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Think socially but act publicly: refocusing CSR as corporate public responsibility

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Current literature has identified many different definitions for the concept of corporate social responsibility (CSR). As a result, many organizations fail to implement and measure CSR strategically. This study reviews the different theories and concepts within CSR and suggests that the current scope of CSR activities is too large that organizations are unable to find a tangible link between CSR and their bottom line. Using two case examples, this study proposes refocusing the concept of CSR as corporate public responsibility (CPR) based on which organizations utilize the concept of *publics* to prioritize the groups to which they must fulfill their responsibilities before attending to *society* as a whole. Because organizations are constrained by limited resources, the concept of CPR allows them to invest their resources more strategically. The concept also addresses the limitations of existing theories. The practical implications of this concept will be discussed in detail. Copyright © 2015 John Wiley & Sons, Ltd.

For decades, the concept of corporate social responsibility (hereafter CSR) has been defined, reviewed, and challenged (Godfrey & Hatch, 2007). However, there is no consensus on the definition of CSR (Dahlsrud, 2008; Garriga & Melé, 2004; Whitehouse, 2006). Even though CSR establishes goodwill for organizations, it is 'too broad in its scope to be relevant to organizations' (Marrewijk, 2003, p. 96). Thus, there have been many attempts to develop a more concrete definition through literature review (e.g., Carroll, 1999; Marrewijk, 2003; Matten & Crane, 2005; Moir, 2001). However, the variety of definitions still causes confusion as to how CSR should be defined, implemented, and measured (Godfrey & Hatch, 2007). Votaw (1972) states, 'Corporate social responsibility means something, but not always the same thing to everybody' (p. 25). Corporate citizenship, a term similar to CSR, has also been viewed and used differently as strategic

philanthropy (Windsor, 2001), social investing (Waddock, 2001), and reputational capital (Fombrun, Gardberg, & Barnett, 2000) (as cited in Matten & Crane, 2005).

Dahlsrud (2008) contends that none of the CSR definitions defines the social responsibility of business but rather describes CSR as a *phenomenon*. He reasons that this confusion could prevent effective performance of CSR. Dahlsrud emphasizes that the specific context of each individual business and engagement with stakeholders must be considered to devise a good CSR strategy. Dahlsrud's (2008) argument helps us reconsider the *practicality* of the CSR concept.

These arguments address the definitional problem of CSR; however, they do not help us elaborate on how to engage with the groups for whom organizations are responsible, how to cultivate relationships with them, how to approach CSR, and how CSR should be constructed to be more effective. In order to review and better operationalize the concept of CSR, it is necessary for CSR scholars to provide a better-aimed and actionable direction for organizations that seek relevance between CSR and their businesses.

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This study contends that organizations often failed to find a tangible link between CSR and the bottom line because CSR practices have been implemented based on ambiguous and often conflicting concepts of CSR and the broad scope of CSR activities. Hence, this study recommends that organizations should reconsider their overall CSR concept, practices, and measurement. It aims to reassess the debates on CSR and reconceptualize CSR; by doing so, it will reorient organizations to managing *publicly* and better fulfilling their due responsibilities to society. By proposing a new approach, this study aims to answer the call for an alternative and constructive view of CSR and to advance the research of CSR communication (Golob, Johansen, Nielsen, & Podnar, 2013; Golob, Podnar, *et al*., 2013).

DIFFERENT APPROACHES TO CORPORATE SOCIAL RESPONSIBILITY

The concept of CSR has played out on the continuum between two disciplines: ethics and economics. While the shareholder approach advocates the rights of stockholders and owners (e.g., Friedman, 1970), the societal approach focuses on organizations' responsibilities to society as a whole (e.g., Marrewijk, 2003). Some scholars view these two approaches as opposite, while others view them as complementary (Godfrey & Hatch, 2007; Porter & Kramer, 2002). This study finds that both approaches are impractical for organizations struggling to seek more tangible links between social responsibility and their businesses. While a shareholder approach does not consider other important stakeholders, a societal approach has no boundary of externalities that an organization should take into account when fulfilling its responsibility. Another problem with the societal approach is that CSR activities beyond the scope of the interests of the firm often emphasize the moral imperative regardless of financial performance, which is actually essential to the survival of organizations. For example, Spence (2014) suggested that business survival is considered to be the most important social responsibility for small businesses' employees and business partners whereas philanthropy is the least important.

The stakeholder approach has been considered a good compromise between these two approaches. This approach is considered to have met both the normative and instrumental needs of an organization (Ayuso, Rodríguez, & Ariño, 2014). As a reaction to Friedman's (1970) shareholder approach, the stakeholder approach suggests that organizations should balance a variety of stakeholders' interests beyond shareholders' interests (Freeman, 1984) and 'integrate them into managerial decision-making' (Garriga & Melé, 2004, p. 59). Because a firm has numerous stakeholder groups waiting for management's attention, Carroll (1991) argues that management's challenge is to decide which stakeholders should be prioritized in its decision-making process. To determine the urgency or importance of different stakeholders' claims, he suggests two vital criteria: the stakeholders' legitimacy and their power.

