

Corporate Social Responsibility Issues in Media Releases: A Stakeholder Analysis of Australian Banks

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Abstract

This paper investigates Australia's four major national banks, analysing the use of media releases in the marketing and communication of corporate social responsibility (CSR). Using content analysis, the extent and nature of the media releases issued in 2006, and aimed at specific stakeholders, is determined for each bank. The findings indicate that over one-third of the banks' media releases discuss CSR, predominantly communicating issues related to community involvement. Furthermore, customers and communities are found to be the intended audiences for the majority of the CSR-related media releases.

Keywords: *CSR, media, banks, Australia, stakeholders, content analysis*

Introduction

Society is becoming more interested in the social responsibility of organisations (Dawkins & Lewis, 2003; Bartlett, 2005), who in turn are more aware of their own actions, fuelled by anti-trust laws, consumer-protection laws, and requirements-to-serve laws (Farmer & Hogue, 1973). Organisations' communication of their corporate social responsibility (CSR) has received close scrutiny from the media and activist groups, particularly in the banking sector.

Since the deregulation of the banking

sector in the early 1980's, the profits of Australian banks have risen substantially. However, there has also been a call for increased competitiveness as a result of deregulation, which has had dramatic effects on society, such as considerable employee downsizing (Bartlett, 2005). Consequently, there has been intense media and public scrutiny focused on the banking industry. Although many studies have considered CSR and social reporting by banks (Enquist, 2006; Schneider, 1982; Bank Marketing International, 2005; Do *et al.*, 2007) most consider it as a means of responding to criticism, rather than as part of a strategy to proactively communicate to

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stakeholders. This paper investigates CSR reporting in the Australian banking sector, in particular, the four major national banks are considered: Australia and New Zealand Banking Group (ANZ), Commonwealth Bank of Australia (CBA), National Australia Bank (NAB) and Westpac Banking Corporation (WBC).

The aim of this paper is to identify to what extent Australia's four major national banks use their CSR for marketing purposes aimed at specific stakeholders, in the context of stakeholder management. The extent and nature of CSR, marketed via media releases, by each of the banks over the period 1 January to 31 December 2006, is identified. The intended audience of each media release is also determined, and the banks' marketing of their CSR examined in light of stakeholder theory.

This paper is organised as follows: The next sections outline the theoretical perspective that informs this study, and reviews the research that has considered stakeholder theory and CSR particularly in a marketing context. Next, the research methods are described, followed by the findings. The subsequent section compares and contrasts the findings with the views prescribed by stakeholder theory. Finally, conclusions and implications are presented.

Theoretical Framework

An organisation must consider the impact of its operations on its various stakeholders (Freeman, 1984). As this paper examines Australia's four major national banks' marketing of their CSR to various groups, the theoretical per-

spective provided by stakeholder theory is considered to be most appropriate. Thus, a review of stakeholder theory is presented below and this section concludes with a discussion of the strategic nature of CSR, how it is used in marketing to communicate with an organisation's stakeholders, and its relevance to stakeholder theory.

Stakeholder Management

Stakeholder theory has received much research attention regarding the inclusion or exclusion of groups or ideas (Alkhafaji, 1989; Phillips & Reichart, 2000; Radin, 1999). The theory suggests that organisations must manage their various stakeholders individually given their expectations of an organisation (Freeman, 1984). Therefore, organisations operate not only in consideration of shareholders as argued by Friedman (1970), but also in consideration of other stakeholders such as employees, customers and communities (Hodgetts, 1996). Shareholders supporting long-term as well as short-term profits cause organisations to build lasting relationships with stakeholders, without whose support the organisation would cease to exist. Ansoff (1965) maintains that organisations must determine the often-conflicting needs of its stakeholders, and manage them in a way to satisfy as many as possible, or at least the most powerful stakeholders. As noted by Farmer & Hogue (1973), given the limited resources any one organisation has, this strategy of stakeholder management may often result in a trade-off between satisfying stakeholders. Thus the need for effective communication strategies is evident, in order to meet the many demands of stakeholders (Gray *et al.* 1996).

Deegan (2006) notes however, that the term stakeholder theory is used in different contexts. Hasnas (1998, p. 26) states that “it is used to refer to both an empirical theory of management and a normative theory of business ethics, often without clearly distinguishing between the two. This study does not consider the normative (ethical) branch of stakeholder theory, which concerns how managers should deal with corporate stakeholders (Berman *et al.* 1999). Rather, it examines the positive (managerial) branch of stakeholder theory (Berman *et al.* 1999) which involves identifying stakeholders of the organisation and managing them in a way that furthers the organisation's objectives. Fulop & Linstead (1999) explain that a major complication involved with each strategy pursued by an organisation is the task of fulfilling the best interests of all stakeholders. As Gray *et al.* (1996) point out however the more important the stakeholder to the organisation, the more effort will be exerted by the organisation in managing the relationship. The level of power a stakeholder has is in part determined by the amount of resources controlled/owned by the stakeholder, as Wallace (1995, p. 87) points out “the higher the group in the stakeholder hierarchy, the more clout they have and the more complex their requirements will be”.

