

# The Effect of Corporate Social Responsibility Communication Strategies on Corporate Identity: A Case Study of Standard Chartered Bank's Nairobi Marathon, 2022

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**Abstract**— A CSR activity without communication is likely to fail due to its limited effects. Adopting appropriate CSR communication strategy positively contributes to the tripartite corporate identity mix components – behavior, symbolism and communication. The study has assessed effects of CSR Communication strategy on corporate identity of an organization to inform on the most appropriate CSR communication strategy throughout the CSR life-cycle. A qualitative research design was used to study Standard Chartered Bank's Nairobi Marathon 2022. The population of the study was Nairobi City County (NCC) residents exposed to the 2022 marathon. A sample size of 30 informants which was obtained through exponential discriminative snowball sampling was used. Content analysis was used to collect secondary data while semi-structured interviews were used to collect primary data. The bank used a CSR Communication strategy with three communication tactics-stakeholder informational, stakeholder response and stakeholder involvement tactics. The stakeholder informational approach was used to share information with the stakeholders to rally for support and update them. The stakeholder response tactic allowed stakeholders to get into a conversation with the bank. The conversation drew stakeholders closer and cleared their doubts. The stakeholder involvement tactic was used to allow stakeholders run, contribute, donate and tell others about the marathon. All CSR Communication tactics improved the corporate identity of the bank. Conclusively, all CSR Communication tactics sort to bring stakeholders closer to the bank allowing them to understand better what the bank does. Therefore, the corporate identity of the bank was greatly improved through CSR Communication strategy.

**Index Terms**—CSR communication, stakeholder informational approach, stakeholder response approach, stakeholder involvement approach, CSR communication strategy, stakeholder informational tactic, stakeholder response tactic, stakeholder involvement tactic.

## 1. Introduction

Corporate Social Responsibility (CSR) entail support of activities that lead to a social good of a society. Globally, there is an upsurge in CSR activities due to a realization that sustainability of an organization lies in the hands of the society

whose fragments make up stakeholders of an organization. According to Argenti (2013) the dynamics of power and influence between an organization and its stakeholders are very important. Argenti (2013) further quotes a proposition by Gamson (1968), the influence by an organization should not be limited to downward influence but should also incorporate an upward influence. The two scholars appreciate that the society yields some power over the organization and therefore an organization has to strategically position itself to ensure a fruitful co-existence between the organization and the society. A common fruitful existence is through CSR activities where an organization gives back to the society.

Sponsorship, donations and infrastructural projects are common forms of CSR activities today. The changing nature of society is also begging for new approaches to CSR activities which rally people to support the organization in attending to a social good in the society. This has resulted to other forms of CSR activities like Marter Heart Run by the Matter Hospital and Nairobi Marathon by Standard Chartered Bank. Through these marathons, funds are raised to perform CSR activities in the society.

CSR Communication is an important element of a CSR life-cycle. According to Cornelissen (2020), a CSR activity without CSR Communication is deemed to fail due to its limited effects. Globally, Global Reporting Initiative (GRI) provide clear formats and platforms through which organizations from different parts of the world can communicate their CSR activities (Isacksson & Stermile, 2009). At the continental level United Nations Development Program (UNDP) is at the forefront in advocating for sustainable development in Africa (Padilla & Hudson, 2019). On the other hand, Rodolfo (2011) points out that organizations in Kenya are not only part of GRI reporting but also bow to the Capital Markets Authority (CMA) on the need to engage and communicate about their CSR activities. Through CRS Communication stakeholders get to learn about what the organization is doing.

There is no doubt that the success of a CSR activity depends

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on adoption of an appropriate CSR Communication strategy. This study sort to uncover the effects of CSR Communication strategy on the corporate identity of an organization. The CSR Communication strategy under study has three tactics. The three CSR communication tactics have been developed from Grunig & Hunt's (1984) PR models and have been developed by Morsing & Schultz (2006). According to Morsing & Schultz (2006) press agency is unethical and therefore it does not have a CSR communication tactic. From Public Information model we get stakeholder informational tactic, from the two-way asymmetrical model we get the stakeholder response tactic and the two-way symmetrical model gives forth the stakeholder involvement tactic. Therefore, this study sort to uncover the effects of CSR Communication strategy on corporate identity of an organization with a case study of Standard Chartered Bank's Nairobi Marathon.