Some recurring criticism of the stakeholder approach addresses its *practicality*. Given the multiplicity and diversity of stakeholder groups and their interests along with the constraint of limited resources, it is questionable whether managers can satisfy *all* stakeholders as Carroll (1991) contends. In this vein, Kakabadse, Rozuel, and Lee-Davies (2005) argue that the stakeholder approach 'remains vague when it comes to help managers who concretely deal with stakeholders' (p. 292). Thus, we argue that the definition of stakeholders is still too broad to be used by organizations, and all stakeholders are not constantly relevant to organizations across time.

One could thus argue that there is no single correct answer regarding the approach to CSR. It is a desirable and actually encouraging phenomenon that the number of organizations that react to social issues is increasing. Governments and nongovernmental organizations (NGOs) continue to persuade firms to show more accountability for social issues. Although organizations may feel obligated to fulfill their responsibilities, organizations also suffer from the *unlimited* boundary of their social responsibilities. The concept of CSR is growing into an even broader concept, such as corporate sustainability, which focuses on 'value creation, environmental management, environmental production system, human capital management, and so forth' (Marrewijk, 2003, p. 102).

However, without agreement on whom organizations have to serve, it is challenging for organizations to discover a clear connection between their CSR efforts and consequences. Some scholars use the term corporate responsibility (e.g., Griffin & Prakash, 2014). While discussion on the definition of corporate responsibility continues, it usually looks at if a company meets the expectations of all stakeholders (Westermann-Behaylo, Berman, & Van Buren, 2013); therefore, it is not so different from the stakeholder approach to CSR. In addition, authors argue that even if organizations invest

resources in CSR to address many social issues, there are many cases where they *still appear irresponsible*. This study thus suggests that organizations redefine their CSR objectives, the range of groups on whom they should invest their resources, and the practical ways to achieve their CSR objectives. In addition, it is important to have indicators to show whether or not organizations are socially responsible. Based on these arguments, the following research questions are proposed:

RQ1. To whom should organizations fulfill their social responsibilities? How can the scope of CSR be redefined to gain practicality from their CSR activities?

RQ2. What makes organizations 'good citizens' in the public eye, and what should they do to fulfill their social responsibilities? In other words, how can organizations gain legitimacy for their CSR activities?

RQ3. What is the indicator(s) that shows whether organizational responsibilities to publics are being fulfilled?

SOCIETY, STAKEHOLDERS, AND PUBLICS

In answering RQ1, it is necessary to address the possible range of 'social' in CSR. Distinguishing differences among society, stakeholders, and publics helps to address the question of whom organizations should serve to fulfill their responsibilities. As the broadest concept, a society includes constituent groups and the environment surrounding them. In a society at large, organizations operate by public consent in order to serve the needs of society (Marrewijk, 2003). On a micro level, a society can be a local community where organizations show their 'willingness to improve the local community' (Garriga & Melé, 2004, p. 57). On a macro level, a society can be a global community where organizations are 'global actors who place emphasis on business responsibilities in a global context' while simultaneously having local responsibility (Garriga & Melé, 2004, p. 57).

The two terms, stakeholders and publics, are often used interchangeably, yet they are *conceptually different*. Freeman (2001) finds that stakeholders include the following: (1) any individuals or groups affected by the organization's actions, policies, and decisions or (2) any individual or group who is vital to the survival and success of the enterprise. In contrast, publics are specific subgroups that arise from a stakeholder group, and they are situational (Kim & Grunig, 2011). Grunig and Repper's (1992)

model for the strategic management of public relations shows the difference between the two with three stages: the stakeholder stage, the public stage, and the issue stage. In the stakeholder stage, behaviors of the organization or of a stakeholder group have decisional or behavioral consequences on the other. However, not all stakeholders are aware of the problems caused by an organization's behaviors, even if they are affected by the organization (i.e., latent public, Grunig & Hunt, 1984). Some of them are aware of the problems but are not motivated enough to perform any communicative actions about them (i.e., aware public, Grunig & Hunt, 1984).

Publics arise when stakeholders recognize problems that they feel they should resolve (Dewey, 1927; Blumer, 1966; Grunig, 1997, 2003). When their problem recognition and involvement recognition are high but constraint recognition is low, their situational motivation becomes high, and they are likely to be active in communicative actions for problem solving (Kim & Grunig, 2011). In the issue stage, publics organize and make issues out of problems that they believe need to be resolved (Grunig & Repper, 1992).

This study finds utility in the concept of publics in proposing a new approach to CSR and has adopted it in the reconceptualization of CSR proposed in a later subsection. Before moving on to our suggestion for a new CSR approach, it is necessary to discuss the relationships between CSR and public relations to better delineate the new concept because there is confusion about the role of public relations in CSR. A detailed discussion follows in the next section.

CORPORATE SOCIAL RESPONSIBILITY AND PUBLIC RELATIONS

To answer RQ2 on what organizations should do to fulfill their social responsibilities and gain legitimacy for their CSR activities, it is necessary to review the relationship between CSR and public relations for three reasons: (1) CSR is often considered part of public relations; (2) both fields of study emphasize the ethical perspective and social responsibility to a group or groups of people important to an organization; and (3) misunderstanding and misuse of public relations in CSR cause confusion and criticism on the purpose of CSR activities.