A major component of stakeholder theory considers the ability of managers to identify their stakeholders and criticality to the organisation, allowing effective stakeholder management to follow. Several authors (Mitchell *et al.* 1997; Hanson & Dowling, 2002) have developed methods to achieve stakeholder identification. In particular, it is claimed that distinguishing between stakeholders is

accomplished by assessing three variables: power (the extent a party can impose its will in a relationship); legitimacy (socially accepted and expected structures or behaviours); and urgency (time sensitivity or criticality of the stakeholder's claims) (Mitchell *et al.* 1997). This study attempts to identify those stakeholders Australia's four major national banks deem influential regarding the marketing of their CSR via media releases in the year 2006.

Freeman (1984), defines stakeholder management as the need for an organisation to manage the relationships with its specific stakeholders in an action-oriented way. Organisations face a challenge to satisfy its stakeholders, dependent on both the size of the organisation (with a small organisation, the expectations of its stakeholders may not be as high as with a larger organisation), and the returns of the organisation (with above-average returns, an organisation may find it easier to satisfy stakeholders than when enjoying average or below-average returns) (Hanson & Dowling, 2002). This study assumes the communication of CSR activities via media releases to be a method of stakeholder management.

Literature Review

Stakeholder Management: The Business Case

Freeman (1984, p25) defines stakeholders as “any group or individual who can affect or is affected by the achievement of the organisation's objectives” Examples of stakeholders include suppliers, customers, employees, shareholders, and the local community. It has been pointed out, however, that the broadness

of Freeman's (1984) definition could lead to the inclusion of competitors or terrorists as stakeholders of an organisation (Alkhafaji, 1989, p36). Therefore, Alkhafaji (1989) suggests that stakeholders should only include those groups or individuals that have a vested interest in the survival of an organisation.

Maignan & Ferrell (2001) supports the hypothesis that distinct stakeholder groups perceive activities of an organisation differently, therefore requiring tailored marketing efforts aimed at specific stakeholders. This conclusion is drawn after examining and comparing the views of internal employees and external customers regarding the activities of a French business.

Similarly, Whysall (2000) highlights the importance of stakeholder management by focusing on the 'mismanagement' of stakeholders. Using real-life examples from organisations such as Hoover Co. and British Gas, the problems discussed regarding specific stakeholders emphasise a need for effective stakeholder management. A major assertion of the study is the interaction of stakeholder groups, as opposed to their isolation from each other, attributable to the ability of an individual or group belonging to more than one stakeholder group (Cooper, 2003). Hence the mismanagement of one stakeholder can potentially have widespread effects, therefore by outlining how the ineffective strategies can cause problems for an organisation, the importance of stakeholder management is further supported.

In assessing the relevant literature surrounding the concept of stakeholders, it is necessary to discuss the benefits of such a strategy from an organisation's

point of view, integrating CSR issues into the discussion where possible. Deegan *et al.* (2000) writes:

Institutions that incorporate stakeholder expectations and community attitudes in their strategic planning are likely better positioned to address business risks and to take advantage of business opportunities as they arise.

Starik (1991) for example, examines the relationship between an organisation's stakeholder management and their reputation. Using Freeman's (1984) methodology to determine the level of stakeholder management existent within an organisation, and responses from stakeholders to gauge reputation status, a positive relationship is found between the two variables. Although only focusing on consumer-related stakeholder groups for American inventory-owned electric organisations, the results of this study still have implications for the reputation of other organisations adopting similar stakeholder management strategies. Similarly, arguments have been made in favour of an organisation's consideration of the environment improving their reputation (Dechant *et al.* 1994; Hart, 1995).

The majority of the literature on the effects of stakeholder management on organisations relates to improvements in financial performance, as evidenced by the following studies. Berman *et al.* (1999) examined five specific stakeholder issues (employees, product safety, workplace diversity, communities, and the environment) with positive results (that is, financial benefits for the organisation when adopting stakeholder management strategies). Employees as stakeholders are regarded as a valuable

source of competitive advantage (Berman *et al.* 1999). Similarly, Huselid's (1995) study of a cross-section of organisations examined the effects of human resource management policies and practices (aimed at employees) on financial performance. The financial benefits associated with the effective management of this stakeholder group, possibly more straightforward than others, are attributed to lower turnover, lower absenteeism, and improved productivity (Huselid, 1995).

Affecting multiple stakeholder groups, in particular employees and customers, is the level of diversity an organisation employs in their workforce (Berman *et al.* 1999). Visible efforts to recruit and retain the best people regardless of race, ethnicity, or gender, may improve an organisation's ability to relate to a broad customer base (Thomas & Ely, 1996), and reduce employee turnover or absenteeism resulting from disgruntled employees (Hart, 1995). Integrating CSR into a stakeholder management strategy, Robinson & Dechant (1997) explain the general tendency of management to exhibit reluctance in their training and development of women and minorities.

