

# An Investigation of Online CSR Communication by Odisha Based Corporate Organisations

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## Abstract

Corporate Social Responsibility (CSR) has emerged as a much-discussed subject within Indian business sector, especially after the companies act, 2013. Many corporate organisations are sincerely contributing to the society through focused programmes. But not just doing well is important, communicating the same to wider stakeholders is also equally important. Sharing information about CSR activities and its impact is often found to attract positive response from stakeholders. It can help in building a more positive brand image and establishing better stakeholder relationship, besides others. However, failure in communicating messages about socially responsible activities may not generate such benefits. Digital communication platforms, primarily websites and social media have become indispensable in today's corporate communication strategy. Corporate organisations are extensively using internet enabled communication channels to reach out to their various stakeholders, internally and externally. They share their messages related to CSR activities and achievements through these online communication platforms. The proposed study intends to understand the how online communication platforms, mainly websites and social media, are being used by select corporate organisations having their registered or corporate office in Odisha. It also aims to identify the similarities or difference in CSR communication by private and public sector corporate organisations on various online platforms. The study will be analysing the CSR Communication by selected Odisha based corporate organisations with the use of content analysis methodology.

**Keywords:** Corporate social responsibility • Digital communication • Social media • Corporate office • Public sector

## Introduction

Businesses play a crucial role for economic development in the Society. Business organisations create wealth by offering products and services to fulfil people's need and thereby contribute to the economic growth by generating employment and paying taxes. Business operates within the society and to be successful requires consent and cooperation from people in the society. In other words, corporations need communities to operate effectively and the community needs the corporations for economic development. This establishes a mutually beneficial social contract between the business and the community. Prior to 21<sup>st</sup> century business organisations were mostly focused on making profit. However, with shift in power from capital to knowledge, improved means of communication and information access, people are becoming more conscious about their rights and hence their expectation from business has also been higher. People expect to be treated as partner in wealth creation by corporate organisations. Also businesses have to depend upon the community to get manpower, raw material, natural resources and others to offer goods and

services in the market. Sometimes the common property resources of the community is affected due to business activities. Therefore, Businesses, to be successful, have to be sensitive to the expectations of the community and also of the regulator [1].

The concept of corporate social responsibility is rooted in the symbiotic relationship between the business organisations and the Society. It is about efforts by corporate organisations to promote social wellbeing of the community. Carroll says that "the social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organizations at a given point in time". UNIDO define CSR as "a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (Triple-bottom-line-approach), while at the same time addressing the expectations of shareholders and stakeholders". According to the world bank's working definition, "corporate social responsibility is the commitment of business to contribute to sustainable economic development working with employees, their families, the local

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community and society at large to improve the quality of life, in ways that are both good for business and good for development". Beal define CSR as "the moral and practical obligation of market participants to consider the effect of their actions on collective or system-level outcomes and to then regulate their behavior in order to contribute to bringing those outcomes into congruence with societal expectations" [2].

According to Hopkins "CSR is concerned with treating the stakeholders of the firm ethically or in a socially responsible manner. Stakeholders exist both within a firm and outside. The aim of social responsibility is to create higher and higher standards of living, while preserving the profitability of the corporation, for its stakeholders both within and outside the corporation". There exist several more definitions of corporate social responsibility. However, most of the definitions are centred on the concept of meeting stakeholders' expectation and building a reciprocally advantageous relationship.

Ihlen, Bartlett and May say that "CSR as an activity is the corporate attempt to negotiate its relationship to stakeholders and the public at large. It might include the process of mapping and evaluating demands from stakeholders, and the development and implementation of actions and policies to meet (or ignore) these demands. At a minimum, CSR focuses on the ways corporations handle economic, social and/or environmental issues". The scholars explain "CSR communication as the ways that corporations communicate in and about this process; it is the corporate use of symbols and language regarding these matters". Business organisations need to communicate their CSR activities to build mutual trust and strengthen their relationship. CSR Communication that includes information about CSR activities and its impact is often found to attract positive response from stakeholders. Besides others, it helps in building a more positive brand image and establishing better stakeholder relationship.