Verčič and Grunig (2000) relate public relations to Frederick's (1994a, 1994b) work on a conceptual evolution of the concept of CSR, from corporate

social range (CSR0) to corporate social responsibility (CSR1), to corporate social responsiveness (CSR2), to corporate social rectitude (CSR3), and to corporate social reason (CSR4). They see that public relations 'emerged as an ambiguous concept of corporate social responsibility and became rational within a concept of corporate social responsiveness. Public relations will become successful when it passes through corporate social rectitude into corporate social reason' (p. 31). While corporate social responsibility (CSR1) is considered normative yet undesirable, Verčič and Grunig (2000) find that corporate social responsiveness (CSR2) brings a more practical approach to management in terms of how to deal with relationships with the environment or issues coming from the environment. Corporate social rectitude (CSR3) is the value-added and ethical concept of corporate social responsiveness (CSR2), which 'corresponds to the two-way symmetrical public relations' (p. 30). Finally, corporate social reason (CSR4) is considered a strategic and formalized public relations or a strategic management.

However, the relationship between public relations and CSR is often *misunderstood*; and the use of CSR in public relations has been limited. To explain, even though CSR has become important to public relations, it is often used under a functionalistic or instrumental approach to influence how stakeholders perceive organizations and to legitimize organizations' activities (e.g., Pomering & Johnson, 2009a, 2009b). L'Etang (1994) criticizes the unethical aspect of CSR programs as being designed to address the needs of stakeholders but eventually ending up promoting an organization's self-interests. She argues that 'corporate social responsibility itself is potentially an example of symmetrical public relations but when communicated to a third party it becomes publicity or public information' (L'Etang, 1994, p. 116).

Although L'Etang's argument captures the fact that the main purpose of CSR should be responsible acts rather than the announcement and promotion of good deeds, communicating what an organization does for its stakeholders and publics is not necessarily unethical unless it involves lying or overemphasizing these actions. For example, when reporting their CSR performance, some organizations choose to tell the truth but not the whole truth in order to manipulate their images (Lyon & Maxwell, 2011). Yet reporting of verifiable CSR performance should not be discouraged (Furlow, 2010). CSR and public relations can be ethical when it 'recognizes the rights of certain stakeholder groups in relation to the activities of an organization and its concomitant responsibilities' (L'Etang, 1994, p.

120). Hence, the symmetrical model of public relations builds the foundation for CSR to both address the interests of publics and fulfill social responsibilities.

REFOCUSING CORPORATE SOCIAL RESPONSIBILITY AS CORPORATE PUBLIC RESPONSIBILITY

This study proposes the reconceptualization of CSR as corporate public responsibility (CPR) by refocusing on the *relationships* between a corporation and its key *publics*. As Ivy Lee claims, '*Responsibility to publics* is an important premise of public relations' (Grunig & Hunt, 1984, p. 47, emphasis added). This new approach suggests that organizations should fulfill their immediate responsibilities to key publics before addressing broader issues and that organizations proactively try to reduce or revise their problematic behaviors or decisions that affect their key publics. This concept is based on the premise that publics bring the most immediate relevance, importance, and urgency to the organization. The CPR perspective differs from the stakeholder approach, which argues that the primary responsibility of the executive is to create as much value for stakeholders as possible (Agle *et al.*, 2008).

Grunig and Hunt (1984) suggest that it is easier for organizations to identify the consequences of their actions for publics than for society. They call an organization's responsibility to its publics *public responsibility*. Relating to Preston and Post's (1975) earlier ideas on corporate responsibilities, Grunig and Hunt (1984, p. 55) divide organizational responsibilities into three levels:

(1) the performance of an organization's basic tasks,
(2) the organization's concern with the consequences of those activities on other groups outside the organization, and
(3) the organization's concern with helping to solve general social problems not connected to the organization.

Because social responsibility has no boundary, Preston and Post (1975) assert that an organization should focus on the first and second levels. Despite this, Grunig and Hunt's (1984) concept of public responsibility is different from Preston and Post's, which focuses on government regulations and corporate strategies to influence these regulations (Garriga & Melé, 2004). For Grunig and Hunt, public responsibility means being responsible to *publics* by addressing the consequences of public relations problems that affect its key publics.

Even though this study borrows Grunig and Hunt's concept of public responsibility, the concept is renamed here as CPR to avoid confusion with Preston and Post's (1975) public responsibility and to place an emphasis on *publics* to whom the organizations should be responsible. CPR is introduced as an alternative to CSR by replacing 'social' with 'public' as the boundary of 'social' (RQ1). The reconceptualized CSR highlights an organization's conscious efforts for a better relationship with its key publics by making its behaviors or decisions responsible and ethical. The new approach requires the organization's proactive approach to narrow the gaps of the differences between the organization and publics, and to reduce potential conflicts and issues. This is considered strategic management of public relations.

This study argues that good CPR via *good public relations* is the best way to make organizations good citizens (RQ2). If a corporation adopts the broad concept of CSR, it 'can never define where its responsibilities begin and end' (Grunig & Hunt, 1984, p. 55). Instead, the CPR perspective prioritizes the efficacy of acts within an organization's responsibility and addresses how public relations can contribute to defining key publics and the ways in which these acts can be directed at improving the relationship between an organization and its publics. Under the CPR approach, organizations should match their words (images) and actions so that organizations demonstrate their commitment to their key publics and are thus able to link symbolic relationships to behavioral relationships (Grunig, 1993). CPR emphasizes not only an organization's responsibility to produce products and services at a profit but also its responsibility for the consequences of its business activities on its publics (Grunig & Hunt, 1984). In this regard, the arguments of Smith, Palazzo, and Bhattacharya (2010), Golob, Johansen, *et al*. (2013), and Golob, Podnar, *et al*., (2013) are noteworthy. Even though they do not utilize the concept of publics, they point out that consumers and suppliers are often excluded from organizations' CSR activities, and many organizations are not willing to change their behavior in addressing problems that may affect consumers and suppliers.