Although product safety may not appear to be a CSR issue relevant to this study of banks, when adapted to the financial services industry it can represent security, such as for ATMs or Internet banking. When appropriate strategies are implemented considering the wellbeing of customers, increased sales are the likely result (Waddock & Graves, 1997).

Taking a different approach, a study by Coombs & Gilley (2005) examine the relationship between stakeholder management and salaries of CEOs from the

organisation to which the strategy originates. Their study found that higher levels of stakeholder management may have a negative impact on CEO salaries. That is, the salaries, bonuses, and compensation all decrease with higher levels of stakeholder management. Mostly, however, the empirical research reviewed is supportive of a stakeholder management strategy from a business case perspective.

CSR and the Banking Industry

Specific to the banking sector of the financial services industry, Stablein's (1986) study details a case in favour of organisations adopting CSR strategies. This is attributed to the need for an improved reputation in the sector, damaged by fierce competition as a result of deregulation (and although Stablein's (1986) study originates from the U.S.A., similar deregulation in the Australian banking sector enables comparisons to be made).

Peterson & Hermans (2004) present a longitudinal study on the CSR issues prevalent in the marketing of U.S. banks, using content analysis to examine television commercials. Conducted to determine the range of stakeholders at whom the marketing is aimed, the study also seeks to determine if the increase in public awareness of CSR issues results in an increase in CSR marketed by the banks. Consequently, resulting from this research is the apparent increase in CSR communicated to stakeholders via television commercials.

Margret & Tran (2007) examine attributes of corporate social reporting in Australia's four major national banks as a

reaction to new legislation. Accordingly, banks are required to disclose their environmental, social and ethical standards in investment decisions. However, the results discover no increase in CSR within the banks, therefore the legislation has no impact on the level of CSR engaged in by the banks. In this study, the proactive communication of CSR via media releases is considered rather than CSR as a result of forcible legislation.

Bartlett (2005) adopted a perspective similar to most literature reviewed, whereby legitimacy theory is considered in the research of CSR. Again, CSR reporting is analysed as a response to media coverage, rather than as a proactive communication strategy. The study shows that the organisations comprising the Australian banking sector respond to similar concerns in different ways, ultimately affecting reputation rankings of the individual organisations. Therefore the implications of Bartlett's (2005) study for this paper is the suggestion that each of Australia's four major national banks communicate CSR at different levels, on different issues.

Communication of CSR to Stakeholders

Daniels & Spiker (1991) encourage organisations to focus on stakeholders in their communication strategies. Among other factors, this is particularly the case in the area of establishing a desirable organisational image in the public mind (Daniels & Spiker, 1991). Higgins & Bannister (1992) show the financial benefits associated with communication strategies. In their study, analysing both the level of communication that organisations aim at stakeholders and relative

share prices yields positive results (although their study is not about CSR). In recognition of a change in public attitudes, managers are required to evaluate how to communicate their actions for a range of stakeholders. It has been shown that the public is generally accepting of an organisation's communication of their CSR for marketing purposes (i.e. to enhance profitability) (Dawkins & Lewis, 2003). However, this still needs to be communicated in an effective manner so as not to explicitly contradict the 'charitable' view of CSR. As detailed by Swift (2001), due to an increase in social and ethical auditing, a rise in the communication of CSR is evident in organisational documents (such as media releases). Such is the case with Belgium bank KBC which, in accordance with a growth in importance of CSR particularly in the financial services industry, recognised the need to demonstrate its CSR achievements (Bank Marketing International, 2005).

Research on the communication of CSR appears to be conducted primarily in reaction to events that brought the industry or organisation into the public spotlight (Deegan *et al.* 2000). One such study on Australia's four major national banks looks at the relationship between the organisations' CSR reporting as a response to legitimacy concerns, and their reputations (Bartlett, 2005). Irwin & More's (1994) research looks at the possibility of stakeholders to be affected by communication intended for another group. In particular, with an organisation's communication of CSR to employees conducted internally, external communication (such as that found in media releases) is thought to have a potentially minor impact on employees.

Whysall (2005) considers media releases. Specifically, the study seeks to increase understanding on the role, content and effectiveness of supermarkets' media releases. Whysall (2005) finds that media releases generally attract limited attention from the audiences targeted. Furthermore, examination of media releases from supermarkets leads to the conclusion that there is a need to research the content and function of media releases in sectors where stakeholder relations are important.

Finally, Cooper's (2003) study centres on the Internet as the medium used for communicating with stakeholders. Cooper (2003) highlights the potential for an individual or group to have multiple "stakes" in an organisation given the results of the analysis. This conclusion is achieved by examining the relationships formed between various stakeholder groups and the organisations. It is discovered that employees and managers receive less attention via the Internet due to the tendency of organisations' managers and marketers to communicate to their employees via internal means. Similarly, customers do not receive significant attention due to the structure of the electricity industry, with many organisations in this industry not dealing directly with end-customers.

This study considers media releases as a form of communication of CSR issues and attempts to link them to particular stakeholder groups. The method for this analysis is presented next.