As the stakeholder expectations are constantly changing, CSR communication has moved from focusing on dissemination of information to stakeholders, which is mostly one-way in nature, to interaction between company and its stakeholders. Modern communication technology such as website and social media networks offer an excellent opportunity for organisations to establish and strengthen two-way communication between organisations and its stakeholders [3].

## Overview of CSR in Odisha

As per IPICOL Odisha, more than 200 companies are contributing to the development the state through their respective CSR initiatives. CSR spending in Odisha on an average is Rs. 4.34 billion per annum between the year 2014 to 2018. Companies has spent total Rs. 17.38 billion in 5864 projects, on-going and completed, in the state. Activities related to education, rural development, healthcare and Swachh Bharat got about 79.2% of the spending. About two-third of the CSR projects were implemented directly by the companies, while about 21% CSR projects were implemented through the non-profit foundations of the companies. MCL, Tata Steel and Nalco were top three spenders. The report also finds that "there is a widespread disparity in the geographical spread of CSR spending, and the CSR activities are concentrated only in a few districts of Odisha". According to the CSR portal of the government of Odisha total CSR spent in the state during financial year 2014-2019 is Rs. 23.53 billion.

Forum for Integrated Development and Research (FIDR), in a white paper on corporate social responsibility in Odisha report that "the major proportion of CSR Funds allocation in Odisha is done by Companies operating in three sectors, namely the steel, iron ferro alloys, aluminium and mining with a contribution of 80% of total CSR spend in the state" [4].

## Literature Review

Morsing provide a working definition of CSR communication, which is "communication that is designed and distributed by the company itself about its CSR efforts". Communicating CSR efforts helps in achieving reputational gains and a corporate license to operate. Highlighting the importance of CSR Communication, Shuli, Bhattacharya Sen say that "corporate social responsibility communication is a very delicate matter. While stakeholders claim they want to know about the good deeds of the companies they interact with, they can easily become leery of extrinsic motives when companies promote their CSR efforts. Corporate social responsibility communication can have a backlash effect if stakeholders become suspicious and perceive predominantly extrinsic motives in companies' social initiatives" [5].

Mohapatra is of the view that the benefits of corporate social responsibility are realised only when it is communicated to various stakeholders. CSR communication has the potential to play a 'catalytic role in pushing CSR from adhoc level to strategic level, from a casual level to a serious level'. The author argues that effective CSR communication can help in improving the quality and impact of CSR activities as well as build a bridge between the corporate organisations and the community. Motwani suggest that sound CSR communication strategy can benefit companies in two ways. It will help in increase in awareness internally and enhance loyalty from among various external stakeholders. The scholar conclude with the statement that "finally CSR communication is as important for companies as other policy matters, because no firm can last long without pay due consideration for society as a whole, in which it is surviving" [6].

Yeomans is of the view that social media has brought significant changes to the way people communicate. It has empowered people with 'the sensibility that their voice matters'. It has not longer been an option, rather it has been mainstreamed and is a part of all communication strategy by corporates. The scholar conclude that use of social media for communicating sustainability activities will only grow in importance and become part of the regular business communication [7].

Tench, Sun and Jones argue CSR Communication can result in two different effects, positive and constructive or negative and destructive. When Companies send sincere, reliable and transparent information to the stakeholders and the public, the effect can be positive and constructive, whereas when the companies send out false, untrue, inaccurate or distorted information, or the message receivers misunderstand and misperceive the communication, the effect can be negative and destructive. Stressing on need for two way communication, the scholars suggest that companies need to engage in the information exchange process and pay attention to the results of CSR communication.

Narain contend that foundation of social media and sustainability activities are same, i.e. authenticity, transparency, community, innovation and creativity. Therefore digital communication team and CSR teams of companies should collaborate and work closely. The scholar say that:

“The growing importance of social media demands a more thorough analysis of its application to CSR communication. Integrating social media into sustainability is becoming inevitable because the need to go beyond mere reporting is growing exponentially. It is now time for digital adopting in CSR Reporting. By re-purposing material from the CSR report and tailoring it for other digital channels, companies can realize the full potential of their CSR communication by reaching out to a wider public or additional stakeholders with specialized interests. How companies understand and use their social media to communicate their sustainability activities will only grow in importance as it becomes part of the business communication mainstream. As a route to engagement, dialogue and building reputation, the power of social media is huge” [8].

