy. As a result, firms will be increasingly concerned not only with getting higher profits at minimal costs, but also with the ethical way in which they are realized and distributed. Organizations' non-financial goals are already taken into account in many countries as part of the economic dimension of social responsibility and tend to become elements of competitiveness.

In setting social responsibility strategies, companies should start from the real needs of communities and then define their goals in SMART objectives (Specific, Measurable, Attainable, Relevant, Timely) but also honest. The effects of strategic managerial balance, profit maximization strategies and social strategies (such as social responsibility), designed to support and develop local communities, protect the environment, improve living standards, will be reflected directly on market positioning of the company, creating a good image and implicitly increasing its economic and financial performance.

The extent to which an organization has defined and is involved in social

responsibility activities to position itself on the market in front of its competitors may directly lead to an increase in its economic and financial performance (Du et al., 2007). However, the promotion of social programs should not only be done from the perspective of the image benefits they bring to an organization that develops and implements such programs. Between the declaration of intentions and the reporting of actions, between praise and ethics, the objective is to create positive effects at all levels and for all stakeholders (Debos, 2004). Based on these considerations, there is a clear need to create new models, methods and means of assessing perceptions of social responsibility activities in the new context of the dynamics of the external environment, society and organizations. This is the main challenge for the research associated with this thesis.

The underlying idea in substantiating research has started from the need to identify the factors of organizational communication that can influence the perception of the public about the dimensions of the social responsibility of the organizations. Thus, the identified research breach concerns the investigation of aspects related to the behavior of the public (clients, consumers), but which can be influenced by organizational communication and can be related to a responsible organizational behavior. The dimensions considered for the investigation were:

- image and reputation of the organization;
- the level of information;
- awareness of the contribution to environmental issues;
- aspects of crisis management (incident resolution);
- confidence in the way organizations work;
- customer satisfaction.

All these aspects, characterized by appropriately defined indicators, have been constituted as variables of the customer perception equation.

A 2006 study on the influence of an organization's reputation on social responsibility perceptions (Yoon, et al., 2006) shows that firms with a good reputation are perceived as credible, with an enhanced impact of social responsibility actions, while firms with poor reputations have mitigated or even reversed effects. Interestingly, companies with "neutral" reputation are advantaged in comparison with those with a positive reputation in harvesting social benefits (Strahilevitz, 2003).

According to the same study (Yoon, et al., 2006), it was found that social responsibility activities can turn against companies when customers find out that the budget allocated for campaign advertising exceeds the financial contributions of social responsibility actions. It is shown in the study that when customers learned that the budget allocated for advertising exceeded the budget allocated for the CSR campaign, they rated the company negatively. In this case, the donation of \$ 2.1 million for a social cause, for which advertising costs were \$18.3 million, was perceived negatively, worse than if it had not been done.

Good reputation, built on principles of transparency, is increasingly becoming a target for organizations. The influence of reputation is reflected on how companies are perceived, which directly affects business (Knowles, 2014).

Based on these findings, it is necessary, as a first step in the development of CSR strategies, to conduct a customer perception analysis to assess stakeholder support for a variety of social or environmental issues and ultimately substantiate their decision to engage in those initiatives that matter most to them (key initiatives). Therefore, stakeholders expect organizations to address those social or environmental issues that are relevant to core business. Thus, the effects of organizational involvement in the community means taking into consideration all stakeholders and developing a strategy of social involvement that integrates in the medium and long term in the organization development strategy (Cristache, 2006). Based on the problematic and phenomenological considerations described above, the

objectives of the research have been clarified and formulated, as well as the way to achieve them.

The overall objective of this doctoral thesis is to conceive an innovative approach that would highlight the role of organizational communication in increasing the perception of the dimensions of social responsibility in the case of companies. The way to achieve this goal is defined by the accepted logic of interdisciplinary, theoretical and applicative research (methodology), which aimed at assessing the perception of clients about communication and information activities on the one hand and on products / services offered by organizations, and whose characteristics have been related to social responsibility (SR) dimensions, on the other. The proposed goal was achieved through the longitudinal analysis of statistical data, obtained from four opinion polls conducted during the period 2002-2015 within the organization chosen for the applied research. Based on the evolution of the model's dimensions, various conclusions could be generated that highlight the customer's perception of the organization and its social responsibility behavior. Thus, through the theoretical and applicative researches undertaken through the doctoral program (2013-2017), the conceptual element of novelty brought about by this doctoral thesis is the vision upon the research, which considered that the increase of the impact of the social responsibility dimensions is made starting from the evaluation of the clients' perceptions (the public), and the subsequent ways of action are based on the conclusions drawn from the statistical modeling of the dimensions analyzed (Fig. 1).

