Effectively Communicating Corporate Social Responsibility Initiatives: A Case Study

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Effectively Communicating Corporate Social Responsibility Initiatives:

A Case Study

by

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Florida Institute of Technology

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for the degree of

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“Effectively Communicating Corporate Social Responsibility Initiatives”

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The execution of a corporate social responsibility (CSR) strategy requires that companies maintain clarity in communication of their objectives to the public. The core reason for doing this is so that the companies are not misconstrued on the basis of their intentions. Commonly, people have tended to raise suspicions based on the sudden goodwill of corporations performing well in terms of their profit ratings, given that they are perceived as having a hidden agenda in relation to their active engagements in CSR. This case study has sought to highlight the various ways that are applied by Samsung Inc. to communicate its social responsibility initiatives. This paper shall seek to determine the means by which firms can effectively communicate their CSR campaigns with effective communication, encourage their consumers to participate in their socially responsible initiatives while maintaining or even improving their profitability and stability as a business. For its case study, it will examine communication strategies of Samsung Inc.
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1.0 Introduction

1.1 Background of the study

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to further promote their image and attract more business. Koehn and Ueng (2010) explain that some companies are criticized for masking shady financial dealings by buying the public’s good will in order to counter the damage that resulted from their illegal business practices (Tesler & Malone, 2008). If companies are not successful in clearly communicating their sincerity in engaging in CSR activities, it may cost them not only their good reputation but also their profitability.

1.2 Statement of the problem

Corporate social responsibility by some companies has been criticized as a means to an end. Some companies only implement corporate social responsibility with the aim of improving public perception of the company. Additionally, some CSR measures or initiatives can be purely for corporate benefit forgetting the social benefit that these companies can provide to stakeholders. Furthermore, there is no clearly agreed way that companies can communicate CSR with stakeholders. There is a need to review the different methods that are used to allow other companies to adjust their CSR in a similar manner. Finally, the difference between CSR in developing and developed countries is something that has not been fully reviewed in scholarly papers. There is a need to review how successful companies balance the CSR initiatives in the two different levels of development.

1.3 Aims and objectives

The core objective of this study shall be the assessment of the means that Samsung Inc. uses to communicate its corporate social responsibility (CSR) initiatives to its stakeholders.

The specific research objectives are:
i. To determine whether the primary motivation of Samsung’s CSR strategies is utilitarian, compliance or commitment

ii. To determine whether Samsung discusses corporate and social benefits of its CSR initiatives in its YouTube Channel

iii. To determine whether Samsung uses an informative, responsive or involvement approach to communicate with its stakeholders

iv. To determine whether Samsung employs differences in their global initiatives particularly when dealing with developed and developing countries

1.4 Rationale

The justification of this study is that Samsung has been given numerous accolades due to the CSR measures that it has started under its sustainability mantra. As one of the leading companies in CSR it is important to review the measures that have been made by Samsung to provide a blueprint for other companies to follow. The study will provide insight into the primary motivation for Samsung’s CSR initiatives and allow other companies to approach CSR based on a similar motivation. Secondly, it will provide insight into the methods of communication that are used by Samsung, whether social or corporate benefit oriented, in their YouTube Channel. This provides a clear method of how other companies can create their videos. The strategies used by Samsung to communicate with others is also reviewed to provide other companies with insight of how to communicate with stakeholders. Finally, a review of the differences in the CSR initiatives in developed and developing countries will provide other companies with ways to approach CSR in the different regions around the world.
1.6 Thesis overview

The thesis is segmented into five main chapters. The first chapter provides an introduction to the study highlighting the problem and the rationale for the study. The second segment is the literature review that provides the theoretical framework which is necessary for the selected topic. Successful business strategies in alignment with company examples and their strategic formulation of ideas are also discussed. Methods, which is the third section of the paper, will shed light on the methods used to discuss the research questions. Information collection and its approaches are. Collection of information in terms of its process, inclusion and exclusion criteria, quality assessment, validity control is identified with proper evaluations. Perspectives which are to be applied in literature are highlighted with major topic assessments. Chapter four reports the results of the data analysis followed by a discussion chapter of the study’s implications and conclusion.
2.0 Literature Review

2.1 Introduction

This section presents a detailed analysis and comparative review of the past studies in relation to the effective communication of corporate social responsibility (CSR) initiatives. Particularly, the review defines the research gaps that have been identified by the previous studies, their methodologies, and their findings, and relate the same to the context of the current study’s objectives and targets.

2.2 Overview of Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) may be perceived in a variety of ways depending on one’s perspective. One commonly accepted definition is as follows:

“The continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of local community and society at large” - World Business Council for Sustainable Development, 2005.

Another definition created by the European Commission (2003) is:

“Responsible business practices that support the three principles of sustainable development, economic growth and prosperity, social cohesion and equity and environmental integrity and protection.” (p.5)

Two main kinds of CSR are commonly applied by businesses in their conduct of operations. These are ethical business practices and philanthropic activities (Lantos, 2001). Ethical CSR involves responsible practices of business to minimize the negative outcomes
of operating their business such as the management of environmental protection from manufacturing processes or provision of adequate health care benefits to employees especially those exposed to elements that threaten their health and well-being.

Philanthropic CSR is supporting causes or advocacies outside their business operations but that enhance societal conditions (Kerlin & Gagnaire, 2009). Companies engaging in philanthropic activities select a cause or organization as the beneficiaries of their contributions that may either be donations of cash, equipment, materials or employee time (as volunteers to the cause) (Kerlin & Gagnaire, 2009).

No matter how it is implemented by companies, CSR is a positive development especially for stakeholders enjoying its benefits. It has become a tool for businesses to enhance their reputation and public image (Ellen et al., 2006).

2.2.1 Principles and benefits of CSR

The United Nations is the main promoter of CSR. On December 31, 1999, then Secretary-General Kofi Annan declared its principles at the World Economic Forum in Davos (Madrakhimova, 2013) as the following: human rights; ecology; anti-corruption; legal responsibility; global responsibility; environmental responsibility; cultural and ethical responsibility; and philanthropic responsibility.

CSR may be used not only to support worthy causes and provide help to organizations or individuals in need but CSR activities can also influence and improve stakeholders’ perceptions of the company’s image (Barone et al., 2007). When companies earn positive brand image, it gives them a competitive edge. At the same time, their consumers and the general public who take part in their CSR activities derive fulfillment in patronizing such companies (Cone, 2010). It encourages the development of loyalty to the
companies because such consumers can see themselves as investors with their patronage of its products or services (Du et al., 2010).

Thus, such loyal consumers are not easily fazed by negative comments about the company and may even become promotional mechanisms through their positive word-of-mouth endorsements (Du et al., 2010). On the other hand, the power of the consumers may also be manifested when they are displeased with companies falling short of their expectations in CSR efforts (Austin et al., 2006). They can boycott or encourage others to stop patronizing companies who are not socially responsible and are only concerned with increasing their profitability.

In a study of Lithuanian development of CSR practices, Spukiene and Urbonien (2011) found the following internal benefits in adopting CSR practices: business sustainability; competitive advantage; easier compliance with legislation; employee loyalty; attraction and retention of qualified employees; increase in productivity, quality and sales; financial improvement and access to capital; and reduction of costs.

External benefits from adopting CSR practices were acknowledged as well. These have been enumerated as follows: improved image and reputation; preservation of the environment; intangible benefits; contribution to a region’s sustainable development; increased visibility; promotion of solidarity in the community; clients’ loyalty; and political impact (Spukiene & Urbonien, 2011).

2.2.2 Motivations of CSR

What pushes companies to engage in CSR efforts for the community and their stakeholders? Three perspectives are considered in such motivations: utilitarian,
compliance, or commitment (Maignan & Ralston, 2002). The first is utilitarian. This perspective works for benefits businesses can obtain from CSR activities such as earning a good reputation in the community for helping out in a worthy cause, hence attracting customers to their business. Another perspective is compliance to external pressure like government mandates, social demand and pressure from supply chain stakeholders (Luken and Stares, 2005). Such demands prod businesses to behave in accordance to norms and societal expectations.

Finally, the commitment perspective endorses the self-motivated initiatives of some businesses to perform CSR even without social pressures. This may be explained by the ethical and moral attitudes of the business owners/managers which may be more easily implemented in small, medium enterprises (SMEs) due to their faster decision-making processes led by the owner. Large enterprises may find it more difficult to have this commitment perspective in CSR due to the organizational processes it needs to pass through. SME owners/managers may be motivated to engage in CSR, not because of external pressure but for the want of doing what is right (Jenkins, 2006).

