Why CSR communication also has good and negative consequences on a company's social responsibility?

Rendi Susiswo Ismail¹, Karyaningsih², Jacky Chin³, Tyan Ludiana Prabowo⁴
¹Universitas Balikpapan Indonesia
²Universitas Singaperbangsa Karawang
³Universitas Mercu Buana
⁴Universitas Indonesia
rendi.susiswo@uniba-bpn.ac.id

Received: 06-01-2022, Revised: 31-01-2021, Acceptance: 10-02-2022

Abstract
The disparity between actual CSR initiatives and the extent to which they are conveyed will lead to a negative perception of the company and its operations. A good match between a high level of CSR communication and a high volume of CSR actions, on the other hand, should be helpful. The goal of this research is to determine why CSR communication has both positive and negative effects on corporate social responsibility. In this study, a survey using a quantitative approach was used as the strategy. Individuals exposed to higher levels of communication saw it more strongly (M = 4.01, SD = 0.93) than those exposed to lower levels of communication (M = 2.38, SD = 1.19), according to the results of an independent sample t-test, t (400) = 14.11, p.001. As a result, the deception was effective. In addition, we looked to see if the various experimental groups had differing perspectives on the scope of CSR initiatives. The cross tabulation demonstrated that 84.9 percent of single project participants and 91.0 percent of triple project participants correctly remembered the precise number of CSR activities, 2(1, n = 400) = 102.58, p.001. All CSR communications in this study were provided via screenshots of the company's fictional website, as well as Twitter and Facebook timelines, according to the study's findings. As a result, it's unclear how different modalities of communication affect CSR information processing and result in varied outcomes.

Keywords: csr; communication; good and negative consequences; company's social responsibility.

INTRODUCTION
When it comes to environmental, social, and employee-related sustainability, stakeholders are increasingly demanding that firms operate in a way that benefits society (Kodir & Susilo, 2015; Morsing & Spence, 2019; Pascua, 2020). To achieve these expectations, businesses use targeted CSR communication to
persuade stakeholders of their ongoing corporate social responsibility (CSR) initiatives (Nugraheni & Widyaningrum, 2019; Salim, 2014). However, receivers frequently mistrust the CSR information conveyed by businesses, mistaking it for "greenwashing," which can have a detrimental effect on the company's reputation (Kodir & Susilo, 2015; Nugraheni & Widyaningrum, 2019; Pascua, 2020).

As a result, it appears as though CSR communication has the capacity to both improve and deteriorate a company's or brand's impression (Putranto, 2019). If an organization makes frequent public statements about its CSR efforts, it may gain from this self-promotion and be perceived as responsible, sustainable, and caring (Boğan & Saruşık, 2020). However, excessive communication may be interpreted as an attempt to convince receivers, who may then react unfavourably, hurting the company's or brand's impression (Olanipekun et al., 2021). The extent to which CSR activities are conducted may be a critical element in moderating the influence of CSR communication on this perception: Businesses are frequently accused of professing social responsibility but failing to behave properly. As such, this study explores the relationship between an organization's perceived level of CSR communication and its actual level of CSR activity, focusing on the impact of perceived persuasive intent and reactance in processing increased CSR communication. We ran two experiments to determine the impact of altering the amount of CSR communication and activities, as well as the types of CSR activities and industrial contexts.

When businesses (or reporting organizations) implement CSR practices, they are expected to report on about their economic, environmental, and social performance in order to enable stakeholders with an interest in the reporting entities to evaluate the ways in which these institutions support sustainable development.

As a result, firms utilize CSR monitoring tools to record their CSR activities and their impact on stakeholder interests (Olanipekun et al., 2021). Three distinct conceptualizations exist for a CSR reporting tool. To begin, it is a deliberate and standardized process for communicating CSR activities in an accountable and open manner (Cornelissen, 2011; Olanipekun et al., 2021).

Thus, CSR activities implemented by businesses may function as effective organizational routines aimed at enhancing social value through the generation of positive externalities or the avoidance of negative ones (Kim & Manoli, 2020; Lee, 2020). For example, the use of renewable energy and clean fuels helps to mitigate global warming and air pollution, resulting in positive externalities for the business, whereas civil fines for violations of employee safety and security result in negative externalities (Lin et al., 2021). Among the methods available for categorizing corporate social activities, the KLD Social Ratings index is widely regarded as a trustworthy indicator of corporations' genuine pro-social behaviour that reflects specific positive or negative consequences (Lin et al., 2021).

