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External communication of corporate social responsibility initiatives in the case of the Deloitte Finland CoRe Champion Peru project

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External communication of corporate social
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The objective of this thesis project was to examine the external communication of an international professional services firm, Deloitte, with regard to their on-going corporate social responsibility (CSR) project. A secondary objective of the study was to identify areas in need of improvement and to make further recommendations in order to enhance the overall effectiveness of the project communication.

To be able to form a comprehensive opinion of the strengths and weaknesses of the current communication plan and its implementation, CSR as a concept was defined and theories of CSR communications reviewed. On the basis of this background research and by applying this information into practice the existing plan was analyzed and evaluated. Also the two project managers were interviewed in order to acquire a more thorough understanding of the goals, activities, processes and operations regarding the initiative.

The literature-based case analysis provided insight into the case project's communication process and the findings included some identified deficiencies in the stakeholder-specific considerations. The communication to a stakeholder group of special interest, the Finnish students, was elevated as the main subject and the focal point of the development. The knowledge base acquired through the literature review provided a framework according to which a suggested communication plan for the mentioned stakeholder group was then developed.

Key words Corporate social responsibility (CSR), external corporate communications, corporate citizenship

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Tämän opinnäytetyön lähtökohtana ja tavoitteena oli tarkastella kansainvälisen asiantuntijaorganisaation, Deloitte ulkoista viestintää Perussa tapahtuvan yritys vastuuprojektinsa tiimoilta, tunnistaa mahdollisia puutteita viestinnässä ja esittää kehitysehdotuksia niiden pohjalta viestinnän tehostamiseksi.

Kokonaisvaltaisen mielipiteen muodostamiseksi olemassa olevan viestintäsuunnitelman vahvuuksista ja heikkouksista sekä suunnitelman toteuttamisesta, yritys vastuun konseptina määriteltiin ja eri teorioita yritys vastuun viestinnästä tarkasteltiin. Taustatutkimuksen perusteella ja tätä sisäistettyä tietoa soveltamalla käytäntöön, olemassa oleva viestintäsuunnitelma analysoitiin ja arvioitiin. Myös projektista vastaavia henkilöitä haastateltiin syvällisemmän ymmärryksen saamiseksi liittyen hankkeen yksityiskohtiin, tavoitteisiin ja prosesseihin.

Kirjallisuuteen perustuva case - analyysi paljasti joitain puutteita viestintäsuunnitelman sidosryhmäspesifeissä kysymyksissä. Kehitysprojektin pääpaino siirtyi yrityksen näkökulmasta erään erityisen mielenkiintoinen sidosryhmän, suomalaisiin opiskelijoihin kohdistuvan viestinnän suunnitteluun. Kartutettu tietopohja tarjosi viitekehysten, johon nojautuen ehdotelma kyseiselle sidosryhmälle viestimisestä kehitettiin.

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1 Introduction

In today's business world traditional business measures, profitability and share value, are not necessarily enough anymore to determine the overall success of a company. According to much recent research stakeholders nowadays are increasingly aware of environmental and societal issues. They actively seek information on companies' CSR behaviors and require initiatives supporting social causes and actions to be taken concerning these matters in exchange for their loyalty. As a result of this international greenwash phenomenon, CSR as a concept has become a global trend among individuals as well as institutions and both the internal and the external pressure from non-profit organizations, general public, potential investors, suppliers, employees et cetera has led to companies all around the world addressing these issues and investing more and more money on different corporate responsibility agendas.

Regardless of the magnitude of the capital investments made it is essential to recognize the positive effects on the company bottom-line as well, and therefore CSR should not be seen as an expense but something that adds value and generates profits. Researchhow, that socially responsible business practices can have a positive effect on companies in numerous different ways. These for instance include "building reputation, enhancing employee morale, and strengthening competitive positions" (Du, Bhattacharya & Sen 2011, 1). Achieving these favorable results though require not only the financial inputs mentioned but also restructuring and planning of different corporate processes to align with the new responsible values, mission and vision. Furthermore this means approaching the matter from a strategic point of view and integrating the initiatives to the companies' core competencies.

The real challenge however lies in how to communicate these efforts to the public. Stakeholders by default are skeptic of companies' CSR motives and often find them insincere and extrinsic and this is the ultimate reason why corporate social agendas fail in reaching their strategic goals (Du, Bhattacharya & Sen 2010, 9). The case company Deloitte is a multinational professional services organization that has practiced responsible business policies in all fields of its operations. However Deloitte Finland has recently taken up a new approach to community giving by launching a skills-based volunteering program in Peru, South America and the objective of this literature-based qualitative research therefore is to improve the existing communication plan by identifying the key factors and best practices of CSR communication to the main stakeholders regarding this CSR project.

Inspired by personal interest the aim of the thesis is also to define CSR as a concept, its significance in modern business and establishing the importance of communication in reaching the goals and gaining competitive advantage through CSR initiatives. One of the key questions

to be answered is “What are the CSR specific considerations that affect and moderate the overall corporate communications?” By then applying this information on a more practical level to the Peru project, the case company will learn how to communicate about the initiative to the desired audiences and the best methods and channels of doing so. This way the case company will be minimizing the stakeholder skepticism and enhancing their chances of gaining the pursued maximized profits and public recognition. Hence from the company point of view the research question of this thesis is how to communicate about this particular CSR project to the identified key operators.

The business case, the CoRe Champion Peru project is a work in process to which a draft of the communication plan has already been created, but certain key points such as detailed means and channels of communication to the main stakeholders are still to be further defined. Therefore a functional, project based approach is justified as this thesis aims to develop and potentially re-design a process of a professional practical activity. The end result however will only be a recommendation for the case company and may not be implemented but if the propositions are considered valid they can be easily executed with minimum effort.

2 Theoretical Examination

The theoretical section reviews literature, books, journals and articles related to CSR, corporate communications and marketing theories from different authors and organizations. It describes the main concepts within the subject and answers the first of the research questions by defining the CSR related factors influencing the corporate communications process as a whole.

2.1 Defining corporate social responsibility

When discussing corporate social responsibility (CSR) one must remember that the concept has been in use for several decades already. Throughout the years it has experienced an extensive evolution in accordance with the general view of each era on the extent of the responsibilities of businesses and the consequences of their operations. Even up until this day there is no one, clear definition of corporate social responsibility that everybody agrees to, but several by different individual institutions and organizations often closely tied to their own fields of businesses. Also, what makes defining the concept even more complex is the inconsistent terminology used referring to the same subject. As Kotler and Lee it expresses “good goes by many names” (2005, 2) and words such as corporate citizenship, sustainable business and corporate sustainability for instance are repeatedly used on companies’ annual reports without distinctly elaborating the meaning of them or how the concepts actually differ from each other. In the following paragraphs some of the most common definitions

around the issue by major organizations are discussed and examined in more detail in order to convey the idea of what exactly is “corporate social responsibility” referring to in this particular thesis.

The first global definition of sustainable development in Our Common Future report year 1987 was published by the United Nations, and it gained international recognition giving the issue political significance among major corporations (United Nations 2010). The definition describes the matter from a relatively neutral and general point of view as it suggests it to be “development which meets the needs of the present without compromising the ability of future generations to meet their own needs” and this way addresses individuals just as well as companies and the consequences of both of their actions (United Nations 2010). Applied to the global business scene this definition has had a significant impact on how corporate social responsibility is understood today.

The European Commission has emphasized going “over and above” the legal requirements of companies in their CSR activities and according to their previous definition corporate social responsibility is “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (European Commission 2011). Since this definition though the world economy has experienced a downturn accompanied by a global financial crisis and therefore the European Commission identified a need for updating and further developing their CSR policies set. The new, more concise definition states CSR as “the responsibility of enterprises for their impacts on society” and in order to fulfill this definition completely a company is expected to have integrated social, ethical, environmental, human rights and consumer concerns into their core strategy. By taking these concerns into account companies aim towards maximizing stakeholders’ shared value and general societal benefit, while taking the possible adverse impacts into consideration and dealing with them accordingly (European Commission 2011).

As Kotler and Lee it describes “Corporate social responsibility is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources” (2005, 3). This definition also emphasizes the voluntariness of the actions taken and covers both human conditions and the environmental side of the concept. In their book *Corporate Social Responsibility: Doing the Most for Your Company and Your Cause* they also mention two other definitions: by the World Business Council for Sustainable Development which refers to the subject as “business’ commitment to contribute to sustainable economic development, working with employees, their families, the local community, and society at large to improve their quality of life” and the Business for Social Responsibility -organization according to which CSR stands for “operating a business in a manner that meets or exceeds

the ethical, legal, commercial, and public expectations that society has of business". (Kotler & Lee 2005, 3)

All of these definitions suggest corporate social responsibility being an optional issue a company can choose to devote its resources to. Also it is more than fulfilling the legal requirements or writing a check, it is applying sustainable values to the corporate strategy aiming at mutual benefit for both, the company and the surrounding world, community and environment. The above mentioned definitions together summarize what CSR in this thesis refers to, though the focus here leans more towards emphasizing the societal impacts of businesses and their contributions to communities due to the nature of the case company's CSR project that will be discussed further in the upcoming chapters.

2.1.1 Motives for and benefits of CSR

In order to help understanding the ultimate motivations for CSR, Hartman, Rubin and Dhanda have simplified the concept by suggesting that the reasons for taking CSR initiatives can be derived from two different underlying intentions: the economic and the ethic one (Hartman et al. 2007, 374). The companies that are encouraged to undertake CSR activities for the economic reasons are motivated by the potential financial gains and they pursue competitive market advantage for their businesses through corporate social responsibility. This economic perspective on CSR is also sometimes referred to as the "enlightened self-interest model". From the ethical or the so called citizenship point of view however, companies are seen to owe the communities for reaping the benefits and exploiting their positions as community citizens. Therefore according to this approach also corporations are obligated to serve as any other contributing members of the society. At the very basic level this simply means "doing the right thing" and paying back to the community. (Hartman et al. 2007, 374-5)

Additionally, Porter and Kramer have defined the idea slightly further by suggesting that in general the prevailing justifications for CSR are the moral obligation, license to operate, reputation and sustainability (Porter & Kramer 2006, 2). Basically this classification is very much the same as Hartman, Rubin and Dhanda's, only here the citizenship approach covers the first three concepts and the economic perspective is included here in the sustainability argument. According to Porter and Kramer the concept of the enlightened self-interest model referring to the corporate triple bottom line means that "companies should operate in ways that secure long-term economic performance by avoiding short-term behavior that is socially detrimental or environmentally wasteful" (Porter & Kramer 2006, 3).