The concept of CPR is different from Maignan, Ferrell, and Hult's (1999) conceptualization of corporate citizenship, which emphasizes economic, legal, ethical, and discretionary responsibilities defined by their stakeholders. The CPR approach requires organizations to adjust their behaviors and decision making to address the problems that affect their publics first; unless they fulfill their responsibilities to publics, their CSR activities for various stakeholders or larger society are not considered socially responsible. In addition, from the CPR perspective, suppliers and investors, whom Maignan *et al*. (1999) excluded from their theoretical framework, could be the most immediate and important publics depending on the situations of organizational behaviors and decision making. If organizations adopt the CPR approach, they first identify stakeholders, who might affect or be affected by management decisions, via environmental scanning. They then specify the key publics using typologies to prioritize the efficacy of acts of corporate responsibility. Even though the stakeholder approach can also narrow the range of stakeholders to the primary and secondary groups to whom they should respond, segmenting publics based on typologies provides better understanding about the key publics to whom organizations should be responsible. The CPR approach does not exclude stakeholders; however, it argues that public relations managers should prioritize their resources for communication programs for active publics.

By implementing programs to address key publics' concerns, organizations can improve their relationships with their publics. 'Public relations makes an organization effective when it defines the most strategic publics as part of strategic management and conducts communication programs to develop effective long-term relationships with those publics' (Grunig, 2008, p. 97). Building and maintaining quality relationships with strategic publics help organizations become more effective and good citizens in society. Thus, organizations must 'practice public relations and use communication to help solve their public relations problems' (Grunig & Hunt, 1984, p. 56) and to cultivate long-term relationships with their key publics. An organization's CSR activities become legitimate when it prioritizes its key publics who are affected by its behaviors and decisions (RQ2).

METHOD

To present a more robust conceptualization of CPR, two case examples were used. The first case example involved Samsung Electronics, which was known to be one of the top three conglomerates in Korea. The second case example involved a supplier of Apple Inc., which was Taiwanese owned and had multiple plants in China. According to Yin (1989), a case study is 'an empirical inquiry that investigates a contemporary phenomenon within its real-life context when the boundaries between phenomenon

and context are not clearly evident, and in which multiple sources of evidence are used' (p. 23). One of advantages of case studies is the use of multiple complementary sources because no single source provides complete evidence of a phenomenon in investigation (Yin, 1989). Another advantage is that, with case studies, researchers can trace events over time (Yin, 1989). Because the selected examples were based on cases that extended over several years and showed the responses of both activists and the company and their results over time, the authors believe that a case study is the most appropriate method. The theoretical propositions of Grunig and Hunt's (1984) public responsibility were used as study propositions to guide researchers in looking for relevant evidence to explain the value of the new approach.

To present case examples that can demonstrate the needs of the new concept of CSR as conceptualized by the authors, multiple sources of evidence were used, although they do not cover the six sources of evidence that Yin (1989) suggests. For the first case, the authors collected media and online coverage about the company. The information search regarding the company's CSR practices was conducted between August 2010 and October 2014. Naver.com, one of the most popular portals in Korea, was used to collect data as it allows comprehensive search. Search conditions were specified as all-news category and by searching for keywords in title and content. Keywords were developed for both media content analysis and cyberanalysis. Keywords were a corporate name, corporate name + CSR, and anti- + corporate name for the corporation. Cyberanalysis covered the corporations' CSR website, the corporation's sustainability report, the corporation's website on the case, anticorporation websites, blog postings, and multimedia postings. For the second case, the authors used the same method to collect online reports about the company's CSR practices published by the company itself and the related news articles published between January 2010 and October 2014. The news articles were retrieved using the Factiva database.

CASE STUDY

Occupational Diseases

The company in this case example is Samsung Electronics, a global company based in South Korea. The company was shortlisted by the *Public Eye* as one of the most irresponsible companies in the world (Chaudhuri, 2012). The Public Eye Awards are given to the most highly nominated companies for their irresponsible behaviors (The Public Eye Awards, 2014). The company selected is considered one of the biggest companies in terms of size and profits and is known for spending an astronomical amount of money on their CSR programs in Korea (Kim, 2010). According to the company's 2013 sustainability report (Samsung, 2013, p. 6), it spent KRW245.4bn for social contribution including donations for the development of local communities (KRW245.4bn is equivalent to $US0.2454bn when $US1 = KRW1000). The company is very active in the areas of environment, research and development, volunteering, employment and community outreach, education (Samsung Tomorrow, 2014), and health care (Samsung,). Not only does the firm have key environmental and social performance indicators to prove the effect of its social activities, it has also received many awards. Despite its activeness in CSR, it has attracted criticism regarding the fact that these activities do not help the firm fulfill its social responsibilities. Of the many cases continuously being reported in the Korean media, this study focuses on one case to explain why the firm was accused of being irresponsible in regard to publics and society.