Patnaik and Patra find that companies in Odisha, in order to protect interests, make their CSR policies differently, as appropriate to their select area. However, there is hardly any participation from local people in CSR initiatives of the companies. They also find negligible involvement of employees in the CSR activities of the companies. Sahoo and Mohapatra find that most of the public sector units under Odisha government are far behind in effective use of website and social media for their communication and public relations purposes. Their websites are not regularly updated and social media communication is mostly one-way.

While most of the literature lay stress on CSR communication and few of them highlight the use of online media (websites and social media) for CSR communication by corporates, there is hardly any study on CSR communication practices, especially through digital platforms in a regional perspective. The proposed study intends fill the gap by studying understand the how online communication platforms such websites and social media are used by large companies, based in Odisha [9].

## Research objectives

The study attempts to achieve the following research objectives:

- To study the communication of CSR activities made by Odisha based large companies through websites and social media channels.
- To identify the nature of content used by companies in Odisha for their CSR communication through websites and social media channels.
- To identify the similarities and differences between CSR disclosure in online media platforms (websites and social media) by public sector undertakings and privately owned corporates.

## Results and Discussion

The study uses content analysis method. Content analysis is defined as a research technique for making replicable and valid inferences from texts (or other meaningful matter) to the context of their use”. Mention that content analysis can be employed on web

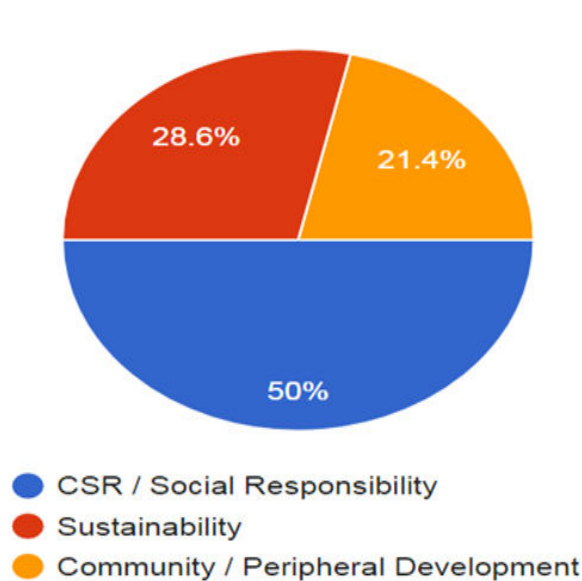
data generated on social networking sites to determine social and communicational trends and patterns as well as user's attitudes, preferences and behaviours. Neuman argue that “content analysis is a nonreactive method because the creators of the content didn't know whether anyone would analyze it. Content analysis lets us discover and document specific features in the content of a large amount of material that might otherwise go unnoticed. We most frequently use content analysis for descriptive purposes, but exploratory or explanatory studies are also possible” [10].

Though there are several large business houses are operating in Odisha, only the corporates having registered office and major operation in the state have been taken for the study. Total 14 companies, seven each from private sector and public sectors have been considered. The private sector companies which were considered for the study are: Private sector: Indian Metal and Ferro Alloys (IMFA) Ltd, Tata Sponge Iron Limited (TSIL), TRL Krosaki Refractories Limited (TRL Krosaki), Balasore Alloys Ltd (BAL) and Ferro Alloys Corporation Ltd (FACOR), Paradeep Phosphates Ltd (PPL) and Brahmani River Pellets Ltd (BRPL). Similarly the public sector companies are: National Aluminium Company Limited (NALCO), Neelachal Ispat Nigam Limited (NINL), Mahanadi Coalfields Limited (MCL), Odisha Power Generation Corporation (OPGC) Limited, Odisha Mining Corporation Limited (OMC), Odisha Hydro Power Corporation (OHPC) and Odisha Power Transmission Corporation Limited (OPTCL).