With philanthropic CSR, two motivations have been distinguished. One is altruistic or intrinsic motivation that mostly reflects the corporation’s character in sharing expected profits to beneficiaries. For example, a business donates a portion of its profits to the cause or organization it supports. The other motivation is strategic or external motivation. This kind of motivation caters more to the business, as contributions of the company are expected to yield more profits in return (Lantos, 2001).
2.3 Communication in Corporate Social Responsibility

In communicating a company’s CSR activities, it is essential that its objectives and goals are identified and conveyed publicly. Du et al. (2010) recommends the revelation of the company’s motivations, their reasons for selecting their causes or advocacies and their commitment to these. These all contribute to the achievement of desired outcomes of such CSR initiatives including benefits to the company as well as promotion of and support to the chosen cause. The European Commission Directorate-General for Enterprise (n.d.) adds that once these essential elements are communicated effectively, the company’s values, products or services are also given adequate attention. The good example provided by the company is likely to be emulated by others.

Effective communication involves the transmission of information relevant to shared goals to the stakeholders of the company. These may come by way of product labels, packaging, press/media relations, advertisements, information packs, or simply word-of-mouth or whatever it takes to ensure that the market receives the message (European Commission Directorate-General for Enterprise, n.d.). Communication strategies in CSR will depend on the target audience. Who is the company trying to influence with the information they provide? For example, if they want to communicate with shareholders and investors, the company’s annual report should include CSR initiatives and the corresponding financial data. Press releases may also be distributed during the annual reporting so media attention may propagate such information to the public. Someone knowledgeable about the CSR activity from the company should
represent it in a media interview so that credible and accurate information may be shared with the public.

If company employees are targeted, emails, newsletters, internal web portals and regular meetings will update them on the developments of its CSR activities. Consumers are informed through traditional marketing as well as digital and social media marketing strategies. The company’s website can also dedicate a portion to its CSR initiatives so visitors to the site can gather information at one glance. Incorporating this into their social networking sites such as Facebook and Twitter in its communication scheme spreads information to a broader audience at a quicker pace, and this influences more people to support the cause or advocacy of the company (Du et al., 2010).

**2.4 CSR Communication Strategies**

Morsing and Schultz (2006) identified communication strategies in CSR with regard to stakeholder information, response and involvement. Three strategies have been identified, namely the Stakeholder Information Strategy, The Stakeholder Response Strategy and the Stakeholder Involvement Strategy. These are explained in detail as follows:

- The Stakeholder Information Strategy goes one-way only, driving communication about the CSR from the organization to its stakeholders. Grunig and Hunt (1984) describe it as “telling, not listening” (p. 23). Its purpose is to disseminate information and not necessarily to persuade. Self-assured that they are undertaking the right thing, top management believes that informing the public about the
developments of their CSR builds and maintains positive stakeholder support (Paine, 2001).

- The Stakeholder Response Strategy is a "two-way asymmetric" communication model (Morsing & Schultz, 2006). This means communication flows to and from the public; however, there is imbalance because the company attempts to change public attitudes and behavior, so it engages stakeholders by making corporate decisions and actions the company deems relevant for the stakeholders. This usually happens with the implementation of opinion polls or market surveys about how the company is performing in its CSR activities and how it can further improve its CSR efforts. Feedback gathered from such polls is considered a communication from the public and what they perceive as acceptable and tolerable. It also measures how much they understand the company's CSR efforts. Based on the results of the survey, the company can make decisions regarding the future improvements of its CSR efforts. Morsing and Schultz (2006) point out that in this model, the company appears to engage the public in decision-making and attempts to understand its stakeholders' concerns; however, it usually runs the risk of reflecting its own perspectives back. This implies that the questions they ask of their stakeholders in opinion polls and market surveys are expressed in a mode that they get answers they actually want to hear. Instead of its intention to be a two-way communication strategy, it eventually becomes a one-way method of reinforcing the company's own ideas, actions and voice (Morsing & Schultz, 2006).

- The Stakeholder Involvement Strategy, on the other hand, engages the stakeholders in dialogues. As opposed to the Stakeholder Response Strategy, the two-way
communication is more symmetric. Persuasion from opposite sides may occur, each trying to assert its voice and need for change. The stakeholder in this model is seen as influential in the relationship and not only is he or she influenced by the company’s persuasions, but he or she is also given the power to be heard and wield his or her influence on company decisions.

This model works well with the Stakeholder Information Strategy in the belief that stakeholders are influential in their support or opposition to the company’s CSR initiatives. This Stakeholder Involvement Strategy also concurs with the Stakeholder Response Strategy in that stakeholders’ expectations should be heard through opinion polls. However, the involvement strategy aims to go beyond informing and surveying stakeholders’ opinions. It purports to actually involve stakeholders in developing and promoting positive support for the CSR initiatives as well as understanding stakeholder concerns with regards to the CSR initiatives. Hence, this involvement model recommends that companies hold frequent dialogues with their stakeholders to constantly update each other with the developments of the CSR activities and mutually explore more beneficial actions to further improve it (Morsing & Schultz, 2006).

2.5 Approaches to Communicating CSR

Menon and Kahn (2003) identified two approaches for communicating CSR, namely Advocacy Advertising and Cause Promotion. Advocacy advertising involves a company supporting a cause or a philanthropic organization by the provision of resources and using advertising strategies to focus more on the company’s advocacy rather than on the company itself. Cause promotion encourages the public, including their customers to
purchase a product that will directly benefit the cause. This is also known as cause marketing.

Menon and Kahn (2003) have argued that when companies are not transparent in the ways they will benefit from CSR initiatives, the public is likely to question their motives. In cause promotion, the public is well aware that the company’s motive is to sell their product, hence they benefit from it, while also knowing that part of the sales will be for the benefit of the cause being promoted by the company. Menon and Kahn, (2003), “found that cause promotions yielded higher ratings of CSR than advocacy advertising” (p. 325). This is because people found it easier to understand the company’s motives as well as its support for their cause when it was obvious how the business also benefitted from selling the product. On the contrary, in advocacy advertising, focusing mainly on the cause and not the company led to the public’s suspicion of the company’s motives for promotion.

2.6 Questioning Motives of Companies Involved in CSR Initiatives

Companies need to know that the public tends to associate company motives to the company’s character (Sen and Bhattacharya, 2001), which is why their motivations in CSR are often analyzed. It is common to expect the public’s positive reaction to companies’ ethical and socially responsible behaviour; however, in certain situations, the opposite happens, as the intended message of the company is received with suspicion by the public (Morsing & Schultz, 2006). It is well-known that businesses thrive on financial profits (Ellen et al., 2006). So when a company suddenly focuses more on its altruistic motives for its CSR initiative without disclosing how it will affect the business financially, the public
may feel that the company is hiding something and is out to manipulate or deceive them (Forehand & Grier, 2003, cited in Du et al., 2010). Ellen et al. (2006) suggest businesses acknowledge and explain the benefits they will derive from the CSR to avoid consumer skepticism of their CSR efforts.

A company’s sincerity in its involvement with CSR is usually assessed by its commitment to the cause or advocacy it supports. Usually, longevity and impact of the CSR are examined (Maignan & Ferrell, 2004). How long a company nurtures its charity of choice or promotes its selected advocacy determines the sincerity of commitment. If the commitment is not long enough, people may think the company was only involved in it in order to meet the public’s expectations instead of actually living out the company’s values and principles (Ellen et al., 2006). In other words, their short-lived involvement in the CSR activity may be construed as only “for show purposes” or that the company was just riding on the CSR bandwagon at the time. Because CSR should enhance the image of a company’s character, it should be perceived by the public as sincere, and long-term involvement in CSR activities can seal the company’s commitment to the cause and provide the credibility of the company’s motives. Such commitment will also result in a strong impact to the cause the company supports (Maignan & Ferrel, 2004). The degree to which CSR initiatives result in positive outcomes for the cause/beneficiaries it serves determines the strength of its impact and its effectiveness as a whole (Du et al, 2010; Bhattacharya et al., 2009). Hence, in communicating CSR outcomes, such impact or results of the company’s efforts should be reported to also gain public trust and positive stakeholder perception of the company’s motives.
2.7 Matching the Company with the Cause

The choice of a company’s beneficiary of its CSR initiatives matters to the company’s customers. Also known as company-cause fit, this is the perceived degree of connectedness of the company to the cause it supports (Simmons & Becker-Olson, 2006). If customers perceive a logical connection between the two, they are more likely to attribute CSR to the company’s sincere intention to help the cause rather than to gain excessive profits from the CSR activity. Ellen et al. (2006) found from their research that the fit of the company to the cause affects consumers’ purchasing behaviors. If they approve of the company-cause fit, then they are more motivated to purchase the company’s products with the belief that they are also doing their part to help out in the cause of the company.