Research Method

This is an exploratory case study in which media releases are used to investi-

gate Australia's four major national banks' communication of their CSR in light of stakeholder theory. Media releases are a major source of information aimed at stakeholders, being a popular feature of organisations' Websites (Cooper, 2003). Despite the importance placed on the Internet as a communication tool, research indicates that the number of studies considering this is limited (Tomasello, 2001). The majority of studies considering stakeholder management via communication strategies do not consider media releases. Rather, as with Bartlett's (2005) study, analysis of annual reports, social impact reports and policy statements predominates.

Sample Selection

The sample comprises the four major national banks in Australia for the year 2006. The financial services industry is regularly under criticism regarding CSR. This focus of attention on the industry could be attributed to the ability of the organisations comprising this industry to affect the operational activities and outcomes of a variety of organisations across diverse industries (Margret & Tran, 2007). Supporting the purposive selection of Australia's four major banks as the sample for consideration in this study, Farmer & Hogue (1973, p. 5) report on the expectations of society towards large organisations:

Most people do not expect smaller firms to do much toward carrying costs of anti-pollution campaigns, to contribute heavily to educational funds, or to lead businesses in working toward similar socially desirable goals.

Therefore the choice of selecting sample

for analysis is attributable to both the relevance of CSR to the financial services industry and the higher expectations from society towards CSR in these larger organisations. A limitation of this non-probability sampling design, however, is the inability of the results to be generalised to a population (Cavana *et al.* 2001).

Every media release for the year 2006 was obtained through each bank's Internet site. There were 79 media releases from ANZ; 99 media releases from CBA; 48 media releases from NAB, and; 89 media releases from WBC (a total of 315) for the period of analysis. Only ANZ's Website has a separate link for media releases solely on CSR-related issues. Of the 28 media releases in ANZ's link specifically for their CSR-related media releases, 26 are considered in this study as two were not accessible due to a broken link.

All media releases were considered and judged according to the coding rules (see below). That is, each media release is analysed to determine if it discusses any of the CSR issues listed in Table 1, and the stakeholder at whom these media releases are aimed was determined. Every media release was thoroughly assessed to determine if it discussed more than one CSR issue, or if it was aimed at more than one stakeholder.

Coding and Analysis

In order to measure the extent and nature of CSR in the media releases, content analysis is used. Weber (1985) points out several purposes of content analysis, all dependent on the objectives of the research. Relevant to this study is that

content analysis can be used to:

- identify the intentions of the communicator
- describe trends in communication content
- reveal the focus of individual, group, institutional, or societal attention

Content analysis has been described as:

A technique for gathering data that consists of codifying qualitative information in anecdotal and literary form into categories in order to derive quantitative scales of varying levels of complexity (Abbott & Monsen, 1979 p504).

Consistent with this description, content analysis is useful for identifying themes in the raw data (Cavana *et al.* 2001). With the objective of determining the existence of stakeholder management via media releases, each media release was read and classified into one of the identified themes (see below). The release was then read in detail to determine the stakeholders at whom the media release is aimed. This classification method is, like most content analysis, quite subjective, therefore, specific coding rules were prepared for analysis of the media releases, including definitions for each theme, treatment of multiple themes, treatment of headings, etc. A sample of releases was then re-coded by a second coder and the results reviewed.

The specific CSR themes used were adapted from existing literature. Hodgetts & Kuratko's (1991) study lists general CSR issues that organisations must deal with in contemporary society. The themes used are presented in Table 1. The coding sheet and rules are derived from Riffe *et al.* (2005). Multi-case coding sheets were used for the analysis, as

these are useful when there are a large number of cases (in this study, the cases are the individual media releases) (Riffe *et al.*, 2005). The stakeholders as identified by Donaldson & Lorsch (1983) are adapted for use in this study and include Shareholders; Employees; Customers;

Communities; and Other. These are the most commonly identified stakeholders for CSR disclosure (Estes, 1976; Ogan & Ziebart, 1991; Tilt, 1997; 2007), but the ‘other’ category was included to identify any stakeholders specific to the organisations under study.

Table 1
CSR Themes Used in Analysis

Environment: pollution control; restoration or protection of environment;
Energy: conservation of energy in production and marketing operations;
Fair Business Practices: employment and advancement of women and minorities; support for minority owned business;
Human Resources: employee training and development;
Community Involvement: donations of cash, products, services or employee time; sponsorship of public health projects; support of education and the arts; support of community recreation programs; cooperation in community projects;
Products: enhancement of security; environmental/ social improvements of a product.

As an example of how media releases were coded, the release entitled ‘Commonwealth Bank activates emergency package to help cyclone victims’ (Commonwealth Bank of Australia, 20th March 2006) totaled 282 words. On reading this example it was assigned various codes in the coding sheet (spreadsheet) as it was identified as being CSR-related, then coded for ‘community involvement (donations of cash, products, services or employee time), and for each stakeholder mentioned in the report directly (customers and local farmers).

Some media releases did not mention a stakeholder directly, and in these cases they were read in their entirety and a subjective decision made as to which stakeholders, if any, were the intended audience. Such subjectivity is inherent in content analysis, and is acknowledged as a limitation. Similarly, stakeholder categories are not entirely discrete, so their

overlapping nature is another limitation. This study however, is exploratory in nature as the area of CSR marketing to stakeholders has not been researched previously to any great extent.