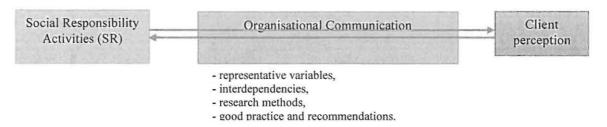


Fig. 1. The interrelation SR - Communication - Perception (research vision)

Table 1. The general operational objectives of the research

Chapter	Code	Operational objective	Actions, activities
1	OP1	Defining and characterising corporative social responsability	Research on current and relevant bibliographic references
2	OP2	Characterising the relation organisational communication – corporate social responsibility	Research on current and relevant bibliographic references
3	OP3	Defining the contextual framework of research at the macro and microeconomic level	Research based on national reports and statistics for describing the water sector in Romania and applied research investigations, preliminary diagnosis of Aquatim SA Timisoara
4	OP4.1	The concept of assessing customers' perception of the products / services offered (having characteristics related to dimensions of social responsibility) and the associated organizational communication activities.	Theoretical and applicative reseach
	OP4.2	Testing and validating the proposed evaluation process	

<u>The strategic orientation</u> of the researches was based on the current state of knowledge in the areas of corporate social responsibility and organizational communication, but also on good practices highlighted by reports of authorized bodies, prestigious international

organizations or consultancy firms in the field, so that important issues can be developed on the line: SR - Communication - Perception (Fig. 1).

The proposed innovative approach can be considered both a *diagnosis* and a *prediction tool* of customer and organization behavior and is based on relevant dimensions for describing the interrelationship of SR - Communication - Customer Perception. Moreover, the innovative approach has been tested and validated in a real economic environment, considering the case of a large public service company in Timisoara.

<u>The overall operational objectives</u> pursued, and associated with each chapter of the paper, are described in Table 1.

The structure of the doctoral thesis includes an introduction, 4 chapters dedicated to the presentation of the researches and the results obtained, one introductory chapter and the other for the original conclusions and contributions, a bibliographic list (with 137 titles consulted and quotations, plus 44 web pages and 20 reports / studies) and 5 annexes. The paper runs on 225 pages, the research being supported by 113 figures and 39 tables. At the end of the paper five annexes are presented: Annex 1. Historical events with impact on the sustainability of the water sector; Annex 2. Questionnaires used in applied research; Annex 3. Representation of the theoretical model (dimensions analyzed); Annex 4. The author's CV and List of scientific papers published during the doctoral program (under UPT affiliation); Annex 5. Primary Data Use Agreement from Aquatim SA.

The structure of the paper is presented in Fig. 2, each chapter being convergent on the achievement of the general objective of the paper, and the content of each chapter is further elaborated.

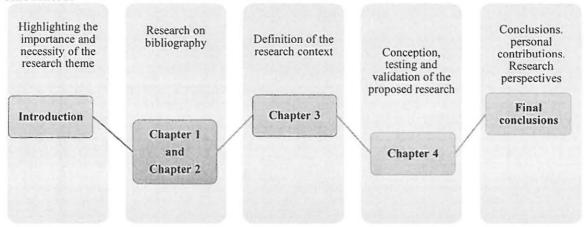


Fig. 2. Structure of the doctorate thesis and adopted logic of research

The research on the current and relevant bibliographic reference for the approached topic significantly contributed to the scientific argumentation of the importance and motivation of the research theme as well as to the definition of the breach of research. In general, the analyzes and bibliographic syntheses presented in this doctoral thesis answered the following questions:

- How important is the chosen research theme?
- What is the corporate social responsibility and what is the policy elaboration method in this field of activity?
- How do people perceive the behavior of companies in the field of social responsibility?
- What is the role of corporate communication in SR and stakeholder management?
- Who are the main key-actors of social responsibility?

The research of the bibliographic referential was intended to create the conceptual framework of the thesis regarding two major problems (resulting from the vision of the research outlined

in Figure 1):

- (1) the concept of social responsibility (definitions, related concepts, perspectives and perceptions, CSR strategy) Chapter 1;
- (2) the role of organizational communication in supporting CSR campaigns (communication and CSR, stakeholder management) Chapter 2.

In *Chapter 1*, entitled "Bibliographic Research on Defining the Social Responsibility Concept", aspects of interest regarding the conceptual framework of CSR / SR related research were presented. The scientific debate was structured in four subchapters as follows:

- 1) defining the concept of social responsibility and other associated terms, as well as describing its dimensions. Besides the classical approaches, new aspects, proposed as a result of the bibliographic synthesis, were presented;
- 2) the analysis of how companies develop CSR policies, important aspects had in sight were the practices and role of large companies in developing CSR policies, cultural models (American or Anglo-Saxon, Asian and European) in relation to the specific perception of CSR / SR and social CSR / SR impact assessment / reporting;
- 3) presenting a synthesis on how CSR is perceived at global, European and Romanian level. The rules, norms and bodies involved are interesting for the theme of social responsibility. International bodies, and in particular those of the European Union, play an important role in formulating and disseminating knowledge on CSR / SR at European level. For Romania's case, aspects of progress in the adoption and implementation of CSR / SR practices have been clarified;
- 4) a succinct presentation of a secondary data-based analysis on perceptions of a study published in 2013 by the European Commission ("How Companies Influence Our Society: Citizens' View"), which highlighted the perception of the European Union population on the involvement of companies in society.