The European Commission has identified four interlinked ethical drivers for CSR that have motivated especially the European multinational corporations to apply sustainable values in

their operations. First of which is the aforementioned increased pressure from the external stakeholders, the general public, citizens, consumers, authorities and investors and their growing expectations. Companies nowadays are expected to take responsibility over their operations and the consequences of them to greater extent than ever. Secondly this social criterion has become a determining factor in consumer and investment related decisions on both levels, among individuals as well as organizations and this has even further pushed companies towards responsible business policies. The awareness of the negative impacts of corporate operations on the environment has rapidly spread all around the world and has raised justifiable concerns in people. This concern of the damages to the natural and social habitat done by businesses is the third motivation behind CSR identified by the European Commission. Lastly, the fourth driver is the inevitable transparency the development of modern media and technology has brought to all economic activities. (Hartman et al. 2007, 376)

Regardless of the ideology behind the actions, before actually committing to any initiatives it is essential for companies to specify how and why exactly corporate social responsibility would be of value particularly to their business. Things to consider would include defining both the benefits and the costs that participating in CSR endeavors would generate to the company as well as to the society. There are statements both supporting CSR and there are statements against it, and despite the mostly noble intentions also CSR actions come with a cost. According to Coombs and Holladay organizations should identify areas "where there is congruency and areas where there is conflict between the benefits and costs for a corporation and society" and implement a cost-benefit analysis throughout their corporation regarding these matters (Coombs & Holladay 2011, 6).

Coombs and Holladay have constructed a table where they have summoned the benefits and costs of CSR for corporations and the society thematically (Appendix 1). According to them the costs for corporations consist of three main themes. The first and the most common argument against CSR claims the initiatives distracting and shifting the primary focus of businesses from concentrating on making profits to social and environmental issues, and thereby deteriorating their market position and decreasing their competitive advantage and profitability. Arguments such as "businesses have a legal obligation to manage the company in the interest of shareholders -and not other stakeholders" (Coombs & Holladay 2001, 6-7) support this idea as large capital investments made for example in environmental issues are not necessarily in the top interests of the company shareholders per se, and as a result of community involvement this might eventually lead to the company wasting its financial resources and losing investors. Furthermore planning and implementing corporate social agendas are time and funds-consuming processes and often the costs generated in these

activities are passed on to the consumers and also competitiveness of the products sold suffer.

The second theme revolves around the belief that these social and environmental matters are not even corporations' responsibilities and that they lack the knowledge and expertise in these fields hence cannot be expected to take responsibility over the sustainability matters. According to this perspective governments that are designed to resolve such issues should address these concerns instead, not the corporations.

Arguments categorized in the last thematic group however claim that disadvantages brought to corporations also include the loss of power and authority over their operations. According to this perspective allowing stakeholders' opinions to have an effect on the decision-making process means sharing the supreme control, which further creates even more pressure to get involved in different CSR agendas as "stakeholders will place increasing CSR demands on organizations that commit to CSR" (Coombs & Holladay 2001, 7).

Opposed to what one might think CSR does also create harm to businesses' operating environments. In Coombs and Holladay's study the dominant themes mentioned in CSR costs for the society involve the government, the corporations and the relationship between these two and the responsibility over social problems. Successful CSR efforts decrease government regulation which of course is favorable for the organizations but the more self-regulated the business gets without formalization and proper monitoring, the more companies can select the issues to address or even decide not to engage at all. As Coombs and Holladay insist "CSR initiatives cannot substitute for government regulation of business".

As mentioned earlier, conducted properly, CSR may have multiple enhancing effects on businesses' performance. Coombs and Holladay divide these benefits into two main groups, one that is related to building and maintaining corporate reputation and the other to reducing business costs (Coombs & Holladay 2001, 7). As seen on the table (Appendix 1) CSR initiatives can be attractive to certain stakeholders, investors as well as customers. Also among employees CSR programs may increase motivation and loyalty towards the employer. Consistent with Coombs & Holladay's findings, Du, Bhattacharya and Sen have expressed that according to a growing number of recent studies "a company's positive record of CSR increases consumer loyalty and can turn customers into brand ambassadors and advocates who may be willing to even pay a premium to support the company's social policies". According to them "CSR may offer a competitive advantage in attracting, motivating, and retaining talented employees and socially responsible investors" (Du et al. 2011, 1). In addition to this as stakeholders are the key ingredients to any successful business Du et al.

have discovered that CSR can possibly be an excellent way of strengthening these relationships and leveraging the corporate brand.

As noted before depending on the nature of the CSR agenda also economic savings may be attained through engaging in corporate social responsibility activities. For instance through decreased government regulation or simply sustainable everyday business practices, like the use of renewable resources, may enable these cost reductions.

The society benefits from CSR when corporations take responsibility over the impacts of their operations on the environment and are held accountable for their actions. This happens for example when costs are not externalized and passed on to the consumers but addressed from within the companies. External stakeholders can pressure organizations towards more sustainable business practices, for instance using more energy efficient machinery, green technology, renewable energy and recycling, as well as taking up equal and just labor conditions and practices.

2.1.2 Dimensions of CSR and the strategic approach

As implied in the paragraphs above, by its nature corporate social responsibility is a multidimensional concept. Among other things it can cover issues varying from human rights, labor, employment and community involvement to environmental concerns like global warming, biodiversity and pollution (European Commission 2011). Depending on a company's field of business it can decide to address one of these issues or several that are closely related to its operations. Integrating the initiatives to the core competencies is not only logical but it also minimizes stakeholder skepticism and reinforces the idea of intrinsic motives for taking CSR action which furthermore improves the effectiveness of the work done (Du et al. 2010).

Like also discussed earlier the general understanding of the extent of companies' responsibilities over the effects of their operations has changed too. Cornelissen (2011, 233) suggests that the traditional idea of companies' only aims and responsibilities being making profits and maximizing shareholder value is outdated, and a shift towards organizations being accountable for their actions to the entire society has taken place over the past decades. Corporations are not seen only as economic entities anymore but more as parts of a larger social system and by being transparent in their actions and making responsible choices they earn their license to operate in their own business environments.

Community involvement as a dimension of CSR has become one of the focal points and central issues of corporate social responsibility. Cornelissen categorizes three different approaches to

corporate community relations that became the prevailing opinions on the subject of their own times. According to his classification, prior to the year 1980 the contributions toward the community consisted only of charitable donations and the objective of which were purely generating goodwill among the local community leaders and employees. These donations too were initiated often by the community leaders themselves or managers' personal contacts. This community relations approach Cornelissen refers to as the charitable donations approach. After this in the 1980's though the community relations programs experienced a change of character partly driven by the worsening economic situation and cuts in the social welfare. The aim of this community relations perspective called the community involvement approach was to present the companies taking action as employers of choice by providing employee volunteering programs and by increasing community involvement in social agendas. (Cornelissen 2011, 242-243)

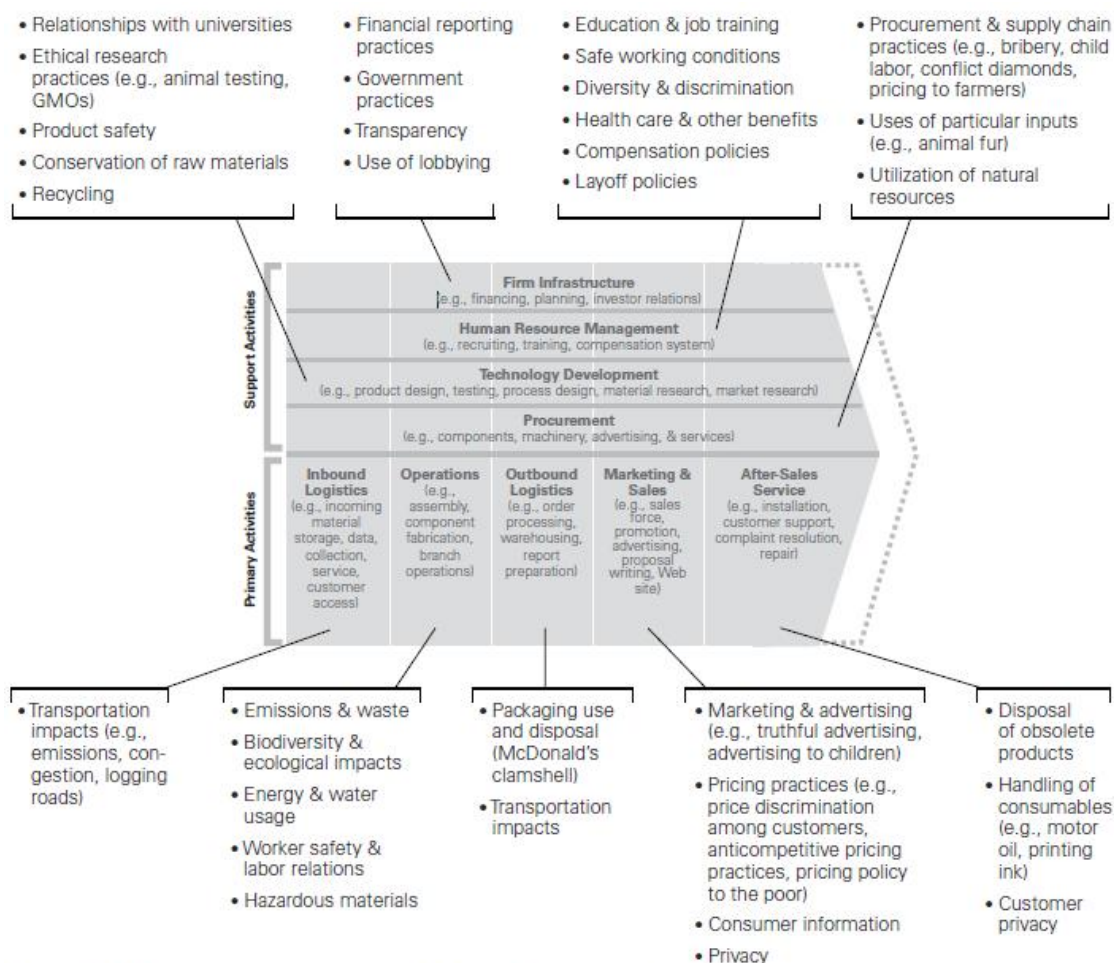
The time from 1990's until the present day Cornelissen refers to as the time of corporate citizenship. In this approach the community relations management is based on generating trust among the stakeholders in the community which is achieved by actively participating in increasing the public welfare. This is how companies today approach the community involvement issue and where the targets of the CSR activities lie. Partnerships with a variety of institutions for good causes aligned with the corporate mission and vision provide legitimacy and social acceptance for companies to operate in their communities. This change to increased transparency and participation in social concerns throughout the decades has been driven by stakeholder's growing criticism on how businesses operate in the society. (Cornelissen 2011, 243-244)