As such, CSR communication may help shape favourable opinions of a business and its operations; however, the extent to which these positive impacts manifest relies on a variety of circumstances. For instance, Palazzo and Richter
Ismail, 2022

Why CSR communication also has good and negative consequences on a company’s social responsibility?

(Palazzo & Richter, 2005) demonstrate that CSR has specific constraints in the tobacco sector. If stakeholders have a poor or untrustworthy opinion of an industry, CSR initiatives are unlikely to result in more favourable perceptions of a single company or the sector in general. The organizational motives, as communicated by the organization and perceived by stakeholders, can also influence the effectiveness of CSR activities, depending on whether stakeholders perceive the organization’s CSR motives as primarily extrinsic (e.g., increasing sales or establishing a positive corporate image) or intrinsic (e.g., improving corporate image) (e.g., the company actually caring and serving society out of a sense of moral duty). Previous research indicates that communicating profit-driven CSR (with extrinsic motivations) has a lower positive effect than communicating socially motivated CSR (with intrinsic motives). However, prior research highlights the critical significance of genuine and trustworthy CSR communication: When firms are candid about their (partly) extrinsic motivations, CSR communication might even have a beneficial effect on a company's public impression.

Organizations' CSR actions and communication about them are frequently viewed sceptically, and in some cases, as greenwashing (Gatti et al., 2019). As a result, CSR communication is likely to elicit some degree of perceived persuasive purpose, particularly when the reasons are in question. CSR communication is positively correlated with stakeholders' perceptions of persuasive intent, according to research. As a result, we expect that a high volume of CSR communication would enhance receivers' perceived persuasive intent, whereas a low volume of CSR communication will decrease recipients' perceived persuasive intent (Barnett et al., 2020; Pascua, 2020).

Reactance activation results in behavioural and subjective outcomes. Behavioural impacts include the restoration of threatened freedom directly or indirectly, for example, by the performance of a limited behaviour. Additionally, reactance might have subjective consequences, resulting in unfavourable impressions of the transmitted content and source. As a result, attitudes and perceptions toward and of the source may deteriorate. As a result, we anticipate that reactance will have a detrimental effect on how a company’s social responsibility is perceived.

Thus, rather than increasing positive perceptions of an organization’s CSR operations, increased CSR communication will have the opposite impact. Increased CSR communication provokes impressions of persuasive purpose, activating reactance, which has a detrimental influence on how an organization’s CSR actions are perceived. As a result, we suggest the following theory for mediation: A high level of CSR communication reduces a company’s perceived social responsibility, which is mediated by perceived persuasive purpose and reactance.

Assuming that an excessive quantity of CSR communication might have a detrimental influence on how a company’s social responsibility is seen, the question becomes how much CSR communication is necessary to elicit favourable outcomes. Rather from being considered as a set value, the proper scope of CSR communication should be assessed in connection to the
organization's real CSR efforts. The link between the level of CSR communication and the degree of genuine CSR behaviour, on the other hand, has rarely been experimentally examined. Using a 2-by-2 matrix, we propose a technique for systematizing the relationship between these two variables (Fig. 1). This matrix considers both the level of CSR communication and the scope of CSR actions, which might be high or low.

![Figure 1. Gaps between CSR activities and CSR communication. Source: (Viererbl & Koch, 2022)](image)

There are four potential CSR activities–CSR communication pairings in this figure 1. To begin, a business may choose to engage in neither CSR activity nor CSR communication, a practice known as CSR omission (or green omitting, if it relates to environmental issues). This might have little influence on, or perhaps harm, the public view of the firm and its actions, if stakeholders' CSR expectations are not met. The corporation is oblivious to its need to contribute to societal objectives. Second, extensive CSR communication combined with little, if any, CSR activity might be construed as CSR washing (or greenwashing, if it is used in an environmental context). Pseudo-CSR occurs when a business participates in little or no CSR initiatives yet portrays itself as extremely responsible in the goal of profit or image building. However, if stakeholders view this communication to be dishonest, they will develop a greater level of distrust for the company or brand and more unfavourable opinions of its reputation. Third, a huge proportion of CSR actions that are poorly communicated to stakeholders or are not shared at all might be classified as CSR blushing (or green blushing, if it concerns environmental engagements). When businesses engage in CSR efforts but keep mute about their good impact, this might be interpreted as altruistic CSR. However, because these operations are largely invisible, they have little influence on public impressions of the firm or brand. Fourth, if a business is engaging in a big number of CSR initiatives and also communicates extensively about them, we call to this as CSR committing. This is considered the optimum form of integrated CSR, since the firm's CSR activities
assist society while also influencing stakeholders' opinions of the organization as responsible, perhaps resulting in a more favourable reputation.

