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**Submission for PDW 02 [SWG 10 + 16]: Corporate Social Responsibility and
Communication**

Multiple voices shaping CSR meaning and practice

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Multiple voices shaping CSR meaning and practice

This submission will explore processes of communicative institutionalism (Cornellison et al, 2015) by focusing on how the communication of a multitude of actors in media and in organisational documents, construct new meanings and practices around CSR.

Here, I present some samples of data analysis of this process to illustrate the process I use to explore this. I seek to discuss this approach in this forum, so further analysis can be conducted and the paper can be constructed to meet the call for papers in *Business and Society*.

Some of the key approaches used in this paper are:

- Theoretical frame sits within institutional theory and draws on processes of structuration to move between organisational/activist claims and new meanings of CSR
- Use of Barley and Tolbert's approach to structuration and the use of periods delineated by jolts to understand and depict shifts in institutional arrangements
- Toulmin rhetorical analysis of the public claims made by each of the actors involved in communicating around CSR matters in order to understand the existing institutional frames actors draw on to argue their positions around new institutional arrangements.

Extract from data analysis

Media coverage related to the issue of cost of banking was chosen as a structuring moment as there was significant media coverage devoted to this issue during the year. Two events were identified in this coverage — National announced branch closures and fee increases,¹ and the Government announced an Inquiry by the Parliamentary Joint Statutory Committee on Corporations and Securities into Fees in Electronic and Telephone Banking. The 32 media articles identified in this study as appearing in the two week period from National's announcement on 18 October until 3 November accounted for more than 22% of the total media coverage for the year.² The government commissioned the Inquiry into the cost of banking in Australia³ in November. It is important to also note that this inquiry was announced only months after the Prime Minister's threats about re-regulation if the banks did not meet their social obligations. This latter event marked the jolt between the periods of dissent and acknowledgement, and was just prior to a federal election.

In this environment, consumer advocacy groups used appeals about the impact of banking practices on disadvantaged groups in the Australian community during the period of acknowledgement. They were specific in how they expected banks to fulfil their social obligations in

¹ See Section 5.2 for a detailed description of this event.

² For a full break down of the amount of media coverage related to each issue by year see Appendix F.

³ Inquiry by the Parliamentary Joint Statutory Committee on Corporations and Securities into Fees in Electronic and Telephone Banking.

advocating for banks to provide a low-cost basic service account for disadvantaged groups. They also used international examples to support their claims about the banks' practices. Examples of the types of statements made to do this are presented below in Table 6.2.

Table 6.2 Consumer groups and cost of banking

Themes	Representative quotes
Defining specific bank activities	Corporations given banking licences with all the attendant rights and privileges of such a licence, owe the Australian community a social responsibility. That responsibility should be met, in part by the provision of basic banking services free of charge to those most in need in the community” (Group of 6 consumer advocacy groups in submission to Chapman inquiry. User Pays and that means you, <i>Sydney Morning Herald</i> , 1 November 2000).
Using international practices to support claim	Three major British banks caved in to public and government pressure and abandon plans to charge for ATM withdrawals. Banks are no more popular overseas and re-regulation has already emerged. Canada’s government has legislated to force banks to provide no-fee accounts to low-income earners. In the UK, branch closures are to be subject to public audit process. (Branch warfare — banks in fear, <i>The Australian</i> , 11 November 2000).
Consumer groups pressure government to intervene in bank practices	According to the (international) report, Canada and Australia are the most expensive countries in which to hold a bank account. ... The banks are making huge profits and they are not thinking about anything except their shareholders. Consumer groups want the government to write community service obligations into bank licences and to direct the Australian Competition and Consumer Commission to monitor fees to bring the banks into line. (Customers are trapped in the fee-for-all, <i>Sydney Morning Herald</i> , 1 November 2000).
	The Australian Consumer Association (ACA) is not surprised by the enormity of the increases and points out that the CANNEX report (commissioned by Minister for Fair Trading) does not take into account the latest round of fee increases announced in the last few months. ACA financial policy officer Louise Petschler said: ‘These findings prove that consumers are paying too much for basic banking, even when they use electronic bank services’ (Banks’ fees up 400% in 7 years, <i>Courier Mail</i> , 3 November 2000).