A CSR initiative can be donating a pack of school supplies to needy children every time a customer purchases goods from a bookstore up to a certain amount. The nature of the business (bookstore) is very much congruent to the cause (donation of school supplies for poor children). This shows a high degree of fit between the company and the cause as there is an obvious connection between the two.

On the other hand, there is also such a thing as a low fit, leading to a low congruence between the cause and the company. This may be perceived by customers as inconsistent. For example, an apparel company donating to the cause of autism research may raise questions in the minds of customers as to the motives of the company’s CSR initiatives to a cause that is totally unrelated to the nature of the business. However, if the company communicates the underlying reason why it chose the unrelated cause of autism research, such as the owner of the company has a child who has autism, then people would
better understand the company's motive and do their share in also supporting its cause (Ellen et al., 2006).

The results of the study of Simmons and Becker-Olson (2006) on the effects of high-fit and low-fit on consumer perceptions are consistent with Ellen et al.'s (2006) findings. The case studied was that of Alpo Petfoods, which supported a high fit cause, the Humane Society and a low fit cause, the Special Olympics. Results show that consumers showed more approval for the high fit conditions because it was logical and sensible to choose a cause very much related to the nature of the business. However, with the low fit condition, it raised criticisms as consumers tried to make sense of the connection. This led to a less favorable evaluation of the company and its choice of the cause for its CSR initiative. Simmons and Becker-Olson (2006) concluded that companies are safer to choose a high-fit cause, however, should they select a low-fit cause to support, and they should effectively communicate the reasons for their decision.

Congruence between company and cause may be perceived by people in four dimensions (Menon & Kahn, 2003). These dimensions are "(1) product dimensions, (2) affinity with specific audience, (3) established corporate image associated with a specific social domain, and (4) the company's personal involvement in a social domain" (2003, p. 318).

Product dimensions refer to the congruence between the products sold by a business and the cause it supports. The dimension of affinity with a specific audience shows a company's concern for its main consumer base. The dimension of established corporate image associated with a specific cause reflects the values or concerns a company is known for (Menon & Kahn, 2003). Finally, the dimension of personal involvement in a
social domain has been shown in the example given above of someone from the company (owner) choosing a cause (autism research) with which he has a personal connection (has a child with Autism).

2.8 Impact of the Source of Information on CSR

Interpretation and valuation of information on CSR is also affected by the source providing the information (Yoon et al., 2006). It is important for a company to openly communicate to the public about its CSR activities, and such information may be available through its advertising, press releases or its website. One risk in advertising its CSR is the attention it gets regarding the funds used for this communication medium. People may question spending on self-promotion rather than just donating to the cause. However, if the company’s contribution to CSR is much higher than what they spend on advertising, then the advertising can be ably justified (Yoon et al., 2006).

People may perceive lower sincerity of the company’s motives from corporate sources than if they received the information from a third party deemed to be impartial to the company. For example, a respected critic or celebrity praising the efforts of a company for its CSR raises the public’s perception of sincerity on the part of the company. Better yet, is if the beneficiaries themselves, such as the non-profit or cause organization selected by the company to be the recipients of their CSR initiatives, report the positive outcomes they derived from the CSR activity (Simmons & Becker-Olson, 2006). They are credible sources that the CSR initiatives have been successfully delivered.
2.9 Cross Cultural CSR

Although there are global trends in CSR preferences, it is worth studying how different countries respond to various CSR communication strategies. For example, Steenkamp, Batra and Alden (2003) posit that perceived brand “globalness” (PBG) determines how consumers view the quality of a brand as well as its prestige, making it an indicator of competitive marketing advantage. Still, it would be beneficial to investigate how different countries or cultures receive the messages conveyed by a company’s CSR efforts.

Drumwright (1994) noted how CSR becomes a factor that companies use to satisfy their stakeholders’ needs and give them a competitive advantage. However, it was found that there are cultural differences on how CSR is embraced in different countries. First world countries like the United States view CSR as an important investment of companies. CSR communications focusing on a company’s socially responsible products, its causes and donations to worthy beneficiaries are perceived to be active in augmenting a company’s brand and firm evaluations (Becker-Olsen et al., 2011). However, in third world countries beset with numerous problems such as corruption, low wages and unpaid employee benefits, poor educational system and health care options (OECD, 2000; 2004), there is much skepticism and territorial disputes as to who should be involved in managing such social issues. For example, because the Catholic Church is very powerful in influencing the decisions of Mexicans, companies may consider aligning their goals with the principles of the church with regards to philanthropic activities. Still, international companies intending to implement CSR initiatives in Mexico need to be clear on the
entities they should deal with. It can be the government, NGOs, the church, private enterprises or the citizens themselves. They can be more successful if they focus their CSR in helping the country rise from its social and environmental problems (Yin, 2013).

In comparing the perception of the impact of CSR communication on a firm’s reputation, 30% of American-based CEOs believe the impact is significant. This view is echoed by European based CEOs but to a much higher rate because a striking 94% believe in the strong impact CSR communication leaves on their company’s reputation (Hill & Knowllton, 2003). The language and message used to convey messages regarding a company’s CSR vary in different cultures. For example, US perspectives on stakeholder management focus on shareholder value that emphasizes short-term economic gain (Crane A. & Matten, 2005). On the other hand, European companies believe that if multiple stakeholders are satisfied with a company’s CSR initiatives, it leads to shareholder value as well as satisfaction of a social responsibility (Hartman, et al., 2007). This comparison implies that US companies are likely to implement CSR projects to satisfy their financial objectives as well as achieve opportunistic competitive advantage while European firms engage in CSR as part of their long-term plans (Estes et al., 2004).

2.10 Company’s Overview and CSR Activities

Samsung Group initially started as Samsung C&T (Construction & Trading) in 1938. By 1975, Samsung had started to make sales in overseas growing to over 50 countries globally by 1995 (SAMSUNGMOBILEUK, 2014). The Samsung Group deals with different industries ranging from engineering, electronics and even fashion. This provides diversification for the company allowing different sectors to provide stability
when another sector is in decline. Samsung Electronics is one of the largest electronics companies around the world (SAMSUNGMOBILEUK, 2014). The sales of mobile phones, commercial electronics and home appliances have made Samsung one of the leading brand names in the industry.

Initially, the Samsung Group was a company that was driven by the need to increase profits. However, in the 21st century, the approach has shifted to a triple line approach where the company seeks to make profits while championing for sustainability and equality (Samsung Tomorrow, 2014). This has led to the development of different CSR activities. The CSR measures are subdivided into four. The first are social oriented CSR activities like Samsung Tech Institute, Samsung SMART School, as well as Samsung Solve for Tomorrow, Samsung Care Drive, and the Samsung Nanum Village. These measures seek to improve the state of the less privileged in society. Second, the company has CSR activities aimed to improve environmental sustainability like the Planet First Initiative and the Eco-Management 2020 Initiative. Third, Samsung has some employee based CSR activities to ensure that employees, as stakeholders, are provided the best working environment as well as competitive remuneration and benefits (Samsung Inc., 2015). Finally, suppliers are supported through the shared growth initiative that seeks to support companies in the supply chain with finances. This allows Samsung to share the growth with other companies.

Today Samsung has become the most recognizable brand in the technology industry. Hughman (2012) reported that over the three decades, the company has diversified to a great deal into many areas of market. However, the company entered the technology or electronic industry in the late 1960s. The company is a global leader in
digital appliances, media, and system integrations. The company presents major diversification in technology products that include television, cameras, mobile phones, LCDs and personal computers. With rapid globalization the company has experienced a dramatic expansion in product lines by means of innovation and technology advancements. These measures seek to improve the state of the less privileged in society. CSR activities are aimed to improve environmental sustainability like the Planet First Initiative and the Eco-Management 2020 Initiative. Additionally, Samsung has some employee based CSR activities to ensure that employees, as stakeholders, are provided the best working environment as well as competitive remuneration and benefits. Finally, suppliers are supported through the shared growth initiative that seeks to support companies in the supply chain with finances. This allows Samsung to share the growth with other companies.

2.11 Review of the Research Questions

Based on previous research, the following research questions will be used as a guide to determine how Samsung, Inc. communicates its motivation for CSR efforts, the benefits of CSR, differences in its global initiatives, and the strategies it uses to communicate it to stakeholders.

- RQ1: Based on Samsung’s CSR communication on YouTube and its annual and sustainable reports, what is its primary motivation (utilitarian, compliance, or commitment)?

- RQ2: Does Samsung discuss benefits of its CSR in terms of corporate or social benefits, or both on YouTube?
• RQ3: What strategies does Samsung use to communicate to stakeholders (information, response or involvement)?
• RQ4: How does Samsung discuss the differences in its global initiatives?