Results

CSR Themes in Media Releases

The media releases from Australia's four major national banks are slightly different in their presentation on the websites. Australia and New Zealand Banking Group's (ANZ) site has two separate links for their media releases in 2006: one titled 'ANZ 2006 Media Releases' and one titled 'ANZ 2006 Corporate Responsibility Media Releases'. The other banks do not distinguish between CSR-related and non-CSR-related media releases. National Australia Bank's (NAB) site for its media releases in 2006 is titled 'Media Releases/ASX Announcements', incorporating information on the Australian Stock Exchange aimed at

both current and potential investors. Westpac Banking Corporation (WBC) and Commonwealth Bank of Australia (CBA) both title the link for their media releases in 2006 simply 'Media Releases'.

The ease associated with accessing the media releases is interesting given an aim of this study is to determine the level of attention given to different stakeholders. On the homepage of ANZ, CBA, or WBC, media releases are found by clicking on either the 'about us', 'glossary', or 'info' links, respectively. This presents a link to the 'Media Centre', which exists in all four bank websites. NAB is the only bank for which the Media Centre is accessible directly from the Homepage. However, all of the banks' Websites feature a 'Search' function accessible from any of their Websites. The usability of websites is an interesting area for future research; see Tilt *et al.* (2008).

It is evident that CSR is a significant issue reported upon in the media releases of Australia's four major national banks. The majority of the media releases com-

municate one CSR theme (23 media releases are found to discuss two CSR issues). This conclusion is supported by the tendency for all banks to occasionally publish several media releases per day. Figure 1 shows the number of media releases issued by each bank in 2006, and the corresponding number of media releases involving CSR. 117 media releases out of a total of 315 discuss CSR (approximately 37%) highlighting the significance of CSR in the banking sector of the financial services industry.

Figure 1 shows that NAB does not communicate via media releases as much as the other banks, with only 48 releases, but their CSR-related media releases amounted to 41% of these, the second highest proportion. The type and amount of CSR discussed in the media releases, is presented for each of the banks in Table 2, noting that 23 media releases communicate more than 1 CSR theme, resulting in a higher number of CSR issues discussed than the total number of CSR-related media releases. Each sub-category is considered in detail in the following sections.

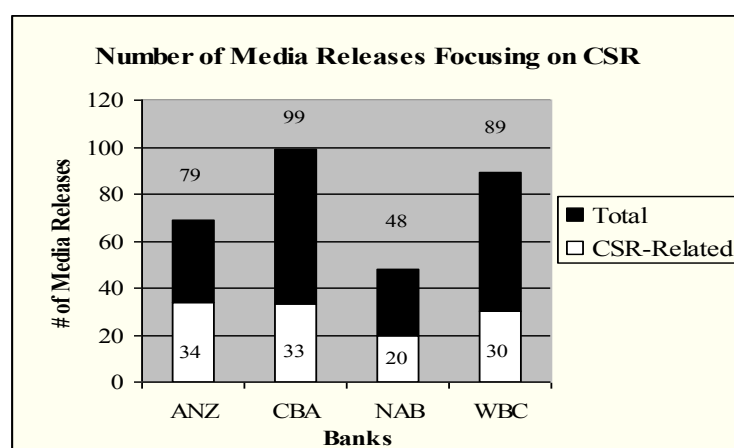


Figure 1
Number of Media Releases Focusing on CSR

Table 2
Type and Amount of CSR in Media Releases

	ANZ	CBA	NAB	WBC	Total
Environment	2	-	-	4	6
Energy	1	-	-	1	2
Fair Business Practices	2	1	1	3	7
Human Resources	2	1	-	1	4
Community Involvement	33	32	18	22	105
Products	4	4	4	6	18
Total	44	38	23	37	142

Community Involvement

Table 2 shows that media releases focusing on community involvement are the most common. Community-related issues are discussed in the media releases approximately 74% of the time in relation to total CSR themes. The majority of these community-related media releases involve donations of cash, products, services, or employee time. The most popular form of community involvement concerns assistance to those affected by a natural disaster, however, WBC appears to aim these media releases solely to its customers, never discussing any initiatives involving the donation of cash to communities affected by a natural disaster. This could be because they did not donate to those communities indicating that customers are given higher priority. The other banks aim these media releases towards both customers and communities, often donating cash to those that are not necessarily customers.

A significant portion of the media releases focusing on community involvement relate to the support of education or the arts, with all banks communicating this issue in their media releases. Interestingly, CBA is the only bank considered in this study that communicates

this issue in their media releases more often than they discuss donations.

Energy

Table 2 shows that only two media releases communicate an energy-related issue for the year 2006 (less than 2% of the attention in relation to the other CSR themes). For example, ANZ's energy-related media release titled 'ANZ develops Australia's largest office building in Melbourne' (Australia and New Zealand Banking Group, 27th September 2006), discusses the various energy-efficient measures incorporated into ANZ's newest office building. It is now worth noting that ANZ's media releases are found to communicate the widest range of issues to its stakeholders, regarding CSR. A reason for the lack of energy-related media releases is possibly the nature of the banking sector. More specifically, the intangibility of banks' products, and the minimal amount of energy required for a bank's operations, allows little opportunity to implement energy-saving initiatives.