One employee, who had worked at the firm's plant for 7 years, had to quit her job after she was diagnosed with a terminal brain tumor. Another female worker, who had previously worked in the firm's plant, also died from leukemia. These similar cases of terminally ill patients who used to work for the plant were continuously covered in the newspapers. A television program that aired in January 2011 reinvestigated this issue; it claimed that previous workers of this company suffered from occupational diseases (cancer) or died as a result of their exposure to toxic chemicals. The television program acquired a risk evaluation report on the toxic materials used in the plant and revealed that a total of 46 accidents of gas leakage occurred between February and July 2009.

According to an NGO that works to protect the plant's ex-employees' rights, 36 of 110 reported cases involved fatal diseases such as cancer, leukemia, and other untreatable diseases. The NGO believes that there may be more victims who have not yet spoken out. These ex-workers and their families argued that these diseases should be labeled as industrial accidents or occupational diseases, so that they could be compensated by a government agency (Korean Worker's Compensation and Welfare Service). However, the company defended itself by arguing that these cases had

nothing to do with the work environment. Instead, the company hired a consulting company to support its claims.

The company was being criticized because of its irresponsibility in protecting employees from harm. The NGO claimed that the company was obviously aware of the risks but did not inform employees properly about the health risks involved in their continuous exposure to the materials. The NGO also argued that not only did the company provide no safety measures to protect its employees, it offered no education. The former employees had no knowledge of the toxic materials to which they were being exposed. They discounted any possibility of occupational disease because they could not imagine that their company would neglect its responsibility to its employees and were afraid of losing their jobs if they reported that they were sick. Only after they became sick and unable to work did they quit their jobs.

The company's communication strategies with its former workers or their families had been consistent from 2005 to 2010: no acknowledgment of an industrial accident, no apology, and no disclosure of safety control reports. Its responses to this issue triggered criticisms about its intentions. For example, the company attempted to hold secret individual meetings with ex-employees or their family members to persuade them not to contact the NGO, not to file a lawsuit against the company, and not to bad-mouth the company in exchange for unofficial compensation. However, the company's representatives denied these attempts in a television interview. When their attempts to appease ex-employees' family members with money were revealed, the company changed its statement about the company's policy against contacting former employees regarding compensation. The company also refused to disclose its safety control report on toxic chemical exposure by claiming that the information was confidential. However, industry experts contended that any information regarding employees' safety cannot be exempted from disclosure.

The company has recently faced pressure from publics and society and has changed its strategy on conflict resolution. While the company opted to continue to defend its position, it also chose to seek dialogue and negotiation with the NGO and families of victims. For example, the company's website still argues that the claims made by NGOs and others show no scientific evidence and that the company does prioritize their employees' health. Meanwhile, in 2010, the company began to provide full financial support for its current and retired employees who suffer or died from serious diseases such as cancer. It also began a formal negotiation with the NGO in December 2013. There are still 15 lawsuits fighting to prove a causal relationship between the diseases or deaths of employees and their exposure to toxic chemicals at the company. As of May 2014, the company announced that it will apologize to its employees who suffered or died from leukemia and their families and will conform to the compensation guidelines provided by one arbitration organization.

Mistreatment of Workers by Apple Inc.'s Supplier

According to the Corporate Social Responsibility Survey of Hang Seng Index Constituent Companies 2009 conducted by Oxfam Hong Kong (Oxfam, 2009), out of the 42 listed companies included in the sample, the Taiwanese-based Foxconn International was ranked sixth in terms of its overall performance in CSR. It was ranked the highest in terms of CSR strategy and reporting and supply chain. It was ranked eighth for community investment for its donating more than 1% of its profits to the community and monitoring the impact of its donations. It also publishes a social and environmental responsibility report annually to report its progress and performance in CSR (Foxconn,). Its chairman and president, Terry Gou, is one of the richest men in Taiwan who has been well known for making massive donations to charities, including a $US454m gift to the National Taiwan University, which is believed to be the biggest single donation to an institution ever made (Culpan, 2014).

However, in 2010, a series of workers' suicides at Foxconn's factories in China received extensive media attention in 2010, during which 14 deaths resulted from 18 attempted suicides (Moore, 2012). According to Yan (2013), the suicides were caused by poor working conditions, excessive working hours, and unpaid salaries. A factory worker commented that the military-style production at Foxconn factories made workers work at a fast speed, causing many health problems (Moore, 2012). In 2013, the Guardian published a story titled 'The woman who nearly died making your iPad' based on an interview with one of the four Foxconn's workers who attempted suicide but was saved (Chakrabortty, 2013). The 17-year-old described her work life at Foxconn as being characterized by the lack of training, excessive long hours of a 12-h working day for 6 days a week, having to skip meals for overtime work, restricted toilet breaks, unpaid early meetings, and reprimands for making mistakes.