3.0 Research methodology

A research methodology is a combination of specific steps that are used in conducting scientific research to ensure that there is reliability and validity in the work.

3.1 Research philosophy

Before embarking on any research, it is important to determine the philosophy that will be used. All studies are based on ontology and epistemology philosophies. Ontology provides a perception of the researcher’s view of reality. It can either be objectivist or constructivist. An objectivist approach perceives reality to be rigid while a constructivist perceives reality and relative. On the other hand, epistemology is the perception of the researcher’s view on knowledge. It can either be positivist or subjectivist. A positivist assumes that knowledge is immutable while a subjectivist approach assumes that knowledge is relative. This study is reviewing CSR and communication. This is based on societal perceptions, and a rigid or immutable approach cannot be used. Instead, a constructivist ontology and subjectivist epistemology philosophy are used in the study.

3.2 Research approach

The thesis is done using secondary research where archival information on Samsung’s CSR activities and videos are reviewed to determine the motivation for CSR
activities. Another important consideration is deciding on whether the study uses an inductive or deductive approach. A deductive study is one that conducts research by reviewing research questions in the data analysis to provide conclusive reports. On the other hand, inductive studies use a bottom-up approach using the research questions to create tentative hypotheses or theories. Since the study uses research methods to provide a clear conclusion on Samsung’s CSR, the study is deductive in nature.

3.3 Research strategy

It is important to determine the research strategy that will be used. There are three main strategies that a study can use. The first is a qualitative study where non-numerical information is used. The benefit is that a deeper understanding is developed while the detriment is that data collection and analysis are more complicated than the other types of strategies. The alternative is a quantitative research strategy that uses characters and numbers in data collection and analysis. The benefit is that statistical applications can be used to aid in the data collection. However, the detriment is that parametric measures need to be fulfilled leading to large samples. The final type of strategy that can be used is mixed methods where the qualitative and quantitative strategies are combined. Based on the nature of the study, a qualitative study is preferred.

3.4 Research methods

This case study is based on a textual analysis of Samsung’s CSR YouTube channel and Samsung annual reports (2013, 2014) and the Samsung website. In order to get the answers to the research questions, an investigation of strategies used by the initiatives of the Samsung organization will be conducted. The study analyzes Samsung’s CSR
communication strategies, focusing on themes related to the research questions, including communication indicating corporate motives, how the company frames CSR benefits, strategies used to communicate to stakeholders, and differences in how global initiatives are discussed.

This is a qualitative case study. As Yin (2013) states, this approach is best to explore in an extensive way the case under the study. In addition, this approach exhausts all sources of information and leads to valid conclusions. This method is rich in information for it uses archived records – mainly administrative records or/ and documents – as the primary source of data (Creswell, 2007).

These archival data can be obtained from the organization’s website, for instance the Samsung Inc. website and in this case data is also being collected from the Samsung CSR YouTube channel. Samsung as a whole has employed major initiatives to communicate to stakeholders. This company employs the information management of the vast array of business operations by means of authentic and reliable sources that include magazines, yearly reports, particularly annual sustainability reports, and most importantly the online channel that corresponds to official websites, social media, You Tube and various assorted channels. All these activities are based on the usefulness and utility of the company’s products. These were also efficient sources of data in the sense that the data are up-to-date and provide a variety of data from which to choose. In accordance with Denzin (2005), I adopted a qualitative research design which was useful for getting insight in assessing the level of online CSR posture of the Samsung Company.

In order to understand Samsung’s motivation (RQ1), data will be analyzed to detect evidence of the three motivations identified by Maignon and Ralston (2002),
utilitarian, compliance, or commitment. The different CSR strategies are placed into these three groups to determine the primary motivation. For example, evidence that Samsung tries to create a good image of the company to the society could be considered utilitarian because its main objectives are to make a good reputation in the community for helping out in a worthy cause (Ze'ghal, 1990). In addition, the utilitarian is aimed at improving the life of the workers as well as the community at large. Therefore, there is an attempt on making a stable business community which will provide a conducive environment for trade or business.

For the second research question, social benefits include references to offering job opportunities for the locals and also supporting local programs. Corporate benefits focus on improving the organization's conditions around the world. This is archived through their programs which are set to stabilize their strengths in the competitive world and improved sales and wide sources of resource among others. Furthermore, their employees have high qualification due the organization’s high retention of skilled workers.

The third research question focuses on strategies Samsung uses to communicate to stakeholders. As Morsing (2006) notes, information strategies include ensuring that the general public get relevant and up to date information about the company, while response strategies are steps that are laid down to make sure that the customers are well served based on the stakeholder feedback, and involvement strategies are identified as measures taken by the company in ensuring that they are involved in the society’s activities. These distinctions will be identified in the data. This company has different online strategies that help it in achieving its objectives. For instance, the customer complaints/ satisfaction is well issued on the online platform in a clear way.
Finally, for RQ4, Samsung's communication about each global initiative will be analysed to determine if the company uses different themes to discuss its CSR involvement in different parts of the world (Du, 2010). The differences between developed and developing country CSR strategies are reviewed.
4.0 Data Analysis

4.1 Introduction

This data analysis looks contextually at the different CSR measures that Samsung has employed in its business strategy. The information is obtained from Samsung annual reports, the Samsung website and the Samsung YouTube Channel providing insight on the measures that have been employed by the company. The company’s CSR initiatives are described in the next section in terms of the program types, followed by an analysis of the specific research questions in the study.

4.2 Findings

A study by Ellett (2013) highlighted that Samsung had been able to win awards all over the world due to its CSR initiatives. In China, Samsung was named as the best company in CSR initiatives with more accolades in different regions around the world (Ellett, 2013). The CSR initiatives started by Samsung can be reviewed based on four segments. These are social contributions, environmental initiatives, health and safety, and sharing growth.

4.2.1 Social Oriented CSR measures

Social oriented CRS measures are initiatives that aim to help people in society. This may be at a regional level or on a global level. Samsung’s motto in this segment of CSR is volunteering and sharing in order to support new hope around the world. This is divided into numerous different social responsibility measures.
One of the main social oriented CSR measures by Samsung is the development of Samsung Tech Institute. The Samsung Tech Institute provides learning programs where those accepted by the institution are provided with an education based on a curriculum that combines mathematics proficiency with an education based on telecommunication, automation, electronics as well as process and material management. The normal time period is around 200 hours or slightly over eight months. The program is in 34 countries, providing 180 different programs that improve the quality of skills in the regions selected. There are over 15,000 beneficiaries of the Samsung Tech Institute (SAMSUNGMOBILEUK, 2014).

The second social oriented CSR measure is the Samsung SMART School initiative. This is different from the Samsung Tech Institute since it provides basic education in regions where the education is restrictive and less developed. This allows children from less developed countries to develop their education systems at the same level as countries that are developed. The initiative seeks to ensure that people from different regions are able to get the same level of education (SamsungTomorrow, 2014). Samsung provides electronic appliances and infrastructure, allowing IT to be accessible all over the world. Around 250,000 students have benefited from the Samsung SMART School initiative.

The third social oriented CSR measure is the Samsung Solve for Tomorrow. This is a program that provides nonprofit organizations and students with funds and technical assistance to solve the most pressing social issues. Solutions that are viable are funded to further aid in solving some of the world problems (Samsung Inc., 2015). The main avenue
is the provision of school grants that allow students to innovate from an early age with the aim of solving problems in society (Samsung-Canada, 2014).

The next social oriented CSR measure is the Samsung Care Drive. This is a combination of healthcare programs aimed at providing additional medical care by donating technology that reduces the cost and upsurges the effectiveness of healthcare. The company mainly looks at countries like China, Russia, and Africa. Samsung Inc. also provides medical training for regions lacking access to proper medical education facilities (Samsung Tomorrow, 2014).

Another social oriented CSR measure implemented is the Samsung Nanum Village. This is a holistic approach to providing infrastructure to low-income populations around the world. The provision involves medical care, sanitation facilities, education and clean water in needy areas around the world. This has been integrated with the Samsung employee initiative where the employees are required to contribute a large fraction of their time to volunteer for noble causes (SamsungTomorrow, Samsung’s Sustainability Report 2014 - Global Social Contribution, 2014).