A coding scheme was prepared to record the nature of text, images, video, message etc shared by the companied in online media platforms. Official website/domain and page/accounts in popular social media channels (Facebook and Twitter) were considered, as very few state PSUs have presence in LinkedIn and YouTube. Only original posts/tweets (other than reweets/forwards) were taken for the study. After analysis of website and social media accounts of each companies, data were recorded as per coding scheme and later were analysed using statistical methods. Social media activities during March and April 2019 only were considered. Similarly, the websites as available in April 2019 were taken for the study.

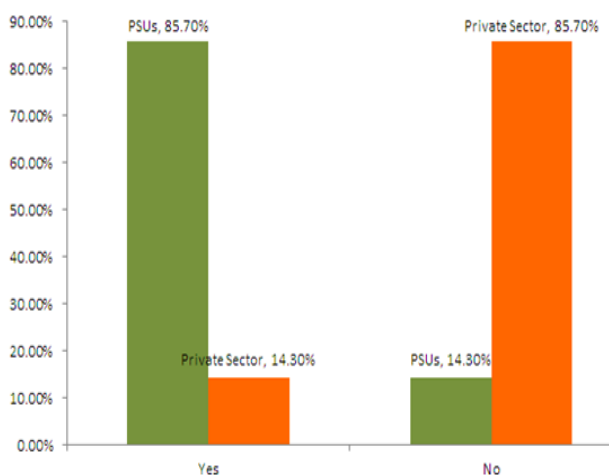
## Key finding

From the content analysis of the websites, it was found that all the companies taken for the study have separate section for CSR information. For three companies, such section has been given under different tabs, whereas others have given it as independent and visible tab. The term CSR or social responsibility seems to be the preferred name of the tab, as 50 percent of the companies have mentioned CSR section/tab as CSR or social responsibility in their respective websites, whereas 28.6 percentage of the companies used the word ‘sustainability’ to name their webpage on social/CSR activities. Rest of the companies have used the word community development or periphery development (Figure 1).



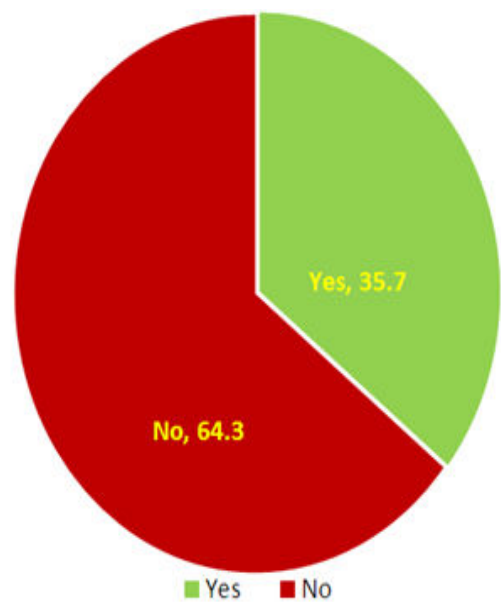
**Figure 1.** Rest of the companies has used the word community development or periphery development.

Out of seven Public Sector Undertakings (PSUs), six PSUs disclose their respective CSR policies in their websites. On the other hand, only one private company has disclosed its CSR policy in its website. Similarly, only 28.57% (4 No) of the companies mention about composition of CSR committee of their board in their respective websites. The number is the same (2 each) for both private and public sector companies, taken for the study (Figure 2) [11].