What CSR means to individual companies however, which approach is decided to be taken up on and how it is applied into practice varies case by case and like mentioned, is influenced by the field of business the company operates in. According to Porter and Kramer nowadays "the prevailing approaches to CSR are so fragmented and so disconnected from business and strategy as to obscure many of the greatest opportunities for companies to benefit society" (Porter & Kramer 2006, 1) which is why it is so important for the managers to acquire a strategic understanding of CSR before making investments in something that does not support the overall business objectives of the company. By having a strategic approach however companies can achieve and maximize both social and corporate value.

McElhaney (2009) defines strategic CSR as "A business strategy that is integrated with core business objectives and core competencies of the firm, and from the outset is designed to create business value and positive social change, and is embedded in day-to-day business culture and operations". According to her study the most researched and scientifically proven financial benefits of strategic CSR are found to be in the fields of "human resources and

talent management, reputation and branding, and operational cost savings” (McElhaney 2009). To gain these benefits though Porter and Kramer suggest starting by identifying the points of intersection between the business and society which come in two forms: the inside-out and the outside-in linkages.

The inside-out linkages refer to the impacts companies have on the surrounding society that occur through normal business operations. Mapping the social impacts of the value chain uncovers both the positive and negative points of intersection and as seen on the figure below (Figure 1). It covers all the primary business activities from inbound logistics to the after-sales services with all the activities supporting this process. For example investigating the effect logistics have on the environment and the emissions caused by transportation, or energy consumption and possibly hazardous materials used in production, all reveal potential issues and opportunities to address with CSR initiatives. As Figure 1 indicates such issues in the support activities area include for instance in human resources management matters related to working conditions or diversity and discrimination, which companies can turn into responsibility agendas.



Source: Michael E. Porter, *Competitive Advantage: Creating and Sustaining Superior Performance*, 1985

Figure 1: Inside-out linkages

Porter and Kramer suggest that external social conditions also have an effect on corporate activities and to this influence they refer as the outside-in linkages (Porter & Kramer 2006, 7). According to the authors in order to approach CSR strategically and to achieve the best results, the interdependence of companies and their surroundings should be examined with the same tools used to analyze the overall business competitiveness, strategy, strengths and opportunities and therefore they have applied the Porter's diamond model into the CSR context as well.

The diamond framework shows how the context for firm strategy and rivalry, local demand conditions, related supporting industries and factor input conditions affect the ability of the organization to compete in its location and improve its productivity (Appendix 2). Again companies should identify the points of intersection and find means to address these from the CSR point of view. For example the quality and quantity of available resources, natural ones as well as human, can be improved by company actions supporting local environmental sustainability programs or the educational system.

When deciding which issues to address it is important that companies have examined them from the priority perspective regarding their operations. Generic issues that are not directly or significantly affected by the company's operations may be important to society but do not influence the long-term competitiveness of the company. Addressing these issues is considered as responsible corporate citizenship acts but not necessarily as strategic CSR. As the figure below (Figure 2) indicates, strategic CSR constructs of addressing the inside-out linkages, also known as the value chain social impacts and the social dimensions of competitive context, the outside-in linkages, and turning them into something mutually beneficial. Strategic CSR is developing a symbiotic relationship between the company and its environment: "the success of the company and the success of the community become mutually reinforcing" and generally the closer the tie between the CSR initiatives and the corporate objectives, the greater the perceived value for both, the organization itself and the environment is. (Porter & Kramer 2006, 9-10)

Corporate Involvement in Society: A Strategic Approach

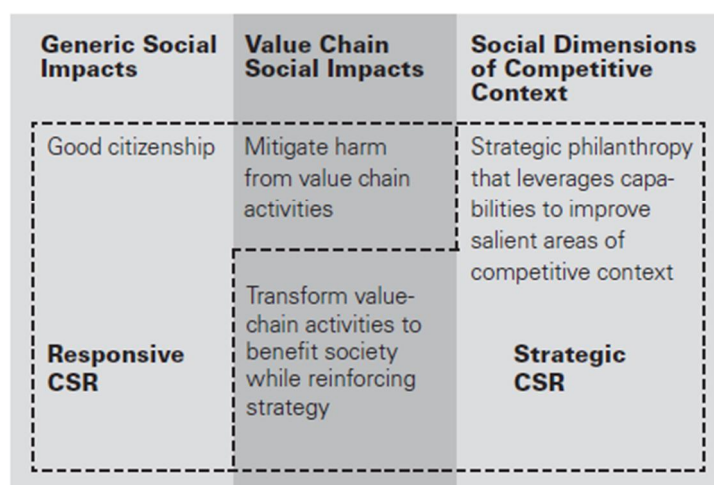


Figure 2: Corporate involvement in society

2.2 CSR and the communication challenge

What is even more complex than defining the overall CSR strategy and which issues to address, is to invent and implement an effective communication plan for these activities. As Kotler expresses "For most companies, the question is not whether to communicate but rather what to say, to whom, and how often" (Kotler 2001, 271). According to Coombs and Holladay (2011 Chapter 6, 2) "CSR communication is a challenging process requiring an understanding of stakeholders, their information needs, and communication channels". Stakeholders insist CSR activities to be taken and want to be informed about them, but often find the corporate communication self-promotional and become skeptical of the sincerity of these actions. Coombs and Holladay refer to this phenomenon as the "CSR promotional communication dilemma".

As CSR in general, also and especially CSR communication relies on transparency and credibility. Aligned with Coombs and Holladay's perspective Du et al. (2010, 8) indicate that the two main challenges in CSR effectiveness are the low awareness among the stakeholders of the corporate social responsibility efforts and the "unfavorable attributions towards companies' CSR activities". These issues should be overcome by establishing what to communicate, to whom and how.

The figure below (Figure 3) illustrates the CSR communication framework developed by Du et al. which divides the process into three main sections: the communication itself, the content and the channel, the contingency factors, stakeholder and company characteristics, and the internal and external outcomes of the CSR communication. An essential point to understand is

that different audiences require different presentations of the CSR activities and are most effectively reached through different methods and channels of communication. In the following paragraphs this process will be examined in more detail.

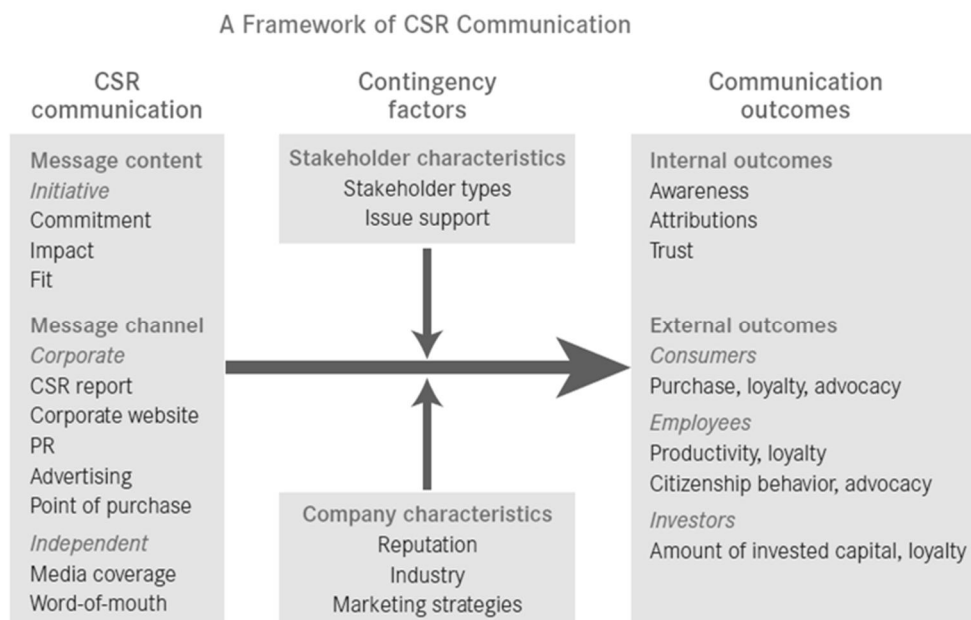


Figure 3: A framework of CSR communication

2.2.1 CSR message content

In the focal point of CSR communication there is a company's involvement with a particular social or environmental cause. As indicated in Figure 3 above Du et al. point out three attributes of CSR communication, the weight of which can be altered when addressing different target audiences: commitment, impact and fit. By emphasizing different qualities of the CSR agenda stakeholder skepticism can be minimized as different aspects of these activities appeal to different individuals. By communicating CSR information the stakeholders are interested in, in a way that is convenient for them, corporations are able to generate favorable CSR attributions and enhance the credibility of their actions.