The company has been focusing on commitment and has worked five key projects custom-made to neighborhood qualities in the fundamental social commitment territories of training, occupation, and human services while offering privately modified projects intended to address nearby pending issues (Samsung Sustainability Report, 2014). Training and occupation projects include educating young people in underserved areas for jobs in the IT industry by having them prepare professional projects under Samsung’s instruction and guidance. In the social services area, it helps nationals to enhance their personal satisfaction by using the company’s restorative gadgets.
4.2.2 Environmental initiatives

There are two specific initiatives that Samsung started that have had a profound effect on the environment. One of these is the Planet First Initiative and the Eco-Management 2020 Initiative (Indonesia, 2011). These initiatives aimed at reducing the greenhouse emissions, mainly in the corporate sector. Since 2008, the overall reduction of greenhouse emissions, mainly in the corporate world has reduced by 70 percent partly due to these initiatives.

Additionally, Samsung provides stakeholders with focused information about environmental issues. The company provides willing listeners with information on the state of the environment as well as the eco-management initiatives that are currently ongoing. This provides corporate companies working with Samsung the incentive to improve their environmental frameworks and spur communities to adopt similar strategies through outreach programs (Samsung, 2012). These communication initiatives have been adopted by some countries like Indonesia due to the influence from Samsung.

Within the company, Samsung has embarked on the creation of a green workplace where the employees are well educated on the importance of proper waste management and recycling. Many of the company facilities aim to reduce the waste of electricity and water, and increasing office recycling. This adoption of environmental policies in the workplace provides an example to other corporations to adopt green approaches while maintaining profitability. Finally, as a technology company, Samsung has invested greatly in the development of products that are more electricity and water efficient. The adoption of this as one of the core company principles has aided in the development of better
policies for management. In 2014, Samsung had developed over 3,000 models of products that save on electricity and water. This contributes to a decline in the environmental impact of products created by Samsung. Additionally, this incentive is a challenge to other technology companies to create products that are innovative and energy saving (Samsung Inc., 2015). Cumulatively, Samsung has played a great role in the adoption of environmentally friendly policies at a corporate level and even from a technological point of view.

Samsung is mindful of the developing natural effect connected with the sourcing, assembling, utilization and transfer of its products. The Green Management rationality of Samsung, which organizes the future wellbeing of its staff and the planet, and orders earth-dependable practices all through the organization's operations, drives the ecological managerial activities. As a major aspect of its eco-friendly operations, the organization considers the ecological effect of new items amid its entire improvement cycle (Samsung Sustainability Report, 2014). Samsung executed this practice in 2009, and from that point forward Samsung has put USD 6.3 billion in supportability endeavors, bringing about a decrease in greenhouse gasses by approximately 52% and achieving certifications from the third parties of verified environmental products of more than 3,250 in numbers (Samsung Sustainability Report, 2014).

4.2.3 Employee Health and Safety

CSR measures are geared toward all stakeholders, including employees within the organization. This provides a favourable environment where employees can work
effectively. The motto of the human resource department is providing healthy and safe workplaces for employees (Samsung Sustainability Report, 2014). Different unions and stakeholders push for certain measures to be implemented to ensure that the employees are provided with a favourable working environment. The annual reports indicate that Samsung has complied with the OHSAS 18001 measures. These are global health and safety standards that companies are requested to adopt all over the world. Compliance means that Samsung provides a favorable workplace based on international standards across all regional companies.

Additionally, Samsung invests heavily in human resource to monitor and provide improvements for some of the human resource aspects that are unique to the company. The OHSAS 18001 standards provide a general overview, but the specific characteristics of a company can provide additional sources of risk. Samsung conducts improvement exercises as well as personalized disaster preparedness that allows the employees to be well equipped to deal with earthquakes, fires, and chemical spillage exposure to harmful substances. In addition to this, there are some restrictions on employees working in areas with highly infectious outbreaks like Ebola. Finally, the company provides ergonomic furniture that provides safety for the employees.

Samsung has fortified supplier compliance by fortifying its Code of Conduct and effectively observing and dealing with the dynamic inventory network. Samsung has one top need: To guarantee the wellbeing and security of the representatives and the groups where they work. The organization is engaged not just in enhancing the procedures for expeditiously managing mishaps. For instance, they set up an immediate administrative framework for perilous substances, along these lines enhancing the wellbeing of their
offices and expanding the quantity of individuals devoted to anticipating future mishaps. According to Samsung Sustainability Report (2014), Samsung now has more than 15,000 well-specialized workers who direct and look after the manufacturing plant operations and general behavior assessments; among them are specialists and designers who are the main authorities in guaranteeing wellbeing and forestalling mishaps.

4.2.4 Growth sharing

Most companies limit their CSR to employees, communities, and the environment (Hur, Kim, & Woo, 2013). However, the Samsung has gone beyond this to provide support to businesses in its supply chain in a growth sharing strategy. This is hinged on the motto of success that is built on dreaming and helping each other. The annual report highlighted that shared growth provided a good ecosystem where the company was able to nurture business with other companies. The suppliers are strengthened to ensure that they are able to meet their quota of products as Samsung grows (Mint, 2014). This shared growth in the ecosystem is maintained by the provision of financing for companies that are unable to get local finance to expand their business. The shared growth fund provides KRW Trillion in collaboration with the Korea Development Bank, Industrial Bank of Korea and Woori Bank for companies in their supply chain (Samsung Inc., 2015).

4.3 Analysis of Findings

All the four measures make up the CSR strategy that is used by Samsung. It is important to review the information obtained based on the research questions to review the CSR structure used in the company. This segment is subdivided into subheadings based on the research questions.
4.3.1 Research question 1

The first research question is: Based on Samsung’s CSR communication on YouTube and its annual and sustainability reports, what is its primary motivation (utilitarian, compliance, or commitment)?

The data analysis shows that the socially oriented programs like the Samsung Tech Institute, Samsung SMART School initiative, Samsung Solve for Tomorrow, Samsung Care Drive and the Samsung Nanum Village seek to provide a better life for people from different societies. Others like the environmental initiatives provide measures of reducing the environmental footprint of the company while pushing other companies to follow their example. Other measures like the eco-management initiatives provide insight for the company to provide utilitarian motivation for the company. The employee health and safety seek to ensure that the employees are in a favourable environment while the growth, sharing strategy ensures that companies in the supply chain are promoted to share in the progression and success of the company. It is important to review policies based on the three highlighted perspectives to provide an understanding of the primary motivation of the CSR measures.

The utilitarian motivation is primarily aimed at improving the life of the workers as well as the community on a large and long scale with the aim of improving the brand image of the company. The main reason why a utilitarian approach is preferred is because such an approach seeks to maximize societal and corporate benefit. It does not have a direct benefit to the company, but it helps make stakeholders happy. Two classes of measures can be placed on the utilitarian approach. The first is the socially oriented
programs. These programs are directly in line with the definition of utilitarianism. All the measures highlighted like the Samsung Tech Institute, Samsung SMART School initiative, Samsung Solve for Tomorrow, Samsung Care Drive, and the Samsung Nanum Village aim at increasing social wellbeing while also creating goodwill and a better environment for the company’s operations.

In addition, the environmental measures can be classified as utilitarian in nature when one considers that some of the measures are unique based purely on the valuation of Samsung to help improve the lives of the less fortunate in society. The Planet First Initiative and the Eco-Management 2020 Initiatives were started by Samsung in conjunction with other companies seeking to improve the sustainability in the corporate world. The additional creation of products that are environmentally friendly is a deviation from the normal business, but Samsung opted for this to reduce the cost of water and electricity for people in society. In the health and safety, the company goes beyond the expected to ensure that a better environment for the employees is developed to ensure that human resource is well nurtured in the company. A key aspect is the provision of shared growth. This is not expected of a company, but Samsung promotes businesses and the communities where they operate by boosting them with financing. This is purely utilitarianism in nature, seeking to improve the companies in the supply chain which strengthens all the organizations, Samsung and its suppliers.

The second type of motivation for companies is a compliance motivation. Compliance seeks to incorporate corporate social responsibility with the aim of complying with the wishes of stakeholders. Even though there are many CSR measures that are based on self-motivation of the company, in some cases there are certain measures that are
pushed to ensure that there is proper compliance. One of the first areas realizes that the sustainability measures set by the United Nations have pushed Samsung to comply with some of them. Additionally, the results have shown that Samsung has complied with OHSAS 18001 standards. Even though improvements have been made, this CSR measure is based on the compliance as a motivation. Additionally, the results have shown that Samsung has improved supplier compliance by fortifying their Code of Conduct and effectively observing and dealing with the dynamic inventory network. The study by Karatas-Ozkan (2012) has highlighted Samsung’s compliance initiatives to create a pleasant environment for customers and also transparent one in providing important information to their stakeholders. The transparency based on compliance with regulations, improves the CSR to stakeholders. The results mainly indicate that Samsung is involved in compliance motivated CSR activities, meeting international standards and governmental regulations where it operates.