Environment

Only ANZ and WBC issued CSR-related media releases involving the environment to stakeholders in 2006. CSR issues relating to the environment are

discussed approximately 4% of the time in relation to the other CSR themes. In particular, these media releases discuss either a commitment to the restoration or protection of the environment, or pollution control. For example, WBC (being the bank using media releases to communicate environmental issues to its stakeholders more than any other of Australia's major national banks), in the media release titled 'Westpac extends highly successful paper saving initiative' (Westpac Banking Corporation, 8th August 2006), discusses the extension of their e-statement strategy aimed at saving paper. Again, issues involving the environment may not be communicated to a great extent in media releases given the tendency of the banks to use other means, such as environmental reports.

Fair Business Practices and Human Resources

Table 2 shows that media releases involving the banks' fair business practices and human resources (HR) are rare - approximately 5% in relation to the other CSR themes for Fair Business and 3% for HR. A possible reason for the lack of media releases in these areas is that they are aimed at employees and organisations may use other means to communicate to its employees (for example an Intranet or staff notice board).

Products

Out of all media releases products related to CSR are given approximately 12% of the attention in relation to the other CSR themes, and exist for all of the banks. Given the nature of the banking sector, improvements in services such as Internet banking, and security upgrades at ATMs, are included in this section. Specifically, these media releases discuss the introduction or the

promotion of a product designed to have a positive environmental or social impact. For example, WBC's media release titled 'Westpac enhances Internet Banking security' (Westpac Banking Corporation, 13th February 2006) discusses enhanced security provided for online banking.

Stakeholder Analysis of Media Releases

It is evident that each of Australia's four major national banks tailors its media efforts, at least regarding CSR, to each of its stakeholders. Furthermore, the results indicate that the banks focus on similar issues, highlighting a trend in the banking sector.

As discussed earlier, Freeman (1984) describes stakeholder management as the need for an organisation to manage the relationships with its specific stakeholders in an action-oriented way. An objective of this study is to determine those stakeholders at whom the CSR-related media releases from Australia's four major national banks are aimed. Figure 2 (see the next page) shows the stakeholders considered by Australia's four major national banks and the number of media releases aimed at each.

Just as there are 23 media releases communicating more than one CSR theme to stakeholders, there are 25 media releases aimed at more than one stakeholder group, resulting in totals greater than 100%. Table 3 shows the percentage of media releases aimed at each stakeholder group by theme. For example, 100% of the media releases discussing fair business practices are aimed at customers, 42.9% of these media releases

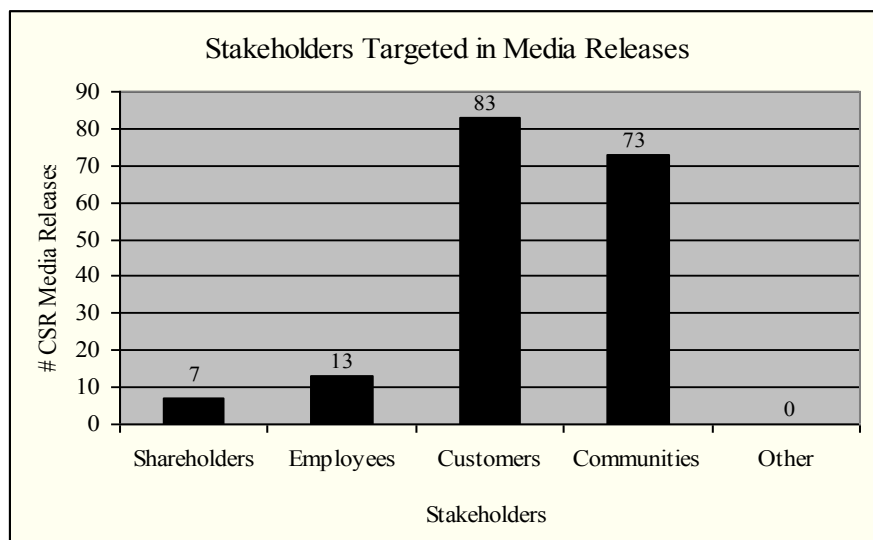


Figure 2
Stakeholders Targeted in CSR Media Releases

Table 3
Percentage of Media Releases Aimed at Stakeholders by Theme

	Shareholders	Employees	Customers	Communities
Environment	-	16.7%	100%	33.3%
Energy	50%	50%	50%	50%
Fair Business Practices	-	42.9%	100%	42.9%
Human Resources	25%	100%	75%	50%
Community Involvement	2.7%	3.8%	46.7%	59%
Products	11.1%	-	94.4%	16.7%

are aimed at employees, and 42.9% of these media releases are aimed at communities.