Thus, we infer that a disconnect between real CSR actions and the extent to which they are communicated would result in bad opinions of the organization and its operations. On the other hand, a match between a high level of CSR communication and a high volume of CSR actions should have a beneficial effect. Although they do not address the extent of communication and activity, they demonstrate how discrepancies or inconsistencies between a company's real CSR operations and communication about these activities can have a variety of negative repercussions on the company's image or sales. "While stakeholders profess to be interested in learning about the good actions of the businesses they buy from or invest in, they rapidly become suspicious of CSR motivations when businesses aggressively advertise their CSR activities." As a result, we propose the following theory on moderation: A high level of CSR communication will have a beneficial effect on social responsibility perceptions only if the firm simultaneously engages in a significant number of genuine CSR activities.

**METHOD**

This research is a quantitative research, Quantitative research describes or explains a problem using results that can be generalized (Kriyantono, 2014), by survey method. A survey is a type of research that uses a questionnaire to collect data. The goal is to collect data on a group of people who are thought to be representative of a certain demographic (Kriyantono, 2014).

We enlisted 400 participants via social media. Social media has evolved into a vital tool for organizations or companies to communicate with potential responders and responders (Susilo, 2021; Michelle & Susilo, 2021). Online self-presentation can be aided by social media (Octaviana & Susilo, 2021). As human nature is matched with artificial intelligence, social media has become an inseparable part of people's life (Susilo & Putranto, 2021).

The participant consist of (64 percent women, 36% males; M = 30.52 years, SD = 11.46). The individuals volunteered to participate and were not compensated for their time. We utilized a two-way between-subjects design and varied the degree of CSR-related communication (Factor 1: low vs. high degree of CSR communication) as well as the level of CSR actions (Factor 2: low vs. high extent of CSR activities). The participants were randomized randomly to one of four experimental conditions. We invited participants to read a fictitious company's website ("PT Garam Gula Berseri") that detailed the company's CSR initiatives. The respondents viewed a section of the website that featured "PT Garam Gula Berseri's" self-description, which described the firm as a provider in the field of facade building and cladding with years of expertise and operations in three locations around Indonesia. We varied the amount to which the corporation engaged in CSR initiatives as the first factor. On the website, participants saw a brief description of these events. "PT Garam Gula Berseri" contributed to either one or three initiatives (a firm gift permitted the purchase of tablets for an integrated comprehensive school) (in addition to the donation for the tablets for Kids, the company also made donations to build Mosque and
new soccer field). The second manipulation included the company's message regarding CSR: The website displayed either one news release from "PT. Garam Gula Berseri" or nine press releases on the company's CSR initiatives.

We measured participants' perceived persuasive purpose by using a five-point Likert scale (strongly disagree–strongly agree) to record responses to the following three items, which are comparable to those used by Tutaj & van Reijmersdal (Tutaj & van Reijmersdal, 2012): "The purpose of this message is to sway my opinion regarding PT Garam Gula Berseri's social responsibility," "The purpose of this communication is to persuade me of PT Garam Gula Berseri's social commitment," and "The purpose of this communication is to persuade me that Theiss AG is extremely devoted to social responsibility." We built an index of these three items with the following values: M = 4.00, SD = 0.80, and =.75.

Additionally, we determined reactance using three items from Herzberg's one-dimensional reactance scale (Herzberg, 2002). On a five-point Likert scale (strongly disagree–strongly agree), we asked participants to rate their level of agreement with the following items: "It irritates me that PT Garam Gula Berseri positioned itself as an example of social participation," "The manner in which PT Garam Gula Berseri advertises its engagement leads me to believe the reverse," and "PT Garam Gula Berseri attempted to restrict my own freedom of choice." We constructed an index utilizing the following variables: M = 2.14, SD =.87, and =.88.

Additionally, we assessed social responsibility perceptions using a five-point semantic differential scale composed of three adjective pairs in response to the following item: "I feel that PT Garam Gula Berseri is socially responsible..." Not engaged–engaged, not committed–committed, and not responsible–responsible were the bipolar adjective pairings. The three variables were merged to create an index with the following values: M = 4.10, SD =.66, and =.83.

