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Corporate Social Responsibility in the Energy Industry: A Content Analysis of Leading Energy Companies' Websites

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CORPORATE SOCIAL RESPONSIBILITY IN THE ENERGY INDUSTRY:
A CONTENT ANALYSIS OF LEADING ENERGY COMPANIES’ WEBSITES

By

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I also dedicate this accomplishment to my mentors and committee members.

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ABSTRACT

This study aimed at investigating the content of leading energy corporations’ communications about corporate social responsibility (CSR). The specific purpose was to explore how the leading energy corporations communicate CSR activities as three distinctive approaches on their websites, to compare the differences among the three approaches, and to investigate the relationship between the information on the websites that addresses stakeholder relationship and the financial performance.

Drawing on the theories and instruments from corporate social responsibility literature, this study explored the performance of CSR through a content analysis of leading energy corporations’ websites. The results showed that leading energy corporations employed diverse means to build the good image of socially responsible corporations, and they exhibited strong commitments to employees, shareholders, and the natural environment. Qualitative results showed that leading energy corporations crafted and disseminated information in different levels and formats, and widely adopted visualized information. Differences worth underlining were the fact that leading energy corporations do not display the same eagerness to communicate with stakeholders using these three approaches. The ethical business conduct approach was emphasized the most and the strategic public philanthropy approach was the least.

Further, this study found that there was no statistically significant correlation between the information on websites that addresses stakeholder relations and company financial performance (ROIC) among the leading energy corporations. The results suggested that there was little variation among their web-based CSR information, especially stakeholders’ information. Finally, the findings of this study suggested that stakeholder communication in CSR had been ingrained in leading energy corporations’ norms and values.
CHAPTER 1

INTRODUCTION

Corporate social responsibility (CSR) has emerged as a significant concept since the 1930s in the U.S. (Bakan, 2005; Carroll, 1999). Scholars offer various explanations for the objectives in integrating CSR throughout corporations’ strategies. As Hine and Preuss (2009) state, “the purpose of CSR is to reconcile, as a function of both governance and operational capacities, the social, economic and environmental responsibilities of the corporation” (p.382).

At the same time, industry has faced a variety of concerns related to environmental and ethical issues for decades. Spence (2011) points out, in the energy industry, oil and gas companies face environmental risks, health and safety risks, liability risks, and reputational risk, which are critical to the corporations’ long-term success.

Therefore, the energy industry is expected to meet higher standards of environmental performance and labor management, and energy companies are legally or voluntarily to fulfill obligations and gain compliance with a range of international standards, protocols, and principles (Hine & Preuss, 2009). It is important to recognize that governments play an important role in environmental protection and that promoting energy efficiency is not equivalent to solving many perplexing problems of corporate social responsibility for business. For instance, the BP oil spill in the Gulf of Mexico was one of the greatest environmental disasters in U.S. history. BP has been working on environmental restoration projects in the Gulf Coast as part of their CSR events. BP acknowledged its role in causing catastrophic damage and has spent more than $14 billion on response activities ("Deepwater Horizon," 2013). According to BP’s sustainability report (2011), in response to the Gulf of Mexico accident in 2010, BP initiated wide-ranging activities aimed at enhancing safety and risk management within the group and earning back
trust. However, the U.S. government still criticized BP for inadequate response to stop what was unfolded into an environmental catastrophe (Robertson & Lipton, 2010). Moreover, some scholars accused BP for intentionally obfuscating the extent of the oil spill and disguising the evidence (Cherry & Sneirson, 2011). As Cherry and Snerison argued, BP, like many other companies, acted in an environmentally responsible manner in regard to establishing a “green” image or proving profitable.

Speaking of the role played by energy corporations in managing sustainability, William C. Frederick, one of the founders of the study of CSR, points out that “nature plays an enormously important role in business life” (Frederick, 2006, p.124). Nature and related problems are closely related to the energy industries, as an oil leak will threaten natural resources. According to Hume and Olarn (2013), the massive oil spill in Ao Phrao beach resulted in environmental damage to the nature systems. The destruction of natural environments dramatically threatened the country’s fishing industries and tourism. PTT Global Chemical, Thailand's largest petrochemical producer struggled to deal with anxieties from local communities and customers (Hume & Olarn, 2013). So it is necessary for energy corporations to look at serious environmental and ecological crises in their practice of CSR. Obviously, they are facing challenges such as human rights and risks, including environmental risks, sustainability management risks, and health and safety risks. Most of the leading corporations in the energy industry attempt to meet the high standards of CSR, with emphasis on doing business in a sustainable and socially responsible way.

The leading energy companies have dramatically increased capacity and revenues, leading to huge profits for those businesses. According to the Center for American Process, the five top oil companies, namely BP, Chevron, ConocoPhillips, Exxon Mobil, and Shell, earned a
combined total of $93 billion in 2013, or $177,000 per minute (Weiss & Peterson, 2014).
Because the availability of inexpensive fossil fuels has dramatically driven economic growth,
offering great opportunities for people to achieve higher standard of living, the energy industry
can be a remunerative market for those companies who are good at their practices (Spence,
2011).

At the same time, energy corporations have experienced a dramatic rise in corporate social responsibility practices over the past decade. The Nobel laureate Milton Friedman observed that “In such an economy, there is one and only one social responsibility of business--to use resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competitions, without deception or fraud” (Friedman & Friedman, 1962, p.55). CSR is also referred to as the “shareholder value-oriented” perspective. Since the leading energy companies expanded their business into the global market, their environmental practices and labor management have been questioned and investigated by global stakeholders. The potential legal risks and environmental damages mean that governments, NGOs, and customers will continue to inquire about the safety and legitimacy of energy companies’ practices so as to reduce the risk of harm or damage to the environment or humans. Roberts et al. (2002) claim, “companies that take corporate citizenship seriously can improve their reputations and operational efficiency, while reducing their risk exposure and encouraging loyalty and innovation” (Roberts et al., 2002, p.7). Therefore, the investigation of CSR principles and the practices of energy corporations is more important than ever today and is perceived as being relevant to other industries.

Further, there is a trend for leading energy corporations to use new technologies to disseminate their information and build relationships with stakeholders with emphasis on CSR
practices. One way to explore a company’s or an industry’s practices and principles of CSR is through the company’s website. Smith and Alexander (2013) also pointed out that the degree to which a person can easily navigate a company website can facilitate or impede the acquisition of information. The goal of this study is to investigate the website communication of leading companies in the energy industry in order to determine to what extent they are using websites to communicate with their stakeholders. The specific purpose of this study is to explore the leading energy companies’ practices in CSR focusing on the key approaches of CSR, and to investigate the relationship between the information on the websites that addresses stakeholder relations and the financial performance of top global energy companies.

According to Chapple and Moon (2005), the corporations’ websites offer various advantages for a comparative study because “they offer a functionally uniform unit of analysis in that all represent an official presentation of companies’ policies and practices as opposed to representing the interpretation of these by, say, any one company official” (p.424). Results from this study will help to gain a better understanding of CSR practices and activities that are currently being addressed on energy companies’ websites. A secondary goal is to contribute to the research related to energy companies’ CSR communication.
CHAPTER 2

LITERATURE REVIEW

2.1 Corporate Social Responsibility (CSR)

2.1.1 Definition of Corporate Social Responsibility

Over the past several decades, there have been numerous definitions of corporate social responsibility (CSR). According to Carroll (1999), the modern perspectives of CSR started in the 1950s, expanded in the 1960s and proliferated in the 1970s. CSR, as a phenomenon, has aroused the increasing and sustained attention from scholars and corporate critics (Hine and Preuss, 2009).

Looked at from the historical perspective, in 1953, Howard R. Bowen published his book “Social Responsibilities of the Businessman.” His seminal book was the first attempt to define the subject. He defined the term “social responsibility” as, “business advocacy of CSR was rooted in a self interest best advanced by promoting the public interest” (Frederick, 2006, p. 9). It established a new foundation for CSR as part of management subjects in academic studies.

From a business perspective, businesses are expected to act as moral agents within the framework of society (Bowen, 1953). Davis suggested that the term “social responsibility” refers to “decisions and actions taken for reasons at least partially beyond the firm’s direct economic or technical interest” (Davis, 1960, p. 70). Based on his observations, Davis studied CSR in greater depth and defined CSR as a company’s consideration and response to issues beyond the narrow economic, technical, and legal requirements of the company (Davis, 1960). Walton (1967) declared the essential ingredients of the corporation’s social responsibilities to include a degree of voluntarism, opposite to coercion, an indirect linkage of certain other voluntary organizations
to the corporation, and the acceptance that costs are involved for which it may not be possible to
gauge any direct measurable economic returns.

Beyond these literature streams, one of the most long-standing and frequently cited
definitions comes from Carroll (1979), who proposed a comprehensive and pragmatic view of
corporate social responsibility. In Carroll’s view, “the social responsibility of business
encompasses the economic, legal, ethical, and discretionary expectations that society has of
organizations at a given point in time” (Carroll, 1979, p. 500). This four-level responsibility
pyramid of CSR introduced by Carroll is a framework that can be used for descriptive analysis
(Aupperle, 1984; Aupperle, Carroll, & Hatfield, 1985; Burton & Hegarty, 1999; Clarkson 1995;
Pinkston & Carroll, 1996; Smith, Wokutch, Harrington & Dennis, 2001). In this context, the four
key responsibilities constitute the total CSR concept. They go beyond the basic obligations to
stockholders and instead point to the social responsibilities.

Epstein (1987) completed the differentiation of “business ethics” and CSR, depicting
CSR as the “discernment of issues, expectations and claims on business organizations regarding
the consequences of policies and behavior on internal and external stakeholders” (Epstein 1987,
based on Maslow’s hierarchy of needs. In their discussion, CSR is at the top of the organizational
needs pyramid because it fulfills a corporation’s internal and external self-actualization needs.

Frederick and his colleagues (1992) claimed that the term of CSR means that a
corporation should be held accountable for any of its actions that affect people, communities and
the environment in which those people or communities live. The implication of this view—that
the corporation should be responsible for its actions—is that the possible negative effect of
business on people, communities and the environment should be acknowledged. A growing
number of scholars take the view that companies can no longer be seen purely as private institutions but should be seen as social institutions instead (Frederick, Post, & Davis, 1992; Freeman, 1984).

In today's modern business world, many scholars have attempted to establish a concrete concept of CSR. The EU Commission (2001) launched the Green Paper “Promoting a European Framework for Corporate Social Responsibility,” defining CSR as, “A concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment. A concept whereby companies integrate social and environment concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (p. 366). In this context, more and more companies employ benchmarking and embrace a culture of CSR.

What is the meaning of CSR in the twenty-first century? We can find clues from CSR reports by reading their titles, which include corporate responsibility, corporate sustainability, corporate philanthropy, sustainable development and citizenship and so on. When it comes to the CSR term in the twenty-first century, it means the corporation is not only responsible for its own shareholders but also the stakeholders, society, and the environment as well. Companies should have a set of key guidelines to help them make positive contributions to their long-term goals and manage sustainability.

2.1.2 Pros and Cons of Corporate Social Responsibility

Tracing the long history of the CSR terminology, the recent literature emphasizes the importance of the relationship between CSR practices and stakeholders. Debate over whether CSR will ultimately benefit shareholders can also be traced to different views. From the negative perspective, Posner (1992) argues that a sustained commitment to any goal other than profitability would result in the corporation’s bankruptcy. Posner states that customers won’t
benefit from such expenditures on CSR activities. Friedman (1970) emphasized that “there is one and only social responsibility of business ... to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game” (p. 1). The proponents of shareholder value theory state that focusing beyond what is of ultimate value to the owners of businesses will eliminate or minimize the strength of a business focus, reward inefficiency and wastefulness, and not supply a comprehensive due diligence to the expectations of shareholders (Walker & Marr, 2002). Furthermore, according to Handelman and Arnold (1999), CSR initiatives constitute mainly a legitimacy instrument used by the company to demonstrate its adherence to stakeholder norms and expectations. Overall, CSR can bring competitive differentiation in marketing and create a sustainable competitive advantage for a company (Ferrell, Gozalez-Padron, Hult, & Maignan, 2010). In addition, there is considerable scholarly research showing that CSR is related to the financial performance in many ways, including boosting sales revenue (e.g. Orlitzky, 2008), reducing business risks (e.g. van Oosterhout & Heugens, 2008), enhancing the corporate reputation and branding (e.g. Waddock & Graves, 1997), and building a competitive advantage (e.g. Porter and Kramer, 2002).

However, an increasing number of scholars questioned the negative effects of CSR practices on customers and other stakeholders, arguing that CSR can have many positive effects. For example, Wilson (2010) suggested that consumers, employees, and stockholders could benefit from a cleaner and more cost-efficient company. Further, a strong corporate commitment to the environment can generate positive relations with stakeholder, and therefore reduce the cost of stakeholder and customer relationship management. There is wide acceptance that sustainability is an important element affecting whether or not a corporation is successful in the long term (e.g. Kuosmanen & Kuosmanen, 2009).
2.1.3 Key Approaches to Corporate Social Responsibility

In different types of academic literature, scholars have proposed multiple approaches to study CSR. The following paragraphs will discuss different approaches used by CSR researchers, and investigate the economic approach by raising related research question with work that builds on efforts that have applied to the empirical research on CSR and financial performance. In addition, Tang and Li (2009)’s three distinctive approaches to CSR in codebook (CSR as ad hoc philanthropy, CSR as strategic philanthropy, and CSR as ethical business conduct) will be reviewed and adopted for the study at hand.

2.1.3.1 Economic Approach

In 1970, economist Milton Friedman (1970) proposed the influential statement “The business of business is business.” It is considered one of the most influential economic approaches to CSR (quoted in Klonoski, 2001). But Friedman also recognized the ethical elements of CSR, and claimed that the social responsibility of corporations is to “make as much money as possible while conforming to the basic rules of the society, both those embodied in law and those embodied in ethical custom” (p. 32-33).

A growing number of economists and scholars tended to associate CSR with the theories proposed by the economist Friedman. For example, Baron (2001) states, “The term “strategic CSR” is used to refer to a profit-maximizing strategy that some may view as socially responsible. Consider as an example a firm that can adopt an environmental practice that would make the community a more attractive place to work. If the practice is adopted because worker productivity and hence profits would increase, it is said to be strategic” (p.17). Therefore, CSR is a concept designed to “require a means of responsibly repaying the profit they make for their
stakeholders by positively influencing and benefiting the communities within which they operate” (Pour, et al, 2013, p.230).

2.1.3.2 Stakeholder Approach

Another popular approach to evaluate CSR is stakeholder approach. According to Freeman (2001), the economic approach ignores the fact that in an effort to increase profits, corporations have effects on the relationship with the external environment including multiple stakeholders. Rowley (1997) defined the “corporation” in the stakeholder approach as interrelated, explicit or implicit connections between individual and groups of individuals. According to Mele (2008), the stakeholder theory of CSR refers to a framework which identifies systems for managing a corporation’ stakeholders within a particular society and effectively respond to the interests and requirements of these stakeholders.