In response to the allegations, Foxconn set up safety nets in the factories and made new hires sign an anti-suicide pledge before joining the company (Heffernan, 2013). Its CEO, Terry Gou, also commented that if he had run the factories in his home country of Taiwan, Foxconn would not have been blamed for these suicides. In addition to the anti-suicide pledge, workers were also asked to sign a legally binding document preventing their families from pursuing higher-than-minimum legal demands if they attempted suicides (Lee, 2011). On the positive side, they set up an employee care center to offer workers anonymous consultations that they might need (The Wall Street Journal, 2012). Even though Foxconn reiterated the fine facilities at its factories, such as free swimming pools, tennis courts, and exercise rooms, the workers commented that they barely had time to use them and that the facilities were shared among thousands of workers (Moore, 2010). With the help of Apple, Foxconn has made progress in addressing several workplace concerns such as labor law violations, while it still faces many challenges such as having to communicate major changes internally and to reduce confusion and uncertainty among employees (Tam, 2012).

Findings from the Two Case Examples

The case examples indicate that the good deeds of an organization are not equivalent to social responsibilities. Samsung Electronics is one of the most actively involved in CSR and perform many good deeds to contribute to society. Foxconn presented itself to have provided its workers with great facilities, and its CEO is well known for making massive donations. However, at the same time, their behaviors appeared irresponsible to publics, namely trying to buy off society to gain pardon off their problematic acts and using CSR for promotional purposes. In other words, the companies' CSR program can be considered *greenwashing* (e.g., Banerjee, 2008; Beder, 1998; Laufer, 2003) or invention of public relations (Frankental, 2001, p. 20). The term *greenwashing* was originally used by environmentalists who were concerned that some corporations such as Shell or Mobil Corporation deceive publics to manage or repair their reputation by 'hiding deviance, deflecting attributions of fault and obscuring the nature of the problem or allegation, reattribute the blame' (Laufer, 2003, p. 255). Likewise, Nike was accused of cultivating 'a green facade' by reducing the use of polyvinyl chloride in its products in response to accusations that it ran sweatshops in developing countries (Munshi &

Kurian, 2005). If *greenwashing* is applied to the general CSR communication practices, it is an organization's communicative effort to create a publicly responsible image (e.g., environment friendly, socially responsible, ethical, or accountable) or to manipulate or shape public opinion (Beder, 1998). Hence, its rhetoric or image does not match what the organization actually does because its communication is to cover up its wrongdoings.

Corporate social responsibility programs around the world cannot make the organization socially and publicly responsible *until* it respects and addresses its most immediate publics by rectifying its problematic behaviors in relation to them. It is hard to generalize that the company is irresponsible in every aspect; however, there are still areas of irresponsibility to be addressed. Kim (2010), one famous communication consultant in Korea, points out that Samsung Electronics has stayed mute about the issues that it does not feel comfortable with such as the lack of labor union policy, slush funds, and this leukemia case, while it performs good deeds for the broader society. Samsung Electronics is recently working on this issue to compensate the victims and to prepare appropriate measures to prevent recurrence of the same issue, even though the progress is slow (Chun, 2014).

As for Foxconn's case, Apple's intervention helped the company address the key issues that affect its strategic constituencies. However, there are still many challenges ahead to fulfill its responsibilities to employees. Without addressing the real needs of its employees by changing its poor management practices, Foxconn's responses to the suicides are just considered to be manipulating publics. The root cause of the problems has remained unresolved. It is important for organizations to realize that they should make or revise their problematic behaviors to be responsible (Grunig, 2009; Kim, 2014) and conform to the expectations of their publics.

It is difficult to understand why an organization invests so much money in CSR or charity while ignoring their direct strategic publics, such as employees and customers, who are actually the foundation of their business operations. The organization must be skeptical about the effectiveness of its expensive CSR programs and focus on the consequences of their behaviors on their key publics rather than on the broad scope of stakeholders and society. With limited resources, an organization should prioritize their investments on strategic publics by rectifying the problems in employee welfare before making donations to address other social problems facing less relevant publics or

non-publics (e.g., curing diseases or improving education in developing societies).

Based on Grunig and Hunt's (1984) categorization of organizational responsibilities, it can be argued that the firms in the case examples failed to prioritize its resources to first address the immediate concerns of their key publics. It took 7 years for Samsung Electronics to acknowledge its accountability to its key publics on this controversial issue, but it is very encouraging that the company decided to seek conflict resolution with the NGO and victims as of May 2014. It also took many workers' lives to receive enough media attention for Foxconn to address some of the problems facing its workers.

RELATIONSHIP OUTCOMES AS THE BOTTOM LINE

The case examples help to illustrate the CPR approach and explain why organizations should pay attention to their key publics first rather than to a broad society, but it does not delineate how organizations measure the effectiveness of the proposed CPR approach (RQ3). Therefore, we attempt to answer RQ3 to address the link between a firm's CSR activities and its bottom line.

In attempting to provide a reliable measurement of CSR, many scholars have sought a link between CSR and a firm's financial performance (e.g., Alexander & Bucholtz, 1978; Arlow & Gannon, 1982; Cochran & Wood, 1984; Cornell & Shapiro, 1987; McGuire, Sundgren, & Schneeweis, 1988; Pava & Krausz, 1997), between CSR expenditure and reputation (e.g., Brammer & Millington, 2005), and between public relations and financial performance (e.g., Kim, 2001; Kotler, 1988) but often ended up with *mixed results* (McGuire *et al.*, 1988; Sen & Bhattacharya, 2001).