Finally, as a treatment check, we used a five-point semantic differential scale to measure perceptions of the volume of CSR-related communication. The following question was posed to participants: "To what degree has PT Garam Gula Berseri reported on its social engagement?" M = 3.31, SD = 1.35 on a continuum from poor to strong communication. To ascertain participants' perceptions of the organization's CSR activity, we inquired how many social initiatives the company is involved in (1, 3, 10, or cannot remember).

An independent samples t-test revealed that individuals exposed to a higher degree of communication viewed it as greater (M = 4.01, SD = 0.93) than those exposed to a lower degree of communication (M = 2.38, SD = 1.19), t (400) = 14.11, p.001. As a result, the manipulation succeeded. Additionally, we examined whether the various experimental groups viewed the scope of CSR efforts differently. Cross tabulations revealed that 84.9 percent of participants in the single-project condition and 91.0 percent of participants in the three-project condition accurately remembered the precise number of CSR activities, 2(1, n = 400) = 102.58, p.001.

**RESULTS AND DISCUSSION**
The research found that a high level of CSR communication raised perceived persuasive intent considerably, $b = .43$, $p < .01$, supporting H1a. Perceived persuasive purpose resulted in an increase in reactance, $b = .46$, $p < .001$, validating H1b. As anticipated by H1c, reactance lowered perceived CSR initiatives, $b = -.33$, $p < .001$. Taken together, the mediation analysis revealed a significant negative indirect impact of CSR communication on regarded CSR activities, mediated by perceived persuasive purpose and reactance, $b = -.07$, 95 percent confidence interval [CI] $[-.13, -.03]$. This finding substantiates H2. As a result, participants saw a substantial percentage of CSR communication as a persuading attempt, eliciting reactance and lowering perceived social responsibility.

Finally, we examined whether the quantity of CSR activities mitigated the direct impact of the breadth of CSR communication on how a firm is regarded to be socially responsible. The research revealed that a high degree of communication enhanced perceived social obligation only when participants regarded the company’s participation as meaningful, $b = .20$, $p < .05$. When the perceived amount of CSR activity was low, this impact faded, $b = .08$, $p > .05$. This observation is consistent with H3.

We explored the effects of enhanced CSR communication and the role of an organization’s real CSR actions in influencing its perceived social responsibility in two experimental experiments. Our findings indicate that greater CSR communication has a detrimental influence on how the public perceives a company’s social responsibility, which is mediated by perceived persuasive purpose and reactance. However, if a corporation truly engages in a high level of CSR activities, a high level of CSR communication can have a direct influence on how a company’s social responsibility is seen in the opposite way. If a corporation talks extensively about its CSR operations but lacks genuine CSR actions, this beneficial impact may not occur (Study 1) or may even reverse (Study 2).

By distinguishing between CSR communication and CSR activity, this study sheds fresh light on how CSR-related information is processed. Our findings imply that the "Catch-22" nature of CSR communication (Morsing et al., 2008) may be partially explained by a perceived disconnect between a company’s CSR communication and its CSR operations. While corporate communication is often viewed as persuasive, businesses may limit the negative consequences of CSR communication by matching it with their real operations. Even if receivers regard CSR communication as image building, it can still have a beneficial effect on their impressions as long as it is consistent with actual CSR efforts or is perceived to be consistent. Given previous research findings (e.g., Du et al., 2010; Eisenegger & Schranz, 2011), it appears likely that inconsistencies will result in a more sceptical view of the company’s social responsibility and possibly a perception of greenwashing, lowering the company’s overall perception of social responsibility.

These findings have ramifications for public relations practice as well. The study demonstrates that firms must strike a balance between their CSR communication efforts and their real CSR operations. We proposed a two-by-two matrix to systematize the connection between these two variables, yielding four
potential CSR activities–CSR communication combinations. This system demonstrates the difficulties of striking the proper balance, since businesses must avoid three types of errors: The first error (CSR omission) is failing to engage in CSR and CSR communication, since stakeholders' CSR expectations are not met. Businesses cannot afford to disregard CSR since their consumers, investors, workers, and suppliers expect them to act responsibly. With global challenges such as climate change, (future) pandemics, worker rights, and inequality, CSR engagement is not an option, but a need. Second, it would be a mistake to engage in several CSR initiatives while failing to convey them to stakeholders (CSR blushing). If a business maintains silent about its CSR activities, it will have no impact on stakeholders' impressions of the business and will miss out on the potential to be perceived as charitable. A third error, sometimes referred to as greenwashing in the environmental context, is for a firm to depict itself as being heavily involved in various CSR initiatives when its actions speak otherwise. Our two tests demonstrate the repercussions of this CSR washing: Stakeholders regard a high volume of CSR communication as dishonest if the firm only engages in a few activities, which prompts reactance and so diminishes the company’s social responsibility perception. As a result of these findings, the question of how to strike the proper balance between CSR communication and involvement arises. Even if businesses are actively involved in CSR, they must alter their communication efforts to reflect their real CSR performance. The current study is unable to give exact statistics or a cut-off point for the amount of communication that produces the greatest beneficial consequences. However, future research should go deeper into this subject and study the background elements that influence public views of CSR communication.