In terms of the “stakeholder approach to CSR”, there is a difference between primary stakeholders such as employees, customers, and suppliers, and secondary such as the media and NGOs, in keeping with their relative impact on the corporation (Clarkson, 1995). The key concept of this approach focus on stakeholder groups, including the shareholder value concept used to determine the value of a corporation from the shareholder perspective (Weber, 2008).

Further, with the attention to stakeholders, such as the customers, employees and communities, the corporations are responsible for managing benefits to the various stakeholders, ableit at different levels depending on the corporation’s objectives (Freeman, 1984; Key and Popkin, 1998).

2.1.3.3 Philanthropy Approach

With the philanthropy approach, for example, according to Global Reporters survey (SustainAbility, 2002), a lot of large global corporations have made ambitious commitments to
CSR. In some campaigns their initiatives appear to go substantially beyond corporate philanthropy and corporate communications that attempt to defend the company’s societal contributions. In addition to its societal contribution through business, companies are responsible to society as a whole, of which they are an integral part and they operate by public consent so as to serve constructively the needs of society to the satisfaction of society. Hopkins (1998) also states that CSR is a process to achieve sustainable development in societies. Sustained economic growth over more than a decade accelerated the development of global corporations. Corporations accepted and developed new values, new strategies, and new institutional arrangement to fulfill the new requirements of the society and expectations of stakeholders.

**2.1.3.4 Three Key Approaches of CSR**

The most widely adopted academic literature assesses three key approaches of CSR, proposed by Schwartz and Carroll (2003). They proposed a three-domain approach to CSR, which included economic, legal, and ethical. When it comes to key approaches in CSR, the philanthropic component is less important than the other three components and therefore the philanthropic responsibility is subsumed under the ethical approach.

Based on the Three-Domain Model of CSR, Lantos (2001) categorized CSR into three types including ethical, altruistic, and strategic. According to Jamali (2007), in Lantos’ conceptualization of CSR, ethical CSR constitutes the economic, legal, and ethical responsibilities components proposed by Carroll (1979, 1991). Altruistic CSR emphasizes genuine optional caring, whether the corporation will reap financial benefits or not. Strategic CSR is different because it is aimed at achieving strategic business goals while promoting societal welfare as well.
In addition, Tang and Li (2009) proposed three distinctive approaches to CSR: CSR as ad hoc philanthropy, CSR as strategic philanthropy, and CSR as ethical business conduct. Ad hoc philanthropy is based on discretionary rationality. Furthermore, companies prefer an ad hoc philanthropic approach to achieving, therein often acknowledging their responsibilities towards society. CSR as strategic philanthropy is committed to community involvement, including academic research on environment conservation, establishing partnership with governments, NGOs and universities, or setting up awards that give support to research projects (Tang and Li, 2009). CSR as ethical business conduct is based on economic, legal and ethical rationalities, referring to “ethical business operations, fair treatment of employees, and ethical relationship with suppliers and shareholders” (Tang and Li, 2009, p.208).

Based on the discussion of these approaches to CSR, in order to investigate the key approaches to CSR and analyze the unique aspects of CSR practices by the leading companies in energy industry, the first and second research questions were created:

**RQ1: How are the three approaches to CSR manifested in top global energy companies through their websites?**

**RQ2: Does CSR communication differ on the three approaches among top global energy companies’ websites?**

### 2.2 Theories of Corporate Social Responsibility

Among the attempts to clarify CSR theories, there is a considerable heterogeneity of theories in illustrating different aspects of CSR. Garriga and Mele (2004) categorized the CSR theories into four groups with emphasis on the different aspects of social reality: economics, politics, social integration and ethics. As Crane et al. (2008, p. 48) have stated, the ethics theories explore the relationship between business and society and should be embedded with ethical
values. There are four main groups of ethics theories, which depend on the previous researches, including “Corporate Social Performance”, “Shareholder Value Theory”, “Stakeholder Theory”, and “Corporate Citizenship theory” (Crane et al., 2008). Following this idea, this study focuses on the discussion of four theories so as to a clarification about the responsibilities of business in society.

2.2.1 Theory 1: Corporate Social Performance

Carroll (1979) outlined an initial definition of ‘Corporate Social Performance (CSP)’, and pointed out that an entire spectrum of obligations to society must encompass the economic, legal, ethical, and discretionary categories of business performances. These four categories were also known as Carroll’s hierarchy of corporate responsibilities. In 1991, Wood (1991, p.693) added a detailed definition of CSP by mentioning that CSP is the “configuration in the business organization of principles of social responsibility, processes of response to social requirements, and policies, program and tangible results that reflect the company’s relations with society.” In addition, Wood (1991) expanded the definition of CSP by presenting the CSP model, which includes principles of CSP, the processes of corporate social responsiveness, and outcomes of corporate behavior. Principles of CSP, in Wood’s model, embrace the principle of legitimacy, the principle of public responsibility, and the principle of managerial discretion. The concept of ‘principle of legitimacy’ has originated with Davis’ statement, which represents how businesses obtain the legitimacy and power from society. However, if businesses do not use power in an appropriate way, then they will lose it (Davis, 1960). ‘Principle of public responsibility’ focuses on the social responsibility of business because business and society are interrelated with each other. Wood’s depiction of ‘principle of managerial discretion’ explains that the duties of
managers and other employees should be structured to deploy discretion toward socially responsible and ethical outcomes (Wood, 2010).

According to Wood (2010), the processes of social responsiveness comprise certain types of processes for environmental scanning, stakeholder management and issues management. In Wood’s model, ‘processes of social responsiveness’ is rooted in an understanding of analysis on the environmental issues, including social, political, legal, and ethical environments, and its impact on the engagement with stakeholders (Wood, 2010). In addition, issues management can allow business to investigate and monitor social or political issues such as public affairs officials.

Wood’s (2010) major contribution was to implement a crucial missing part into earlier CSP models. The earlier model offered by Carroll (1979) did not include the outcome variable. Thus, Wood’s research went further than simply reflecting the earlier research. Wood developed the outcome variable in his model. “Outcomes and impacts of performance,” is conceptualized as comprising three effects – effects on people and organizations, effects on the natural and physical environments, and effects on social systems and institutions. As articulated by Wood (1991), the ‘outcomes of corporate behavior’ represents a significant piece of the CSP model with emphasis on the assessment of CSP. According to Wood (1991), the corporate behavior should be fairly and objectively evaluated at varying levels of effects. The positive and negative effects are equally to be assessed. Some of these include: the positive impacts on job creation and creation of new technology, and the negative impacts on the disposal of hazardous waste and political corruption.

Overall, Wood (1991) combined the earlier work conducted by Carroll and other scholars into a coherent model of CSP, which “provide a coherent structure for assessing the relevance of research topics to central questions in the business and society field” (Swanson, 1995, p.43).
However, it is questioned by some scholars because of the lack of integration between ethical normative aspects and duty aligned perspectives (Crane et al., 2008; Swanson, 1995, 1999).

Thus, some scholars have attempted to develop Carroll and Wood’s CSP models for the purpose of examining CSP practices in a broader spectrum of activities (Kang, 1995; Mitnick, 1993, 1995, 2000; Swanson, 1995, 1999). Kang (1995) proposed an extension of Wood’s (1991) model by “linking the new ‘Carroll upside-down’ hierarchy of business responsibilities to Wood’s three principles of CSR and to make explicit the relationship of CSR domains to levels of analysis” (Wood, 2010, p. 55). In addition, Swanson (1995, 1999) also proposed her model by adding social contexts, motivations and consideration of possible outcomes into decision-making processes. Mitnick (1993, 1995, 2000) recognized the complexity of CSP measurement and he used a guided systems model to analyzed CSP. In Mitnick’s model, he added several variables for the purpose of examining the performance of CSP, including qualities of the firm’s guidance component, system inputs, the firm’s production processes, outputs (or activity performance), impacts or terminal effects, and indexed or combinatory performance (Mitnick, 2000, p. 429).

Recognizing that the evolving needs of corporate social performance need to be consistently monitored, it is expected that more attention will be given to measurement motivations for a firm’s social responsibility actions as well as economic performances.

2.2.2 Theory 2: Shareholder Value Theory

Shareholder value theory focuses on shareholder utility maximization with purpose in maximizing the economic value of the corporation for its shareholders (Crane et al., 2008). The view of shareholder utility maximization was promulgated by many scholars, and the names that were prevalent in that period include Friedman (1970), Ross (1973), Jensen and Meckling (1976). Nobel laureate Milton Friedman was an influential contributor to the early shareholder
value theory. In 1962, he proposed, along with his wife Rose Friedman: “In such an economy, there is one and only one social responsibility of business — to use resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competitions, without deception or fraud” (Friedman, 1962, p.133). In addition, Friedman (1970) set forth an initial definition of the “shareholder value-oriented” approach: “the only one responsibility of business toward the society is the maximization of profits to the shareholders, within the legal framework and the ethical custom of the country”. Shareholder Value Theory encompasses a range of philosophical assumptions, including that human beings act in pursuit of equal opportunity and property is regarded as an absolute right (Crane et al., 2008).

As Crane et al. (2008) said, the controversial part of this theory is the complete separation of the functions of the public and private spheres. It rejected the responsibilities for the consequences of business activities.

Friedman (1970) dealt with the controversial issues in this theory by pointing out, “it is not acceptable to make expenditures on reducing pollution beyond the amount that it is in the best interests of the corporation or that is required by law in order to contribute to the social objective of improving environment”. In his view, Friedman (1970) emphasized the importance of the free market, and he clarified that the corporate executive has direct responsibility to his employees and shareholders. As a result, the most direct obligation of a corporate executive is to carry out the business and comply with the desires of shareholders. Friedman (1970) reinforced the shareholders’ desires by noting that “If shareholders ‘desire’ profit, so be it; if consumers 'desire' high-fat foods, or environmentally-destructive products, or sex-for-hire, so be it” (p.32).
In fact, Friedman's views throughout his paper illustrate the sole responsibility of business, that is to take advantage of all resources and practice business activities for the purpose of increasing its profits while conforming to the law and to the basic rules in society.

Although Friedman's views of ‘Shareholder Value Theory’ is supported by many corporations who are seeking huge profits especially in Anglo-Saxon countries, many scholars criticized that shareholder maximization value only focuses on short-term profit and ignores the stakeholders’ interests. As a result, the corporations need to establish good relationships with all stakeholders such as employees, customers, suppliers, and local communities (Crane et al., 2008; Hosmer, 1995; Kotter and Heskett, 1992). In addition, the focus on property rights in Shareholder Value Theory gave way to modern theories of property, which question the earlier definition of property. For example, capital is no longer used to describe the asset of corporations in the modern world. Actually, people who work in the corporation are its most important asset (Handy, 1997).

2.2.3 Theory 3: Stakeholder Theory

With the severe voices of criticism on the shareholder theories from multiple scholars, it is not surprising that ‘Stakeholder Theory’ gained prevalence during the mid-1980s (Jamali, 2008). Freeman (1984) first proposed the stakeholder concept in his 1984 book “Strategic Management: A Stakeholder Approach.” This book provided a new perspective to extend corporations’ responsibilities beyond shareholders. After reading his book, Jonker and Foster (2002) also pointed out that Freeman created a generic stakeholder map, and re-conceptualized the nature of the corporation to promote and support the legitimization of new forms of managerial action. In contrast to the ‘shareholder theory’, the ‘stakeholder theory’ incorporates the external environment of the corporation with emphasis on the role of internal and external
stakeholders, such as employees, suppliers, shareholders and customers. When it comes to ‘stakeholders’, Freeman (1984) defined it as “any group who can affect or is affected by the achievement of the firm’s objectives” (p.25). Clarkson (1995) provided another definition of ‘stakeholders’ by arguing that “the term stakeholders refers to “persons or groups that have, or claim, ownership, rights, or interests in a corporation and its activities, past, present, or future. Such claimed rights or interests are the result of transactions with, or actions taken by, the corporation, and may be legal or moral, individual or collective.” Clarkson (1995) also distinguished primary and secondary stakeholders by defining the “primary stakeholder group” as “one without whose continuing participation the corporation cannot survive as a going concern” (p.106). Typically, the primary stakeholder group includes shareholders, investors, employees, customers, suppliers, governments and communities (Clarkson, 1995). In his paper, Clarkson also addressed that the relationships between corporation and primary stakeholder group are characterized by mutual interdependence. Further, Clarkson (1995) identified the ‘secondary stakeholder groups’ as those “who influence or affect, or are influenced or affected by, the corporation, but they are not engaged in transactions with the corporation and are not essential for its survival. The media and a wide range of special interest groups are considered as secondary stakeholders under this definition” (p.107).

Clarkson (1995) explains the principle ideas of ‘stakeholder theory’ by mentioning “the firm is a system of stakeholders operating within the larger system of the host society that provides the necessary legal and market infrastructure for the firm activities. The purpose of the firm is to create wealth or value for its stakeholders by converting their stakes into goods and services” (quoted from Crane et al., 2008).
Based on Freeman’s stakeholder model, the concept of CSR can be defined as “corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law or union contact” (Jones, 1980, p. 56-60). In addition, other scholars such as Donaldson and Preston (1995) captured the implication of the stakeholder concept by noting that stakeholders can be identified by their interests in the affairs of the corporation, and “the interests of all stakeholders have intrinsic value” (p. 81).

Clarkson (1995) has made one of the most sound definitions of this theory as follows:

“The corporation itself can be defined as a system of primary stakeholder groups, a complex set of relationships between and among interest groups with different rights, objectives, expectations, and responsibilities. The corporation’s survival and continuing success depend upon the ability of its managers to create sufficient wealth, value, or satisfaction for those who belong to each stakeholder group, so that each group continues as a part of the corporation’s stakeholder system. Failure to retain the participation of a primary stakeholder group will result in the failure of that corporate system” (Clarkson, 1995, p.106-107).

The stakeholder theory has established a rich array of theoretical tools to explore the natures, interests, and managements of corporations. According to Donaldson and Preston (1995), the theory can be used to operationalize the function of the corporation which includes the identification of moral or philosophical assumption and management of corporations (p.71). As Donaldson and Preston (1995) noted, “The stakeholder theory has been used to describe (a) the nature of the firm (Brenner & Cochran, 1991), (b) the way managers think about managing (Brenner & Molander, 1977), (c) how board members think about the interests of corporate constituencies (Wang & Dewhirst, 1992), and (d) how some corporations are actually managed (Clarkson, 1991; Halal, 1990; Kreiner & Bhambri, 1991)” (p.70).
The stakeholder theory can be applied to the management literature. For example, Collins and Porras (1994) noted that stakeholder management has been used quite extensively in many companies and provides a guideline, which can lead to business success in the long term. But it is important to note that what is required is further research to establish sound conclusions on the relationship between stakeholder theory and financial performance (Berman et al., 1999).