Consumer groups also argued against government claims that consumers had choices when it came to bank fees, rejecting the Treasurer Peter Costello’s suggestion that one option was to “shop around for the best deal” (Customers are trapped in the fee-for-all, *Sydney Morning Herald*, 1 November 2000). Consumer groups claimed that because almost all sources of income, and especially government payments, needed to be paid into a bank account, it was something that consumers were

required to hold. As the Toulmin analysis presented below in Figure 6.1 summarises, consumer group claims that banks provide low cost banking for disadvantaged groups was supported by international cost and policy comparisons, arguments about necessity to hold a bank account, and the need for banks to meet social obligations. These claims were also very specific about how bank practices would demonstrate acknowledgement of their social obligations.

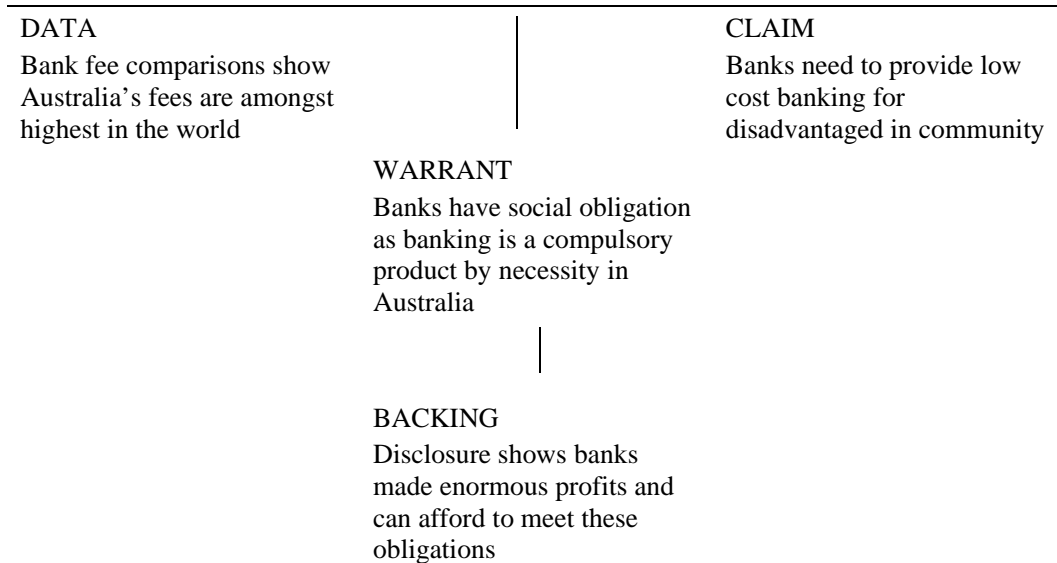


Figure 6.1 Consumers' claims during period of acknowledgement

Regulators perspective during period of acknowledgement

The government was an active participant in the public discussion about social responsibilities and bank practices during the period of acknowledgement. One of the strongest reasons for this was that the government was being directly blamed as the reason that banks needed to charge high fees. The government, however, was involved in two major initiatives which influenced the banks' practices.

Table 6.4 Regulators' quotes about the cost of banking

Themes	Representative quotes
Government asks banks to justify operational decisions	'I've read what was in the paper this morning and I was a bit concerned over some of the fees for telephone banking and concerned about some of the other transactional fees,' Mr Costello told ABC Radio. 'And I will be asking the National Australia Bank to explain that to me during the day, and to explain it to the public' (NAB, Costello at loggerheads, <i>Australian Financial Review</i> , 19 October 2000, p. 28).