Naturally, our findings must be seen in light of various limitations. To begin, both investigations used fictional stimulus items. While this technique helps to account for pre-existing sentiments regarding certain firms, industries, or CSR activities, it also precludes conclusions about real companies and the influence of their unique reputations and CSR histories. Future research should attempt to reproduce the findings using a different set of stimuli: Rather of examining the impact of imaginary firms and false CSR initiatives, researchers might examine the effects of actual businesses and their actions. The impacts are determined by the interplay of three distinct parameters: the company's features, the type and volume of communication, and the characteristics of CSR operations. As a result, it remains a research issue to determine how differences in these many elements impact the interaction between the volume of CSR communication and the actual scope of CSR actions. This constraint may also be particularly crucial in determining the perceived scope of actual CSR activity. Our study attempted to operationalize this factor as accurately as possible; however, recipients' perceptions of an organization’s CSR activities (and thus of the organization's reputation) develop over time and through multiple episodes of reception, including company-provided information and media coverage. Thus, while the current study demonstrates the critical role of real CSR actions
Ismail, 2022
Why CSR communication also has good and negative consequences on a company's social responsibility?

in shaping perceptions of CSR communication, it falls short of completely mapping the underlying processes of attitude and perception creation.

CONCLUSION
Additionally, all CSR communication in this study was given through screenshots of the firms' fictional websites, as well as Twitter and Facebook timelines. As a result, it is unknown to what degree various modes of communication may alter the processing of CSR information and result in diverging consequences. Similarly, prior research has demonstrated that the impact of CSR communication may vary according on the type of CSR activity (Du et al., 2010; Su et al., 2020) and industry (Palazzo & Richter, 2005). Future research should investigate a broader range of contexts for CSR initiatives and enterprises. Scholars might, for example, explore how and whether our findings relate to various dimensions and types of CSR. For instance, work in the areas of diversity, equity, and inclusion may provide a growingly important CSR emphasis. Additionally, the sustainability of products and manufacturing processes becomes more critical. Thus, it looks worthwhile to investigate how public stakeholders evaluate the ratio of announced product or product chain sustainability to actual sustainability. Additionally, comparative studies may be conducted to examine how receivers process communication about various CSR characteristics or actions (e.g., environmental CSR vs diversity, equality, and inclusion-focused CSR). This need for more study also applies to a range of other known characteristics that affect how receivers absorb or assess CSR actions and communication, such as a company's perceived motive to engage in CSR activities (Becker-Olsen et al., 2006; Ellen et al., 2006). Future research should examine the effect of various components of CSR activities and communication on the results seen in this study. Another constraint is the study's sample size. Both investigations enrolled rather young subjects. Due to the fact that age is associated with receivers' media literacy and how they interpret persuasive attempts (e.g., Rozendaal et al., 2011), it is likely that various age groups process CSR material differently. As a result, it may be beneficial to employ more diverse samples and to explore how the impacts of CSR communication change according to receiver characteristics (e.g., age, media literacy, and personal attitudes toward sustainability topics). Personal views regarding CSR and environmental issues may also be regionally specific. We cannot explain how various locations and cultural backgrounds impact the processing of CSR-related information because both trials in our study were done in Indonesia. Given that research indicates that perceptions of organizational CSR vary by nation and area (e.g., Barkemeyer, 2011; Bhatia & Makkar, 2020) future research should assess how diverse geographical and cultural backgrounds impact the processes examined in this study. Such study might focus in particular on the disparities created by varying degrees of perceived CSR relevance across geographies.
REFERENCES
Lin, Y.-T., Liu, N.-C., & Lin, J.-W. (2021). Firms’ adoption of CSR initiatives and employees’ organizational commitment: Organizational CSR climate and