The chosen CSR agenda can be approached from various perspectives like by "donating funds, in-kind contributions, or providing other corporate resources such as marketing expertise, human capital (...), and R&D capability" (Du et al. 2011, 3). The three measurable key aspects of commitment however include the amount of input, the durability of the association and the consistency of input (Dwyer, Schurr & Oh 1987, 19) from which corporations can choose to focus on one or several aspects in their CSR communication. The amount of input refers to the amount of funds and resources donated for the cause, durability

of the association to the length of the relationship between the corporation and the social agenda and the consistency of input to the uniformity and frequency of the donations made. Research shows there is a link between CSR commitment and the perceived credibility of the company's CSR activities as especially the duration of the association is often used as an indicator of a firm's motives. The longer the duration of the commitment, the more sincere the underlying intentions and the more genuine the concern towards the community welfare seem in the minds of the stakeholders.

As opposed to CSR commitment, CSR impact focuses on the output side of the process, on the concrete benefits that are gained or are to be gained through the company involvement in the social cause. According to Du et al. (2011, 4) stressing CSR impact as well as commitment in communication is an effective strategy. CSR communication should be based on facts and should avoid being interpreted as self-promotional activity hence presenting the target audience with a message emphasizing both of these aspects, the favorable outcome is achieved.

CSR fit refers to the congruence between the company's business objectives and the addressed social issue, as discussed in the previous chapters earlier in this thesis. As noted before it is important for the stakeholders to find a logical connection between these two because a low CSR fit would raise questions in the stakeholders' minds about the sincerity of the initiatives and result in being perceived as extrinsic altogether. Du et al. suggest that if there is no natural fit or an obvious link with the supported cause companies should try to elaborate the rationale for the agenda in the CSR communication as "by elucidating the underlying link between the sponsorship and its core business, the company is able to create a high perceived fit and reap greater business returns to its CSR activities" (Du et al. 2011, 4).

2.2.2 CSR communication methods and channels

"Communication channels deliver messages to and receive messages from target buyers" (Kotler 2002, 8) and these external channels through which the CSR message can be disseminated include for instance the traditional printed press, newspapers, magazines and brochures, billboards, posters, fliers, radio, television, mail, telephone and the Internet (Kotler 2002, 8). The ways are many. The point is not to reinvent the wheel though; using pre-existing channels of communication is recommended also in CSR communication.

According to Coombs and Holladay (2011 Chapter 6, 3) one of the core issues to be addressed and managed in diminishing the promotional communication dilemma is the source of the CSR communication, where and by whom the message is delivered. The authors claim that

corporations themselves lack credibility as sources of CSR information and third-party sources are needed to guarantee the unbiased opinion to decrease the stakeholder skepticism (Coombs and Holladay 2022 Chapter 6, 4).

Also Du et al. believe in the power of independent communicators of CSR. These external, less company-controlled communication channels like media, customers, monitoring groups as well as forums and blogs seem more neutral and therefore more credible to the stakeholders. This theory is also reinforced by recent research that shows consumers reacting more positively to non-corporate CSR channels. This is why Du et al. suggest trying to get “positive media coverage from independent, unbiased sources such as editorial coverage on TV or in press” (Du et al. 2011, 5).

In addition to this corporations should not underestimate the power of employee and consumer word-of-mouth. Informing and communicating CSR endeavors to these particular stakeholder groups may turn them into companies’ CSR advocates and then have the message reach far greater audiences than initially targeted. Especially among consumers the magnitude and efficiency of this method of communication has increased due to the recent growth of social media and different networking sites (Du et al. 2011, 6. Coombs & Holladay 2011 Chapter 6, 8-9). The strategic application of social media in CSR communication is also financially justified as it is virtually free when the stakeholders do the communication work for the company. However, regardless of the benefits of a low-cost and low-effort CSR message dissemination, corporations must remember that they have next to “no control over how their CRS message echoes throughout the Internet” (Coombs & Holladay 2011, Chapter 6 10).

The “corporate” methods and channels of CSR communication include CSR report, corporate website, PR, advertising and point of purchase, as illustrated in the Figure 3 earlier. Some of these methods can be implemented with relatively low investments as well but what is different about these communication channels in comparison to for example the word-of-mouth is that in order to learn about a company’s CSR endeavors from their web pages, CSR report or other publications, the stakeholders need to actively look for this information. The general public rarely does this by themselves hence this audience needs to be approached by using different methods of communication. The opinion-leader groups that include the business press, investors and non-governmental organizations however do proactively search and investigate companies’ CSR behavior and in the best case can become these third-party sources of communication discussed earlier (Dawkins 2004, 112).

Stakeholders want to be able to compare companies’ CSR performance and with stakeholder group specific communication it can be challenging. Therefore corporations in increasing

numbers have adopted more structured ways of reporting alongside with this CSR communication tailored for each target audience. These frameworks include for instance the global Reporting Initiative (GRI) and ISO 26000. Also different rating systems, such as the three most significant indices FTSE4 -Good Index Series, the Dow Jones Sustainability Index and the Ethibel Sustainability Index are widely used in the global scene as they not only affect the corporate reputation but also the value of the entire business (Hartman et al. 2007, 379. Ogilvy Public Relations World Wide. 2010). As a conclusion, also the more traditional channels therefore should be included in the CSR communication plan.

2.2.3 Company- and stakeholder-specific factors

According to the conceptual CSR communication framework developed by Du et al (Figure 3) certain characteristics of both the message sender and the message receiver influence the effectiveness of the CSR communication and these attributes the authors refer to as the contingency or the company- and stakeholder-specific factors. These factors however are believed to have a greater effect on the company controlled communication systems rather than the third-party CSR communication.

The company-specific factors can be divided into two key moderators of the communication effectiveness: corporate reputation and CSR positioning. Corporate reputation is often described for example as "observers' collective judgments of a corporation based on assessments of the financial, social, and environmental impacts attributed to the corporation over time": how the company presents itself and what kind of pre-existing attributions it has generated in the minds of the general public affects the stakeholders' opinions and the way they interpret the motives of new CSR initiatives (Barnett, Jermier & Lafferty 2006, 34). In other words companies' high source credibility and perceived good reputations can amplify the effect of CSR communications.

CSR positioning however refers to corporations positioning themselves among their competitors relying to greater extents on their CSR activities and differentiating themselves from others by emphasizing these values. For the stakeholders this is a sign of a deeper commitment to the cause and like stated by Du et al. "stakeholders are more likely to pay more attention to a comprehensive and coherent CSR message and believe in the authenticity of the social commitment" (Du et al. 2011, 6). In addition to corporate reputation and positioning also the industry of operations might have an effect on the communication outcomes as certain industries are generally assumed to be less socially responsible which further hinders the credibility of these corporations as CSR information sources.

As noted before also certain stakeholder specific factors have the potential of influencing the effectiveness of the CSR communication and these include the stakeholder type and the issue support. As suggested throughout this thesis different stakeholders have different expectations of companies' CSR activities and respond differently to CSR messages and channels and therefore it is essential to identify the types of target audiences and their preferences.

According to Dawkins' (2004, 112) classification there are two types of stakeholders, the opinion leaders and the general public. The opinion leaders include for example the business press and investors who actively seek out companies' CSR information and are even potentially willing to communicate it onwards to the surrounding audiences. These stakeholders are interested in solid facts and figures and Du et al. suggest companies applying and using the leading reporting standards in their operations in order to increase credibility among these CSR experts. Also investors are mostly interested in value maximization which makes it important for corporations to emphasize the business aspect, impacts and benefits when communicating to these target groups (Du et al. 2010, 15-16).

The general public is more passive in gathering CSR information and therefore is a little more challenging to reach as they often require a third-party communication source to deliver the message to them hence Du et al. (2010, 16) recommend companies using "a variety of communications channels or, alternatively, focus on one or two highly relevant channels".

The last stakeholder-specific factor moderating the effectiveness of CSR communication is "the extent to which stakeholders support the focal issue of a company's CSR initiative" (Du et al. 2011, 8), the issue support. It is self-explanatory that the closer the issues are to one's personal life and values the more support it gains from this particular individual. So before actually launching any CSR projects research should be carried out in order to discover the social issues that concern especially the key stakeholders to guarantee the issue support and to enhance the effectiveness of the communication later on. When these highly supported issues are closely bound to the corporate objectives, the CSR fit is ensured and the CSR impact maximized as are the potential business returns.

3 Case study: company introduction, CSR policies and case project

The case company Deloitte is one of the leading professional services firms in Finland as well as the world providing audit, consulting, financial advisory, risk management, and tax services for their clients internationally. In Finland Deloitte employs circa 400 professionals in seven different offices and globally more than 195 000 practitioners in 150 countries. Deloitte is one of "the Big Four" auditing companies alongside PricewaterhouseCoopers (PwC), Ernst &

Young and KPMG. On the basis of its global revenue of the fiscal year 2012, 31.3 billion USD, Deloitte is ranked as the second largest accounting company of the Big Four group, and the entire world (Deloitte 2012).

At Deloitte Finland the corporate social responsibility matters are addressed from multiple different perspectives and CSR in general is seen as a part of Deloitte's global business strategy that enables long-term success in the international marketplace. The operations developing the corporate responsibility have been divided under four major themes, each focusing on different issues: the community agenda, green agenda, talent agenda and marketplace agenda. The Deloitte21-vision aiming to help integrating the underserved young people into the 21st century economy acts as the main driver of the community agenda, according to which Deloitte can be of benefit to the society the best by doing what it does the best: providing its professional services, skills and know-how to promote the community well-being. Especially targeting the youth under the threat of social exclusion Deloitte community agenda aims to secure their position in the future society and their success in the working life. (Deloitte 2012)

The green agenda represents responsible business practices supporting sustainable development and minimizing the corporate carbon footprint. These policies are addressed in the everyday working life at the Deloitte offices in multiple different ways. From avoiding unnecessary business trips, favoring less polluting methods of transportation to recycling and energy efficient policies, the objective is to bring the green values into the daily decision-making processes.