<p>Prime Minister shifts blame for fees from regulation to banks</p>	<p>The Prime Minister rejected calls for government regulation of the banks. 'I am not a regulation man. I don't like regulation because it's costly and it doesn't work,' he said. He echoed the concern that banks did not understand the perception in the community that charges were going up at the same time as they were making record profits. 'The banks do have to, if I can use that biblical expression, heal themselves a bit on this. They've got to exercise some discipline, internal discipline.' (Banks reap profit at cost of jobs and service, <i>Sydney Morning Herald</i>, 4 November 2000).</p>
<p>Regulators reinforce need for banks to change practices to avoid regulation</p>	<p>The Federal Government has told the banking industry that its best chance of avoiding re-regulation is for banks to lift their game. Financial services and Regulation Minister Joe Hockey said yesterday a review of the industry self-regulation code now under way would provide a vital test for the banks' ability to address widespread community concern about them. (Hockey tells banks to lift their game, <i>The Australian</i>, 14 December 2000).</p>

A summary of the claims the regulators made during this period is presented below in Figure 6.3.

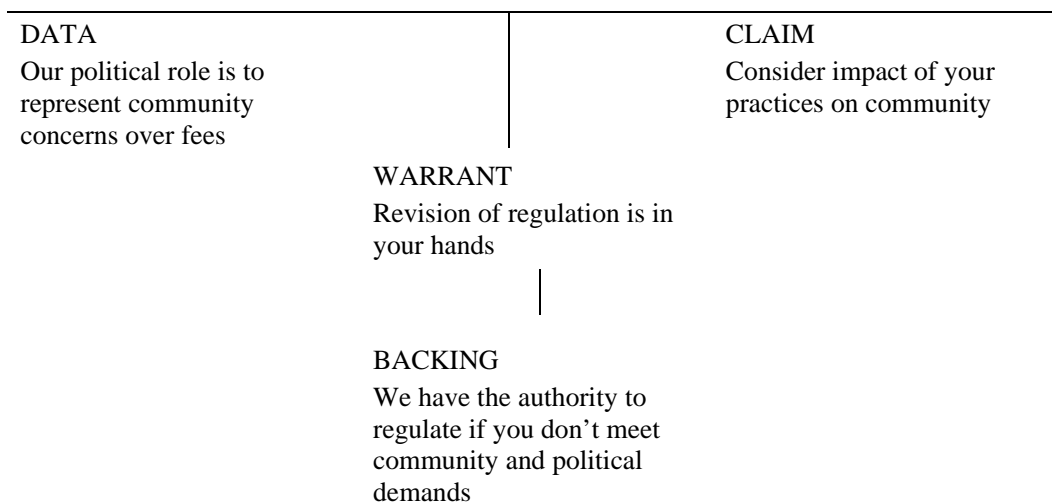


Figure 6.3 Regulators' claims about cost of banking

Bank perspectives during period of acknowledgement

During this period, it appears that banks began acknowledging public concerns about their social obligations. This was done in numerous ways, but one of the most obvious was through the review of the Code of Banking Practice managed by the Australian Banking Association (ABA) which began in May 2000. In addition, most of the banks announced a range of new policies that addressed the public concerns, particularly those that affected customers. These actions were occurring when, at the same time, some of the banks also announced major fee increases and branch closures, as the previous discussion has shown when National announced such a move.