The third type of motivator for CSR is commitment. Commitment to CSR seeks to provide insight of a company pushes for some CSR measures without any push by the stakeholders. In the study, any of the socially oriented programs are based on commitment because the stakeholders are not involved in enforcing the continuation of programs. This is especially true for programs in developing countries like the Samsung Nanum Village, Samsung Care Drive, and Samsung Solve for Tomorrow and the Samsung SMART School initiative. These programs are not providing any primary business benefit for Samsung or stockholders which indicates that Samsung has a commitment to continue these initiatives regardless of the financial cost and implication in the business.
Based on the data, it is clear that Samsung as a company does not rely on one type of CSR measure to ensure the profitability of the company. Utilitarianism is evident in some of the socially oriented initiatives as well as the environmental initiatives. Samsung has also been able to incorporate some aspects of CSR that have not been instigated by the company. This includes the adoption of the OHSAS 18001 standards, as well as the supplier Code of Conduct. It is clear that Samsung has a compliance motivation in some of the CSR initiatives. Finally, there is a commitment to the Health Drive initiatives as well as the socially oriented programs in the industry. While the primary motivation in Samsung is utilitarian, it is also motivated by compliance and commitment in some of its CSR programs.

**4.3.2 Research Question 2**

The second research question is the study is: Does Samsung discuss benefits of its CSR in terms of corporate or social benefits, or both on YouTube?

*Summary of the videos*

Samsung places numerous videos on its CSR YouTube channel. The videos highlight the company’s CSR efforts in social contributions, environmental initiatives, health and safety, and sharing growth. (For a list of videos related to each category, see the appendix.) Not surprisingly, Samsung communicates primarily social benefits through its YouTube channel, as described below.

For example, one video highlighting Samsung’s environmental CSR showcases the importance of mangroves and the need to protect mangrove forests with a specific interest in Thailand where volunteers planted a large number of mangroves. Moreover, the
organization has joined worldwide endeavors to determine the issue of water consumption. The organization created far-reaching water preservation arrangements in 2012 and has subsequently extended its endeavors to decrease water utilization by breaking down its dangers related to water. The video shows that Samsung and its group of volunteers in Thailand are set off with an objective of planting a large number of mangrove trees to aid in securing the waterfront groups. Samsung says, it will plant 1000 mangroves in Thailand every year. These astonishing plants frame a characteristic obstruction as well as refine the air that humans inhale to counter the impacts of harmful gas emissions (Samsung-CSR, 2012).

Another video is the Samsung Volunteer Service in Lusaka Zambia. This highlights the measures that volunteers from Samsung undertake to ensure that communities in Zambia have improved education and health care by providing water and computers that the people could use (Samsung-CSR, Samsung CSR: Lusaka Province, Zambia, 2011).

A third video reviewed looks at how Samsung has helped in the building of libraries to create appreciation for art. The video highlights the benefits of education in allowing appreciation of different cultures and bringing togetherness (Samsung-CSR, Samsung CSR: Building Libraries in Asia to Foster Appreciation for Arts (Korean ver.), 2012).

Another video focuses on the educational campaign for the citizens of Africa. According to the video, Samsung’s CSR program in Africa is centered on educational benefits, and the company believes that it will be in the best interest for the continent itself as the program would be fulfilling the corporate social responsibility and the commitment
that the company holds towards the social environment (Samsung-CSR, Samsung Corporate Social Responsibility: Bringing Light to Ethiopia Improves Life for Youth, 2013).

Another video reviews the impact of tech institutes in Europe. The video highlights the benefits that students are getting from adopting technology based learning regardless of the fact that the students are in developed countries (SAMSUNGMOBILEUK, 2014).

An additional video is the review of the Smart School Initiative. It highlights the benefit of allowing children from less developed countries to develop their education systems at the same level as countries that are developed. The initiative seeks to ensure that people from different regions are able to get the same level of education (SamsungTomorrow, 2014).

The next video by Samsung reviews the benefit of Samsung in Canada by providing grants as well as technology. The video highlights the benefit of the programs since it provides access to technology for students who come from a low-income background that cannot individually get access to the technology (Samsung-Canada, 2014).

Another video reviews the Samsung Care Drive, which is a combination of healthcare programs aimed at providing additional medical care by donating technology that reduces the cost and increases the effectiveness of healthcare (Samsung Tomorrow, 2014). The final video on Samsung’s specific CSR initiatives highlights the Samsung Nanum Village where the company provides medical care, sanitation facilities, education and clean water in needy areas around the world. The organization states in the video that to be maintainable, it needs to put resources into African education and guarantee the improvement of an extensive pool of talented potential employees. Furthermore, the organization has set itself a goal-oriented objective: to positively impact the lives of around
of 6 million Africans before the beginning of 2016 (SamsungTomorrow, Samsung’s Sustainability Report 2014 - Global Social Contribution, 2014).

In addition to specific CSR initiative videos, employee related videos are available on YouTube. One video reviews the employee perceptions of working at Samsung in the United States. It looks at the diversity that exists in Samsung as well as the benefits of working for the company (Samsung-USA, 2015). Another video review on YouTube looks directly at the employee benefits at Samsung. It looks at the personalized employee benefits for the employees and how it provides benefits to the employees in London (SamsungSCSC, 2013).

**Review of social and corporate benefits in videos**

The analysis of the CSR videos focuses on the review the contextual aspects of the CSR. It is important to review the benefits from whether they present social benefits and corporate benefits in the videos. In this paragraph, the review of whether social benefits are highlighted will be reviewed. Samsung does highlight the benefits of the mangrove for society. Samsung also highlights the importance of providing needy communities in Zambia with access to clear water, education, and sanitation. Clearly, Samsung highlights the medical and educational benefits in this video. When it comes to the building of libraries, it highlights that there is a benefit of providing educational opportunities to foster cultural acceptance of art in Korea. The fourth program highlights the benefits that communities in Africa get from the provision of solar lanterns, especially in ensuring that children are able to study in the evenings. The video on tech institutes developed in Europe highlights benefits that developed countries are able to accrue due to the initiatives created by Samsung. The Smart School initiative video provides insight on the benefit of smart
schools in allowing children from disadvantaged communities the access to high levels of education. The review of the Samsung Canada video highlights the benefit of grants to the society and schools in the country. The Samsung Nanum Video highlights the benefits of the initiative in providing access to medical care, sanitation facilities and clean water to disadvantaged people around the world. From an employment perspective, the videos highlight the benefit for employees working with Samsung as well as the benefit that they are able to accrue. In all the videos, the benefits to society are clearly highlighted.

However, when looking at the videos from a corporate benefits perspective, there is no mention of the benefit that any of the CSR measures has to the business. One could assume that Samsung is not getting any benefit from these videos. However, one benefit is the publicity and development of the company’s public image. Any CSR initiative boosts the company’s public image. However, Samsung makes sure that this is not included in the videos. Another that is accrued is the marketing. CSR measures work as a passive method of marketing. An example is that people in surrounding regions will see the benefit of Samsung products, increasing the sale of these products. However, Samsung makes sure that this does not reach the videos. A final benefit is providing incentives to employees to look for opportunities in the company. The employee videos highlight the benefits as well as the good organizational culture in the company. However, Samsung ensures that this is not put across in the video. Based on the research question, Samsung does not highlight any of the benefits that the company gets from the CSR initiatives.
4.3.3 Research Question 3

The third research question is: What strategies does Samsung use to communicate to stakeholders (information, response or involvement)?

According to Morsing and Schultz (2006), communication with stakeholders about the obligations and the objectives of an organization is important in ensuring the success of the organization. Needs and desires of the stakeholder are continually changing, and there is a need to ensure that the CSR correspondence is done effectively to mitigate any negative reactions. There are numerous different channels that exist. These include meetings, press conference, and internet posts. Different methods of communication provide different avenues that a company can use in achieving its objectives. This segment reviews the stakeholder communication methods that are used in Samsung.

Samsung as a company employs different methods of communication with the stakeholders. First, it is important to determine the stakeholders before moving to the communication methods that are used. According to the Sustainability Report (2014), Samsung has eight main stakeholders. The first is the shareholders and investors who own a portion of the company through shares, bonds, and other financial tools. The shareholders are interested in CSR measures to determine their effectiveness. The second group of stakeholders is the media. The media are interested in continuous communication with Samsung about products and other CSR measures. The third class of stakeholders is the customers. Customers provide communication about products and the relationship that they have with the company. This is a global company and customers are everywhere. The fourth class of stakeholders is the employees in the company. They contribute to the
success of the organization, but also remain as stakeholders because they influence the
direction of the company. The fifth group is the non-governmental organizations that
provide networks that Samsung uses in achieving the goals outlined. This includes non-
profit organizations and other corporations that the company interacts with but not directly
in the supply chain. The sixth stakeholders are governments that play an important role in
the political and legislative environment that Samsung has to adhere to in conducting
business. The seventh are local communities. These are the communities where the
company has based its operations. Finally, the last group of stakeholders is the suppliers.
These are different stakeholders who all have to be communicated with through different
channels (SamsungTomorrow, Samsung’s Sustainability Report 2014 - Global Social
Contribution, 2014). The communication with the different stakeholders will be reviewed
independently based on the information, response, and involvement communication
strategies.