By extending the economic approach to CSR, extensive empirical research has been conducted to assess the correlation between corporations’ social responsibility and financial performance, and yielding different results. Some scholars found that there was a positive relationship between economic performance and social responsibility such as the “content of pollution control disclosures” research conducted by Belkaoui (Belkaoui, 1976). Other studies also identified the relationship between economic performance and CSR. According to Weber (2008), there are 127 published studies empirically investigating the relationship between companies’ corporate social performance and their financial performances between 1972 and 2002. Multiple researchers found a positive correlation between CSR and financial performance of corporations (e.g. Frooman, 1997; Griffin and Mahon, 1997; Roman et al., 1999). In addition, Wagner et al. (2001) analyzed the relationship between environmental and economic performance and found mixed results in their quantitative empirical research. Similarly, Margolis and Walsh (2003) conducted a meta-investigation of 127 multiple regression studies and found mixed results, but all studies concluded that there was a dominant positive relationship between the two variables.

On the other hand, compared to the positive relationship found in research, sustainability researchers found a U-shaped relationship between economic performance and CSR (Schaltegger & Synnestvedt 2002, p. 314; Steger 2006, p. 417). Specifically, for instance, Wagner and
Schaltegger (2004) tested the hypothesis of an inverse U-shaped relationship between environmental activities and economic performance. They concluded when companies display a higher level of pursuing an environmental strategy oriented towards shareholder value, they will be more likely to have a stronger relationship between environmental activities and economic performance than other companies without such a strategy.

As discussed previously, the results that represented relations between CSR and financial performance are different, because scholars adopt different ways to operationalize the two variables (Choi et al., 2010; Orlitzky et al., 2003). Since various studies explored the multiple dimensions of a company’s CSR, this study is an attempt to use stakeholder theory measuring CSR in this area by examining the relationship between stakeholder relationship and corporation financial performance. A number of studies have been conducted empirically by using the instrumental stakeholder theory. For example, Berman et al. (1999) pointed out that the way in which a corporation deals with the various aspects of stakeholder relationships will have an impact on its financial performance. The authors analyzed five main stakeholder areas which are related to company focus on five major stakeholder areas important to company operations: employees, the natural environment, workplace diversity, customers and issues of product safety, and community relations. Bagnoli and Watts (2003) also concluded that companies that deliver superior social performance are more likely to perform better in financial performance by attracting socially responsible consumers. Further, Choi et al. (2010) studied the relation between CSR and corporate financial performance by using the stakeholder-weighted index measurement. They documented a positive and significant relation between CSR and corporate financial performance. These findings enhanced empirical research in stakeholder theory, and suggested the important aspects of CSR to primary stakeholders that can improve their financial
performance. Therefore it is worthwhile to use stakeholder theory to explore the relations
between the two variables in a specific industry. However, a related study investigating the
correlation between the disclosure of stakeholder relations on corporations’ websites and
financial performance in energy industry could not be identified.

Consequently, given the literature of exemplar studies in particular and the stakeholder
theory research in general, this study is an attempt to use stakeholder theory to explore CSR
communication in a specific industry by investigating how leading energy companies employ
their websites with emphasis on stakeholder relations.

Based on the preceding information, this study seeks answers to the following research
question, building on efforts that explored the relationship between stakeholder and company
financial performance:

RQ3: Is there a relationship between the information on websites that addresses
stakeholder relations and company financial performance (ROIC) for the top global energy
companies?

In this study, stakeholder relationships focus on four key major stakeholder areas
including employees, product safety/quality, natural environment, and community which are
derived from Berman et al.’s study about the effect of stakeholder management on corporate
performance. First, Berman et al. (1999) mentioned that multiple studies have been completed
which suggested how a corporation manage its employees can affect its financial performance
(e.g. Delery & Doty, 1996; Huselid, 1995). More specially, the related human resources practices
included lowering turnover and absenteeism, improving productivity, and increasing worker
commitment and effort (Berman et al., 1999). In addition, Berman et al. (1999) examined the
relations between workplace diversity and financial performance in their study. Moreover,
according to previous studies, researchers found that diversity in the workplace may have a competitive advantage in the global marketplace and increase the customer base (e.g. Dechant, 1997; Thomas & Ely, 1996). According to the operationalization definition of “employee equal opportunity” in the previous study, it can be defined as, “The company expresses its commitment to giving the same chances in recruitment and promotion to all employees regardless of race, gender, gage or handicap” (Maignan & Ralston, 2002, p. 503). Since this item can be categorized into employee relations, this study incorporated this item into employees for the purpose of investigating different aspects stakeholder relations. As a result, to assess stakeholder relations, this study adopted employees as one of the important variables from the stakeholder theory literature, encompassing four items: Employee health and safety, Employee welfare, Employee development, and Employee equal opportunity. In short, employees as stakeholders can be measured by adding four items together.

Second, several scholars conducted research to investigate the relationship between product and financial performance, and sought to find a positive relationship. For example, according to Waddock and Graves (1997), positive customer perceptions toward product quality and safety may generate new sales leads. Frooman (1997) also discovered that corporations engaged in illegal activities could decrease the market share. A series of studies found negative relations between the reactions to product recall and market performance especially in the auto industry (e.g. Bromiley & Marcus, 1989). Berman et al. (1999) also discovered a significant positive relationship between two stakeholder relationship variables (employees and product safety/quality) and corporation financial performance. In addition, the two important components of stakeholders relations presented here can be found in the ethical business conduct approach to CSR.
Third, Berman et al. (1999) proposed “Natural environment” as one of the key roles that stakeholder relationships may play in corporate decision making. A range of previous studies suggested that environmental concern has effects on company financial performance (e.g. Russo & Fouts, 1997; Shrivastava, 1995). In this study, the energy corporations’ concerns for the preservation of the natural environment can be found in the strategic public philanthropy approach and defined as “Environment conservation”. In addition, Maignan and Ralston (2002) categorized ‘protection of the environment’ as community stakeholder issues in their study in order to examine how different corporations communicate about CSR in their websites. Therefore, this study adopted this item for the purpose of investigating the impacts of selected stakeholder issues on financial performance.

Fourth, Berman et al. (1999) discussed community relations as one of the key stakeholder relationships, because existing research stressed the importance of community relations. For example, Waddock and Graves (1997) found that establishing good community relations could benefit corporations in multiple aspects such as tax advantages and local labor quality. In addition, to analyze community relations, this study followed Tang and Li (2009) by investigating the following items: education, sports, art and culture, disaster relief, and health and disability. According to Tang and Li’s study, they identified that the community issues can be categorized into the ad hoc philanthropy approach.

Moreover, company financial performance was measured in this study by using the criterion of return on invested capital (ROIC), which is commonly used by other scholars (Theodorou & Florou, 2005; Chang, 2003).
2.2.4. Theory 4: Corporate Citizenship Theory

Most recently, more and more businesses have been engaging in philanthropic activities and making donations to the community (Crane et al., 2008). As Crane et al. (2008) noted, “This has been understood as an expression of good corporate citizenship.” In Epstein’s definition, “Good (corporate) citizenship” refers to the concept that a company provides assistance to community well-being through its financial and non-monetary contributions. This was deemed for many years to be the essence of socially responsible business behavior (Epstein, 1989). Since the 1990s, the term of “Corporate Citizenship” has been widely used as equivalent to CSR by academics (Matten et al., 2003).

In addition, Logsdon and Wood (2002) draw on a detailed study on global corporate citizenship which emphasizes that the linguistic change from corporate social responsibility to corporate citizenship includes a profound change in normative understanding of how companies should act with respect to their stakeholders. Meanwhile, Windsor (2001) demonstrated an understanding of “Corporate Citizenship” by noting “as a managerial movement that effectively substitutes a different conception, as well as language, for responsibility.”

An extended conceptualization of corporate citizenship has been elaborated by Matten and Crane (2005). In explaining the basic idea of extended corporate citizenship, Matten and Crane (2005) described “Corporate Citizenship” as the role of the corporation in administering citizenship rights for individuals and acknowledged that the corporation administers certain aspects of citizens for other constituencies, including employees, customers, shareholders, and wider constituencies with no direct transactional relationship to the company. In addition, with this conceptualization of corporate citizenship, “Corporate citizenship is more theoretically grounded and more descriptive of a particular role that some corporation are playing” (Matten &
Crane, 2005, p.174). Matten and Crane (2005) also suggest that there has been a shift in responsibility for protecting citizenship rights away from governments to corporations because of globalization. As they argued, “the notion of citizenship can be most appropriately introduced to management theory as a way of descriptively framing the empirical relationship of the individual to the corporation, regardless of one's normative assumptions about what role corporations should play” (Matten & Crane, 2005, p. 175).

Matten and Crane's model of corporate citizenship provides compelling arguments for taking the social role of the corporation into account. As Crane et al. (2008) summarized,

“First, the corporation is a provider of social rights (by supplying or not supplying individuals with social services which provide the individual with the freedom to participate in society, such as education, health care, and other aspects of welfare). Second, the corporation is an enabler of civil rights (enabling or constraining citizens’ civil rights, which provide freedom from abuses and interference by third parties). Third, the corporation is a channel for political rights (Being an additional conduit for the exercise of individual’ political rights, which permit active participation in society)” (p.73).

Overall, the extended view of “Corporate Citizenship” focuses on the roles and actions of the corporation in the process of administering, enabling, and channeling these citizenship rights (Matten & Crane, 2005), providing a descriptive approach for addressing “the social and ethical dimensions of business and its role in expecting and defending human rights” to CSR (Crane et al., 2008, p.73). Moreover, the “Corporate Citizenship” theory provided a global perspective on the state of the practice in addressing business issues in a global arena associated with universal human rights (Crane et al., 2008). Furthermore, as Gardberg and Fombrun (2006) stated, citizenship programs are strategic investments in certain circumstances, which “can help
globalizing companies neutralize their alien futures by strengthening community ties and by enhancing their reputation among potential local employees, customers, and regulators” (Crane et al., 2008, p.74).

2.3 Perceptions of Corporate Social Responsibility

Stakeholders’ perception of CSR is crucial to this discussion because theoretically the stakeholders’ perceptions of CSR practices are positively related to its organizational growth, corporate reputation, and ability to attract and retain employees (Greening & Turban, 2000; Peterson, 2004). As Smith (2003) stated, “CSR is fundamentally about obligations to stakeholders” (p.85). In addition, the corporations are able to gain many types of competitive advantages from CSR practices, depending on the stakeholders’ perceptions regarding what constitute responsible conduct on behalf of the corporation (Greening & Turban, 2000; Peterson, 2004; Belal & Roberts, 2010;).

Relying on stakeholder theory as a foundation for understanding stakeholders’ perception of CSR, scholars recognize that in the process of managing corporate image, the perception of its stakeholders is important to the company (Calabrese et al., 2013). According to Evan and Freeman (1998), the corporation should be operated for the benefit of its stakeholders such as its customers, suppliers, owner, and employees in order to maintain the survival of the corporation. Werther and Chandler (2011) extended the categories of stakeholders by proposing that key stakeholders refers to anyone who has a stake in the corporation’s operations, including consumers, employees, suppliers, creditors, governmental authorities, communities and even the environment. More specifically, CSR represents different things to different stakeholders, but a widely held attitude is, “Findings from both marketplace polls to academic research suggest that key stakeholders such as consumers, employees and investors are increasingly likely to take
actions to reward good corporate citizens and punish bad ones” (Du et al., 2010, p. 8). As a result, it is important to internalize stakeholders’ perceptions and preferences about CSR, especially social and environmental concerns in order to induce companies to increase their profitability by investing in CSR programs and practices (Calabrese et al., 2013a).

Thus, one goal of this study is to provide a better understanding of key stakeholders’ perception of CSR in the context of competitive advantages of CSR to companies.

2.3.1 Consumers’ Perceptions of Corporate Social Responsibility

In research on the contingent effect of CSR on consumers, support for censorship in the CSR activities and programs have a significant influence on the consumer perceptions of companies and their products (Pirsch, Gupata, & Grau, 2007). There are numerous studies that showed CSR activities may induce consumer goodwill toward the organizations (Maignan, 2001), including industry surveys (e.g. Business Wire, 1997) and several academic inquiries (e.g. Luo & Bhattacharya, 2006). For example, Handelman and Arnold (1999) proposed that marketing actions with a social dimension would leverage the power of consumers to support organizations. They also pointed out the three typology of corporate social actions: commitment to the family, the community, and the nation. In addition, Luo and Bhattacharya (2006) stated that CSR has a positive impact on customer satisfaction, as well as leading to greater market value. Furthermore, Bhattacharya and Sen (2004) discovered that “consumers’ support of the CSR issues emerged as one of the key moderators of their reactions to a company’s CSR efforts; the more supportive consumers were of the CSR issues, the more positive the outcomes” (p.17). Their research also showed that consumers’ attitude are more positive when they perceive the company as a pioneer in its CSR policies and practices (Bhattacharya and Sen, 2004). Similarly, according to Trudel and Cotte’s (2009) experiments, some consumers are willing to pay a
premium for ethical product attributes up to certain extent and penalize unethical behavior through willingness to pay. Most specifically, Trudel and Cotte (2009) pointed out that “The negative effects of unethical behavior have a substantially greater impact on consumer willingness to pay than the positive effects of ethical behavior” (p. 67). As a result, these studies represent the views that CSR is an important criterion in consumer purchase decisions (Smith & Alexander, 2013).

To explore when and how CSR initiatives will generate consumer support, Todd Green and John Peloza (2011) conducted the interview research and found that “consumer categorization of CSR and their subsequent perception of value corresponds to three of the value drivers identified by Sheth et al. (1991), including emotional value, social value, and functional value” (p.50). Sheth et al. (1991) listed the details as follows:

“First is emotional value (i.e., the “warm glow”) that is received when a consumer makes a purchase with a social or environmental attribute. Second, social value can accrue from purchases from firms active in CSR since people make judgments about others based on the purchases they make (Yoon et al., 2006). The third source of value relevant to CSR is functional value – aspects of CSR that relate to the actual benefit the consumer receives from the product or service” (p.50).

Overall, CSR probably has become a common denominator among organizations. The fundamental point is that consumers prefer purchasing products from a company, which is actively engaging with a variety of CSR activities such as helping people or protecting the environment (Hult, 2011).
2.3.2 Stockholders’ Perceptions of Corporate Social Responsibility

According to Smith and Alexander (2013), when it comes to evaluating the success of CSR practices, stockholders are more concerned with the general results. While CSR programs are concerned with communicating with stockholder, Du et al. (2010) pointed out that companies should actively communicate the business impact of their CSR practices, which also included how these activities enhanced main business metrics such as customer equity, corporate governance, and risk management. Luo and Bhattacharya (2009) noted that CSR initiatives and strategic marketing could provide an insurance-like protection, which can result in greater levels of financial stockholder wealth.

