

# CSR Communication Research: A Theoretical-cum-Methodological Perspective From Semiotics

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## Abstract

Despite the proliferation of studies on corporate social responsibility (CSR), there is a lack of consensus and a cardinal methodological base for research on the quality of CSR communication. Over the decades, studies in this space have remained conflicting, unintegrated, and sometimes overlapping. Drawing on semiotics—a linguistic-based theoretical and analytical tool, our article explores an alternative perspective to evaluating the quality and reliability of sustainability reports. Our article advances CSR communication research by introducing a theoretical-cum-methodological perspective which provides unique insights into how to evaluate the quality of CSR communication. Particularly, we illustrate the application of our proposed methodology on selected U.K. FTSE 100 companies. Our two-phased analysis employed the Greimas Canonical Narrative Schema and the Semiotic Square of Veridiction in drawing meanings from selected sustainability/CSR reports. In addition, we present a distinctive CSR report quality model capable of guiding policy makers and firms in designing sustainability/CSR reporting standards.

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The focus of the corporate social responsibility (CSR) communication debate over the past decade has shifted from the need to report on CSR activities to the importance of evaluating the quality of CSR reports (CSRRs). Corporate stakeholders, including investors, regulators, nongovernmental organizations (NGOs), media, among others, have raised concerns about the scope, differences, reliability, and comparability of CSRRs (Adams, 2004; Beattie, McInnes, & Fearnley, 2004; Hasseldine, Salama, & Toms, 2005). Scholars have not only engaged with the issues of quality and reliability but also sought to identify the best methodology and measure for the quality of CSRR (Yekini, Adelopo, Andropoulos, & Yekini, 2015). This is because of the narrative nature of the reports, which raises important questions regarding the validity of diverse quantitative measures used in extant literature (Aguinis & Edwards, 2014). For example, should we evaluate CSRR in terms of its quantity (amount or length) or its quality (authenticity or reliability; Albu & Flyverbom, 2016; Beretta & Bozzolan, 2004, 2008; Botosan, 2004)? If it is the latter, what should be the best measure or the best way to evaluate quality (Aras & Crowther, 2009; Burritt & Schaltegger, 2010; Cho, Roberts, & Patten, 2010)?

Despite some attempts in the literature (see Price & Shanks, 2005), there remains a lack of clarity regarding the best way to assess the quality of CSR information (Crane & Glozer, 2016). For example, while some studies have used analyst ratings such as the Dow Jones, FTSE4Good, and the GRI index (Hasseldine et al., 2005; Toms, 2002), others have constructed their own indexes (Botosan, 2004; Freedman & Stagliano, 2008; Yekini et al., 2015; Yekini & Jallow, 2012). In addition, quality has been measured through certain criteria such as the location of the narrative in the annual reports or through the reliance on the evidence produced/disclosed (Guthrie, Petty, Yongvanich, & Ricceri, 2004). Yet, some authors have used volume/quantity as a proxy for quality (Hackston & Milne, 1996), arguing that the quantity of information is capable of influencing the quality. Furthermore, Beattie and colleagues (2004), acknowledging the complexity of measuring disclosure quality, suggested a four-dimensional framework which encapsulates previous methodological approaches (see Beattie et al., 2004, p. 227). However, we argue that these prior methodologies are deficient at drawing meaning and making sense from the information (Weick, Sutcliffe, & Obstfeld, 2005). For example, Freedman and Stagliano (2008) argued that quantity or location of reports cannot be an adequate measure of quality. Sensemaking from CSRRs,

we argue, will be more relevant to the information users than the quantity and location and/or the ratings of the reports, more so given the decontestation function of the narratives as recently uncovered by Feix and Philippe (2018).

Our article thus departs from previous studies in this area, in that it adopts a structuralist and a more robust theoretical-cum-methodological approach, using semiotics. Consequently, in this article, we demonstrate how semiotics might constitute a more rigorous alternative to assessing the quality of CSR communication. While the extant literature in this space has focused on the content (i.e., quantity, location in annual report, analyst rating, etc.) of the reports, semiotics looks beyond the content of the text through the interplay of codes and conventions and the application of logical discourses to draw meaning out of it and thus make sense of the information being reported (Feix & Philippe, 2018). This article therefore explores the use of the Greimas Narrative Semiotics (GNS)—a linguistic-based theoretical and analytical tool—as a research and analytical technique for assessing the quality of sustainability/CSRRs. In doing this, it makes important contributions and advances the theoretical and methodological literature on sustainability/CSR communication. Our analysis is, however, transparent and standardized, thus free from the criticism usually associated with qualitative research (Bluhm, Harman, Lee, & Mitchell, 2011).