In Chapter 2, entitled "Research on the Bibliographic Reference on Organizational Communication in Supporting Social Responsibility", analyzes and syntheses were made on the bibliographic referenced on three issues:

- aspects of organizational communication in the context of sustainability, highlighting aspects of interpersonal and organizational communication. The synthesis has been finalized with a series of practical ideas on combating resistance towards the introduction of sustainability principles and approaches and CSR by organizations, as well as a set of operational principles in CSR / SR communication and sustainability;
- aspects of the communication CSR / SR relation, addressing the complex issues of the associated processes, as well as how to tackle them in order to achieve the desired end;
- 3) Stakeholder Management. Within this subchapter, besides the analyzed and synthesized problems, there were also: a synthesis of the interactions present between the organization the society with the clarification of the actors, a detailed analysis of the nature of the interest and the power of the primary and secondary stakeholders, a new model of stakeholder management, the stages of a CSR / SR strategy with stakeholder management integration, a stakeholder SWOT analysis framework; a Structure for a "Stakeholder Engagement Plan" was proposed.

The conclusions of Chapter 2 highlighted the need for interdisciplinary approaches to the role of organizational communication in supporting social responsibility strategies (due to the need to integrate knowledge from several areas of knowledge), but also some shortcomings in the approaches, methods and means described in the specialized literature. Thus, the theoretical-applicative research gap has been identified.

The theoretical-applicative (border) research described in this doctoral thesis has built "knowledge bridges" between several fields of science such as management, engineering, mathematic statistics, and social sciences, and was meant to make contributions to the substantiation and practical manifestation of the dimensions of social responsibility.

As a result, in Chapter 3, "Concepts and researches for the delimitation of the contextual framework of the doctoral thesis: the water sector in Romania and Aquatim SA Timisoara Company", researches were carried out on the basis of national reports and statistics for describing the peculiarities of the water sector in Romania and the inventory of events related to communication in the water sector (characterization of the research context at macroeconomic level) and applied research investigations, preliminary diagnosis of Aquatim SA Timisoara (characterization of the research context at meso and microeconomic level). Aquatim SA Timisoara is a public water supply and sewerage service operator for Timis County, holding a monopoly on the market for these services in the area. The company's preliminary diagnosis has taken into account:

- Performing a quantitative SWOT analysis that highlighted the suitability for developing and implementing a ST (Max-Min) strategy. This result reflects the dominant perception of company management over the company's activity and impact in the external environment and the potential threats that may destabilize the organization;
- a brief analysis of the dimensions of social responsibility made on the basis of available public information;
- analiza stakeholderilor, ierarhizarea lor şi realizarea matricei putere/interes şi care a
  oferit indicii privind politica de comunicare cu aceştia. Stakeholder analysis,
  hierarchy, and achievement of the power / interest matrix, providing clues to the
  policy of communicating with them.

As a result of the researches described in chapters 1, 2 and 3 were created the premises (conceptual and contextual delimitations) for the theoretical researches aimed at the concept of an innovative approach that would highlight the role of organizational communication in increasing the perception of the dimensions of social responsibility. Thus, Chapter 4, "Theoretical and Applied Approach for Researching the Impact of Organizational Communication on Perceptions of Social Responsibility Dimensions. The case of Aquatim SA Timişoara" aims to present the use of the previous bibliographic knowledge, analyzes and syntheses through creative-innovative processes in order to achieve the general objective of the research. The proposed, tested and validated approach to SC Aquatim SA Timisoara can be adapted and applied to other organizations.

Therefore, the results of the applied research have materialized in the elaboration and testing of a *customers'perception assessment approach* (the most important stakeholders of any organization) on the company's services (related to the dimensions of social responsibility) and on communication and information activities.

Applied research includes the definition, description and quantification of some dimensions (*Image, Information, Incident, Environmental Awareness, Trust, Satisfaction*) through which it was capitalized the customers' perceptions of the following:

- Water Supply and Sewerage Services provided by Aquatim SA Timisoara in Timis County (representative company for Western Region water services);
- the behavior of the company in relation to pre-defined dimensions of social responsibility;
- · corporate communication.

Dimensions associated with theoretically established variables were analyzed using means

able of supporting statistical analysis, such as EXCEL, SPSS and AMOS (frequently used in statistical analysis and modeling). Statistical modeling of research results outlined the perception of the population, the respondents or the clients of the company in its area of activity, and allowed conclusions to be drawn regarding the organizational communication and behavioral characteristics of the organization in relation to predetermined dimensions of social responsibility.