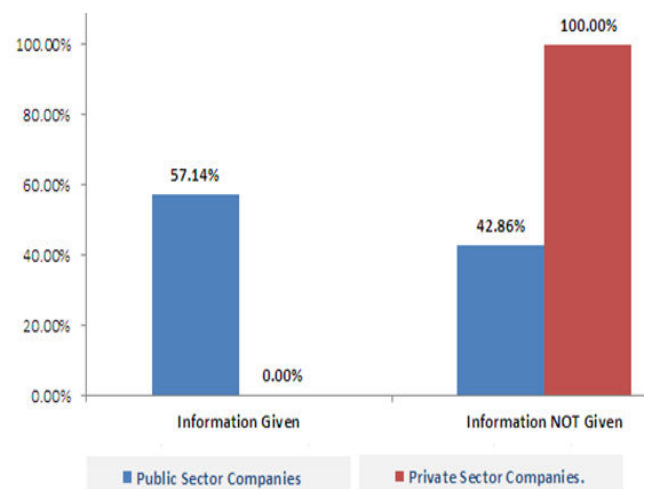
**Figure 2.** Disclosure of CSR policy in the websites.

Except two, none of the companies, taken for the study, have latest annual report about their CSR/sustainability activities in their websites. Two companies which have posted their annual CSR/sustainability report are central PSUs. None of the state PSUs and private companies considered for the study has posted their annual CSR/sustainability report in their respective websites (Figure 3) [12].



**Figure 3.** Detailed information about CSR activities by the company in their website.

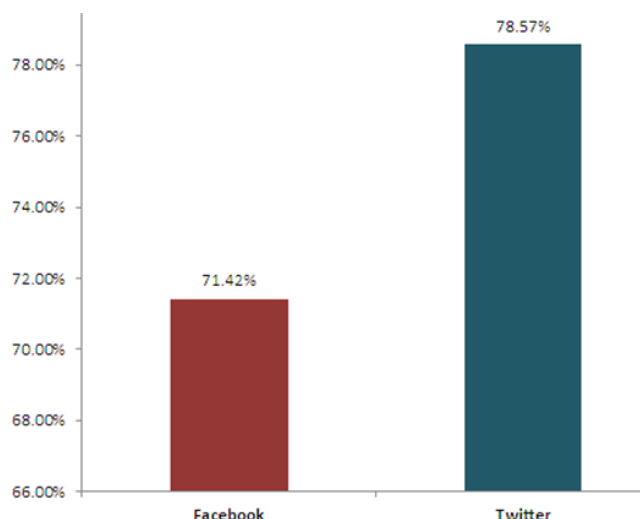
Similarly, in disclosure about financial information about CSR activities, 28.57% of the companies studied have given details of expenditure on CSR programmes in their respective websites. None of the private sector company has given info about their CSR expenditure in their websites (Figure 4).



**Figure 4.** Disclosure of information about expenditure on CSR.

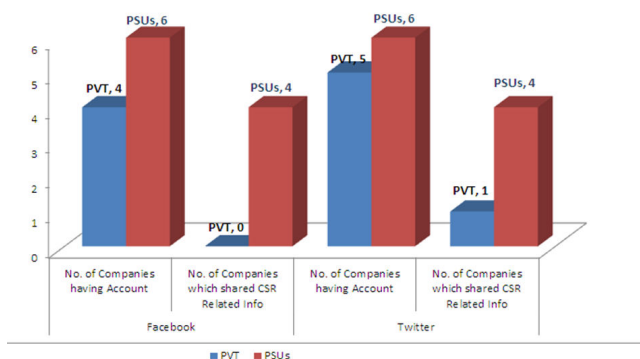
Only three companies have posted press releases related to CSR activities in their website during last six months. Out of them two are PSUs and one is a privately owned company. Websites of 78.57% companies, taken for the study have not posted any press release related to CSR activities in their websites during last six months (Figure 5).





**Figure 5.** Social media preaseance.

The study finds that most of the companies, taken for the study, have presence in Twitter and Facebook. Total 78.57% of the companies taken for the study have Twitter account, while 71.42% of companies have Facebook pages. However, the companies are not very active in sharing information about their CSR programmes and achievements in their respective social media accounts/pages. During last two months (February and March 2019), out the 11 (78.57%) companies, who have presence in twitter, only five (45.45%) companies have shared CSR related information in their twitter accounts. Similarly, out the 10 (71.42 %) companies, who are present on Facebook, only five (50 percent) companies have shared CSR related information in their Facebook pages. During content analysis it was found that the number of posts/tweets related CSR is very few, mostly varies between 1 to 8, in the social media pages of the companies (Figure 6) [13].