The driver and the theme behind the talent agenda is the all-encompassing well-being at the work place. The employee well-being constructs of a clear vision and goals, responsibility areas and challenges that generate enthusiasm and motivation in the employees to learn new skills and adapting these into practice. The atmosphere at the office should promote fluent information flow and knowledge sharing which together serve as a base for learning and creativity. (Deloitte 2012)

Lastly, the objective of the marketplace agenda is to recognize services that enhance sustainable development and promote ethical issues. The idea is to bring responsible corporate policies as a part of the client work and the professional services offered. This is a great example of how the CSR initiative is tied to the company's core competencies as here managing social and environmental issues becomes the content of the product and offering strategic solutions to top management's needs is what the company does the best.

3.1 Deloitte CoRe Champion Peru project

As a part of the community agenda Deloitte Finland has taken a stand against social exclusion of the youth and launched a corporate responsibility project in Peru promoting youth employment and life skills in the poor neighborhoods of the capital city, Lima. A group of Deloitte volunteers are committed to create the contents for the project by providing their professional knowledge and input for the use of The Finnish Children and Youth Foundation (FCYF) and the local partnering organization, Centre of information and education for the prevention of drug abuse (CEDRO).

The initial idea for the project was inspired by a strong previous cooperation between FCYF and CEDRO. Successful collaboration in earlier projects, ongoing discussions and planning of new initiatives in joint areas of interest and expertise, eventually led to the consideration of the theme of youth entrepreneurship. This idea was supported by the results of earlier projects and the interests of the two organizations to develop new approaches to youth employment. This kind of initiative enabled the use of the CSR volunteer model jointly with Deloitte with which FCYF had had previous experience in other CSR programs implemented in Finland. Based on these experiences a project proposal was developed to incorporate a system that includes employment skills and entrepreneurship training so that young people can confidently enter the labor market, while affirming their personal improvement and contributing to the development of their families and communities. The project piloted in the fall of 2011 and by spring 2012 the first group of volunteers travelled to Peru to map the scope and to design the contents of the project, as well as to prepare the field for the next group of Deloitte professionals. (The Finnish Children and Youth Foundation 2011, 9)

The objective of the project is to take corporate social responsibility to the next level inside Deloitte as well as to promote and develop it in the global scale as well. The aim is to enhance the progress of youth employment, giving the young a chance of affecting their own futures and to promote the youth's participation in developing their own communities. The three-year-project's core beneficiaries are the socially vulnerable young people and the immediate goal is to support about 300 15 to 20-year-old Peruvian's employment opportunities. This is achieved by developing their life skills by offering occupational education and entrepreneurial coaching in the urban districts of Rimacia and La Victoria in Peru's capital city, Lima.

Through Deloitte's input and professional know-how also CEDRO's operations' efficiency and organizational development are targeted improvement areas as a result of the project. For the Deloitte volunteers the project gives a possibility of participating in a new kind of a CSR initiative and utilizing their professional know-how in a different working environment.

3.1.1 Stakeholders and roles

The project owners include Deloitte Finland, Deloitte Peru, the FCYF and CEDRO. Deloitte Finland's role is to offer financial support as well as professional expertise and knowledge of its field to support the project. A skills-based volunteering model was designed in co-operation with the partnering organizations aiming to develop new solutions that promote youth employment and entrepreneurship by utilizing the expertise of volunteers from Deloitte who participate in the project implementation. The Deloitte volunteers are involved in the project development in addition to which they also contribute to the organizational development of CEDRO.

The volunteers' tasks include training lectures and developing modules which enhance entrepreneurial capacities, such as bookkeeping, marketing, business plans and ICT education. The Deloitte volunteers are also involved in the final evaluation of the project results. During the three years of the implementation circa of 4 volunteers per year will participate in the project in Peru and the average time for each of their stay is up to 4 months. FCYF's responsibility is to provide Deloitte volunteers training, mentoring and follow-up. In addition to volunteering, Deloitte also supports the project financially. Deloitte Peru is involved and participates in the program as well (The Finnish Children and Youth Foundation 2011, 7)

CERDO develops ways of preventing the use of narcotics and raises awareness of the production and trafficking of drugs. Its mission is to promote safe and healthy living environment for young people, and to improve their self-esteem and quality of life, so that they would not get involved in drug trafficking or their use. CEDRO produces research and provides training for teachers and community leaders, authorities and youth workers, and the young people themselves. CEDRO's role in the project includes the implementation of the field operations and the coordination of all activities in Peru. CEDRO also coordinates all in-country activities with local government, local businesses, training providers and the young. CEDRO provides its staff, training infrastructure and networks to implement the project. (The Finnish Children and Youth Foundation 2011, 7)

Additionally, Deloitte has identified almost 200 other potential stakeholders and interest groups to the Core Champion project. Illustrated in the Figure 4 below are the closest and most relevant parties regarding this initiative. From the communications' development perspective the particularly interesting stakeholder groups highlighted by the project manager Mia Liimo are the current clients, students in Finland and the public sector/media (Liimo, interview 6 July 2012). Also an interview session with the corporate responsibility coordinator Minja Nieminen confirmed a communicational interest towards these

stakeholders, especially emphasizing the students and the youth located in Finland (Nieminen, interview 30 Oct 2012). Therefore in the following chapters the current means and methods of CSR communication targeting these specified key audiences are examined in more detail and potential development ideas to these processes are proposed. The analysis however is solely based on the version of the communication plan available at the time and excludes all information outside that particular document, thus, some development points might have already been identified by the case company and changes for current policies already considered.

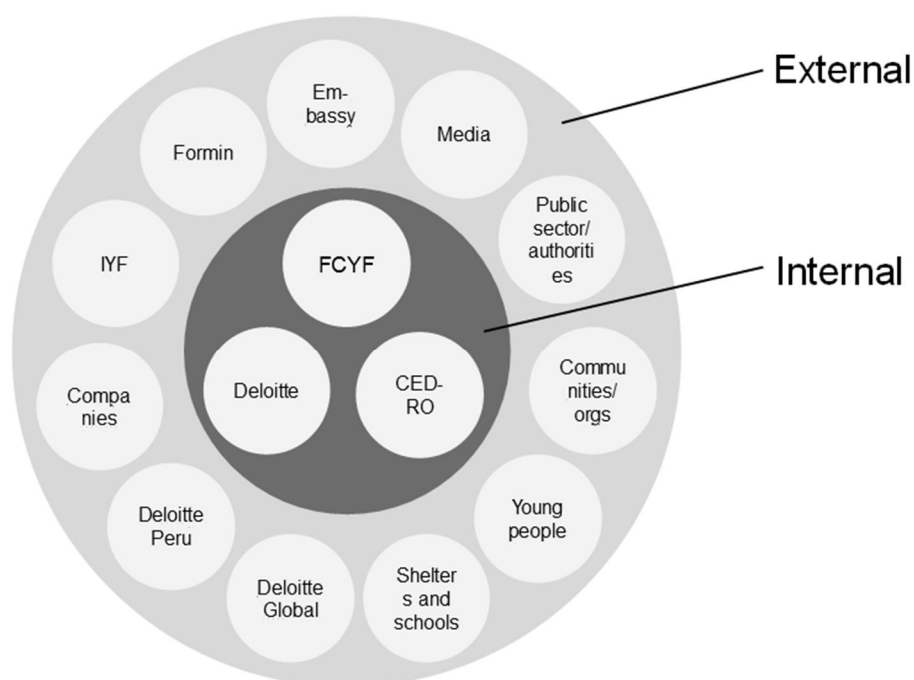


Figure 4: CoRe Champion Peru stakeholders

3.1.2 Key stakeholder specific communication plan overview and analysis

Coombs and Holladay summarize CSR communication plan as a strategy which “outlines the stakeholders to be addressed, channels (media) to be used to reach them and primary messages to be sent to each stakeholder group (2011 Chapter 6, 2). In order to establish whether the communication regarding this project is efficient and adequate, performing a basic analysis of the current process is justified. This communication plan analysis adapted in the CSR communication context based on the theory presented in the previous sections will then further help identifying the areas where development and further elaboration is needed.

The general objective of the Peru project’s communication plan is, with the gained publicity, to support the overall goals of the project. This mentioned publicity is generated through efficient external communication which in more specific aims to raise awareness of the

project among the key stakeholders, promote global corporate responsibility and the Finnish development policy as well as further build the corporate reputation and raise funds (Deloitte Peru Communication Plan).

The goal setting phase is an important step to the communication plan development as it defines the entire process and clarifies the reason for the project communications in the first place. It is essential that the communication supports the overall objectives of the project as noted earlier, and to do so the right message has to be delivered to the right audiences. The Peru project's communication plan has successfully incorporated the essence and the core ambitions of the initiative as a whole, but it lacks the detailed stakeholder specific goal considerations. It cannot be expected that communicating to different interest groups leads to the same results thus also separate desired outcomes of the process should be defined.

The objectives and the stakeholders are probably the most determining factors that influence the rest of the communication process design such as the message content: what is being communicated. Deloitte Finland has created a comprehensive key message structure defining the different components and focal subjects of communication that build on solid proof and together form the project's main message. The key messages include need, relevance and differentiation (Deloitte Peru Communication Plan).

As discussed, Du et al. have suggested building CSR messages by emphasizing the commitment to the cause, the impact the activity has and the congruence between the cause and the company's business (2011, 3). These elements can also be found in the Peru project's communication plan. The arguments that the entire structure builds up upon include facts about FCYF and CEDRO's expertise among youth employment issues, their previous success stories co-operating in other projects, the effect on the society, the length of collaboration and knowledge and familiarity of the operating environment. This in Du et al.'s terms would be stated as communicating CSR commitment, the durability of the association and consistency of input. Both the output and the input perspective of the CSR engagement are stressed which, according to the literature review made, enhances the effectiveness of the communication and generates positive attributions in the stakeholders.

The identified key message "Need" focuses on the current social challenges in Peru. By slightly changing the approach and reversing the setting, the message sent would convey the concept of CSR impact, the concrete output side of the involvement. The "Relevance" - message however is equivalent to the CSR fit described earlier in this thesis and communicates the congruence between the social issue and Deloitte's business: how the Deloitte expertise is being utilized in developing operating models and co-operation with different actors of the society. It focuses on emphasizing how using Deloitte's core

competencies and know-how through skills-based volunteering the maximum benefit is generated to the social environment. The last of the key messages takes this skills-based volunteering idea further and promotes it in its uniqueness and Deloitte's role as an innovative market leader that sees CSR as an asset. The focal point of this particular message is to differentiate Deloitte from its competitors by its CSR positioning.