Chapter 5 of the doctoral thesis is intended to present a set of: "Conclusions, personal contributions and future research directions". As a result of the research carried out within the doctoral program, as well as the results obtained, the following categories of original contributions were brought into attention:

# a) In the field of research on the bibliographic reference (chapters 1 and 2):

- Carry out an extensive bibliographic analysis and synthesis on the concept of CSR / social responsibility in accordance with its approaches and perceptions, presented in the literature in recent years, corroborated with the opinions, phenomena and trends reported and supported by major world organizations, consultancy companies or companies that prove excellence in the field. Thus, we have synthesized the accepted definitions of the concept and we have underlined the similarities of perception with other associated terms chapter 1.1.1.
- Documented definition of a new set of dimensions associated with social responsibility, and which was later exploited in applied research chapter 1.1.3.
- Performing a bibliographic analysis and synthesis on the role and operation method of the organizations (with examples of statistical data for large organizations) in developing CSR / social responsibility policies. A broad framework of the formulated discussions and synthetic conclusions has been assigned to the influence of national culture on CSR policies and the evaluation - reporting of activities, highlighting the issues of interest to the practice of organizations - chapter 1.2.
- Analysis and synthesis of aspects related to the public perception of CSR / social responsibility, based on the evidence identified in the literature, statistics (secondary data analysis) chapters 1.3 and 1.4.
- Bibliographic synthesis on the communication-sustainable development relation (chapter 2.1) with the detailed approach of some specific points, such as: motivation and importance, individual communication (interpersonal), combating resistance behaviors towards sustainability and identifying some practical aspects of CSR communication chapter 2.1.
- Structured analysis of some relevant aspects regarding the characterization of the relationship between communication and CSR / social responsibility chapter 2.2.
- Carrying out a bibliographic analysis and synthesis on stakeholder management, by characterizing some key actions of organizations' performance in this area, such as: identification and mapping of stakeholders, their analysis and involvement - chapters
   2.3.

#### b) In the field of theoretical research (chapters 3 and 4):

- Defining the research objectives achieved through the doctoral program and explaining how to reach them through the structure of the doctoral thesis, as well as the delimitation and characterization of the research problem the introductory chapter.
- Conceiving a research scenario for the longitudinal analysis conducted for the investigation and characterization of the impact of organizational communication in the perception of the dimensions of social responsibility chapters 4.1 and 4.2:
  - Defining, detailing and graphic representation of the theoretical model Annex
     3;

- O Defining and operating the six dimensions of the model by linking them with the appropriate questions from the questionnaire originally used in the 2005-2015 research and the association with some dimensions of social responsibility. Thus, the research methodology has been established;
- Establishing the methods and means of realizing the longitudinal analysis and the processing of available experimental data (graphical representation of the data on demographic dimensions and variables, tracing the trend curves and interpreting the results).

# c) In the field of applicative, experimental research (chapter 4):

- Carry out a detailed analysis of the water sector in the world and in Romania, based on extensive bibliographic databases, exploiting the knowledge and experience described in reports of prestigious world organizations, as well as statistical data. The synthesis presented was meant to emphasize the role of water services in society and economy, but also to describe the specific communication processes chapters 3.1 3.5.
- Making a preliminary diagnosis of Aquatim SA Timisoara, which was allocated to topics of interest for research:
  - SWOT analysis, in quantitative version, which allowed the drawing of the SWOT profile and the identification of the strategic direction to follow chapter 3.6.1;
  - Description of the dimensions of social responsibility within the company (management and key personnel of the company) - chapter 3.6.2;
  - Inventory and mapping of the company's stakeholders (as they are perceived by the company management and the staff with a role in organizational communication) - chapter 3.6.3.
- The results of the descriptive analysis on the dimensions of the conceptual model of the research, as well as the conclusions Chapter 4.3.
- The research results and the conclusions related to the elaboration of the theoretical model of customers' perception assessment chapter 4.4.
- Conclusions and measures on optimizing the communication process for a better perception of the dimensions of social responsibility and improvement of stakeholder management Chapter 4.5.

From a praxiological point of view, through the conclusions and measures formulated, this doctoral thesis can be a guide for defining the social responsibility of the organizations, starting from the perception of the public / their clients, and can be regarded as a package, a use kit for the specialists of communication and public relations departments or management of investment projects and beyond.

The results of the researches were disseminated in 24 scrientific works / scientific articles (detailed in Annex 4) published in magazines and brochures of international events in the country and abroad, indexed in international databases, as follows: 7 scrientific works indexed on the database of Thomson Reuters (ISI Web of Science); 17 scrientific works indexed in BDI. These define the publishing activity of the author of this doctoral thesis, but also her involvement in different research groups.

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