**Figure 6.** Sharing of CSR information on social media by companiys.

Out total seven privately owned companies, though five privately owned companies have twitter presence, only one company has shared CSR related information in their websites. On the other hand, out of the seven PSUs taken for the study, four companies have shared CSR related information in their twitter page. Similarly, in case of Facebook, four PSUs (out of 7 taken for the study) have shared CSR related information in this social networking site, while None of the privately owned company has given any CSR related information in this social media during the study period [14].

Photographs seem to be the preferred content type for all the companies, which have shared their CSR related information in their social media page/account. About 97% of the CSR related social media postings have photographs with a brief text description, whereas text only postings contribute only 3%. None of the companies, which have shared CSR related information, used video in their social media postings.

During the content analysis, it was found that NALCO has extensive information about its CSR activities in their website, but the same is not reflected in their social media activities. Some of the companies have social media presence for namesake. Except a very few, most of the companies taken for the study are dormant or sparsely active in their social media. Odisha Mining Corporation (OMC) Ltd has used infographics in their social media posts about CSR, none of the other companies were found to do so. Among the private sector companies, except IMFA, none is active on social media. IMFA too is partially active as it has frequently posts in twitter, but totally inactive on Facebook [15].

## Conclusion

The aim of this study was to gather insights into use of online media for CSR communication by corporate organisations in Odisha. The study finds that though information about CSR activities has been given separate section in the websites of Odisha based Companies; the information is either inadequate or not available. Most of the government sector companies have shared their CSR policy on their website, whereas most of the private sector entities preferred not to do so. On the other hand, most of the companies have not shared composition of their CSR committees. Similarly, most of the companies have also not shared their latest annual report on their CSR/sustainability activities. In terms disclosure about financial information about CSR activities, PSUs take a lead over private companies. About 57% of PSUs have disclosed about details of expenditure on CSR programmes in their respective websites, but none of the private companies have shared this on their website. Also most of the companies, on their websites, have also not shared any Press Release about their CSR activities during last six months.

The study also finds that most of the companies are not very regular in sharing CSR related information in their social media page/accounts. During the study period, it was found that PSUs, rather than the private sector companies are more active in social media. While four public sector companies, out of seven taken for the study, four have shared CSR related information during the study period, in case of private companies only one Company has shared CSR information on only one of the social media. Photographs were found to be the preferred content type for posting of CSR information by companies.

CSR is not just about doing good deeds. It is much more than that. It is about situating the corporate organization in a broader social system of relationships. Online media platforms, such as websites and social media, have become major tools for CSR communication. It offers opportunity to publicise more information less expensively and faster than ever before. It also gives companies 'a chance to differentiate from each other through CSR communication style'. However, the study finds that business organisations in Odisha are missing the enormous opportunities,

provided by websites and social media, to communicate their CSR activities and achievements and strengthen their reputation as a responsible corporate citizen. They also fail to utilize the interactivity and rich media feature of online platforms to proactively reach out to their stakeholders in communicating their CSR efforts as well as in formulation of CSR strategy and programmes.

## Study Limitations

The study has several limitations. Some of them are:

- The study does not crosscheck CSR activities of the companies on ground. The findings are based on information available in their respective websites.
- The study does not include all the companies operating Odisha. It has taken a sample of 14 companies, 7 each from public and private sector, who have their major operation as well as registered office in Odisha. There are many corporate organisations in the state, which are part of several mega national and international companies.
- The study does not throw lights on online CSR communication by the companies and its impact on various stakeholders.

## Further Scope of Research

The study finds some more broader areas in which further research can be taken. Some of them are:

- Comparative study of CSR communication by Odisha based business organisations and MNCs.
- CSR communication strategy in Odisha.
- Impact of CSR communication on various stakeholders of an organisation.
- Understanding about and priority on csr communication by the companies.
- Role of CSR and its communication to build corporate reputation in Odisha.

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