## 2. Statement of the Problem

Argenti (2013) argues that CSR communication is an important component of any CSR activity. Without CSR Communication, the stakeholders will not be informed of the CSR activity of the organization hence the CSR activity will have limited effects on the organization and its stakeholders. Adoption of the most appropriate CSR communication strategy positively contributes to the tripartite components of the corporate identity mix identified by Van Riel & Fombrun (2007). Van Riel & Fombrun (2007) posit that communication, behaviour, and symbolism make up the identity mix. Furthermore, Stanley Deetz (2005), a communication scholar, presents an argument that supports participatory communication models whose commitment is to creativity, conflict resolution, and diversity. His argument favours a communicative environment rich in stakeholder involvement through reciprocity of expression opportunities, equality in expression skills, non-consideration of authority relations, transparent decision-making, and open dissemination of information to stakeholders. With this form of communication, CSR activities will yield tremendous outcomes (Cornelissen, 2010). However, most managers tend to approach CSR communication with strategic persuasion communication models. These models lack room for dialogue with stakeholders implying that there is a hesitation in including stakeholders in decision-making through information disclosure, power-sharing, and autonomy granting. In most cases, they suffer from communication skills inadequacy and opt for the wrong communication models. To a great extent, these models heavily borrow from the liberal democratic communication models that were originally used in governance processes (Cornelissen, 2010). The models provide room for representation and consensus which is in severe contrast with the participatory models. In a comeback to this problem, this study sort to assess the effect of CSR Communication strategies used by Standard Chartered Bank during the Nairobi Marathon on the corporate identity of the Bank in order to inform on the most appropriate CSR Communication tactics.

## A. Objectives of the Study

The general objective of the study was to establish the effect of CSR communication strategy used for the Nairobi Marathon 2022 on the corporate identity of Standard Chartered Bank Kenya.

This study had three specific objectives which are:

- 1) To assess the effect of the informational approach, as part of the CSR communication strategy during the Nairobi Marathon 2022, on the corporate identity of Standard Chartered Bank Kenya.
- 2) To examine the effect of the stakeholder response tactic, as part of a CSR communication strategy during the Nairobi Marathon 2022, on the corporate identity of Standard Chartered Bank Kenya.
- 3) To investigate the effect of the stakeholder involvement tactic, as part of the CSR communication strategy during the Nairobi Marathon 2022, on the corporate identity of Standard Chartered Bank Kenya.

## 3. Literature Review

Several studies have been done on the concept of CSR Communication but most of them seem to be informed by Morsing & Schultz's (2006) interpretation of CSR Communication in terms of how stakeholders are involved. The starting point for the studies has been stakeholder information, stakeholder response and stakeholder involvement tactics.

A study done by Jaime, Antonia & Emma (2018) focused on business groups in Columbia. From the study, stakeholder informational tactic is in use because CSR reports are used to disseminate information to the stakeholders. These reports contain key information on CSR activities done by the organization. Additionally, Lock & Seele (2015) posits that reports are instrumental in distributing information. These reports can be annual reports, sustainability reports, integrated reports or combined reports. However, in most cases, reports target employees leaving out other stakeholder groups.

Elsewhere, Moravcikovaa, Stefanikovaa & Rypakovaa (2015) indicate that CSR Communication should be done through CSR reports. The reports can be used to provide an explanation on what the organization is doing. Franc (2006) supports the issue of CSR Communication through CSR reports but adds that these reports should contain information on sustainability, environmental plans and people concerned activities. Therefore, a CSR activity is not complete until CSR Communication is done well.

Furthermore, Pavlik & Belcik (2010) insinuate that the use of annual reports for CSR Communication keeps stakeholders informed about the activities of the organization. According to Troise & Camilleri (2021), digital media should be used for CSR Communication due to the dynamic nature of the society today. Digital media is already in use in Italy since digital platforms are used to ensure efficiency in dissemination of information.