Shareholders

Figure 2 shows that shareholders are one of the stakeholder groups considered in the CSR-related media releases from Australia's four major national banks in 2006, albeit rarely. Cooper (2003) concludes that the majority of environment-related communication is aimed at shareholders and in this study media

releases detailing the efforts of an organisation to reduce waste (or some other cost-saving method) appear to support this. For example, the media release from WBC titled 'Westpac extends highly successful paper saving initiative' (Westpac Banking Corporation, 8th August 2006) details a CSR initiative resulting in cost savings.

Although it is traditionally thought that shareholders are an organisation's most important stakeholder group, the results

from this study conclude that, regarding the communication of CSR via media releases shareholders are not considered the most important stakeholder group. This supports Dawkins & Lewis (2003) who also show that the importance of CSR to the investment community (shareholders) is lower than other stakeholder groups.

Employees

Huselid (1995) examined the effects of human resource management policies and practices on financial performance. The financial benefits associated with the effective management of this stakeholder group, possibly more straightforward than others, are attributed to lower turnover, lower absenteeism, and improved productivity (Huselid, 1995). Therefore research informs us that it is in the best interests of an organisation to not only engage in workplace diversity, but to communicate this to employees.

Specific to this study, media releases discussing the advancement of women or minorities are issues and are aimed at both current and potential employees. Furthermore, the level of diversity an organisation employs in their workforce is also found in the releases, and is aimed at employees (Berman *et al.* 1999). As discussed earlier, an organisation's visible efforts to recruit and retain people regardless of race, ethnicity, or gender, may reduce employee turnover or absenteeism resulting from disgruntled employees (Hart, 1995). Therefore marketing these CSR issues to employees is intended to have a positive impact on the organisation and its employees.

Similarly, media releases discussing employee training or development are aimed at both current employees and

potential future employees. This supports the research finding that employees would prefer to work for an organisation promoting their growth, or at least would be less likely to leave the company (Huselid, 1995). Dawkins & Lewis (2003) argue that it is in the best interests of an organisation to communicate their CSR towards its employees, given the importance of employee advocacy on other stakeholders. Although the results of this study suggest Australia's four major national banks do not do this via media releases, but rather use internal methods to communicate with them (such as an Intranet or staff notice boards).

Customers

Customers are a major focus of Australia's four major national banks' media releases. One CSR issue discussed by all the banks in their media releases is the enhancement of security, such as at ATMs and Internet banking. These CSR issues are aimed at both current and potential customers. Clearly, customers prefer to ensure their wealth is kept as secure as possible. It is again appropriate to point out the potential for a person or group to have multiple "stakes" in an organisation (Cooper, 2003), however in a different manner. For example, it is logical to assume that a considerable number of an organisation's employees are also customers. To eliminate confusion, this sub-section only considers those stakeholders as customers, regardless of the other stakeholder groups to whom they belong.

Furthermore, incorporating environmental aspects in a product is often aimed at customers. This is understandable given the growing trend for customers to consider the environmental impact

of their purchasing (Dawkins & Lewis, 2003). Therefore research supports the idea that those organisations marketing products that have a positive impact on the environment are more likely to attract new customers and retain existing customers. It is thus in the best interests of Australia's four major national banks to create environmentally friendly products and market them towards customers.

The finding that customers are given the most attention regarding the banks' marketing of CSR via media releases in the year 2006 has implications stemming from the work of Mitchell *et al.* (1997). To recall, their study details a method for stakeholder identification, in particular the ability to distinguish between stakeholders by assessing three variables: power; legitimacy; and urgency. Given the results of this study, it is evident that, relative to shareholders and employees, customers are critical regarding the marketing of CSR via media releases in the year 2006. The trend for all banks to aim the majority of their marketing of CSR towards customers reinforces this assertion.

Communities

Communities are the intended audience of the banks' media releases almost as much as customers. A reason for Australia's banks to aim their CSR-related media releases at communities is the wide range of people that may be included in this stakeholder group. For example, customers may find themselves affected by a community issue supported by an organisation. Furthermore, by being attached to a well-known event or cause, organisations in turn gain their own publicity. More specifically, organisations experience a positive impact on their

own reputation when marketed in conjunction with a well-known event or cause (Dechant *et al.* 1994; Hart, 1995). Therefore, shareholders supporting long-term as well as short-term profits are supportive of investments in community issues such as sporting events, positively affecting their own long-term wealth (Donaldson & Lorsch, 1983).

Gray *et al.* (1996) point out that the more important the stakeholder to the organisation, the more effort will be exerted by the organisation in managing the relationship. Given the results of this study it would appear that, regarding the communication of CSR via media releases, communities are considered one of the most important stakeholders. This is true for each of Australia's four major national banks, each focusing their CSR-related releases to communities (and customers). A reason presented in a study by Waddock & Graves (1997) that supports an organisation's improvement of community relations is the potential savings experienced in the form of tax advantages.