2.3.3 Employees’ Perceptions of Corporate Social Responsibility

As Werther and Chandler (2010) noted, employees become one of the most important stakeholders group in any corporation. Moreover, if perceived employees as one of the important stakeholders, it is possible to determine that they are a central component of CSR programs because they are “not only as a group whose needs are to be addressed (such as diversity, fair management and pay) but also as players who can contribute to the company’s giving, and can take active part in its community involvement” (Haski-Leventhal, 2013, p.114). Therefore, creating a strong corporate culture that supports social responsibility is beneficial for managing human resource (Sharma, Sharma, & Devi, 2009).

There is now an increasingly more awareness of environmental and social issue expenditures, which is coupled with new opportunities for addressing the challenges corporations face. Martin described it as “executives who wish to make their organizations better corporate citizens face significant obstacles. If they undertake costly initiatives that their rivals don’t embrace, they risk eroding their competitive positions. And if they invite government review,
they may be hampered by costly regulations that impose onerous costs without generating meaningful societal benefits in return” (p. 5).

For example, Lee Raymond, Exxon’s CEO, delivered on the primary aim of Exxon’s efforts on generating the highest sustainable economic returns possible for shareholders and intentionally avoids budgeting for non-mandated environmental and social issue expenditures (The Economist, 2003). Lacy et al. (2010) thus echoed this view by noting that sustainability is becoming a top concern for CEOs and employees around the world. In addition, according to Lacy et al. (2010), eighty-one percent of CEOs expressed that they have incorporated sustainability issues into their company’s operations and strategies (Lacy et al., 2010).

Further, Albinger and Freeman (2000) found a positive relationship between corporate social performance and attractiveness for applicants who have multiple job choices, which indicated that CSR practices could attract potential employees. Greening and Turban (2000) echoed this view by pointing out that a job applicant’s perception of a corporation’s CSR initiatives helps companies boost their employer appeal as well. In addition, Millennials are more likely to be concerned about CSR efforts of companies when they are entering the job market (Smith & Alexander, 2013). Young people perceive CSR as important criteria when choosing an employer and a job (Kim & Park, 2011).

2.4 Importance of CSR to Energy Industry

According to BP annual report (2013), the huge population and economic growth are the main drivers of global energy demand. More specifically, the world’s population is expected to increase by 1.7 billion from 2012 to 2035. At the same time, energy security represents a challenge in its own right. More than 60% of the world’s known reserves of natural gas are in
just five countries, and more than 80% of global oil reserves are located in nine countries, most of which are distant from the hubs of energy consumption.

CSR has never been more prominent on the corporate agenda than it is today; its historical origins and the uncertainty about the societal obligations of business notwithstanding.

CSR has been one of the leading topics at recent World Economic Forum (WEF) meetings. A report from the WEF (2011-2012) observed that the three key pressures of “corporate competitiveness, corporate governance and corporate citizenship, and the linkages between them, will play a crucial role in shaping the agenda for business leaders in the coming decade” (Nazari, Parvizi, & Emami, 2012)

It is important to note here that the term CSR also refers to “the kinds of things companies do in their efforts to navigate these swirling currents of changing expectations, expectations that have never loomed larger in the daily lives of companies, including oil and gas companies” (Spence, 2011). With the popularity of CSR sector, the energy industry is seeing huge increases in the proportion of corporations engaging in CSR activities. For example, in the Gulf of Mexico restoration, BP rolled out the campaign under the title of “Our continuing commitment to the Gulf” (BP Sustainability Review 2011, 2011). Further, BP also stressed that “Engaging with local communities is a vital element of our work” (BP Sustainability Review 2011, 2011), which paints BP as a company that values the communities it works with.

“Continuing commitment and engagement” played an important role in the communication with stakeholders. “Restoring the environment” and “Restoring the economy” are the key components through the whole process of the event (BP Sustainability Review, 2013, p.10). These two key components also prove the importance of CSR and indicate that CSR goes beyond an abstract
idea to form tangible social influences in communicating one’s company values and enhancing an organization's social impact.

2.5 CSR Communication in Corporate Websites

According to Smith & Alexander (2013), one of the useful tools to gather in-depth information about a corporation is through its website. Their study of website headings suggests that the degree to which a person can easily navigate a company website can facilitate or impede the acquisition of information. Many existing studies have examined CSR communication on corporate websites in different countries (Maignan & Ralston, 2002; Chapple & Moon, 2005; Tang & Li, 2009; Smith & Alexander, 2013; Tang et al., 2014). In the context of previous research, it is worthwhile to investigate how leading energy companies conduct CSR communication with stakeholders through websites.
CHAPTER 3

METHODS

To address the research questions, I conducted a quantitative content analysis of corporations’ websites from the list of The 2013 Platts Top 250 Global Energy Company Rankings based on the ideas of identifying the major approaches to CSR presented by Top energy companies’ websites. This approach allowed for a quantitative assessment of websites for CSR practices and activities. The rationale was to include a broad range of specific industrial CSR activities and account for a significant portion of the energy companies in the world that feature prominently in the literature on CSR communication. The time of codebook construction was between October 20-November 12, 2014. Two coders conducted the coding of 49 websites that were downloaded on December 14, 2014 and the time of coding was between December 15-January 7, 2015.

3.1 Content Analysis

Web-based content analysis was the primary research technique used for this study to analyze the information on the websites. According to Holsti (1969), content analysis is a “technique for making inferences by objectively and systematically identifying specified characteristics of messages” (p.14). A more comprehensive definition of content analysis today comes from Neuendorf (2002): “Content analysis is a summarizing, quantitative analysis of messages that relies on the scientific method [...] and is not limited as to the types of variables that may be measured or the context in which the messages are created or presented” (p.10). Content analysis has been widely used in corporate social and environmental responsibility research (e.g. Chapple & Moon, 2005; Gray et al., 1995; Guthrie & Parker, 1989, 1990; Maignan & Ralston, 2002; Mathews, 1993; Tang & Li, 2009).
With regard to the content analysis process, this study focuses on the content of communications about corporate social responsibility of leading energy companies. In particular, the process focused on information seeking about CSR in the websites based on a thorough and objective investigation of corporate sites in energy industry.

3.2 Sample of Websites

3.2.1 Selection Process

To investigate a sample of companies from the energy industry, this study relied on the list of The 2013 Platts Top 250 Global Energy Company Rankings (Ross, 2013), which measures the companies’ financial performance using four key factors: asset worth, revenues, profits, and return on invested capital (Ross, 2013). According to the ranking, Exxon Mobil is the top company, followed by Chevron, Royal Dutch Shell, Gazprom and Statoil. Platts, a leading global provider of energy, petrochemicals and metals information, released the 2013 Platts Top 250 Global Energy Company Rankings during the Singapore International Energy Week, an annual series of events addressing pertinent energy issues (“Platts to Unveil,” 2013). This study used this list because it provides comprehensive information of the energy industry by analyzing the financial performance of publicly-held energy companies. In addition, it “recognized outstanding accomplishments of the top performing energy companies around the world,” which can therefore be used for this study (“Congratulations,” 2014). Carroll (2010) notes that CSR applies to corporations of any size, but the focus tends to be on large organizations because they are more often in the public eye and have more power in any specific industry. According to Platts’ list (2013), to be ranked in this list, companies must have assets greater than U.S. $4 billion and must be publicly listed (“Platts to Unveil,” 2013). The selection of the top corporations from this list for this study of CSR practices is obviously a key methodological decision. This study chose
this list for the purposes of investigating leading energy companies’ practices in CSR with emphasis on the key approaches in CSR, and exploring the relationship between stakeholders and corporations’ financial performance.

The list sorts the energy companies according to their overall financial performance and was generated based on data compiled and maintained by Standard & Poor’s Capital IQ, which, like Platts, is a part of McGraw Hill Financial (“Platts to Unveil,” 2013). The list includes the top 250 global energy companies in the world. From those 250, an initial list of the top 50 energy companies was used as a sample frame for this study. The English-language corporate websites of the top 50 companies were retrieved online and downloaded for analyzing. If a company’s website could not be found, or no English-language website could be located, then the company was excluded from the sample. Based on those criteria, OAO TNK-BP Holding was excluded from analysis, because no company website could be identified via Google searches, leaving a total research sample of 49 websites. The corporations chosen for analysis are listed in Appendix A.

Today, most of the websites are dynamic in nature, along with content that changes, ranging from monthly changes to hourly changes. To overcome this problem, each corporation’s homepage and related sections were downloaded on December 14, 2014, and stored on the university’s server. This way, a snapshot of each website was preserved, guaranteeing that the sample did not change during the period of analysis. The software, WebCatcher was downloaded and used in this study to capture the content from websites. As McMillan states, downloading the HTML of profiles and freezing them in time provides a sense of standardization and control of a text that is otherwise always in process (McMillan, 2000, p.93; Greenberg & MacAulay, 2009). Moreover, McMillan (2000) recognizes the importance of timing. He points out that content
analysis of web-based materials should specify the time frames because “for sites that change rapidly, exact timing may become important” (p.92). In the energy industry, a natural or man-made disaster may affect website content. By downloading all websites on the same date, a direct comparison is possible.

3.2.2 Unit of Analysis

The forty-nine corporations’ websites provided the initial sample frame for this study. This study focuses on corporate signature websites because “the unique feature of a corporate signature site is that it presents the identities that a corporation claims for itself as a unit or corporate entity” (Esrock & Leichty, 2000, p.329). Most importantly, as Esrock and Leichty (2000) stated, a corporate website becomes an iconic representation of the corporation. Therefore, these websites should be perceived as an intentional communicative act that represents an organization in its multiple facets to its multiple publics. In addition, Verboven (2011) stated, with the prevalence of CSR communication among corporations, it is important to investigate company websites since they are a mode of communication that companies use them to communicate and engage stakeholders (Smith & Alexander, 2013). Consequently, this study examines the websites of the top 49 energy companies, providing practical insights into how corporations should present information through their websites that contribute to the development of CSR communication.

This analysis was limited to the website pages that directly referred to CSR rationales, responsibilities and practices of the company either to society in general, or to a specific stakeholder group. Links to these relevant areas were searched for on the homepage, sections providing general company information (or ‘About Us’), and corporate social responsibility or sustainability section.
The unit of analysis was the combination of homepage, general company information and CSR or sustainability section of corporate websites, which were related to CSR activities or practices. According to Nielsen (2013), “Corporate homepages are the most valuable real estate in the world. [...] A homepage has two main goals: to give users information, and to provide top-level navigation to additional information inside the site (Corporate homepages, para. 1; Homepage main goals, para. 13). In addition, homepages are widely selected for website analysis for the reason that users tend to make judgments and form opinions about website quality and functionality based on initial impressions (Ha & James, 1998). In line with common practice in CSR communication through sites, I treated the homepage as the main locus for observing prevalent practices of CSR. Hence, on the selected websites, all websites starting on the homepages, plus all those relevant sections to CSR that are listed on the front page were included in the analysis.

3.3 Coding Criteria

The websites were analyzed using a content analysis assessment tool adopted from Tang and Li (2009), whose study examined 66 Chinese and global companies’ corporate websites for CSR communication. In addition, the final codebook was constructed based on the conceptual framework presented by Carrol (1979) and the codebook used by Maignan and Ralston (2002). The general coding scheme employed was based on the conceptualization of CSR rationales, including economic, legal, ethical and discretionary rationalities discussed by Carrol (1999).

Specifically, the items used for the study were categorized into three distinctive approaches to CSR according to Tang and Li’s (2009) study: CSR as ad hoc philanthropy, CSR as strategic philanthropy, and CSR as ethical business practice. To identify the three key approaches to CSR, Tang and Li used principal component factor analysis, which yielded the
three interpretable factors (Tang & Li, 2009). Thus, the coding scheme employed for this study was based on the three approaches of CSR introduced by Tang and Li. An overview of this study’s coding is presented in Table 1.

Table 1 *Overview of Codebook Items*

<table>
<thead>
<tr>
<th>Type of Approaches</th>
<th>Items / Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad hoc public philanthropy</td>
<td>1. Discretionary responsibility</td>
</tr>
<tr>
<td></td>
<td>2. Education</td>
</tr>
<tr>
<td></td>
<td>3. Sports</td>
</tr>
<tr>
<td></td>
<td>4. Arts &amp; culture</td>
</tr>
<tr>
<td></td>
<td>5. Disaster relief</td>
</tr>
<tr>
<td></td>
<td>6. Health and disability</td>
</tr>
<tr>
<td></td>
<td>7. Sponsorship</td>
</tr>
<tr>
<td></td>
<td>8. Volunteerism</td>
</tr>
<tr>
<td>Ethical business conduct</td>
<td>9. Ethical rationality</td>
</tr>
<tr>
<td></td>
<td>10. Legal rationality</td>
</tr>
<tr>
<td></td>
<td>11. Economic rationality</td>
</tr>
<tr>
<td></td>
<td>12. Product quality</td>
</tr>
<tr>
<td></td>
<td>13. Product safety</td>
</tr>
<tr>
<td></td>
<td>14. Health and safety</td>
</tr>
<tr>
<td></td>
<td>15. Employee welfare</td>
</tr>
<tr>
<td></td>
<td>16. Employee development</td>
</tr>
<tr>
<td></td>
<td>17. Equal opportunity</td>
</tr>
</tbody>
</table>
Table 1 (continued)

<table>
<thead>
<tr>
<th>Type of Approaches</th>
<th>Items / Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>18. CSR to suppliers</td>
<td></td>
</tr>
<tr>
<td>19. CSR to shareholders</td>
<td></td>
</tr>
<tr>
<td>20. CSR report</td>
<td></td>
</tr>
<tr>
<td>Strategic public philanthropy</td>
<td>21. Environment conservation</td>
</tr>
<tr>
<td></td>
<td>22. Partnership (with government, NGO, universities)</td>
</tr>
<tr>
<td></td>
<td>23. Award</td>
</tr>
</tbody>
</table>

CSR as ad hoc philanthropy is based on the concept of discretionary rationality, including eight items covering discretionary responsibility, education, sports, art and culture, disaster relief, health and disability, sponsorship, and volunteerism. Several changes were made to Tang and Li’s instrument for the study at hand. First, three related education items kept separate by Tang and Li were integrated into one item named ‘Education’ because of the similarities of the items. Second, Tang and Li’s “senior” item was deleted because of the low factor loading (0.397) in their factor analysis. Third, ‘The timing: Emergence event’ item was deleted from ad hoc public philanthropy category for this study because it was coded in other items such as “disaster relief” and “discretionary responsibility”. Finally, the “Donation” item was also deleted from the codebook because it would cause duplicate content issues as coded by Tang and Li. For example, the item “discretionary responsibility” includes making philanthropic contributions especially donations.

For the second key approach, Tang and Li (2009) note, “CSR as ethical business practice is based on economic, legal and ethical rationalities” (p.208). It has been conceptualized as
“ethical business operations, fair treatment of employees, and ethical relationship with suppliers and shareholders” (Tang & Li, 2009, p. 208). CSR practices as ethical business approaches were coded into several items, including ethical rationality, legal rationality, economic rationality, product quality, product safety, health and safety (toward employees), employee welfare, employee development, equal opportunity, CSR to suppliers, CSR to shareholders, and CSR report.