Debates over the proper measure of financial performance are ongoing. Some argue that CSR activities cause additional costs to firms (Aupperle, Carroll, & Hatfield, 1985). In contrast, other scholars support a positive association, citing improved employee morale, customer goodwill (e.g., Soloman & Hansen, 1985), management skill (Alexander & Bucholtz, 1978), few labor problems, and customers' favorable disposition toward the product (McGuire *et al.*, 1988) as the outcomes of social responsibility. As a nonfinancial measurement, Turker (2009) proposes a CSR scale 'reflecting the responsibilities of a business to various stakeholders' (p. 411), based on a survey of 269 business professionals in Turkey. However, because the measurement relies on employees' perception of their firms' CSR activities,

the survey results may not yield a valid answer to whether stakeholders or publics perceive that the company in question is fulfilling its social responsibility to them. The scale should be based on the relationship between the company and its key stakeholders (publics), and not limited to the employees.

Based on the preceding arguments, this study redirects attention to *relationship outcomes* as another bottom line that organizations attain after they implement a CPR program via good public relations (RQ3). While the bottom line typically refers to monetary return on investment for a firm's shareholders, public relations demonstrates that the bottom line can also be measured in nonfinancial terms such as trust, satisfaction, commitment, and control mutuality held by strategic publics (Grunig & Huang, 2000). Hence, authors suggest Grunig and Huang's (2000) scales of quality organization–public relationships for CPR effectiveness. Several studies have considered public relations to be an indirect but contributing factor to a firm's performance (Campbell, 1992; Tuleja, 1985; Verčič, 2000). As discovered in the *Excellence Study*, the excellence of the public relations function contributes to organizational effectiveness and subsequent financial performance (Grunig, Grunig, & Dozier, 2002). In contrast, a poor relationship with strategic publics can place many financial burdens on organizations by requiring resources to deal with activism, regulation, or litigation (Grunig *et al.*, 2002). In this vein, this study urges the reconsideration of nonfinancial indicators, such as dimensions of relationship quality, as measures of CPR contributions (RQ3).

This study also suggests organizational ethical performance and perceived authentic organizational behavior to measure the effectiveness of the CPR approach. Kim (2014) proposes scales for measuring an organization's ethical performance that show the organization's behaviors in relation to its key stakeholders, including customers, employees, and business partners or subcontractors (Appendix 1). Shen and Kim (2012) suggest scales to measure if an organization's words and actions match and if an organization's behaviors are genuine and consistent with its rhetoric (Appendix 2). By conducting a survey using these scales, organizations will be able to learn how their publics view and evaluate their behaviors and how effective their efforts have been to be socially and publicly responsible. This paper cannot provide the exhaustive list of CPR effectiveness indicators; however, the authors acknowledge that there are other possible measures for the CPR approach for specific

contexts. For example, in the context of employee relations, the effectiveness of the CPR approach can be measured by employee retention (Jones, 2010), employee commitment (Maignan *et al.*, 1999), and employee engagement (Glavas & Piderit, 2009).

CONCLUSIONS

The current concepts in CSR make it difficult for organizations to find a tangible link between CSR and an organization's bottom line. The current concept of CSR is still vague and suggests no clear direction for action. We conclude that the concept and scope of CSR should be redefined to help organizations fulfill their social responsibilities more effectively. Therefore, based on the literature review and one case example, this study suggests a new approach to CSR by reconceptualizing CSR as CPR emphasizing the organization's immediate responsibilities to publics and the organization's proactive efforts to be responsible for the impact of its behaviors and decisions that affect its key publics.

This study has several implications for CSR research and practices. First, this study proposes that the range of CSR should be further narrowed down from society and stakeholder levels to the public level. Previous CSR research has been preoccupied with a stakeholder-centric approach (Whitehouse, 2006), which is still less practical in making organizations socially responsible and helping them have more tangible results from their CSR efforts. The focus on key publics helps organizations address vital issues that affect their business operations and prioritize their limited resources on areas that require immediate attention. It reduces the ambiguity in the concept of CSR by arguing that conducting good public relations is synonymous with CSR.

Second, the study emphasizes the role of public relations in CSR activities. The misunderstanding about public relations in CSR as only a promotional function causes criticism about CSR or the limitation of the role of public relations in contributing to organizational effectiveness. When public relations is properly understood and used in CSR, it can help an organization attain its goals effectively. Good public relations starts with an organization's identification of its key publics and involves an organization's proactive actions to minimize potential issues or conflicts between the organization and publics before they arise. More importantly, good public relations means an organization's communication efforts toward its key publics should match

its deeds, as we learned from the case examples. Addressing broad social issues while ignoring key publics is not social responsibility.

Third, this study suggests three indicators as the measurement of an organization's social responsibility efforts: relationship outcomes, ethical performance, and perceived authentic organizational behavior. If CSR is considered synonymous with good public relations, then CSR activities should be measured by indicators of relationship outcomes. Good corporate citizenship starts with good relationships with strategic publics, but it is not guaranteed by the level of activeness or the amount of financial investment in CSR programs. 'Determining what public responsibility is can never be an exact decision. Ultimately, however, *publics decide whether organizations have been responsible*' (Grunig & Hunt, 1984, p. 52, emphasis added). Whether a company looks responsible to a society depends on how the company's key publics evaluate their relationship with the company. Ethical performance shows how the organization treats its key publics by its formalized policies and actions, and as a result, the organization will be perceived as an authentic firm (Kim, 2014; Shen & Kim, 2012).