The first is the review of the communication between Samsung and shareholders.
Shareholders are interested in the financial condition of the company, and the type of
information that is provided is financially oriented looking at the cost and the benefit of all
the CSR measures. The information is provided at annual general meetings or in one on
one meetings. The communication is mainly based on the response since the shareholders
have a voting right in the CSR measures that are adopted by the company and those that
are canceled by the company. Involvement is minimal in nature since shareholders rarely
get involved in operations directly.

The second is the review of the communication between Samsung and the media.
The media play an important role in the public image of the company. The type of
information is general information about the company as well as details on issues that may affect other stakeholders. The communication is done through press releases, briefings and interviews with executives in the company. The interaction can be classified as responsive. Media provide responses on the perceptions of the public. Information about CSR efforts shared with customers involves CSR-related products that have been released as well as the CSR measures to improve the image of the company.

The third is the review between Samsung and customers. Customers are one of the most vital stakeholders since they contribute to the revenue that is earned by the organization. Information shared with customers involves products that have been released as well as the CSR measures to improve the image of the company. The interaction is responsive with customer relationship management being used to determine what the customers think of the CSR measures being implemented.

The fourth is the review of the Samsung and employees. Employees are important in the organization because they are actively involved in the process of product creation as well as the CSR measures that are being implemented in the company. Information is provided to employees as soon as it is approved by shareholders through staff meetings. This allows them to be involved in the development of the CSR measures and also to take part in CSR in the organization.

The fifth review involves looking at the relationship between Samsung and non-governmental organizations. These organizations provide business networks and partners in corporate social responsibility. The information that is collective is limited to ensure that these companies do not take advantage of the Samsung. However, the non-governmental
organizations are communicating with using a responsive channel where they provide their perceptions in adopting similar CSR measures.

The next review looks at how Samsung communicates with governments. Governments may not be involved in product creation, but it is important to include them in CSR initiatives. Samsung cannot conduct CSR in a country without government approval and support. The information is shared using policy meetings and policy advisory participation. It is clear that governments are approached using involvement channels due to the position that government play. Governmental involvements provide insight into areas like security in foreign countries to ensure that the CSR initiatives are done without negative altercations.

The seventh perspective involves a review of how Samsung communicates with local communities as stakeholders. Local communities around Samsung factories are important because they provide the direct labor. It is imperative to guarantee that these communities approve of the CSR measures conducted. Communication is done using community councils and representation by officials. CSR has to be communicated using an involvement approach to make sure local CSR measures are approved by the community.

The final review has to be done looking at the relationship between Samsung and suppliers. Suppliers are an integral part of an organization while at the same time providing risk in case they shift to competing organizations. Communication is done using workshops as well as formal and informal meetings with investors. This indicates that there is an increase in the number of people who are present in the organization.

In summary, the research question shows that communication between Samsung and shareholders when it comes to CSR is responsive. This is the same case when it comes
to the media, customers and non-governmental organizations. On the other hand, the communication with suppliers, local communities, governments, and employees is done using channels that allow involvement.

**4.3.4 Research Question 4**

The final research question is: How does Samsung discuss the differences in its global initiatives?

There are clear differences between how CSR is treated in developed countries and how it is done in developing countries. The literature review highlights some differences between the cultures in developed and developing countries. According to Becker-Olsen et al. (2011), developed countries like the United States view CSR as an important investment for companies that operate in developing countries beset with numerous problems such as corruption, low wages and unpaid employee benefits, poor educational system, and health care options. This distinct difference sets the precedence for the adoption of different methods of CSR in developed and developing countries. Becker-Olsen highlights that in developed countries, the CSR measures are geared towards helping while increasing the firm awareness. On the other hand, developing countries present difficulties due to corruption as well as poor education systems and health care push companies to employ different strategies with the aim of increasing the welfare and standards of living in those countries.

One of the videos of the SMART School initiatives indicates that Samsung does take a different approach when it comes to developed countries and developing countries. In developing countries, Samsung offers the infrastructure and basic technology like tablets...
to aid the children in these areas to learn better. However, in developed countries, Samsung offers an electronic whiteboard for use when it comes to technology. Even in their presentation they highlight the difference in approach based on the region. This is also visible in the CSR offerings that are provided. In Zambia, Samsung offered medical assistance as well as providing clean water and sanitation for the people in the community. Additionally, the measures in Ethiopia are aimed at the provision of solar power to improve the education of children in Africa. Clearly these measures are aimed at improving the welfare of the people. On the other hand, almost all the videos from developing countries like Canada and Europe are aimed at improving the skills in the labor market by the provision of Tech Institutes. This is a different approach, indicating that CSR strategies are dependent on the state of the country.

Additionally, a review of the videos on employee benefits indicates that they are all from developed countries like Australia, USA, and Europe. This means that Samsung seeks to showcase their employee benefits while increasing the favourability of the company among employees in these countries. This is because these companies offer the majority of the human resource for Samsung and targeting these countries for employee CSR initiatives is prudent since it increases perceptions of job satisfaction and attracts qualified staff in their industry.
5.0 Discussion and Recommendations

5.1 Discussion

The target of the research was to provide an assessment of the means that Samsung Inc. uses to communicate its corporate social responsibility (CSR) initiatives to its stakeholders. This is done by providing a textual analysis of Samsung’s website, annual reports and YouTube videos. This general objective is subdivided into four more specific objectives. The first step was looking at the extent of the CSR measures used in the company. This is done by highlighting the four main segments of CSR strategies used by Samsung. These are social contributions, environmental initiatives, health and safety, and sharing growth.

The first specific objective sought to determine whether Samsung uses utilitarian, compliance or commitment as the primary motivation of CSR strategies. The utilitarian motivation indicates CSR is strategic, benefiting the company in some way, including building a better brand image. The findings indicated that socially oriented programs like the Samsung Tech Institute, Samsung SMART School initiative, Samsung Solve for Tomorrow, Samsung Care Drive, and the Samsung Nanum Village as well as environmental programs like the eco-management initiatives are done based on a primarily utilitarian motivation. On the other hand, compliance motivation seeks to incorporate CSR with the aim of complying with the wishes of stakeholders, especially governments and regulatory bodies. The results indicate that Samsung has complied with OHSAS 18001 standards as well as the supplier code of conduct. Finally, commitment motivation involves the push to maintain some CSR incentives when there is no clear benefit to the company.
Commitment is evident in programs that target developing countries where the direct corporate returns are virtually non-existent. This is especially true for programs like the Samsung Nanum Village, Samsung Care Drive, and Samsung Solve for Tomorrow and the Samsung SMART School initiative set in developing countries.

However, the findings indicated that Samsung does not use one specific type of motivation. Utilitarian, compliance and commitment motives are all evident in the CSR policies adopted by the company. However, Samsung primarily uses the utilitarian motivation in the CSR policies adopted. This finding is in line with the academic information that was addressed in the literature review. According to Luken and Stares (2005), the utilitarian perspective works for benefits businesses can obtain from CSR activities such as earning a good reputation in the community for helping out in a worthy cause, hence attracting customers to their business. The utilitarian considers the strategic benefit of CSR to the company. Another perspective is compliance with external pressure like government mandates, social demand and pressure from supply chain stakeholders. Most of the CSR policies conducted by Samsung place the company in a favorable position when it comes to social standing, especially in developed countries where the company can gain larger profit margins due to the CSR initiatives.