Measuring CSR via the third key approach requires coding multiple items with emphasis on community involvement (Tang & Li, 2009) to view companies’ practices in CSR in certain ways. According to Chapple and Moon (2005), “community involvement refers to the traditional assumption about CSR that it is removed from the main business activity and is outside the firm” (p. 425). In addition, Tang and Li (2009, p. 208) point out, “the themes of CSR as strategic philanthropy are often related to the core operations and competences of companies.” Tang and Li (2009) have included long-term practices in the strategic philanthropy approach, such as establishing partnerships with governments, NGOs and universities, and establishing awards or grants on an on-going basis because of such programs’ influence on community involvement. Consequently, based on the studies conducted by Chapple and Moon (2005) and Tang and Li (2009), CSR as strategic philanthropy included the following items for the study at hand: environment conservation, partnership (with governments, NGOs, and universities), and award. The coding book and coding form are attached in Appendix B.

### 3.4 Coding

The CSR activities from the websites were reviewed and coded by two people, contributing to the validity of this method and analysis. A graduate student from the School of Communication at FSU was recruited as second coder. The student received an overview of the
project and training in using the codebook. Moreover, the student coded independently and without consulting the researcher during the coding process. Overall, there was general agreement between the researcher and second coder. The two coders coded all of the corporations’ websites in the sample. In addition, each item in the codebook was coded as “yes” or “no”.

For the purpose of assessing the reliability of coding, ten percent of the sample (five websites) were randomly selected and coded first for the inter-coder reliability test. The Inter-coder reliability was calculated using Krippendorff’s alpha. In coding modes, the other coder was trained for 2 days at first. The time frame during which the second coder and the author conducted the coding of ten percent samples was on December 15, 2014. During the first coding process, initial coding for 9 of the items achieved Krippendorff’s alpha of 1. In contrast, other items had reliability below .70 (The scores were .0.57 for 4 items, 0.25 for 1 item, and 0 for 8 items). Therefore, the two coders checked their results case by case and reviewed discrepancies in order to resolve the differences. We clarified the operationalization and then coded the websites of another three leading energy corporations and achieved a Krippendorff’s alpha of 1. The codebook (see Appendix B) was updated and revised based on the coder training and inter-coder reliabilities, in order to represent clear and accurate operational definitions and to ensure categories are mutually exclusive and there is no overlap. The inter-coder and final coding reliabilities are showed in the Table 2 below.

<table>
<thead>
<tr>
<th>Items</th>
<th>Initial Reliability</th>
<th></th>
<th>Final Reliability</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% Agreement</td>
<td>α</td>
<td>% Agreement</td>
<td>α</td>
</tr>
<tr>
<td>Sports</td>
<td>80</td>
<td>0.57</td>
<td>100</td>
<td>1</td>
</tr>
</tbody>
</table>
Table 2 (continued)

<table>
<thead>
<tr>
<th>Items</th>
<th>Initial Reliability</th>
<th></th>
<th>Final Reliability</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% Agreement</td>
<td>α</td>
<td>% Agreement</td>
<td>α</td>
</tr>
<tr>
<td>Disaster relief</td>
<td>60</td>
<td>0.25</td>
<td>100</td>
<td>1</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>60</td>
<td>-0.125</td>
<td>100</td>
<td>1</td>
</tr>
<tr>
<td>Volunteerism</td>
<td>80</td>
<td>0</td>
<td>100</td>
<td>1</td>
</tr>
<tr>
<td>Ethical rationality</td>
<td>80</td>
<td>0</td>
<td>100</td>
<td>1</td>
</tr>
<tr>
<td>Legal rationality</td>
<td>80</td>
<td>0</td>
<td>100</td>
<td>1</td>
</tr>
<tr>
<td>Economic rationality</td>
<td>80</td>
<td>0.57</td>
<td>100</td>
<td>1</td>
</tr>
<tr>
<td>Product quality</td>
<td>80</td>
<td>0</td>
<td>100</td>
<td>1</td>
</tr>
<tr>
<td>Product safety</td>
<td>80</td>
<td>0</td>
<td>100</td>
<td>1</td>
</tr>
<tr>
<td>Employee welfare</td>
<td>80</td>
<td>0.57</td>
<td>100</td>
<td>1</td>
</tr>
<tr>
<td>Employee development</td>
<td>80</td>
<td>0</td>
<td>100</td>
<td>1</td>
</tr>
<tr>
<td>Equal opportunity</td>
<td>80</td>
<td>0</td>
<td>100</td>
<td>1</td>
</tr>
<tr>
<td>CSR to shareholders</td>
<td>80</td>
<td>0</td>
<td>100</td>
<td>1</td>
</tr>
<tr>
<td>Award</td>
<td>80</td>
<td>0.57</td>
<td>100</td>
<td>1</td>
</tr>
</tbody>
</table>

Note. α = Krippendorff's alpha

Finally, as shown in Table 2, the inter-coder reliability for measuring CSR based on the three key approaches reached a perfect Krippendorff's alpha, which is 1. It means the two coders got exactly the same coding results for the 49 sample sites. After the second round of reliability test, the other coder and the author conducted the coding of 41 websites that were download on December 14, 2014 and the time of coding was between December 22-Janurany 7, 2015.

3.5 Data Analysis

RQ1 asked how the three approaches to CSR manifest in the top global energy companies’ websites. Descriptive analysis provides basic information about the items coded for
RQ1. In addition, qualitative data provides more detailed descriptive information about the details of CSR activities manifested on corporations’ websites.

Based on the results of RQ1, RQ2 explores the CSR communication differences of the three approaches among the top global energy companies’ websites. In order to evaluate whether the observed differences could exist among three approaches in their websites, the number of items in the codebook mentioned by corporations considered was first compared across the three types of approaches, specifically the examples of the three approaches from the websites present in this study.

RQ3 investigated whether there is a relationship between the information of websites that addresses stakeholder relations and the company’s financial performance (ROIC) of the top global energy companies. A Pearson correlation analysis was conducted to identify the relationship between financial performances and stakeholder relationships. Financial performance was operationally defined as return on invested capital, which is commonly used by other scholars (Chang, 2003; Theodorou & Florou, 2005). Berman’s classification of stakeholder issues was used as an initial guide to code the stakeholder relations discussed in websites. Table 3 represents the four key aspects of stakeholder relations.

Table 3 Four Key Aspects of Stakeholder Relations

<table>
<thead>
<tr>
<th>Approaches</th>
<th>Major Stakeholder Relations</th>
<th>Items / Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical business</td>
<td>1. Employees</td>
<td>Employee health and safety</td>
</tr>
<tr>
<td>conduct</td>
<td></td>
<td>Employee welfare</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employee development</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employee equal opportunity</td>
</tr>
<tr>
<td></td>
<td>2. Product safety/quality</td>
<td>Product safety</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Product quality</td>
</tr>
</tbody>
</table>
Table 3 (continued)

<table>
<thead>
<tr>
<th>Approaches</th>
<th>Major Stakeholder Relations</th>
<th>Items / Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic public philanthropy</td>
<td>3. Natural environment</td>
<td>Environment conservation</td>
</tr>
<tr>
<td>Ad hoc public philanthropy</td>
<td>4. Community</td>
<td>Education</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sports</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Art and culture</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Disaster relief</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Health and disability</td>
</tr>
</tbody>
</table>

Note. This table is an integrating framework based on Berman’s classification of stakeholder relations and Tang and Li’s study.

To answer the third research question, it was necessary to establish four key major stakeholder relationships and capture the strategic orientation of leading energy corporations. The previous literature provide several theoretical reasons to expect that stakeholder relations may affect corporation financial performance.

For testing RQ3, all relevant stakeholder relationship items were entered into SPSS simultaneously, and categorized into four items. The research question will be answered if variables from both groups are significantly related to the corporations’ financial performance.

Overall, this study used quantitative data from content analysis to address research questions, but also relied on qualitative assessment of CSR issues discussed in the websites to provide more details about the results.
CHAPTER 4

RESULTS

RQ1: How are the three approaches to CSR manifested in top global energy companies through their websites?

As Figure 1 indicates, energy corporations identified all three types of approaches to CSR on their websites with different frequencies. Employee development, CSR to shareholders, and environment conservation are the issues that are by far most mentioned by the Top 49 energy corporations (n=47, 95.9%). However, only 11 of 49 (22.4%) energy corporations discussed awards on their websites. Even though 21 corporations mentioned disaster relief activities (42.9% of those discussing their CSR efforts on disaster relief), they did not represent such overwhelming dedication to this activity.

Figure 1 Total Numbers for Each Item in Leading Energy Corporations’ Websites
Note. The total possible number of each item is 49.
Furthermore, Figure 1 shows the statistical characteristics of the 23 items across the three approaches to CSR manifested on companies’ websites. First, in the ad hoc public philanthropy approach, corporations engaged in the following items of the ad hoc public philanthropy approach with descending frequencies: education (n=46, 93.9%), discretionary responsibility (n=43, 87.8%), sponsorship (n=38, 77.6%), health and disability (n=37, 75.5%), volunteerism (n=33, 67.3%), arts and culture (n=32, 65.3%), sports (n=31, 63.3%), disaster relief (n=21, 42.9%). Energy businesses tended to pay most attention to the practices that were linked to the contributions to social welfare such as education, sponsorship, health and disability. In contrast, less than half of the energy corporations paid attention to disaster relief.

Second, energy corporations displayed a more balanced concern for different issues in the approach of ethical business conduct: they often mentioned employee development (n=47, 95.9%), CSR to shareholders (n=47, 95.9%), heath and safety (n=46, 93.9%), legal rationality (n=45, 91.8%), along with ethical rationality (n=44, 89.8%), product quality (n=41, 83.7%), CSR report (n=42, 85.7%), product safety (n=40, 81.6%), employee welfare (n=40, 81.6%), CSR to suppliers (n=39, 79.6%), equal opportunity (37, 75.5%), and economic rationality (36, 73.5%).

Third, as shown in Figure 1, the frequencies observed varied greatly among the issues categorized into the strategic public philanthropy approach. For example, while environment conservation was the most mentioned in the leading energy corporations’ websites (n=47, 95.9%), partnerships with governments, NGOs, and universities also received substantial attention (n=40, 81.6%). However, only 11 out of 49 corporations (22.4%) discussed award as part of the strategic public philanthropy approach in their websites.

We continue to investigate the research question of the manifestation of the three approaches to CSR among energy corporations by analyzing qualitative results. First, in the
ethical business conduct approach, the qualitative results show that most of the corporations are concerned about their employees with emphasis on their career goals and professional development. For example, ExxonMobil mentioned that they spent $96 million on training employees in 2013, achieving more than 87,000 non-unique training participants (“Our workforce,” n.d., para. 3), China Petroleum & Chemical Corp describes its continual commitment to supporting employee development. For example, the corporation spends 2.5% of the total wages on employees’ training every year with emphasis on on-the-job training (“Care for employees,” n.d., para. 10 & 11).

Leading energy corporations also tended to introduce “CSR to shareholders” as an important topic when they employ the ethical business conduct approach. Exemplars had the highest degree of uniformity in shareholder’s engagement. They engage with shareholders by communicating timely with them and actively involving them in corporate governance. A good example drawn from our sample is BP. BP expresses its dedication to shareholders through annual general meetings, roadshows, webcasts and one-to-one meetings. “In 2013, BP discussed the engagement with shareholders in multiple aspects, including a presentation on BP Energy Outlook, an upstream exploration day and briefings on oil sands and progress against safety enhancements recommended in the Bly Report” (“Our stakeholders,” n.d., para. 5).

The statistical number in Figure 1 made apparent that most of the corporations (47 corporations, 95.9%) chose “Environment conservation” as the most important issue to stress their commitment to CSR within the strategic public philanthropy approach. Leading energy corporations demonstrate their concerns toward the preservation of the natural environment via different projects and activities. The majority of corporations are involved in multiple environmental protection programs including pollution control, land protection, water protection,
atmosphere protection, and others. Although 47 out of 49 corporations demonstrate their commitment toward environment conservation, levels and format of information dissemination are inconsistent in certain areas. Corporations discuss their concerns through multiple formats such as posting photos, case studies, and statistical data.

Leading energy corporations most frequently use pictures to communicate environment conservation activities with the public through their websites. Gazprom is one organization that comes to mind: Not only does it discuss environmental protection in its websites, but also it provides information-rich, virtualized diagrams, and photo-realistic images to represent the distribution of Gazprom’s main funds for different environmental protection programs. Figure 2, 3, and 4 provided pictorial representations drawn from the Gazprom’ website.

![Diagram of Gazprom's Environmental Protection](image)

*Figure 2 Screen Capture of Gazprom’s Website - The Percentage of Gazprom’s Funds Allocated for Environmental Programs in 2013*
We now turn to investigate the specific issues / topics of which environmental protection activities are presented. In many cases, “air emissions reductions / greenhouse gas emissions” is
one of the most popular issues that receives substantial attention among those corporations. A corporation like Occidental Petroleum demonstrates its commitment to air emission by mentioning “controlling GHG emissions by promoting the viability of carbon dioxide (CO2) sequestration in oil and gas reservoirs” (“Carbon Dioxide Sequestration,” n.d., para 1). More specifically, in 2013, Occidental Petroleum “operated more than two dozen active CO2 flood projects, injecting more than 650 billion cubic feet of CO2 per year, or over 34 million metric tons” (“Carbon Dioxide Sequestration,” n.d., para 2). ExxonMobil also engages in activities for reducing air emissions. It operates enhanced programs through a “SMART LDAR” camera that can help ExxonMobil detect leaks and other fugitive emissions sources (“Air emissions reductions,” n.d., para 2).

Our analysis also shows that energy corporations state their environmental conservation concerns by mentioning new technologies in environmental performance. The Gazprom Group is a good example of energy corporations that discuss different programs that are applying innovative technologies to remove hydrocarbons and bio-technologies for soil reclamation in order to protect the natural resources ("Environmental protection," n.d., para. 8).

In addition, as shown in Figure 7, to address the efforts of the environmental conservation activities especially in air emissions reduction, a variety of the leading corporations use quantitative data to convey information in a visual form on their websites to support a corresponding initiative in managing greenhouse gas emissions. The tables, charts, and figures are widely used in their website to visually communicate with stakeholders. BP and ExxonMobil are good examples of corporations that provided ancillary statistical data support.
Figure 7 Screen Capture of BP’s Website - Table of BP GHG Emissions
Note. Figure 7 was captured from http://www.bp.com/en/global/corporate/sustainability/environment/greenhouse-gas-emissions.html

Figure 8 Screen Capture of ExxonMobil’s Website - Greenhouse Gas Reductions
Note. Figure 8 was captured from http://corporate.exxonmobil.com/en/current-issues/climate-policy/emissions-reduction/overview
The low scores of communication regarding awards were notable. At the time of research, only 11 leading energy corporations discuss awards on their websites, suggesting that only a few of the corporations present awards to different groups as a part of their CSR practices. In addition, disaster relief was lower than other activities related to the ad hoc philanthropy approach. This has implications for demonstrating how energy corporations may stress other philanthropy topics over disaster relief when leading energy corporations engage in CSR practices. How do corporations engage in philanthropy activities, especially the issues linked to the welfare of the community? In fact, all of the corporations exhibit high frequencies in discussing ad hoc public philanthropy topics including education, health and disability, arts and culture, and sports. Conversely, disaster relief is below average in their frequencies compared with other topics. Regarding disaster relief, a good example is the Shell Group Corporation. Shell highlights disaster relief by providing many examples in their websites. For example, when Typhoon Haiyan struck the Philippines in 2013, the Shell Group donated $2.5 million to assist in relief and rehabilitation efforts. Moreover, as shown in Figure 9, the shell staff also were involved in disaster relief activities such as repacking emergency provisions for affected communities ("Disaster relief," n.d., para. 3).