In Australia, Ettinger, Grabner & Terlutter (2017) show that hotels use websites for CSR Communication. In USA, Haigh & Brubaker (2012) found out that Facebook and other digital

platforms are used for CSR communication. Organizations have converted social media sites into digital information desks from which stakeholders can get important information. Similarly, in Hong Kong the findings of Deniz, Mariia & Wing (2019) show that organizations are using digital platforms for CSR Communication. From the above discussions, there is enough evidence that various organizations are using stakeholder informational tactic as part of their CSR Communication strategy to share information with its stakeholders.

Apart from stakeholder informational tactic, stakeholder response tactic is also in application by several organizations as part of CSR Communication strategy. From a study by Andres, Antonia & Emma (2018) conducted in Columbia, organizations are establishing a long-term and permanent engagement with the stakeholders by allowing them to give out their feedback. Though there is an engagement, but power balance and autonomy granting are not clear. The kind of engagement does not affect the way the organization behaves towards its stakeholders but also seeks to explain and clarify the reports.

Findings from Troise & Camilleri, (2021) indicate that in Italy organizations engage with their stakeholders through digital media. The engagements with the stakeholders have increased credibility of messages shared by the same organizations. Engagements with stakeholders increase the strength of feelings of identifying with the organization making possible for people to tell others about an organization. Additionally, Ettinger, Grabner & Terlutter, (2017) indicate that some hotels have not incorporated a feedback system on their websites hence there is no opportunity for stakeholders to give back their responses to such hotels.

In a study done by Haigh & Brubaker (2012) stakeholders are engaged with the organization through Facebook and other social media sites. The engagements lead to a conversation between the organization and its stakeholders. In another study in Hong Kong by Deniz, Mariia & Wing (2019) organizations are posting information on the websites to allow stakeholders to engage with the organization through the website. Various organizations are allowing organizations an opportunity to respond to their CSR activities. Therefore, organizations are using stakeholder response tactic to get in touch with their stakeholders.

The third CSR Communication tactic that make up a CSR Communication strategy in operation is stakeholder involvement tactic through which stakeholders are allowed a chance to take part in CSR activities of various organizations. Taking part in an altruistic activity like a CSR activity makes one to have a warm glow in their heart (Beckman, 2006). In a study by Jaime, Antonia & Emma (2018) show that stakeholder involvement tactic has not been used by organizations. Therefore, according to the three scholars, CSR Communication has stopped at the stakeholder response tactic.

On the other hand, Troise & Camilleri (2021) posits that digital platforms are used to engage stakeholders. The digital platforms have been used to successfully do crowdfunding, donations, equity funds and rewards. There are several success stories on crowdfunding in Italy which indicate that

stakeholders are willing to take part in the CSR activities of the organizations. The organizations that have engaged their stakeholders through CSR Communication have reported improved performance in financial matters.

In another study by Ettinger, Grabner & Terlutter (2017) the hotels in Italy did not take up on involvement even after negative feedbacks were posted on their websites. These hotels lost a golden opportunity to engage with their stakeholders. In a study by Haigh & Brubaker (2012) there are no stakeholder involvement activities done by organizations since to them CSR Communication ends at the stakeholder response strategy through social media platforms. Additionally, there is no involvement in Hong Kong as indicated by Deniz, Mariia & Wing (2019). It can be realized that very few organizations are using stakeholder involvement tactic as a CSR Communication tactic.

Conclusively, there have been several studies done on CSR Communication strategy but there is no study that looks at how CSR Communication Strategy affects the corporate identity of an organization and that is the gap that this study sort to fill.

#### 4. Research Methodology

According to Leavy (2017) a research design is a structure for a study. A qualitative research design was selected for this study because the study sort for an explanation on effects of CSR Communication on corporate identity of an organization. The population of the study was made up of residents of Nairobi City County who are approximately 5.2 million people as reported by Statista (2021). The study site was Nairobi City County because the marathon is conducted in Nairobi City County. The sampling frame for the study was based on the 17 sub-counties of Nairobi City County. Cresswell (2010) supports a sample size of 20-30 informants when using interviews for data collection and therefore 30 informants made up the study sample for the study. To get a study sample, the first informant was selected after which they were requested to make a referral from which the next informant was picked based on their willingness to take part in the study. The choice of snowball sampling technique was used because it would enable the researcher to get informants with required set of information within the shortest time possible. From the study, both primary and secondary data was collected. In-depth interviews were used to collect primary data while content analysis was used to collect secondary data. The Nairobi Marathon Website and three national newspapers – The Star, The Standard and The Daily Nation- provided secondary data for the study. An interview guide and a content analysis code are data collection instruments used in this study. A pilot study was done to test data collection instruments. The pilot study was also used to test and establish the reliability and validity of data collection tools. Data was analyzed based on thematic approach after cleaning and grouping it into respective themes.