The second question sought to determine whether Samsung discussed the social and corporate advantages of the CSR initiatives in YouTube videos. This segment concentrated mainly on the YouTube presentation of the CSR programs highlighted. From a social benefits perspective, all the videos reviewed highlight a social benefit of the CSR measures. Samsung highlights the advantages of the mangrove for society. Samsung also indicates the importance of providing needy communities in Zambia with access to clear
water, education, and sanitation. Clearly, Samsung indicates the medical and education advantages in this video. When it comes to the building of libraries, it indicates that there is a benefit of providing educational opportunities to foster cultural acceptance of art in Korea. The fourth programs indicate the advantages that communities in Africa get from the provision of solar lanterns, especially in ensuring that children are able to study in the evenings. The video on tech institutes developed in Europe indicates advantages that developed countries are able to accrue due to the initiatives created by Samsung. The Smart School initiative video provides insight on the benefit of smart schools in allowing children from disadvantaged communities the access to high levels of education. The review of the Samsung Canada video indicates the benefit of grants to the society and schools in the country. The Samsung Nanum Video indicates the advantages of the initiative in providing access to medical care, sanitation facilities and clean water to disadvantaged people around the world. From an employment perspective, the videos highlight the benefit for employees working with Samsung. In all the videos, the advantages to society are clearly highlighted. However, in all cases there is no clear mention of the corporate benefit. Samsung ensures that cases of public image and passive marketing are omitted from the videos providing a utilitarian based CSR program where the benefits are accrued indirectly.

As discussed in the literature review, Lantos (2001) highlights that CSR provides two motivations. One is the altruistic or intrinsic motivation that mostly reflects the corporation’s character in sharing their expected profits to their beneficiaries. Spokane and Urbonien (2011) found the following internal benefits in adopting CSR practices: business sustainability; competitive advantage; easier compliance with legislation; employee
loyalty; attraction and retention of qualified employees; increase in productivity, quality and sales; financial improvement and access to capital; and reduction of costs. However, none of these are included in the Samsung videos indicating that everything was being done from a passive perspective where the viewers were given information on the social benefits but no information on how the CSR benefits Samsung from a corporate perspective. This ensures that any corporate benefits from the CSR measures are passive without the respondents knowing that the videos serve an underlying corporate benefit.

The third objective sought to determine the strategies that Samsung uses to communicate with stakeholders. This objective reviewed the information, response and involvement communication strategies. The sustainability report (2014) indicated that there are eight stakeholders who all require different types of communication. Samsung uses information strategies with all stakeholders, but response and involvement strategies are used depending on the stakeholder group. The stakeholders that Samsung communicates with using a responsive approach are the media, customers, and non-governmental organizations. For example, media are communicated to through press releases, interviews, and briefings. On the other hand, the stakeholders that Samsung communicates with using an involvement approach are shareholders, employees, governments, local communities, and suppliers. For example, for shareholders the communication is done through general meetings and shareholder communications. This specific group of stakeholders is communicated to through an involvement channel since they approve the CSR strategies that can be employed by the company.

The literature review highlights the importance of communication. Du et al. (2010) recommend the revelation of the company’s motivations, their reasons for selecting their
causes or advocacies and their commitment to these. Morsing and Schultz (2006) identified three CSR communication strategies: the Stakeholder Information Strategy, The Stakeholder Response Strategy, and the Stakeholder Involvement Strategy. Transparency is also important with Menon and Kahn (2003) arguing that that when companies are not transparent in the ways they will benefit from CSR initiatives, the public is likely to question their motives. In cause promotion, the public is well aware that the company’s motive is to sell their product. Hence, they benefit from it while also knowing that part of the sale will be for the benefit of the cause being promoted by the company. The literature review segment clearly highlights the benefits of proper communication with stakeholders using the right strategies. Some segments of media, customers, and non-governmental organizations do not directly contribute to the creation and development of the CSR strategies, and a responsive communication approach is used while others like the communication with suppliers, local communities, governments and employees is done using channels that allow involvement. Samsung’s strategies with its eight stakeholders groups are consistent with prior research on effective communication.

The final objective sought to determine the differences in the global initiatives. There are clear contrasts between how CSR is dealt with in developed nations and how it is done in developing nations. The literature review highlights a few contrasts between the way of life in the first world and third world nations. As indicated by Becker-Olsen et al. (2011), first world nations like the United States view CSR as an immediate corporate investment. In third world nations that have inherent problems like low wages, corruption and unpaid representative benefits, poor education, and human services choices,
organizations must utilize distinctive techniques to improve basic infrastructure and expand welfare and ways of life.

One of the YouTube logs of the SMART School activities shows that Samsung takes an alternate methodology with regards to first world nations and third world nations. In third world nations, Samsung offers the framework and essential innovation like tablets to help the kids in these zones to learn better. Notwithstanding, in first world nations, Samsung offers an electronic whiteboard for use with regards to innovation. Indeed, even in their presentation they highlight the distinction in methodology in view of the area. This is additionally obvious in the CSR offerings that are given. In Zambia, Samsung offered restorative help and also giving clean water and sanitation to the general population in the group. Moreover, the measures in Ethiopia are done for the procurement of solar energy to enhance the training of youngsters in Africa. Unmistakably these measures are done to enhance the welfare of the general population. Then again, every one of the recordings from first world nations like Canada and Europe indicate CSR is done to enhance the aptitudes in the work market through Samsung’s Tech Institutes. This is an alternate methodology showing that Samsung’s CSR programs are responsive to the condition of the nation. Furthermore, a survey of the recordings on representative benefits demonstrates that they are all from first world nations like Australia, USA, and Europe. This implies Samsung tries to showcase worker benefits while expanding the favourability of the organization among representatives of these nations. This is on the grounds that these organizations offer most of the human assets for Samsung. Focusing on these nations for worker CSR activities is reasonable since it builds an impression of occupation fulfillment and draws in qualified staff to the industry.
5.2 Recommendations

One of the main recommendations that can be made from the results obtained is that companies can adopt CSR programs and benefit from it. Samsung has won a lot of accolades internationally for its CSR policies. The utilitarian approach used does not directly seek to highlight corporate benefits, but the policy allows passive benefits like a better image and increased adoption of the company products to be well nurtured. Another recommendation is that companies need to adopt different strategies for different stakeholders based on their involvement in CSR strategies. The most important role that stakeholders play in the success of the business is promoting the company’s public image and reputation in the world. Similarly, the documentation and presentation of initiatives must be taken into deep consideration before sharing them with the stakeholders. Those stakeholders who are not directly related to the creation and development can be communicated with using a responsive channel while those involved need to be communicated with using an involvement approach. Another important recommendation is that the insight from Samsung indicates that companies should only highlight social benefits and leave out corporate benefits in relaying this information. This allows a company to benefit passively improving the social image of the company. Essentially, proper communication of CSR allows a company to increase popularity among customers while channeling image to boost equity and market share.

5.3 Limitations of the study

There are some distinct limitations of the study. One of the main limitations is the interpretive nature of qualitative textual analysis. A qualitative study lacks empirical
information that can aid in determining the authenticity of the conclusions made. A qualitative study has to rely on interpretation especially in a textual study like this one. This increases the likelihood of errors. Another limitation is that CSR has only been reviewed based on one case study. There is a need to increase the number of case studies to ensure that the trend is the same in other companies before a final conclusion can be made based on the results. A single case study may highlight issues limited to one organization as opposed to a general review of the CSR communication methods with stakeholders.

5.4 Recommendation for future studies

The limitations provide opportunities for future studies. The first is the development of a study that can empirically confirm the results obtained. Empirical studies are effective in providing authenticity for the findings in qualitative studies. Another recommendation is conducting a multiple case study to ensure that the findings are not limited to Samsung as a company. In many cases, a business may be in a unique position and the measures used only work for the company. A review of other companies can provide a point of comparison with the findings of this study to determine whether the CSR programs and communication channels are unique to Samsung, or they apply to a specific field.
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Appendix

Samsung CSR YouTube channel:

- **Children (volunteer efforts)**
  - Manzanillo, Mexico
  - Lusaka Province, Zambia

- **Education**
  - Building Libraries in Asia to Foster Appreciation for Arts (Korean ver.)
  - Bringing Technology Resources to Remote Areas of Brazil (Korean ver.)
  - Introducing the Internet to Disadvantaged African Youth (Korean ver.)
  - Building Libraries in Asia to Foster Appreciation for Arts
  - Bringing Technology Resources to Remote Areas of Brazil
  - Introducing the Internet to Disadvantaged African Youth
  - Manila
  - West Salem, Oregon
  - Overcoming Barriers with the Samsung Academy in Istanbul
  - Knowledge is Power for A Young Woman in New Delhi, India

- **Technology**
  - Bringing Light to Ethiopia Improves Life for Youth
  - Bringing Technology Resources to Remote Areas of Brazil (Korean ver.)
  - Introducing the Internet to Disadvantaged African Youth (Korean ver.)
  - Bringing Technology Resources to Remote Areas of Brazil
• Introducing the Internet to Disadvantaged African Youth
  o Overcoming Barriers with the Samsung Academy in Istanbul
  o West Salem, Oregon
  o Manila

• Environment
  o West Salem, Oregon
  o Mangroves (Thailand)

• Medical Aid
  o Lusaka Province, Zambia