Figure 9 Screen Capture of Shell’s Website - Shell Staff Involved in Disaster Relief
Note. Figure 9 was captured from http://www.shell.com/global/environment-society/society/social-investment/disaster-relief.html
Another example of disaster relief was the China Petroleum & Chemical Corporation regarding earthquakes. Their websites mention, “We donated RMB 308 million and supplied 7.823 billion cubic meters of gas to the disaster-hit area. We fulfilled our commitment with action, bring warmth to tens of thousands of Sichuan people, and contribute a lot for the reconstruction and local economic growth” ("Reward the Society," n.d., para. 13).

Overall, in response to RQ1, the top 49 energy corporations are likely to communicate CSR activities on their websites by emphasizing different issues related to the three different approaches. In order to build a good image of socially responsible corporations, the leading energy corporations have a tendency to cover all the important issues linked to the welfare of society, ethical business practice, and community involvement.

**RQ2: Does CSR communication differ on the three approaches among top global energy companies’ websites?**

In answering RQ2, the analysis showed that the amount of items mentioned in the ad hoc public philanthropy approach was 281 (total possible number for items of 49 websites in this approach was 392; 72%). The number of websites that discussed strategic public philanthropy approach was 98 (total possible number is 147; 67%), and the number of any items mentioned in ethical business conduct approach was 504 (total possible number for items of 49 websites is 588; 86%), showing the highest proportion among the three approaches. Overall, leading energy corporations were more likely to discuss any items with respect to the ethical business conduct approach than the other two approaches. The statistical results suggested that, contrary to what is implied in RQ2, the three approaches to CSR did not receive the same level of attention among 49 leading corporations’ websites. In other words, compared to the ethical business conduct approach, leading energy corporations generally expressed less concern for the ad hoc public
philanthropy and strategic public philanthropy approaches. Statistically, all except three of the issues that related to the ethical business conduct approach were above 40 in their frequencies (N=49). This is notable because these issues have been shown to relate to different aspects of ethical business practice including their ethical business operations, relationships with employees, suppliers and shareholders.

To assess what to make of these differences and answer the research question, this study took a more detailed look at which items are primarily covered in all the websites. As Figure 1 illustrates, the columns proved to cover a wide array of topics in the ethical business conduct approach. Surprisingly, as energy corporations have traditionally more often covered issues related to economic rationality especially profit, employee development and CSR to shareholders are the most popular issues covered in these columns (95.9%), particularly in the ethical business conduct approach. In addition, other popular issues included employee health and safety (93.9%) and legal rationality (91.8%). Most of the leading companies paid attention to the employee health and safety issues through a variety of programs and services that help employees live healthier lives. For example, leading energy corporations such as ExxonMobil and Chevron emphasized the broader impacts arising from infective diseases in the workplace, and they supported the programs for the prevention of infective diseases such as HIV/AIDS. In addition, they advocate for employee safety and focus on a safety-oriented corporate culture on campaigning. A good example is the Sinopec Corporation. Sinopec launched the “I Safe” campaign calling on employees to attend training sessions and encouraged them to find weak links, expressing an initiative intended to increase staff's safety awareness (“Safe and Stable Operation,” n.d., para 5 & 6).
The second noteworthy issue discussed in the ethical business conduct approach involved exemplars that emphasized their responsibility of business as placing a premium on following legal requirements. A significant percentage (91.8%) of the websites stressed legal rationality in their websites, through adhering to international and domestic laws and regulations. Copetrol is a good example in respecting human rights: it aligned its practices with the international benchmarks and standards: ISO 26000. It also rejected any abuse or violation of Human Rights and International Humanitarian Law (IHL). According to China Shenhua corporation, “it has actively implemented the relevant laws and regulations, including the “Labor Law of the People’s Republic of China” and the “Labor Contract Law of the People’s Republic of China”, which strictly regulated the employment, human resources management and remuneration management” (“Employee’s Interests-Employment Relationship,” n.d., para 2). In addition, energy saving and environmental protection were frequently mentioned when leading energy corporations communicated legal messages with stakeholders. For example, Gazprom expressed its commitment to legal responsibility in the following statement: “Gazprom’s energy saving and environmental actions are carried out in compliance with the Russian legislation in force and the corporate documents: Energy Saving Concept and Programs” (“Energy saving concepts and programs,” n.d., para 1). It also complied with all standards established by the Russian Federation legislation and international legal acts related to environmental protection (“Environmental Policy,” n.d. para 1).

RQ3: Is there a relationship between the information on websites that addresses stakeholder relations and company financial performance (ROIC) for the top global energy companies?
As indicated in Table 4, there is no statistically significant correlation between the information on websites that addresses stakeholder relations and company financial performance (ROIC) among the top global energy companies. However, it is surprising that all four items—employees, product safety/quality, natural environment, and community—failed to have statistically significant associations with financial performances \((p > .05)\). Statistically, this study found no evidence supporting the previous studies’ arguments that energy corporations addressing stakeholder concerns will have a significant impact on their financial performance. However, the lack of significant association for this study can be attributed to several factors and is actually in line with some of the results of prior research on stakeholder relations and company financial performance.

### Table 4. Pearson Correlation Coefficients between Variables of Stakeholder Relationships and Financial Performance (ROIC).

<table>
<thead>
<tr>
<th>Variables of Stakeholder Relationships</th>
<th>ROIC</th>
<th>Significance</th>
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<tr>
<td>Employees</td>
<td>-.062</td>
<td>.677</td>
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<tr>
<td>Product safety/quality</td>
<td>.042</td>
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<td>Natural environment</td>
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<td>.548</td>
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<tr>
<td>Community</td>
<td>.023</td>
<td>.874</td>
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</table>

Note. Correlation is significant at the .05 level (two-tailed).

A power analysis was performed for checking the statistical power of this study, based on data from this study \((N=49)\). The effect sizes (ES) in this study were all below .1 \((-0.062; 0.042; 0.088; 0.023\) and considered to be extremely small using Cohen’s (1988) criteria. With an alpha = .05 and sample size = 49, the statistical power with this effect size is approximately 11% (power = 0.11) for this study, which is a limitation of this study.
CHAPTER 5

DISCUSSION AND CONCLUSIONS

5.1 Discussion

Corporate social responsibility is one of the pervasive topics in the energy industry. Based on the content analysis, the study results clearly show that energy corporations have special perspectives on: (1) how to communicate CSR activities as three distinctive approaches on their websites; (2) which approach is more important to stress; and (3) whether the stakeholder relationships can directly affect financial performance.

RQ1 sought to explore the manifestation of three different approaches for incorporating CSR in top energy corporations’ websites. As Figure 1 indicated, one thing that does emerge clearly from this result is the strong social commitment of leading energy corporations to employees, shareholders, and the natural environment. The top three issues that were most mentioned in leading energy corporations’ websites suggested that energy corporations were eager to communicate CSR messages with their primary stakeholders including shareholders and employees. These findings complement, in important ways, a stakeholder theory by Clarkson (1995). Findings showed that the leading energy corporations created sufficient value and satisfaction to stakeholder groups. First, given the important role shareholders historically play in businesses, it is logical that energy corporations employed shareholder interests first and actively engaged with them. It is consistent with one of the important responsibilities of business to comply with the desires of shareholders. This focus reflects the view of CSR in the energy industry where businesses have been traditionally viewed as the maximization of profits to the shareholders (Friedman, 1970). In addition, this emphasis was and remains consistent with
stakeholder theory, which stresses the importance of shareholders as a part of the corporation’s stakeholder system (Clarkson, 1995). The example of BP reflects their abilities in creating sufficient satisfaction for shareholders, which leads to continuous successes.

In contrast, leading energy corporations are focused less on the economic rationality (n=36, 73.5%). This emphasis is unique because it is not associated with the traditional view of CSR in which corporations have traditionally been viewed as economic entities. However, this study found that leading energy corporations tended to emphasize other themes such as legal rationality (n=45, 91.8%), ethical rationality (n=44, 89.8%), and discretionary responsibility (n=43, 87.8%).

Therefore, the top 49 leading energy corporations integrated the traditional focus on responsibilities linked to economic performance, but they also reflected the role of corporations as a system of stakeholders operating that emerged in recent years.

Employee issues were most commonly discussed by leading energy corporations on their websites. In addition, the different frequencies of employee issues can also be linked to different perceptions of retaining employee relationships in CSR communication. Interestingly, employees’ development was considered to be the most important responsibility regarding employees (n=47, 95.9%). It was discussed 20% more than the fourth kind of responsibility towards employees: equal opportunity (n=37, 75.5%). The examples of ExxonMobil and China Petroleum & Chemical Corp demonstrate their contribution to employees’ professional development through on-the-job training. The overwhelming number of programs about employee training mentioned in leading energy corporations’ websites made employee development a salient topic in the energy industry. Most importantly, another unique aspect of the findings is that most of the energy corporations provided technical training programs. For
example, China Petroleum & Chemical Corp established technician workshops and technological innovation teams (“Care for employees,” n.d., para 11); ExxonMobil provides a robust corporate and technical training program to employees (“Our workforce,” n.d., para. 3); BP provides “early development of both technical and professional skills, along with practical experience working on live projects and formal learning” (“Learning and development”, n.d., para 7). For the energy industry, these corporations tended to emphasize employees’ development, and especially technical training. This likely is a result of the cutting edge technology development in the energy industry. This issue provided discussion points for energy corporations to use in their CSR strategies especially when they considered employee relations. In addition, the majority of leading energy corporations engaged in the discussion of three other employee issues: employee health and safety (93.9%), employee welfare (n=40, 81.6%), and equal opportunity (n=37, 75.5%).

Employee health and safety have been other important issues in the energy industry because of the high rate and severity of vehicle-related accidents in the energy industry (Goldberg, 2014). This study found that energy corporations were taking an active role in protecting employee health and safety. Many leading energy corporations provided health guidance for operating machines, and offered programs for infectious disease control such as HIV/AIDS. Furthermore, a variety of benefits / welfare programs were also designed to attract and retain employees, including social insurance programs and benefits coverage for spouses. Equal opportunity is another topic that more than the majority of energy corporations addressed on their websites. Therefore, if energy corporations provided a large amount of information that addressed employees on their websites, they could potentially increase the salience of employee
as an important theme among the public. This phenomenon might be an indicator for other energy corporations to communicate with their stakeholders through websites.

It is not surprising to find that the third most frequently mentioned item was environmental conservation in the strategic public philanthropy approach. Environmental protection practices are prevalent across the leading energy corporations’ websites, as evidenced by the fact that 95.9% of the corporations have discussed how they engage in environmental preservation activities. As indicated by Jose and Lee (2007), corporations in environmentally sensitive industries, industries such as Oil & Gas, tend to disclose more environmental performance information than corporations in less sensitive industries. In recent years, we have witnessed an increasing number of environmental crises in the energy industry including the Deepwater Horizon oil spill and Thailand's Koh Samet beach oil spill, which dramatically threatened the environment. More specifically, as discussed in the introduction to this study, the exploration and transport of energy sources caused some of the severe environmental disasters. As Spence (2011) indicated, for those companies, the task of behaving "responsibly" is further complicated by the multiplicity of environments - technical, legal, political, cultural, ethical - in which they operate. Therefore, it is worthwhile to investigate the popular topics in the disclosure of environmental conservation.

The overwhelming amount of information that addressed environmental conservation issues in leading energy corporations’ websites made environmental protection a salient issue in the websites’ discourse of CSR. In addition, the analysis of the specific issues of environmental conservation suggested that specific environmental concerns are linked to industry specific issues. For example, leading corporations from the energy industry are more likely to disseminate environmental information related to air emission reductions / greenhouse gas
emissions and new technologies. This might be explained by the fact that some of the energy corporations are more likely to emit some air pollutants. As a result, the leading energy corporations often discuss air emission reductions strategies and practices on their websites so as to reduce the public concern about air pollution. In addition, making use of new technology and innovative approaches constitute a large percentage of the environmental conservation activities. The fact that new technology is a popular topic frequently discussed in energy corporations’ websites might increase both public awareness of the topic and understanding of their efforts in the CSR practices.

Another prominent form of disclosure of environmental conservation activities tends to communicate with stakeholders via visualized information on the websites. Qualitative results shed light on the study of disclosure forms of corporate environmental performance information on the websites. As mentioned earlier, information is being disseminated in different levels and formats. A variety of realistic images and virtualized diagrams are used to present information on the websites. It is likely that visualized information is widely adopted by corporations to demonstrate their practices on environmental conservation because it is an accessible way to communicate with their stakeholders.

It is encouraging to find out that energy corporations are engaging in a variety of community stakeholder issues such as education, sports, art and culture, disaster relief, health and disability, and disaster relief. However, the frequencies that these topics were observed varied from 42.9% to 93.9%. Results show that only 42.9% of the corporations have disclosed how they provide immediate disaster relief to local communities. A factor explaining these results may be the nature of the community issues considered by the energy corporations analyzed in this study. This is likely because disaster relief is often event-based and lack of
predictability cannot be directly linked to long-term community activity agendas. This implies those energy corporations’ efforts to assist in disaster relief for communities need to be put into long-term agendas.

RQ2 sought to identify the differences of three distinctive approaches among the top global energy corporations’ websites. Given the data presented here, it seems likely that energy corporations are much more likely to discuss CSR as ethical business conduct practice. The prominence of an ethical business conduct approach in websites is not surprising once one understands some of the important themes in this approach. CSR as ethical business practice is based on Carroll’s theoretical framework of a three-domain approach of CSR (economic, legal and ethical responsibilities). The importance of an ethical business conduct approach could be said to be a key thread that summarizes leading energy corporations’ initiatives toward CSR: an awareness of stakeholder issues linked to productive processes and customers including product quality and safety; ethical concerns of the employees’ relationships; and the responsibilities towards shareholders and suppliers. As a result, while the leading energy corporations’ discourses appear to be discussing different topics regarding CSR, they ultimately share some similar perspectives about stakeholders. In the primary stakeholder group, the energy corporations focus much of their attention on shareholders, employees, customers, and suppliers.