LIMITATIONS AND FUTURE DIRECTIONS

As the main purpose of this paper is to suggest a reconceptualization of the CSR approach, it relies on two case examples that best explicate the concept. Because the case examples used in this study were based in specific countries, it may provide less relevance to other audiences. There is also the possibility of cases where organizations are using a broad concept of CSR while they are also responsible for their key publics; these organizations may claim that they still can find tangible links between their CSR programs and their bottom line. This study acknowledges the importance of addressing broad social issues and is not against this approach; however, this study emphasizes that misconduct or illegitimate behavior cannot be excused by a broad approach and the organization should revise those problematic behaviors in order to be publicly and socially responsible. Another limitation of this paper was the lack of interviews in the method. Although interviews were not conducted, the case examples used sources that represent both the corporation and activists.

Through applied research, future studies should establish the relationship among the CPR approach, public perception of responsibility, relationship outcomes, and organizational effectiveness. They

should also propose better segmentation methods to help public relations practitioners implement CSR programs. In addition, as Beder (1998), Laufer (2003), and Kim (2014) have pointed out, in many cases, corporate communication strategies have been implemented to create confusion among and manipulation of the public and society. These strategies buffer organizations from public opposition so that they can continue their unethical behaviors. Future study should further investigate corporations' greenwashing strategies and publics' responses to them. Finally, empirical studies should be conducted to better explain how action-driven and public-oriented CSR can help improve corporations' business performance and ethical performance and enhance their sustainability.

BIOGRAPHICAL NOTES

Soojin Kim is interested in strategic management of public relations and public relations strategies. She is looking at how organizations' behaviors or decisions along with key antecedents affect public behaviors and their organizational effectiveness and what strategies help organizations engage their publics and behave ethically. As strategic management of public relations starts with understanding of publics, she also explores various types of public's communication behaviors in different contexts. She received her PhD in Public Relations and Strategic Management from Purdue University. She is currently an assistant professor at Lee Kong Chian School of Business, Singapore Management University.

Jeong-Nam Kim received his PhD in Communication (Public Relations) from the University of Maryland, College Park, in 2006 and joined the faculty at Purdue in 2007. His specialties are communication theory, strategic management of public relations, public behavior and its social consequences, information behaviors, and problem solving. Jeong-Nam has constructed a communication theory called the situational theory of problem solving, with James E. Grunig. The situational theory explains causes and processes of information behaviors in problematic life situations. He applies the situational theory to public relations, public diplomacy, health communication, risk communication, science communication, and employee communication. He also developed a new theoretical model that integrates the causes and processes of organizational relationships, reputation, and brand through the behavioral, strategic management paradigm in public relations and communication management.

Laishan Tam is a PhD candidate at Purdue University, where she has been conducting research on corporate responsibility, consumer nationalism, and public relations. Her dissertation on public diplomacy explores the relationships between countries and their foreign publics.

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APPENDIX 1. PERCEIVED AUTHENTIC ORGANIZATIONAL BEHAVIOR (SHEN & KIM, 2012)

A. I believe that my organization's actions are genuine.
B. I feel that my organization's behavior matches its core values.
C. The organization's beliefs and actions are consistent.
D. I think my organization matches the rhetoric with its action.

APPENDIX 2. ETHICAL PERFORMANCE (THE FEDERATION OF KOREAN INDUSTRIES—BUSINESS ETHICS INDEX, 2007)

CUSTOMER RELATIONS

(Reflection of customer suggestions)

A. Our organization has internal process and system to reflect customer suggestions on management and decision making.
B. Our organization utilizes the results of customer satisfaction survey on our operations and management.
C. Our organization publicly releases the results of our improvement efforts due to conversation with customers.

LABOR RELATIONS

(Win–win relationship between employees and management)

A. Our organization shares the perception that management and labor are same community rather than are in conflicting relationships.
B. Our organization acknowledges the rights of employees such as freedom of association, the right to bargain collectively, and the right to organize.

C. Our management pursues win–win for employees and management through forming a consultative group and facilitating enough pre-discussion.

(Collecting employees' opinions)

A. Our organization proactively makes efforts to improve and resolve the reported issues by labor union by running a system where labor union can deliver opinions or complaints regularly.
B. Our organization has a variety of communication channels to prevent labor-management issues or to have an early settlement.
C. Our organization would like to identify complaints or difficulties of employees and makes efforts to reflect the needs or requests from employees.

SUBCONTRACTORS AND BUSINESS PARTNERS RELATIONS

(Transparent transaction with partners)

D. Our organization has clear and objective criteria for selecting business partners.
E. Our organization provides the reasons and evidence for not selecting certain companies as our business partners.
F. Our organization has enough discussion for all terms and conditions of business with business partners in advance and if things change in the terms and conditions of business, it consults and discuss with the business partner.

(Anti-corruption act)

A. Our organization prohibits any unfair requests to business partners by using its own superior status.
B. Our organization regularly conducts a survey to see if there are any corruption activities including demanding money and valuables, shifting promotional responsibility to business partners, request for unaffordable pricing.