Given the extent to which communities and customers are focused on in the banks' CSR-related media releases relative to other stakeholders, it could be thought that these two stakeholder groups drive the CSR strategies adopted by the banks. That is, CSR initiatives are stakeholder-driven rather than simply marketed to suit the current strategies. This finding not only has important implications for the marketing strategies of the banks, but also for stakeholders. The extent to which a stakeholder group can impose its will in a relationship with an organisation may influence the strategies adopted by that organisation.

Discussion and Conclusions

Despite the abundance of literature available on CSR in marketing and CSR reporting, few studies consider an organisation's use of media releases to communicate to stakeholders. This paper presents a case study on the Australian banking sector, examining the media releases from 2006 from Australia's four major national banks, to determine the extent and nature of CSR aimed at specific stakeholders. The study found a trend in both the CSR issues communicated via media releases from each of Australia's four major national banks and the level of attention given to each stakeholder group. The media releases focus primarily on community involvement relative to the other CSR themes and are aimed primarily towards customers and communities.

Friedman (1970) argues that CSR takes away from the profits of shareholders, with increases in share-price being an organisation's sole responsibility. In recent times however, the responsibilities of organisations have extended relative to the impact of their operations on society. Accordingly, stakeholder theory prescribes that an organisation must consider a wide range of interests to achieve its own objectives and ensure the survival of the organisation (Freeman, 1984). It is thought that the managerial (positive) branch of stakeholder theory is most relevant to this study, given it seeks to examine Australia's four major national banks' communication of their CSR to various groups. This is consistent with the view that CSR serves a wider community (Freeman, 1984). The results of this study suggest that Australia's four major national banks consider a wide range of interests in their use of

CSR-related media releases, consistent with stakeholder management. By aiming them at specific stakeholders, the banks successfully differentiate between their intended audiences.

According to stakeholder theory organisations will attempt to balance the competing and often conflicting interests of its stakeholders. The findings of this study reveal that shareholders and employees receive some attention, however it is customers and communities at whom most of the CSR-related media releases are aimed. By determining the extent of CSR aimed at specific stakeholders, this study aims to highlight an organisation's recognition of the growing importance of social and environmental issues in contemporary society. For the Australian national banking sector, over one-third of all media releases from the year 2006 discuss CSR. Furthermore, the banks' media releases discuss community initiatives as they relate to CSR considerably more than any other CSR issue.

The organisational strategy of stakeholder management, consistent with views prescribed by stakeholder theory, asserts that organisations must determine the needs of their various stakeholders and attempt to satisfy the claims of those most powerful. Reasons for possible trends in the data are proposed in light of stakeholder theory: (1) given the conflicting views of profit-maximisation and CSR organisations may be less likely to market their CSR initiatives to shareholders; (2) employees are found to rarely be the target for the banks' CSR marketing, possibly due to the tendency for organisations to use internal means to communicate to this stakeholder group; (3), the satisfaction of customers is important in any organisation, and the

satisfaction of this stakeholder group is important for increased sales; (4) the amount of attention given to communities as a stakeholder group in the CSR-related media releases is attributed to the wide range of stakeholders potentially affected by such communication.

Implications

The results of this study suggest that stakeholder management is a strategy adopted by the banks regarding the communication of CSR via media releases. The implementation of effective communication strategies is important when considered in light of results from the research of Dawkins & Lewis (2003), suggesting only 36% of people are able to recall any examples of an organisation helping society or the community, therefore the results of this study have implications for our understanding of the use of CSR in a marketing context

The findings indicate community involvement is communicated to stakeholders considerably more than any other CSR theme and customers and communities are the target of most CSR-related media releases. All four banks appear to use the same strategies however, so there is little to differentiate them.

Emphasising this need for marketing research, Maignan & Ferrell's (2001) found stakeholder groups perceive the activities of an organisation differently, therefore requiring tailored marketing efforts. The results of this study support the increase in marketing of CSR aimed at specific stakeholders, or the marketing of CSR via other media.

Limitations

No methodology existed prior to this study for determining the stakeholders being targeted by corporate communications. Therefore, a subjective approach using content analysis was applied. Furthermore, media releases are analysed as a means of communicating CSR to stakeholders, excluding other means such as television, radio, and annual reports. As these are also popular sources of advertising, this study may not comprehensively represent the marketing efforts of the banks.

Further research

Similar to the study by Peterson & Hermans (2004) this study could be conducted in a longitudinal form to see if there has been a significant change in the marketing of CSR relative to changes in societal attitudes. This would provide insight into possible changing stakeholder attitudes and associated organisational strategies. Furthermore, Schneider (1982) outlines the potential benefits arising from measuring one's own performance, specifically when applied to an organisation's CSR. Schneider (1982) claims banks can benefit by assessing the repercussions of the CSR strategies they have implemented. Further research could analyse the repercussions of the CSR aimed at specific stakeholders in conjunction with the organisation's marketing via print media or otherwise, to assist in the implementation of effective CSR strategies. Finally, Unerman & Bennett (2004) argue that organisations should respond to the needs of those stakeholders with whom they engage with as opposed to solely those stakeholders owning or controlling re-

sources. Thus, further research on the interaction between organisations and stakeholders around CSR issues in media releases analysed would be enlightening.

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