RQ3 sought to investigate the relationship between information on the websites that emphasized stakeholder relations and financial performance among leading energy corporations. This study did not find a correlation for the two variables. A possible explanation could be that the top 49 energy corporations have adopted a much more positive images of businesses and have achieved a high standard of financial performance. It is likely that there is little variation among their web-based CSR information, especially stakeholders’ information. Given the extent
that stakeholder issues had been discussed on the websites, perhaps the stakeholder information creates little or no impact on financial performance. In addition, the lack of significance of stakeholder relations’ variables in this study could perhaps be explained by the convenience sample drawn from the list of the top 250 Global Energy Company rankings. Since the sample selected only represents the leading corporations in the energy industry, it is possible the corporations used in the study do view CSR communication, especially the stakeholder relations, as an essential part of their overall communication strategies. As Carroll and Shabana (2010) note, there have been burgeoning parallel interests in CSR in the European Union and around the world. We have witnessed that both academia and industries have embraced the CSR concept for a long time. This research suggests that stakeholder communication in CSR has been ingrained in leading energy corporations’ norms and values.

Moreover, the findings from this analysis add to and update the existing research on the correlation between CSR and financial performance. Given the results presented here, however, in the modern business world, it is unlikely that stakeholder relationships will always have an impact on corporations’ financial performance. Further, if we consider other factors not included in this study, we may expect a correlation between stakeholder relationships and financial performance. Other factors explaining our results may be the economic status and culture. It is possible that corporations from different countries are based in diverse cultures and have different economic development statuses. As a result, they hold substantially different opinions on the content of CSR communications in stakeholder relationships. As Maignan and Ralston (2002) indicate, companies in different countries identify a variety of principles, processes, and stakeholder issues so as to demonstrate their commitment to CSR. Attention to these factors may provide other explanations to the results. For example, since CSR is a concept imported from
western countries, it is possible that the energy corporations in western countries, especially developed countries, are more likely to discuss CSR topics related to stakeholder relations in their websites compared to those from developing countries. In the 1990s, as Gray et al. (1995) stress, although there has been increased global attention for CSR, most CSR research conducted so far has been in the context of developed countries including Western Europe, the USA and Australia (Gray et al., 1995). In the study at hand, 31 of 49 (63%) samples came from developed countries and 19 came from developing countries. Since over a majority of our samples were from developed countries, there might be less variation among their perception of CSR toward stakeholder relationships compared to those developing countries. It is possible that a bigger sample size of corporations from developing countries will display a greater level of variance toward CSR communication with stakeholders.

Findings here indicated no support for previous research (e.g. Berman, et al., 1999), which found a positive relationship between stakeholder relationships and corporation financial performance. Since this study only adopted ROIC as the exclusive measurement of financial performance, it may be that other measurements such as ROA (Return on assets) could be used to evaluate financial performance. Further, according to some scholars, the definition of corporations’ performance could be expanded rather than only focusing on financial performance (Bendheim, Waddock & Graves, 1998; Berman, et al., 1999). Thus, a more comprehensive measurement of performance may increase the validity of the relationship between stakeholders and corporations’ overall performance. In addition, in Berman et al.’s study (1999), they used operating environment as a control variable in the strategic stakeholder management models and found two variables of stakeholder relationships that affect financial performance. Another
plausible explanation for the lack of significance may be that this study didn’t incorporate control variables into the design of the research study.

Finally, this study adds value to existing research in stakeholder theory. Since the top 49 energy corporations were analyzed, the results showed that stakeholder relations’ topics are frequently covered in websites, which demonstrates leading corporations’ engagements in communication CSR through their websites. The results might be explained by the high awareness of CSR communication with stakeholders among these leading energy corporations. While the CSR has become an important concept in the modern business world, these companies represented the significant progress that leading energy corporations have made regarding their CSR efforts. It is also indicated that most of the leading energy corporations make good efforts in communicating CSR with their stakeholders and engaging in related CSR activities. Although multiple studies explored CSR communication, very few articles focus on the energy industry in the modern business world. More specifically, little study explores the CSR website communication in the energy industry. This study represents the development of CSR and indicates that advocating CSR might be related to corporations’ performance. In this study, results show that top energy corporations actively take on their social responsibilities and disseminate related information to stakeholders. Therefore, emphasizing a specific industry provides some practical implications for the energy industry in CSR web communication.

In conclusion, both of the qualitative and quantitative data in this study illustrate that leading corporations from the energy industry are eager to discuss CSR issues in their websites. Among three key approaches to CSR, differences worth underlining are the fact that leading energy corporations mention the ethical business conduct approach more often than the other two approaches. With regard to the three domains of CSR, which was proposed by Schwartz and
Carroll (2003), this observation may reflect the strong tendency of leading energy corporations to communicate economic, legal and ethical responsibilities with stakeholders. Leading energy corporations show concern for a variety of primary stakeholders whether or not they are directly linked to financial performance and productive activities. Furthermore, no significant relationship between stakeholder relations and financial performance among leading energy corporations was found, this study recognizes that such attempts could provide useful information to researchers to better understand CSR communication in this unique industry.

5.2 Limitations and Future Research

A study of this type, which attempts to explore how energy corporations use web communications to highlight their commitments to CSR and test correlations between stakeholder relationships and financial performance, is bound by several limitations.

First, as indicated in the discussion, the study is restricted by the convenience sample, which was drawn from the list of top 250 Global Energy Company rankings. Since the coding was only based on the top forty-nine corporations’ websites, this study may incur a statistical risk of getting biased results due to the smaller number of companies analyzed. The shortcoming is that the data may not be representative of the entire energy industry, especially of small and less profitable corporations. However, from conceptual and theoretical perspectives, the sample selection can be perceived as an appropriate approach because the data from those leading corporations had not previously been studied and provided practical insight for further research in CSR web-based communication. In addition, this study permitted emphasis on the more important aspects of CSR communication in energy industry.

Second, this study focused on one industry, rather than multiple examples of different industries (such as the pharmaceutical industry and the automotive industry), and therefore the
results are not generalizable to all the businesses. But the results from this study do provide justification for investigating CSR communication in this and other related contexts. It is likely that the results found in this study are only limited to this sample, and would likely change among different industries. Therefore, future research could extend the study by investigating other industries, especially those who have higher operational risks including food and pharmaceutical industries.

Third, this study only used content analysis, and thus this methodology can only offer a descriptive account of contents of CSR themes on the corporate website and cannot illuminate the stakeholder theory in the overall business world. As a result, other methodologies in future studies are needed to better understand the dynamics of overall CSR communication.

Finally, this study used ROIC as the only one measurement in evaluating financial performance because of accessibility of the data. There are also other measurements such as return on assets (ROA), return on sales (ROS), and return on equity (ROE) that could be used in the future. As this study emphasizes a narrow financial definition of corporations’ performance, as some scholars indicated (e.g., Berman et al., 1999), future studies could expand the definition of performance by using multiple measures to evaluate corporations’ performance. It would be interesting to see whether there is a relationship in results that could stem from the use of other performance measures.

The results of this study are important for providing some valuable avenues for future research. This study updates and expands previous research, addresses the three distinctive approaches in CSR web-based communication, and provides an update in stakeholder theory on the relationships between attention to stakeholders and corporations’ performance. Because of the small sample size in this study, it would be useful to have more corporations that operate in
multiple industries for the study of web-based CSR communication. In addition, based on this study, future research could incorporate qualitative content analysis of energy corporations with emphasis on the impact and effectiveness of visual communication forms such as videos, photos, and diagrams.

Another possibility for further research lies in the study of communicating CSR through social media. Such a study would allow researchers to explore more about the extent to which companies attempt to communicate CSR information, as well as assess how companies disseminate useful information about CSR via social media tools such as Facebook and Twitter.

The finding of no statistically significant relationship between stakeholder relations and financial performance raises a number of further questions for research. Following Berman et al. (1999), it would be useful to test if multiple stakeholder interests can affect corporations’ financial performance in the strategic stakeholder management models, which include strategy measure as a predictor and uses operating environment as a control variable. If future research could test these models, this study of relationships between stakeholders and corporations’ financial performances may have a more solid ground and provide deeper implications.

Secondly, there is room for future research on particular factors that were not included in this study such as culture and economic status, which may have an influence on the results. For example, according to Zhao’s (2015) study, which was presented at the 2015 International Conference on Hispanic/Latino Media and Marketing, two variables tested in stakeholder relations among leading Latino energy corporations exhibited strong negative effects on financial performances. Clearly, the relationship between stakeholders and corporations’ financial performances needs further research. Further empirical work is needed in this area based on the present research. It is possible to raise additional questions building on this study: (1) What are
the differences between corporations from developed and developing countries in demonstrating their commitment in CSR? (2) Is there a relationship between stakeholder relationships and corporations’ financial performances among energy corporations from developing countries?

Furthermore, in future research, it would be interesting to conduct a longitudinal study. The concept of CSR has been changing in meaning and practices especially in developing countries. It seems necessary to examine CSR communication over long periods of time by providing continuous records of their communication. The longitudinal study could allow us to draw decisive conclusions on corporations’ changing attitudes and activities toward CSR communication. It would also be prudent to explore the differences between corporations’ CSR communications on their websites and actual practices. Survey instrument and in-depth interviews could be used to examine stakeholders’ perceptions on CSR communication and evaluate corporations’ actual performance in CSR activities.

Finally, it might be interesting to conduct research focusing on corporations’ CSR communication in immediate response to a crisis. As discussed before, the energy industry is facing many risks and thus it is important to examine how corporations respond to crises by providing information in their practice of CSR. Potentially, the way CSR is framed by these energy corporations in responding to crises can have important implications for how high-risk industries, related stakeholders, and the public could act while facing crises.
# APPENDIX A

## RESEARCH SAMPLE

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71
## APPENDIX B

### CODE BOOK

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<th>Type of Approaches</th>
<th>Definition of Item NO (0) YES (1)</th>
<th>Examples</th>
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| Ad hoc public philanthropy  | **1. Discretionary responsibility**  
Definition: societal expectations of business organizations, voluntary, at businesses own discretion. “These represent voluntary roles that business assumes but for which society does not provide as clear-cut an expectation as it does in the ethical responsibility” (Carrrol, 1999, p. 284). | Examples of these voluntary activities, including making philanthropic contribution, conducting in-house programs for drug abusers, training the hard-core unemployed, and providing day-care centers for working mothers (Carroll, 1979, p.500).  
Donation to philanthropy because business organizations want to “give back to society”.  
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<th>Type of Approaches</th>
<th>Definition of Item NO (0) YES (1)</th>
<th>Examples</th>
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<td>2. Education</td>
<td><strong>Definition:</strong> The company presents its support of activities aimed at improving educational opportunities and the quality of the education received by populations outside the firm.</td>
<td>CAIRN describes its commitment to supporting Primary education. Investing in the proper functioning of the Anganwadi project has provided the community a place where they can send their kids for early childhood learning as well as for the nourishment (<a href="https://www.cairnindia.com/sites/default/files/Sustainability_Report_2012_2013.pdf">https://www.cairnindia.com/sites/default/files/Sustainability_Report_2012_2013.pdf</a>). ExxonMobil supports educational programs through financial support, partnership, and outreach in communities by our employees. For example, ExxonMobil currently provides support to the Alaska Native Science and Education and Engineering Program, Alaska Council on Economic Education (<a href="http://corporate.exxonmobil.com/en/company/worldwide-operations/locations/united-states/alaska/community">http://corporate.exxonmobil.com/en/company/worldwide-operations/locations/united-states/alaska/community</a>). The Company has set up a scholarship in Kyzylorda, and sends 10-15 local outstanding senior high school graduates every year to continue their studies in famous schools in China, Kazakhstan and other countries (PetroChina 2013 Sustainability Report).</td>
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<td>3. Sports</td>
<td>How corporations enter into partnerships with sport organizations or individual athletes in order to strengthen the sport (organization) or athlete’s ability to deliver on social responsibilities (Smith &amp; Westerbeek, 2007). Corporations make this positive contribution to communities by supporting the sport (organizations) with financial or other resources (Smith &amp; Westerbeek, 2007). CSR through sport include sponsorships, financial contributions, philanthropy, and gifts in kind, cause-related marketing, employee volunteering and partnership (Smith &amp; Westerbeek, 2007).</td>
<td>Sponsoring sports event; contributing to the Olympic. In Iraq, PetroChina donated air conditioners, festive costumes, stationery and sports equipment to orphanages in Basra every year, and organized charity donations for orphanages in Basra (PetroChina 2013 Sustainability Report). E.ON displays its commitment to sports, including “E.ON has been supporting sport in all its various forms for many years. We support both amateur, up and coming individual sportspeople and teams as well as professionals”. “E.ON supports clubs, sports associations and activities based on the subject of football and creates a space for families that appeals to all family members and allows them to spend more time together” (<a href="http://www.eon.com/en/about-us/sport-sponsoring.html">http://www.eon.com/en/about-us/sport-sponsoring.html</a>).</td>
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<td><strong>4. Arts &amp; culture</strong>&lt;br&gt;Definition: The company discusses its support of organizations, activities, actors, and objects linked to the arts or the national culture.</td>
<td>E.g. sponsoring art and culture events, such as concert, exhibition, and competition (Must be outside of the company; for public in general).&lt;br&gt;E.ON has a long tradition of supporting art and culture in the cities and regions where we operate (<a href="http://www.eon.com/en/about-us.html">http://www.eon.com/en/about-us.html</a>).&lt;br&gt;For instance, from November 2013 to February 2014, a photography exhibition was on show at E.ON making a connection with the photography exhibition <em>Candida Höfer</em> (<a href="http://www.eon.com/en/about-us/art-and-culture/our-engagement.html">http://www.eon.com/en/about-us/art-and-culture/our-engagement.html</a>).</td>
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| 5. Disaster relief | **Definition**: The process of responding to a catastrophic situation, providing humanitarian aid to persons and communities who have suffered from some form of disaster.  

“Disaster relief” means goods and services provided to meet the immediate needs of disaster-affected communities (International Conference of the Red Cross and Red Crescent, 2007). | PetroChina Co Ltd describes its commitment to help disaster in China; “In 2013, when natural disasters occurred such as thick sea ice hitting the Bohai Bay, flooding in northeastern China, the Ya’an earthquake in Sichuan and a powerful typhoon in coastal areas, the Company launched its emergency mechanism and established an all-round oil product supply network, to guarantee local oil product supply. We also established the oil product distribution group for disaster relief, set up key supply guarantee service stations, organized mobile refueling vehicles, and optimized allocation and transportation of oil products” (http://www.petrochina.com.cn/ptr/kcxfzbg/kcxfz.shtml, PetroChina 2013 Sustainability Report).  