Table 6.5 Extracts of comments by banks acknowledging their social responsibility

Themes	Representative quotes
Efficiency objectives justified by social accountability discussion	a) 'I am fully aware that a major challenge for the National, and indeed the banking industry, is to manage community understanding and expectations about the value of our activities,' Mr Cicutto (National CEO) said. But he said it was only fair that account be taken of reality of the benefits" the bank provide Australians, including the \$4billion a year it injected back into the Australian economy. Noting that the bank was probably Australia's biggest taxpayer, one of the country's largest employers and exporters, and the payer of more than \$1.2 billion dividends, he said: 'I believe that's an extraordinary contribution to this country and its people, a contribution that is not matched by any other public company as far as I know' (NAB has record profit, points to social good, <i>The Age</i> , 3 November 2000).
Acknowledging need to recognise disadvantaged in community	b) The needs of shareholders versus customers and staff had gone 'a bit out of alignment' in recent years. 'I understand the need to look for a solution for the disadvantaged and low-income,' he said. 'The solution revolved around an appropriate banking account that is fair and just to all stakeholders' (Banks rising profits good for economy — NAB, <i>The Australian</i> , 3 November 2000).
Banks acknowledging political pressure and need for dialogue	c) With a federal election looking next year, Dr Morgan (Westpac CEO) said it was possible the Government could jump on the current backlash against banks as an opportunity to step in and regulate the industry. 'There is certainly antagonism out there. ... If we move decisively as we have moved... and we do engage in dialogue, I think we can head that off'. (Banker warns of public rage, <i>Courier Mail</i> , 6 November 2000).
Need for action to back acknowledgement of social responsibilities	d) A big four insider put it more forcefully: 'We have a sense it has gone beyond whether banks have social obligations, to how these are fulfilled,' he said. 'It has passed the platitude stage and we need to be doing something' (Branch warfare — banks in fear, <i>The Australian</i> 11 November 2000).
Public recognising bank	e) It is almost unnerving to see the outbreak of social

acknowledgement	obligation in the banking industry spread as far as a contractually binding agreement for banks to treat their customers 'fairly'. Cynics — mainly jaded bank customers — point to the election year climate and Labor's ominous noises about regulatory measures such as fee monitoring.... But while Kim Beazley's prime ministerial hopes have faded, the banks have continued to release an array of touchy-feely initiatives off their own bat. (Taking interest in PR of fair go, <i>The Australian</i> , 9 October 2001).
<i>Table continued from previous page</i>	
Bank actions responding to public demands	f) ANZ Banking Group's moves to cut transaction fees looks set to trigger similar action by Australia's other major banks. Already the CBA has indicated it may bring in both lower fees and charges. (ANZ puts heat on rival banks, <i>Courier Mail</i> , 2 February 2002).
Change in bank attitude acknowledged in community	g) The code is part of a sea change in the bank's attitudes. Other manifestations of this attitudinal change have been the banks' voluntary decision to introduce low-cost account options for the disadvantaged....' said Catherine Wolthuisen ACA financial policy officer. (Banking code still an enigma, <i>The Australian</i> , 17 August 2002).

A summary of the banks' claims related to social responsibility as triggered by the cost of banking inquiry can be shown in the Toulmin's analysis presented in Figure 6.4.