According to the theoretical review made, promoting CSR commitment is an effective strategy as stakeholders appreciate sincere, fact based information. Combined with demonstration of the positive impacts the involvement has and establishing the connection between the business and the cause the stakeholder skepticism is minimized. Based on these statements it is well-grounded to say that the communication plan for the Peru project is at least strategically sound and legitimate. It is notable though that no stakeholder specific messages have been defined.

To assess whether the execution has been as profound as the planning, an external newsletter (Appendix 3) and the corporate webpages were examined for the messages they aim to convey. As highlighted in the Peru Newsletter 1/2012 (Appendix 3) many of these were in fact found. For example to mention some, the background is explained, the cooperation between the organizations, arguments for the need for the project, impact, length of the association and the unique approach are discussed in the letter. Also the corporate webpages communicate these key messages fairly efficiently and the newsletter can be found there too. From the perspective of this particular project by their design the Deloitte webpages are not necessarily the best possible as a channel because project specific information is not as obviously displayed as it could be. Corporate responsibility issues in general are easily accessible though, and once the right sites are found, not only the Deloitte point of view is introduced but the reader is directed to further information on the FCYF's webpages as well.

The means of external communication used in the Peru project include Deloitte publications, press releases, external newsletters and the corporate webpages. Excluding the press releases all of these planned channels are company controlled and therefore potentially less convincing from the stakeholder point of view. However a large portion of the communication is delegated to the FCYF and CEDRO, which even if partners in the project, are perceived as more reliable sources of information as non-profit foundations. This gives Deloitte the third-party advantage in communication through these partnerships. Of the stakeholders of particular interest research-wise defined by Mia Liimo (interview 6 July 2012) actually only two, the existing and potential clients and the public sector/media are currently Deloitte's responsibility to engage with. Therefore the chosen channels of communication are quite appropriate. CEDRO however which is responsible of the general public and the Peruvian youth requires a more multidimensional approach. This has also been taken into consideration

in the planning as meetings, interviews, events, social networks, e-mails, printed media and workshops form the channels of CEDRO's ways of communicating about the project. If however Deloitte is looking to raise awareness and interest among the Finnish youth and students as both Liimo and Nieminen suggest, the current channels used would be insufficient and in need of refining.

The implementation of the process and its timing has also been considered in advance. The stakeholder specific communications schedules have been created and between the key stakeholders Deloitte Finland specifically targets, the clients and the public sector and the media, the agendas vary somewhat. For the clients the communication is ad hoc -based and case dependent, with annual newsletters. The newsletters themselves are planned to be published every 6 months from March 2012 onwards, however only one had appeared in April by the end of October 2012. Media's timetable has not been defined in detail but attempts of pursuing independent media coverage in the press that are not time-bound are shown.

3.1.3 Findings, development ideas and recommendations

The brief analysis of Deloitte's current communication plan regarding the Peru project reveals both strengths and weaknesses in the preparation of the communication process. Many aspects have been taken into account but then again almost without exceptions the more detailed stakeholder specific considerations have been excluded or at least not documented in the official plan. Also a stakeholder group of special interest, the Finnish students, has been left out of the planning entirely.

In order to develop the current communication plan conducting a thorough stakeholder analysis of the key interest groups would be of value from the perspective of the project and its successfulness as a whole. Also the overall code of conduct, what are the concrete results Deloitte wishes to achieve and how does Deloitte hope to be profiled on the basis of this project would be beneficial to elaborate in more detail.

As stated in the Interreg IVC project communication guide "it is not sufficient for a project to define its objectives as "to raise awareness" or "to communicate our activities and results" (2012, 7). To further define more concrete stakeholder specific targets for the Peru project for instance Paul Meyer's SMART goals framework could be used (Meyer 2012). He claims that good objectives are Specific, Measurable, Attainable, Relevant and Time-bound: S.M.A.R.T.

The specifying questions to be answered would include defining who is involved, what does Deloitte want to accomplish, where and within what time frame, what does it require and which factors might restrict Deloitte from reaching its goals. Also defining the reasons, the

purpose and the benefits of accomplishing these goals should be done (Meyer 2012). With the objectives being measurable Meyer refers to establishing clear criteria based on which the progress towards the set goals is measured. In order to determine whether the goal is measurable or not, questions such as “How much? How many? How will I know when it is accomplished?” should be asked. Attainability however focuses on whether the goal is actually achievable. The attitudes, abilities, skills, and financial capacity needed to reach the targets are examined and if the goal is realistic to begin with. The relevancy argument is quite obvious as it aims to ensure that the goals are aligned and consistent with other long-term corporate plans. Being tied to a detailed schedule and having long-term as well as short-term milestones motivates for action and creates commitment to the process and is why it also is included in Meyer’s theory. (Meyer 2012)

Adapted from Meyer’s framework a matrix of suggested goals for the communication to Finnish students regarding the Peru project was created as no goals had been defined in the plan reviewed. The purpose of the table is to work as a reference and to give direction how to approach this particular stakeholder group and how to maximize the potential benefit from communicating about the Peru project in areas where CSR communication has the most impact on. Keeping the goals in mind when defining the rest of the communication process, more appropriate methods and channels can be determined. In the table below (Figure 5) these redefined objectives are specified through Meyer’s five attributes of SMART goals.

SMART Goals / Students	General idea	Specified target
Goals should be <u>specific</u> .	Raise awareness of Deloitte in general and the Peru project among the Finnish youth, promote Deloitte’s reputation as a socially responsible corporation as well as an employer	The goal is to engage degree programme students in the Helsinki metropolitan area, to increase Deloitte’s CR presence in schools, investigate collaboration possibilities with different universities as well as to promote the Deloitte trainee program among students and to enhance the Deloitte employer image among the youth
Goals should be <u>measurable</u> . Have a yardstick for measuring outcomes.	More potential co-operating projects, increase in number of trainee applicants	A new development project (within the CSR field) with a university, number of trainee/internship applicants up by X %
Goals should be <u>attainable</u> . Draft realistic goals that challenge you	More resources and research needed	Engaging HR department in developing relationships with universities, corporate policy on social media in need of updating
Goals should be <u>relevant</u> . Make sure each goal is consistent with other goals you have established and fits with your immediate and long-range plans.	The goal supports Deloitte’s overall business objectives and presents Deloitte as an employer of choice	New contact opportunities within Deloitte21 vision
Goals should be <u>time bound</u> . Give yourself time to achieve your goals.	Achieve goals within the 3 years of the project duration, Set milestones and develop a specific schedule.	Participate at least in one fair/event annually , publish an external newsletter every 6 months, an independent press release bi-annually

Figure 5: SMART goals definition, Finnish students

If considered useful by the case company a similar goal analysis could be executed for the other key stakeholders as well. As mentioned in the communication plan review though, the current client and public sector/media communication plan seems mostly well functioning and valid and even if not having very detailed specification of the goals the overall objectives regarding these stakeholder groups can be achieved also without further elaboration.

For the students however the next step would be defining the channels of communication for the Peru project and as Du et al. suggest multiple channels should be used for stakeholders belonging in the general public category. It is obvious that students can be found in schools and therefore using Deloitte's existing relationships with various universities become valuable. Previous collaboration has occurred for example with the Aalto University (Nieminen, interview 30 Oct 2012) and this particular university would be an appropriate partner in the future also from the overall business perspective as well as the CSR point of view as both economic sciences and sustainability related study programs are taught there. The visibility in the universities can be promoted by physical presence through arranging and participating in different events and developing research projects but also by using the universities' internal communication channels such as the Aalto's university Magazine which is published four times a year or the monthly appearing Yliopistolehti (Aalto University 2012, Helsingin Yliopisto 2012).

As McElhany clarified in her study one of the areas where strategic CSR communication has scientifically proven to have positive effect is the field of human resources and talent management. By aiming to increase the number of applicants in the trainee program, human resources and recruitment issues are also a goal of the Peru project's communication. To reach students and the young, while focusing on this perspective of the stakeholder specific communication goals, events, fares and trade shows are an effective way of disseminating information of the company, the project and enhancing the employer image. Participating and specifically promoting the CSR involvement and activities in events such as the annually held Hanken Swedish School of Economics and Aalto University's ARENA Career Fair and the Finland's biggest career and recruitment fair for universities of applied sciences, the Duuniin.net exhibition held the next in late January could be considered. Three of the Big Four companies including Deloitte did participate in the ARENA 2012 fair but only one of these so far, KPMG, has signed up for the Duuniin.net 2013 in January. (Aalto University 2012, Duuniin.net 2012)

The Finnish young adults are among the top countries in Europe in the use of the Internet and according to the Official Statistics of Finland 100 percent of the Finnish 16 to 34 year-olds had used the Internet within the past 3 months of when the survey made (Tilastokeskus 2012). This indicates that the Internet as a communication tool when targeting these stakeholders

and age groups should be utilized effectively and online based communication should also be applied in the Peru project's context regarding these stakeholders. Blogs, social media, different networking sites and forums all attract young users and by taking advantage of these online channels the awareness of Deloitte and its CSR activities among students can be leveraged.

According to Socialbakers' statistics there are more than 2.2 million Finns on Facebook which is more than 40 % of the entire Finnish population. The largest group is the 25 to 34 year-olds with more than 550 000 individuals with the group of 18 to 24 year-olds not far behind (Socialbakers 2012). Out of the Big Four, only PwC and KPMG have Facebook pages for their Finnish offices. Ernst & Young has a Finnish career page. Deloitte Finland is not represented in Facebook at all, nor is the FCYF. This would be a valid argument when justifying the reasons for updating Deloitte Finland's current approach and policies in social media appearances. Not only can the Peru project be promoted via this channel but the entire corporate responsibility agenda as well as Deloitte as an employer and a professional services provider. Also other online communication channels used could be advertised through the Facebook pages and therefore the visibility of them also enhanced.