#### 5. Study Findings, Discussion and Analysis

The bank hosts Nairobi marathon annually to raise funds for its CSR activities which are treatment of eye patients, support

of youths' SMEs and planting of trees. The bank shares information on its progress through GRI reporting and the marathon's website to inform stakeholders, rally support and gain acceptance from stakeholders. Various platforms are used to disseminate information throughout the cycle of the marathon. Sharing of information by the bank to its stakeholders ensures that these stakeholders are well informed on what the bank is doing. As a result of appreciation that the key stakeholders of the bank are disintegrated, the bank therefore has established a way through which such stakeholders are reached through the most appropriate platforms. The bank uses an integrated approach to communication by including a variety of channels in its communication activities with a keen focus on new media and social media. Once the people have been informed on what the bank is doing, they create a positive view of the bank hence positive impacts on the corporate identity of the bank.

The bank also listens to its stakeholders by providing platforms through which stakeholders can talk to the bank. Through various response platforms, stakeholders are allowed to make inquiries, proposals and even comment on the progress of the marathon and its related activities. By providing stakeholders with a way through which they can speak to the bank, the stakeholders feel like, the bank has given them a listening ear. It's the presence of the listening ear that reshapes people's perception of the bank and its corporate identity. The response platforms make people to feel like they are in a conversation with the bank hence view it positively creating a positive impact on the corporate identity of the bank.

The bank also permit stakeholders to take part in the marathon by running, contributing and telling other people about the marathon. All these forms of taking part in the marathon bring people closer to the bank making them to have a better understanding of what the bank is doing. Reduced distance between the bank and the stakeholders create a positive impact on the corporate identity of the bank. The use of three CSR Communication tactics make up a CSR Communication strategy used by the bank. Through CSR Communication, the bank has managed to rally support from stakeholders and a close association with its stakeholders. It's the close association that ignites a warm glow in the hearts of the stakeholders hence contributing to the tripartite components of corporate identity mix.

A combination of the three CSR Communication approaches indicate that the bank moves closer to the stakeholders. The stakeholders are able to learn more about what the bank is doing in terms of supporting a social course of action. In so doing, there is no doubt, the way people view the bank changes positively because the bank is now admirable. The stakeholder informational tactic is used to inform the stakeholders of what the bank is doing, rally support and keep them updated. Once they have been informed, there will be some doubts and therefore the stakeholder response approach allow the stakeholders to air out their doubts and inquiries. Lastly, the stakeholder involvement tactic is used by the bank to move stakeholders closer to the organization by getting them engaged in what the bank is doing in the name of its CSR activities.

Therefore, the three CSR Communication approaches should be used together so that the organization can maximize the benefits.

## 6. Conclusion and Recommendations

From the findings of the study, the bank hosts Nairobi Marathon annually to raise funds for its CSR activities which include treatment of eye patients, support of youths' SMEs and planting of trees. Various CSR Communication approaches are harnessed by the bank including GRI reporting and use of the marathon's website. The bank uses stakeholder informational tactic by disseminating key information about the marathon to rally their support and keep them informed. Additionally, the bank provides stakeholders with platforms to send back their feedback to the bank and create a conversation with them which yields to stakeholder response tactic in CSR Communication by the bank. Lastly, the bank permits stakeholders to be involved in the marathon through running, contributing and sharing information about the marathon making them part of the bank's CSR activity. By the use of the three CSR Communication tactics, the bank creates a unique connection with its stakeholders whose view of the bank's corporate identity is positively impacted. Therefore, we recommend that organizations should apply the three CSR Communication tactics – stakeholder informational tactic, stakeholder response tactic and stakeholder involvement tactic – when conducting a CSR activity for effective CSR Communication strategy. The effective CSR Communication strategy will positively affect the corporate identity of the organization.

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