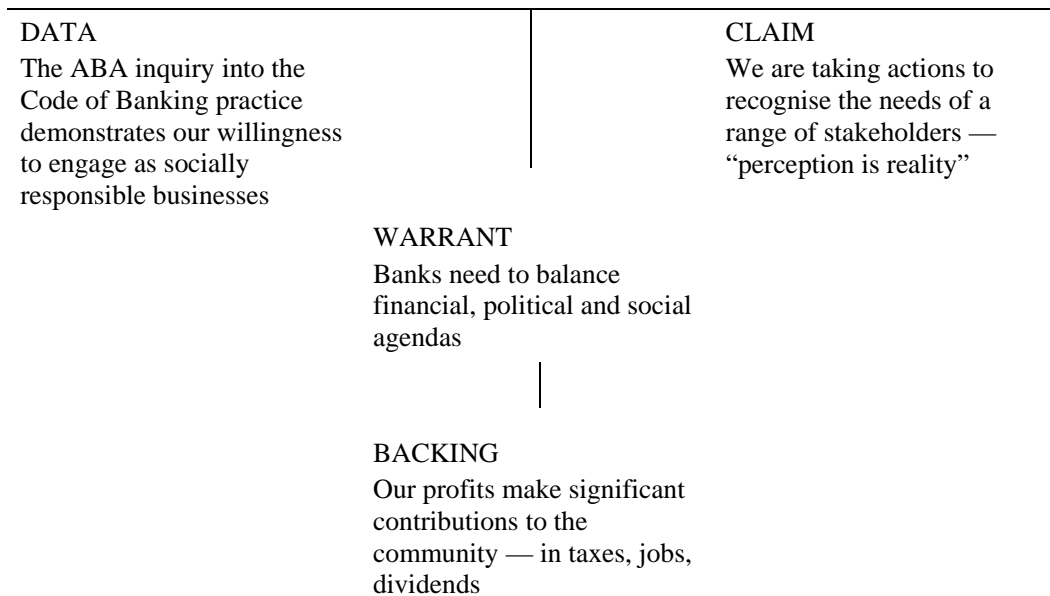


Figure 6.4 Banks' claims triggered by cost of banking structuring moment

While the banks conceded to public pressure in relation to customer impacts, this was not the case when it came to union claims about employee impacts. The banks did acknowledge the need to balance up attention paid to staff as stakeholders (as seen in comment a) in Table 6.5 above). As the

following presentation of data shows, the banks did, publicly, change the attention paid to employees. However, it was not directly linked to the Union campaign which sought to direct attention to the banks' practices in this area.

The media coverage data shows that during the period covering 2001 and 2002 the banks were acknowledging their social responsibilities and challenges to the legitimacy of their practices. The analysis of structuring moments showed that these acknowledgements were seen in relation to issues of the cost of banking as well as to the impacts of their practices on employees. This acknowledgement became more evident across the period.

The data in the structuring moments suggests that, at first, the acknowledgment was in response to political pressure. This suggests the government was seeking to *manipulate* the shape of the banks' practices. Likewise, the functional publics were seeking to *manipulate* the banks' practices by providing guidelines of initiatives the banks should take that would demonstrate social responsibility.

Table x Institutional strategies and tactics used in the claims made by social actors during the period of acknowledgement

Social actor	Claims identified in the media coverage	Backing	Strategies	Tactics adopted
Consumer groups	Banks need to provide low cost banking for disadvantaged in community (T6.1)	Banks made enormous profits and can afford to meet these obligations	Manipulate	Shaping values and criteria
Unions	Staff pay the price for management decisions (T6.2)		Manipulate	Shaping values and criteria
Regulators	Consider impact of your practices on community (or we will regulate)	We have the power to impose regulatory interventions	Manipulate	Dominating institutional constituents and processes
Banks	We are taking actions to recognise the needs of a range of stakeholders — “perception is reality”	Our profits make significant contributions to the community in taxes,	Compromise	Balancing expectations of multiple stakeholders

	We are improving conditions and culture for our staff	dividends, jobs. Profits are in the interest of all	Acquiesce	Imitating institutional models of successful organisations (in relation to staff)
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A summary of the shift in the nature of the myth and the strategies used by the social actors are presented below in Table x.

Table 6.8 Shifts in approach and strategic responses around CSR

	1999-2000 —————→ Period of dissent	2001-2002 —————→ Period of acknowledgement
Rational myth about social responsibility in banking	Economic success required to become socially responsible	Economic success linked to social responsibility
Bank strategies	Defy	Compromise Acquiesce
Consumer activist and union strategies	Manipulate	Manipulate
Regulator strategies	Manipulate	Manipulate

Types of ceremonial strategies used in the period of acknowledgment

Here, I categorise the type of legitimating strategies seen in bank practices during the period of acknowledgement.