Another popular online forum used by millions of people worldwide is Youtube. Deloitte Finland has already identified the potential in Youtube as a communication channel; however it could still be used in more efficient ways by applying into this scenario as well. A wider range of themes could be introduced and discussed on the DeloitteFinland Youtube channel including the CSR subjects and the Peru project specific videos could be a valuable addition to the repertoire. 500 hours of Youtube videos are watched daily just through Facebook (Youtube 2012) and by interlinking these two channels greater audiences could be reached and Deloitte's image and reputation further built among the targeted stakeholders. Both of these aforementioned channels, Facebook and Youtube, are considered as company controlled first-hand information sources but when shared and linked by the other users the third party communication benefits can be effortlessly achieved.

In addition to these the Internet is filled with other forums and networking sites that could also be used in the Peru project communications. Many Deloitte has identified and participated in already and if not locally in Finland then at least globally, oftentimes both. Deloitte Finland for instance is a member of the Finnish Business & Society (FiBS ry) through which more visibility could be gained via their events and publications and on Deloitte's Mynewsdesk newsroom the Peru project could be promoted by publishing updates on the progress made.

An issue to be considered also would include possibly pursuing a closer collaboration with Deloitte Global regarding the CSR communications. Deloitte Global has a wider network of partners and also a comprehensive Facebook page as well as a Youtube channel and is for example a member of CSRwire.com, the leading corporate social responsibility newswire. By this co-operation international recognition could be gained and the message communicated to the stakeholders in Finland would seem more credible with the global parent company supporting the initiative. This development suggestion would not only affect the student focused communication but also the two other mentioned stakeholders, the clients and the public sector/media.

The discussed and recommended communication channels are mostly identified and already in use but not utilized to their full potential. These changes would be relatively easily implemented, though the key being in integrating them with the CSR agenda and adapting to the Peru project context.

An area where improvement needs were identified regarding the current clients and the public sector/media communications was the message content which had not exactly been specified by target audience. For the public sector and the media though the aim is to create a positive image as a responsible corporation and its community involvement, in which case a very general, informative approach is justified. Therefore the current message content as it is according to the existing plan could be directed to this stakeholder group with no need for changes. However for the current and prospective clients some adjusting could be applied. In order to maintain relationships and attract new investors and customers the business side of the initiative could be emphasized by for example providing information on the impacts on the corporate bottom-line, the achieved employee commitment and loyalty and further the operations efficiency generated by the motivated employees. As opinion leaders these groups seek CSR information actively thus the Peru project communications could be clustered with the release of the corporate annual reports and CSR publications when targeting these stakeholders. Furthermore as mentioned for the students HR and recruitment matters are a part of the communication goals of the Peru project. Therefore in the CSR message content presenting Deloitte as a responsible employer and focusing on career development and possibilities of getting involved in CSR matters within the company, would support the goal achievement process.

The current plan already presents a timetable for the communications regarding the clients and public sector but as new channels of communications was introduced and suggested when focusing on the students, a directional framework for the communications schedule was designed (Figure 6). The chart below illustrates the calendar year of 2013 and the points in time when the recommended channels could be used and when the mentioned events would

take place. This agenda could also be updated if other potential events et cetera emerge later on.

Regardless of how much the emphasis of the recommended channels is on online communication and social media, as discussed before the literature indicates that the most effective way of getting the message through to the general public is by using a multi-channel approach. Therefore also the more traditional printed press should be included in the plan and the university magazines mentioned are presented on the schedule with dark grey circles. In addition to these, articles in other newspapers and magazines should be pursued as well and suggested in the timetable there is *Metrolehti* there. It is a giveaway newspaper published every weekday, targeting young, urban people. The *Metro* newspaper has 252 000 readers every day of which 66 percent are 15 to 69-year-olds (Metro 2012). This covers also the Peru project's target group and therefore would be an ideal option as an article publisher. The light grey circles indicate the different events that could be participated in, focusing on promoting the CSR agenda and the CoRe Champion project.

The little blue icons represent Facebook updates that are scheduled to occur on average every two weeks. The updates do not necessarily need to be anything excessive, for example publishing a photo from Peru could be enough or posting a link to the most recent Youtube video which according to this plan should be released quarterly. The bi-annually published newsletters, the trainee program promotions, displayed on the Figure 6 as the sneaker icon, and new Deloitte volunteers traveling to Peru are shown in order to give a reference for what could be used as the theme on the Peru communications to the students at those particular times.

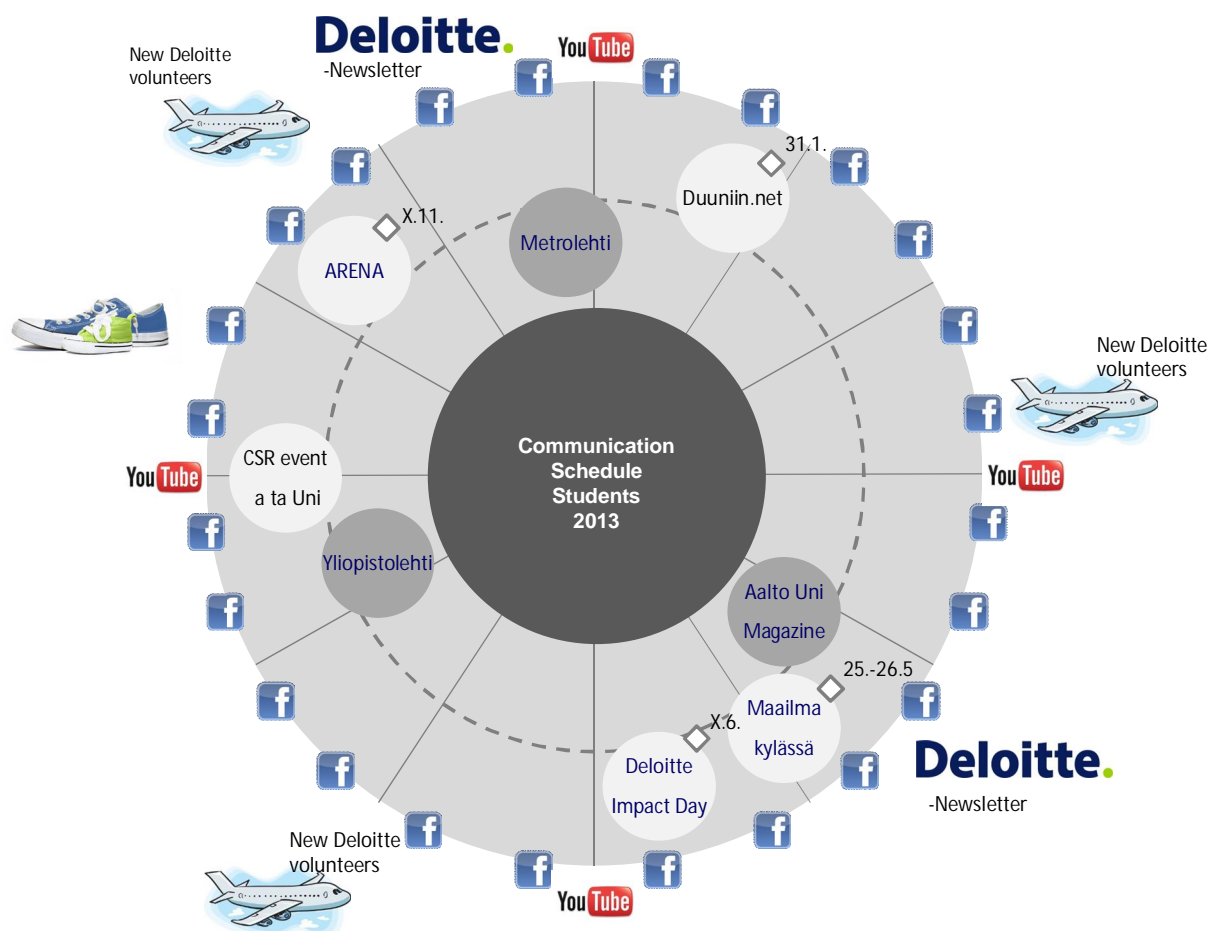


Figure 6: Communications schedule, Finnish students

4 Evaluation and conclusion

The main goal of this thesis was to review the current communication plan of Deloitte's corporate social responsibility project in Peru and to identify the possible areas in need of improvement and further research as well as to present Deloitte with suggestions how these communication challenges could be handled and eventually overcome. The critical review of the available CSR communication theories gave a general idea of the process framework however a great portion of the literature put much emphasis on the initial decisions of engaging in CSR initiatives and the importance of the integration with the overall corporate strategy. This of course is important to take into consideration when pursuing future projects and planning their communication but had less relevance to this particular, already ongoing project.

As characteristic to functional based research, the scope of the work got conclusively defined not until during the writing process and needs for further research constantly emerged. The focal point of the development process shifted from the initial overall perspective to where

the greatest need for re-design was identified. This after the communication plan analysis proved to be the Finnish students.

The theoretical examination answered the personal interest inspired research questions defining the concepts related to CSR and the communications challenge. Also the objectives were met from the case company perspective as tips and development ideas were suggested in order to enhance the effectiveness of the project communications based on the literature review made. No radical changes or development ideas were recommended though, however this is only a positive outcome as indicates that the initial planning had been done well and in a professional manner.

The relatively tight timetable created pressure for the progress of the thesis, mostly due to personal scheduling but also as in order for the findings to be valid for this particular project, results were desired as soon as possible so that if assessed viable, there would still be time for implementing the suggested changes into the current communication plan and processes. Also towards the completion of this thesis the project managers were bound to other businesses including the Peru project management thus a final evaluation of the research process and results from the case company point of view was decided to be left out entirely.

As this research is almost fully literature based with only two additional interviews some conclusions strongly rely on assumptions. In order to acquire more detailed, factual empirical findings a questionnaire based stakeholder analysis could be executed to identify specific preferences and opinions of the selected target audiences regarding the CSR communications. It would also be interesting to discover how the internal side of the CSR communication within Deloitte and the partner organizations functions and whether points of improvement could be identified there.