In Indonesia, PetroChina assisted the development of SMEs, helped farmers to procure tools and seeds for cash crops, and helped locals suffering from tsunami to rebuild the homes (PetroChina 2013 Sustainability Report). |
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<td>6. Health and disability</td>
<td>Donation to AIDs or disabled people. Blood bank, blood donation. CAIRN describes is commitment to help women’s health issues. For example “In the community, we run mobile health clinics/vans to attend to various gynaecological issues” (<a href="https://www.cairnindia.com/sites/default/files/Sustainability_Report_2012_2013.pdf">https://www.cairnindia.com/sites/default/files/Sustainability_Report_2012_2013.pdf</a>). PetroChina also provided financial support to the Fund for the Handicapped and orphanages in Aktobe State (PetroChina 2013 Sustainability Report).</td>
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<td>7. Sponsorship</td>
<td>As part of this commitment, ExxonMobil became the sole sponsor of the Iditarod Education Program (<a href="http://corporate.exxonmobil.com/en/company/worldwide-operations/locations/united-states/alaska/community">http://corporate.exxonmobil.com/en/company/worldwide-operations/locations/united-states/alaska/community</a>).</td>
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<td><strong>8. Volunteerism</strong></td>
<td><strong>Definition:</strong> The company presents programs that allow employees to work for a good cause during paid working hours.</td>
<td>“Phillips 66 engages in a number of both corporate and local volunteer events. Employees at our Houston headquarters volunteer once a quarter in partnership with the Gulf Coast Regional Blood Center to encourage employees to sign up to donate blood and Commit for Life. Employees in Ponca City, Okla. also host quarterly blood drives with the American Red Cross and Oklahoma Blood Institute.” Further, “Phillips 66 employee volunteers also enjoy participating in the Junior Achievement program. By volunteering time and knowledge to provide K-5 students with hands-on experiences, our volunteers help students understand the economics of life and help them reach their full potential as citizens” (<a href="http://www.phillips66.com/EN/susdev_Communities/Community/volunteerism/Pages/index.aspx">http://www.phillips66.com/EN/susdev_Communities/Community/volunteerism/Pages/index.aspx</a>).</td>
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| Ethical business conduct | **9. Ethical rationality**  
Definition: Business practices have to be ethical beyond the minimum legal requirement.  
The ethical responsibility represents the kinds of behaviors and ethical norms that society expects business to follow. These extend to behaviors and practices that are beyond what is required by the law. (Carroll, 1979, p. 500) | Businesses need to make an effort create sustainable development by using more environmentally friendly materials.  
E.ON displays its commitment to ethical responsibility, including “Commits employees and business partners to maintain appropriate working conditions and ethical business practices, and respect human rights” (E.ON Sustainability Report 2013).  
Phillips 66 resents its ethical rationality in “fostering and supporting exemplary ethical behavior by all employees in all aspects of our business, including influencing high global standards in business ethics. Our Code of Business Ethics and Conduct summarizes the standards of ethical conduct and compliance expected of directors, employees, contractors, and other individuals who work on the company’s behalf” (http://www.phillips66.com/EN/susdev/ethics/Pages/index.aspx). |
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| **10. Legal rationality** | **Definition**: the responsibility of business to follow legal requirements. | ExxonMobil expresses its commitment to legal responsibility in the following statement: “With regard to our products, we follow guidelines and regulations that include:  
1. United Nations Globally Harmonized System of Classification and Labelling of Chemicals (GHS)  
2. Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)  
3. United Nations Strategic Approach to International Chemicals Management (SAICM)  
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| **11. Economic rationality**
  Definition: Labeled as "concern for economic performance"(Carroll, A. B. (1999). The responsibility to produce goods and services that society wants and to sell them at a profit. | PetroChina expresses its concern in economic performance by mentioning “We have implemented our reserve-growth peak initiatives, to acquire economic and quality reserves and to consolidate the resource base” (PetroChina 2013 Sustainability Report). |
| **12. Product quality**
  Definition: The company presents the achievement of high product/service quality as a part of its commitment to social responsibility. | Kronenbourg presents product quality as one of its “social commitments;” the company has a program to ensure that the production processes yields top quality; ISO certificates are presented as achievements in that area (www.brasseries-kronenbourg.fr, FR). PetroChina expresses concern for Product quality as summarized in the following statement: “The Company cultivates high-quality brand products, and provides consumers with environmentally friendly and diversified products” (PetroChina 2013 Sustainability Report). |
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<td>13. <strong>Product safety</strong></td>
<td><strong>Definition:</strong> The company displays concern for the safety of its customers in relation with its production activities or products/services.</td>
<td>E.ON expresses concern for safety as summarized in the following statement: “Our safety culture is based on zero tolerance for accidents. We’ve established binding safety standards and rules for our entire company and expect our contractors to comply with them as well” (<a href="http://www.eon.com/en/sustainability/social/health-and-safety.html">http://www.eon.com/en/sustainability/social/health-and-safety.html</a>). ExxonMobil expresses concern for safety as summarized in the following statement: “As part of product stewardship, we assess safety, health and environmental aspects, as well as compliance with product safety legislation, both where our products are made and in their intended markets. Our rigorous management systems help ensure compliance with product stewardship regulations in 120 countries” (<a href="http://corporate.exxonmobil.com/en/company/worldwide-operations/safety-and-health/workplace-safety?parentld=ee28cf94-6de3-4964-9ff3-e67a0b5074cb">http://corporate.exxonmobil.com/en/company/worldwide-operations/safety-and-health/workplace-safety?parentld=ee28cf94-6de3-4964-9ff3-e67a0b5074cb</a>).</td>
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<td>14. Health and safety</td>
<td>Definition: The company expresses its concern for protecting the safety of employees in the workplace along with their overall health level.</td>
<td>Pay attention to health and safety issues in the process of production, for instance, don’t use materials bad for the health of employees; implementing procedures that prevent accidents in the process of production. E.ON emphasizes its commitment to protecting the safety of employees as summarized in the following statement: “Our health management effort focuses mainly on continually enhancing our people’s awareness of the importance of health maintenance and disease and illness prevention. We intend to make health management more systematic at E.ON units so that we can address important issues across our organization (<a href="http://www.eon.com/en/sustainability/social/health-and-safety.html">http://www.eon.com/en/sustainability/social/health-and-safety.html</a>). And E.ON introduced a special training program called Leaders in Safety to raise our top managers’ safety awareness, and all are required to complete it. About 400 executives and managers from all management levels participated in HSE awareness and qualification programs in 2013. (<a href="http://www.eon.com/en/sustainability/social/health-and-safety/preventive-safety-management.html">http://www.eon.com/en/sustainability/social/health-and-safety/preventive-safety-management.html</a>)</td>
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<td><strong>15. Employee welfare</strong>&lt;br&gt;Definition: Activities in relation to Corporate Social Responsibility that enhance and secure the wellbeing of employees.&lt;br&gt;Wellbeing will be understood in very broad terms, including psychological, socio-psychological, and physiological issues of an employee’s life (Behling, 2008).&lt;br&gt;It will evolve the simplicity and feasibility of employee welfare programs, as non-monetary and voluntary implementations such as honesty or flexible job design are the greatest contributing factors to wellbeing (Behling, 2008).</td>
<td>Fair treatment of employees, organize culture and art events to enrich the life of employees.&lt;br&gt;China Shenhua Energy company Limited discusses its commitment to employee welfare by mentioning its various statutory social insurance programs, including basic pension insurance and medical insurance, labor injury insurance, unemployment insurance and maternity insurance, and contributed to the housing fund in accordance with the laws. The Company also maintains supplementary pension insurance, supplementary medical insurance and accidental injury insurance, as well as a family member medical benefit system for its employees (China Shenhua Energy company Limited CSR report, 2012).&lt;br&gt;The Company also provides pleasant workplaces and benefits to employees such as free business meal and annual physical examination. Employees are entitled to paid leaves and statutory leaves with the remuneration paid under the national regulations (China Shenhua Energy company Limited CSR report, 2012).</td>
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<td><strong>16. Employee development</strong></td>
<td><strong>Definition:</strong> Companies provide employees with training or continuing education for their further career development.</td>
<td>Include: safety training and job-related training E.ON discusses its commitment to employee development by mentioning, “In 2013 selected employees from several countries participated in training sessions based on practices developed by Britain’s National Examination Board in Occupational Safety and Health. We also took steps to provide qualified employees with advanced training in accident investigation” (<a href="http://www.eon.com/en/sustainability/social/health-and-safety/preventive-safety-management.html">http://www.eon.com/en/sustainability/social/health-and-safety/preventive-safety-management.html</a>). “We offer our staff appropriate intercultural training sessions before they are sent abroad for an assignment or before they take part in international projects” (<a href="http://www.eon.com/en/careers/work-environment/learning-and-development/further-education.html">http://www.eon.com/en/careers/work-environment/learning-and-development/further-education.html</a>).</td>
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<td>17. Equal opportunity</td>
<td><strong>Definition:</strong> The company expresses its commitment to giving the same chances in recruitment and promotion to all employees regardless of race, gender, age or handicap.</td>
<td>E.ON discusses its commitment to equal opportunity by mentioning its statement “employee is obliged to ensure equal opportunities and stand up against and prevent any form of discrimination and harassment in his or her area of responsibility” (<a href="http://www.eon.com/content/dam/eon-com/Nachhaltigkeit/CS-Bericht_2013/Downloads/E.ON_Diversity_Framework_2006.pdf">http://www.eon.com/content/dam/eon-com/Nachhaltigkeit/CS-Bericht_2013/Downloads/E.ON_Diversity_Framework_2006.pdf</a>). E.ON also points out that “The 30 DAX companies continue to systematically implement their voluntary commitment to increase the share of women in executive positions. Today, April 22, the companies concerned are publishing the second status report since the initiative was launched in 2011” (<a href="http://www.eon.com/en/media/news/press-releases/2013/4/22/share-of-women-in-executive-positions-rising-further--dax-30-com.html">http://www.eon.com/en/media/news/press-releases/2013/4/22/share-of-women-in-executive-positions-rising-further--dax-30-com.html</a>).</td>
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<td><strong>18. CSR to suppliers</strong></td>
<td>Definition: The company expresses its dedication to giving equal opportunities to suppliers in terms of gender, race, and size, and/or to assuring suppliers’ safety.</td>
<td>E.ON expresses its dedication to suppliers including supporting contractors by providing them with opportunities for their employees to participate in training and certification programs (<a href="http://www.eon.com/en/sustainability/social/health-and-safety/preventive-safety-management.html">http://www.eon.com/en/sustainability/social/health-and-safety/preventive-safety-management.html</a>). For example, “we can’t be certain that human and workers’ rights are respected in all of the countries from which we source coal and uranium. We’re aware of these risks. That’s why we joined seven other leading European energy utilities to launch Bettercoal, whose aim is to promote the continuous improvement of sustainability in the international coal supply chain, particularly at mines” (<a href="http://www.eon.com/content/dam/eon-com/Nachhaltigkeit/CS-Bericht_2013/Downloads/E.ON_Sustainability_Report_2013.pdf">http://www.eon.com/content/dam/eon-com/Nachhaltigkeit/CS-Bericht_2013/Downloads/E.ON_Sustainability_Report_2013.pdf</a>).</td>
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<td><strong>19. CSR to shareholders</strong></td>
<td>Definition: The company expresses its commitment to the involvement of stakeholders in corporate governance and/or to the proper information of shareholders.</td>
<td>E.ON expresses its dedication to shareholders including “why we support regional programs – often by means of long-standing partnerships – that address the needs of a variety of stakeholders. These programs and partnerships create opportunities for us to engage our stakeholders in dialog and benefit from their feedback to rethink and, if necessary, adjust our vision of sustainability (<a href="http://www.eon.com/en/sustainability/social/community-involvement.html">http://www.eon.com/en/sustainability/social/community-involvement.html</a>). “We’ve already tightened the contractor selection and prequalification criteria for our entire company: in late 2013 we put in place a new non-fuel procurement policy that covers contractors. We support our contractors by providing them with opportunities for their employees to participate in training and certification programs” (<a href="http://www.eon.com/en/sustainability/social/health-and-safety/preventive-safety-management.html">http://www.eon.com/en/sustainability/social/health-and-safety/preventive-safety-management.html</a>).</td>
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<td><strong>20. CSR report</strong></td>
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<td>The sustainability report can be downloaded from its website.</td>
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| Strategic public philanthropy | **21. Environment conservation**  
**Definition:** The company shows concern for the preservation of the natural environment either in general or in the communities where the firm operates. | Use environmentally friendly material; reduce pollution in the process of production.  
Phillips 66 describes “The committee makes recommendations to the board, and monitors compliance with the company’s programs and practices regarding health, safety and environmental protection, including climate change and water management” (http://www.phillips66.com/EN/susdev/ethics/accountability/Pages/index.aspx).  
PetroChina presents its environment conservation work by mentioning “In 2013, a project was started to restore the marine environment and fishery resources of the subsea pipeline project for the Second West-East Gas Pipeline. Two million black sea bream fry were released into the sea, which is expected to add about 100 tons of black sea breams in surrounding waters of Dapeng Bay and Daya Bay” (PetroChina 2013 Sustainability Report). |
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<td><strong>22. Partnership</strong></td>
<td><strong>Definition</strong>: A commitment by a corporation or a group of corporations to work with an organization from a different economic sector (public or nonprofit). Waddock (1988, p. 18).</td>
<td><strong>Partnership with government</strong>&lt;br&gt;“We have been a signatory to the German government’s Corporate Charter of Diversity for Germany – a public expression of our commitment to valuing and treating our employees fairly” (E.ON Sustainability Report 2013).&lt;br&gt;&lt;br&gt;<strong>Partnership with NGO</strong>&lt;br&gt;“Because we’re aware of these risks, we’re partnering with our industry peers and non-governmental organizations (NGOs) to improve coal-mining sustainability. We joined seven other leading European power producers to launch Bettercoal” (E.ON Sustainability Report 2013).&lt;br&gt;&lt;br&gt;And “We work with our industry peers and with stakeholders, such as non-governmental organizations, that take a critical view of us or aspects of our operations” (E.ON Sustainability Report 2013).&lt;br&gt;&lt;br&gt;<strong>Partnership with universities</strong>&lt;br&gt;“We will establish partnerships with universities in seven countries including China, India and Brazil” (E.ON Sustainability Report 2013).</td>
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<td><strong>23. Award</strong></td>
<td>Definition: The company presents awards to different groups in an effort to promote courses related to public good as a part of its own CSR practice.</td>
<td>Award to environmental projects, etc. Exclude: scholarship and need-based financial assistance to students. E.ON presents award to different groups such as the E.ON Future Award in cooperation with the Leibniz University Hanover and the Friends of Leibniz University Hanover e. V. This valuable science award honors outstanding final papers from the Leibniz University (<a href="http://www.eon.com/en/careers/students-and-graduates/cooperation-and-scientific-support/e-dot-on-future-award.html">http://www.eon.com/en/careers/students-and-graduates/cooperation-and-scientific-support/e-dot-on-future-award.html</a>).</td>
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REFERENCES


BIOGRAPHICAL SKETCH

In 2008, Wen Zhao earned her Bachelor’s degree in Journalism at the Beijing International Studies University, Beijing, China. She obtained her Master’s degree in spring of 2015 from the School of Communication at Florida State University. Her current research interests focus on strategic communication and health communication.