Table 6.11 Legitimating ceremonies about social dimension during period of acknowledgement

Case Legitimating ceremonies	ANZ	Commonwealth	National	Westpac
Signalling compliance	x	x	x	x
Link to non-controversial practices			x	
Borrowing legitimate forms	x			x
Performance	x			x
External validation	x	x	x	x

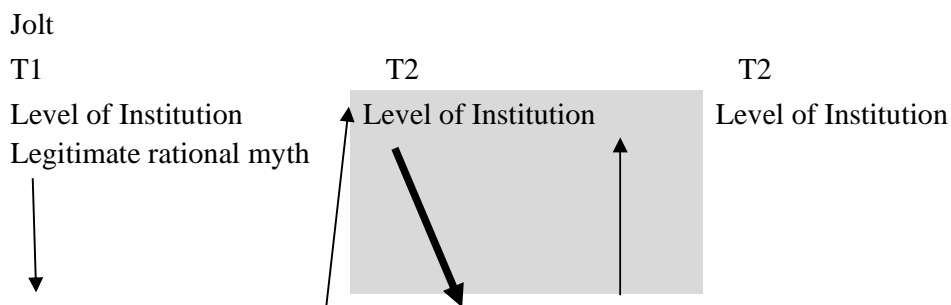
Table 6.12 Relationship between actors and rational myths of CSR in period of acknowledgement

Activists campaign against bank practices	→	Regulators support activist claims and coerce banks	→	Organisations comply and create new standards for Australian banking industry
Create		Support and coerce		Comply Create

6.1.3.2 Implications for the process of change

This engagement with stakeholders was one way the actions that represented the myth were operationalised. There were another two mechanisms at work during this period. Firstly, regulators and advocacy groups (especially in functional publics) had an ongoing role in continuing to manipulate the shape of the unfolding rational myth and its associated practices. The tactics used during the period of acknowledgement were to shape values and criteria (Oliver, 1991) surrounding the emerging myth. This was seen particularly in the shaping of the myth and related practices of the cost of banking and fee-free accounts for disadvantaged Australians. At the same time as these new myths were being supported, the government as a regulatory public continued to coerce how the myth was being shaped. While there were no regulatory changes made, the government continued to publicly apply pressure to coerce the banks, influencing them to continue along this path of acknowledging their social obligations.

The second mechanism at work was the initiatives of the banks themselves. The analysis of the annual reports and organisational ceremonies indicated that the banks themselves were not just complying with the emerging rational myth but also developing new aspects of the myth. In doing so, they moved from denying and responding to public claims towards creating new aspects of the myth as it applied in the context of the Australian banking industry. Examples were seen in the release of social impact reports and garnering support from ethicists.



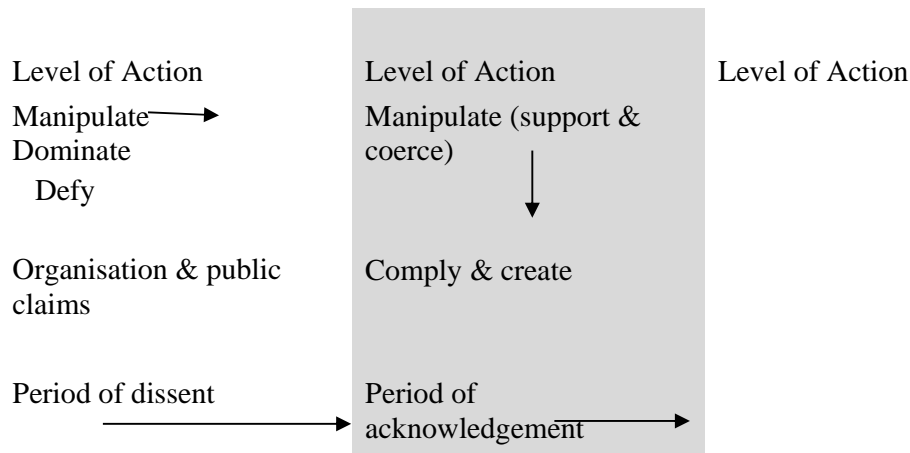


Figure x Diagram of process of change in institutional arrangements during period of acknowledgement

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