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Figures

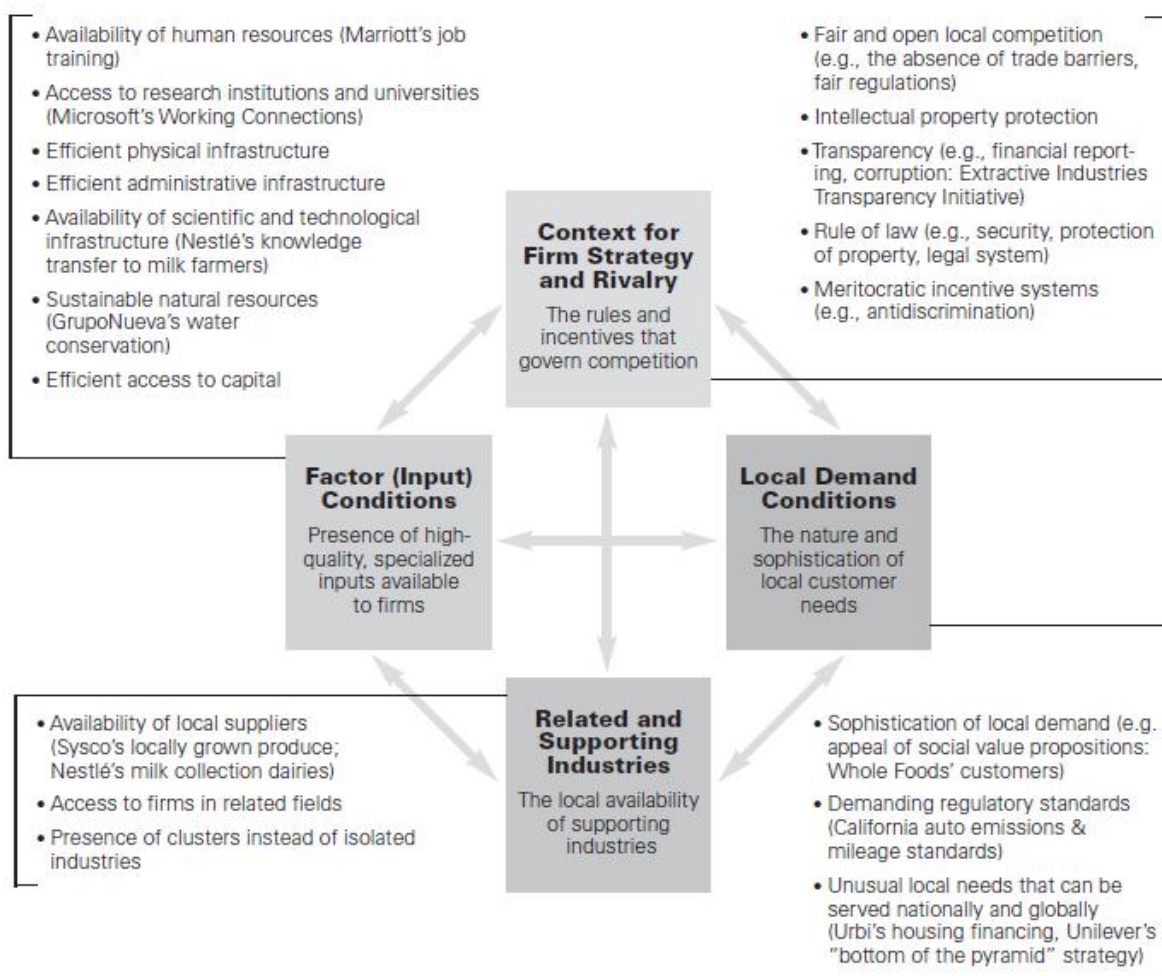
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Appendices

Appendix 1: Benefits and costs of CSR to corporation and society (Coombs and Holladay, 2011)

CSR Costs		CSR Benefits	
Costs to the corporation	Costs to society	Benefits to the corporation	Benefits to society
Businesses have a legal obligation to manage the company in the interest of shareholders -and no other stakeholders	Discourages government regulation and uniform application of rules	CSR can help avoid the excessive governmental regulation	CSR helps to correct social and environmental problems caused by business operations
Large capital investments (e.g. in green technology) may be difficult to justify to shareholders who invest for the short term	Stakeholders may be co-opted by the corporation	CSR initiatives can enhance the social legitimacy of the corporation	CSR holds corporations accountable for their actions
The pursuit of social goals dilutes businesses' primary purpose	Marginalized stakeholders remain marginalized	Socially responsible actions can be profitable; CSR can create cost-saving improvements	CSR leads corporations to avoid externalizing costs
Stock devaluation may occur if financial analysts see the CSR initiatives as too costly	Environmental and social degradation may continue without CSR	CSR can improve the corporation's reputation	Dialogue and partnerships among diverse stakeholder are encouraged
The efficient use of resources will be reduced if businesses are restricted by CSR in how they can operate	Governments and social welfare organizations may allow corporations to determine what is in the public interest	CSR initiatives will be attractive to some investors	CSR programs encourage corporations to see a wider range of perspectives
Developing and implementing a CSR policy will be a complex, costly, and time-consuming activity	CSR-related costs may simply be passed on to consumers	CSR profiles will attract customers	Successful CSR initiatives lead other corporations to imitate those initiatives
CSR costs will be passed on to the consumers and reduce competitiveness		Employee motivation and identification may be increased	CSR contributes to social justice
CSR places unwelcome responsibilities on businesses rather than on governments or individuals		CSR can enhance their identity and corporate culture through values reinforcement and another-orientation	CSR can supplement governmental and social welfare programs to improve social and environmental concerns
Failing to meet stakeholder expectations will create churn		Discussions about CSR encourage employees to think in new ways and develop new skills	
Stakeholder will place increasing CSR demands on organizations that commit to CSR		CSR initiatives may attract positive media coverage	
Employees may fear that CSR threatens their jobs		An improved stakeholder environment will benefit the corporation by reducing churn	
		Partnering with other organizations and/or third parties to share ideas can enhance capabilities, credibility, visibility and reputation	

Appendix 2: Social influences on competitiveness, the diamond framework (Porter & Kramer 2006, 6)



Source: Michael E. Porter, *The Competitive Advantage of Nations*, 1990

Appendix 3: Core Champion Peru project external newsletter

Deloitte.



Finland
Corporate Responsibility

Deloitte Finland launches international volunteer program

Improving the lives of Peruvian youth through skills-based volunteering

1/2012

19 April 2012

In this issue:

[New type of cooperation between business and third sector](#)

[Making a difference, differently](#)

[Introducing... first Deloitte volunteers on site](#)

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New type of cooperation between business and third sector

“Promotion of Youth Employment and Life Skills in Peru” program implemented during 2012-2014

Deloitte Finland's first international Corporate Responsibility project has been planned and is **carried out together with partner organizations Finnish Children and Youth Foundation (FCYF) and Centre of information and education for the prevention of drug abuse (CEDRO)** in Peru. It is a Development Cooperation program funded by the Ministry for Foreign Affairs of Finland, and has the valuable commitment of Deloitte Peru and Deloitte Global.

The project is implemented in two poor neighborhoods of Lima, Rímac and La Victoria. **300 young persons' employability is furthered** by enhancing their work-related skills, offering technical training, supporting young entrepreneurs and educating teachers as employability and life skills trainers. The aim

is to improve young people's influence over their future and help them contribute to the development of their communities.

Deloitte professionals' expertise is utilized through a corporate responsibility program, which strongly emphasizes skills-based volunteering. Apart from work supporting the project in Finland, Deloitte professionals spend up to **4 months volunteering periods** in Peru, during which they participate in developing CEDRO's organizational capabilities.



Making a difference, differently

"We see this as a pioneering initiative in the field of Corporate Responsibility. Through the program, dedicated Deloitte volunteers get an exciting opportunity to learn, grow and deepen their professional expertise in a different context, for a good cause. All volunteers are ready to also spend their own time for program work, which shows their extraordinary commitment."

Pairing Deloitte competence with the Finnish Children and Youth Foundation life skills and youth employment program ensures most value to beneficiaries – CEDRO as an organization, and of course the youth of Rímac and La Victoria. **Together,** we are able to develop private sector involvement in preventing young people's marginalization and build a new model to channel corporate expertise for poverty reduction and development of communities. This leaves a lasting legacy to expand to other contexts in the future."

– **Teppo Rantanen**, CEO, Deloitte Finland and Chairman of the Board, FCYF & **Eila Kauppinen**, Executive Director, FCYF

Introducing... first Deloitte volunteers on site

First Deloitte volunteers **Alberto Ogura**, Senior Consultant (Enterprise Applications), and **Sami Koskela**, Manager (Strategy & Operations), departed to Peru late March and have senior-level consultant experience. Alberto and Sami have been involved in and committed to the program from the beginning. Their skill set strongly supports program's **initial goals** and they both have a vast **experience** working with NGOs.

"Whilst Sami will be in charge of kicking off Business Plan creation for developing CEDRO operations, I will be focused on the plan for Life Skills program work for the next three years. It is important to validate what kind of life skills requirements we bring from Finland through the volunteer pool to create most value for CEDRO and its beneficiaries", says Alberto.

Another important goal for the consultants is to establish an approach to deliver sustainable commercial thinking to CEDRO, which would boost innovation and entrepreneurship in surrounding area in the long term.

Find out more

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[Peru project on Deloitte Finland website](#) (Finnish)

Contact for Deloitte Finland: [Mia Liimo](#)

The Finnish Children and Youth Foundation is committed to improving the lives of young people. The foundation has been implementing and promoting programs which support the wellbeing of young people in Finland and abroad since 2001. FCYF's international work concentrates on three themes: work, civic participation and learning. FCYF challenges different actors of the society to take global responsibility of youth in need of special support.

[Peru project on FCYF website](#) (Finnish / English)

Contact for FCYF: [Aino Heikkinen](#)

CEDRO (Centro De Información y Educación Para la Prevención Del Abuso De Drogas) is a Peruvian non-profit organization established in 1989. Its mission is to create safe and healthy environment for young people and endorse their self-esteem and quality of life. CEDRO was founded to support the actors of public sector in combating the problem of drug trafficking and abuse.

[CEDRO website](#) (English)

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