More importantly, this study is unique as it is the first to explore the quality of CSRRs using GNS. Through its robust analysis, the article provides distinctive insights into how to evaluate the quality of CSR statements without necessarily assessing the stakeholders' view. The proposed theoretical methodology aims to assess the link between the author, the audience, and the message itself by looking beyond the content of the text, using semiotics principles. It also introduces a CSRR quality model capable of guiding firms in their CSR activities and reporting. These are important contributions to the discourse on CSR communication research, especially as sustainability and CSR reporting continues to be a topical issue in the corporate accountability literature (Crane & Glozer, 2016).

The rest of the article is structured into four main sections. First, we present a brief review of the extant literature on CSRR quality. For our theoretical framing, we introduce semiotics and the use of GNS as an analytical tool. Next, we present the development of a theoretical framework for measuring CSRR quality—the CSRR quality model and show how it can be used to understand specific CSR activities and communication. We then present the application of our model to a sample of FTSE100 companies, highlighting important implications for researchers, corporate managers, and policy makers. In the final section, some conclusion, limitations, and suggestions for future research are highlighted.

## Review of Prior Studies and Theoretical Framework

### *Disclosure Quality*

Price and Shanks (2005) described disclosure quality as the extent to which users perceive the communicated information as meeting or exceeding their expectations in a way which enables them to draw meaning out of the disclosed information for informed decision-making (Yekini, Adelopo, & Adegbite, 2017). Hence, disclosure quality can be said to be the usefulness and sensemaking that users are able to derive from the communicated information (Weick et al., 2005). Evaluating the quality of CSRRs is important because CSR information is intended to show the intrinsic values of the organization. It is an opportunity for firms to “talk” their organizational values into existence in an attempt to channel the “intrinsic flux of human action . . . toward certain ends” (Weick et al., 2005, p. 410). Making sense of CSR information as reported is therefore central to determining the quality of CSRRs. This is because sensemaking entails the ability to talk actions, events, or organizational values that are otherwise unintelligible, into existence in such a way as to influence the perception/behavior of users of the information (Calton & Payne, 2003; Cooren, 2018). To this end, Weick and colleagues (2005) asserted,

. . . Sensemaking is about the question: What does an event mean? In the context of everyday life, when people confront something unintelligible and ask, “what’s the story here?” their question has the force of bringing an event into existence. When people then ask, “now what should I do?” this added question has the force of bringing meaning into existence, meaning that they hope is stable enough for them to act into the future, continue to act, and to have the sense that they remain in touch with the continuing flow of experience. (p. 410)

This assertion echoes Cooren’s (2018) ventriloquial perspective and Feix and Philippe’s (2018) decontestation arguments in their contributions to the *Business & Society* special issue on the role of talk and text in shaping the nature and meaning of CSR. Cooren (2018), through the ventriloquial lens and communicative constitutive perspectives, demonstrated that CSR communication is polyphonic and produces meanings that go beyond the human voice or texts. Feix and Philippe (2018) elaborated on the decontestation work of CSR narratives by emphasizing the potential of the narratives in legitimizing CSR activities if the structural tensions and paradoxes underlying the framing of the narratives are “unpacked.” The authors therefore call for analytical tools “. . . that can help us disembody our understanding of morality from the market logic” (p. 30).

However, a variety of methods for analyzing CSR narratives exists in the literature, including a substantive multidisciplinary interest regarding the best way of evaluating the quality of the information/disclosures in annual reports and stand-alone sustainability reports (Beattie et al., 2004; Beretta & Bozzolan, 2004, 2008; Botosan, 2004). None of these studies, however, attempted to explore the efficacy of a linguistic-based approach. Thus, the individual discipline-based perspectives, in the past decade, have led to conflicting findings on the content and quality of CSRRs (Price & Shanks, 2005; Yekini, 2017). Aguinis and Edwards (2014) questioned the construct validity of these measures, arguing that there remains a “perennial concern” regarding their validity (p. 148). Bluhm and colleagues (2011) and Crane and Glozer (2016) both argued that the various approaches lack fundamental theoretical conception and methodology. Coupland and Brown (2004) highlighted that, as “linguistic social constructions,” organizational values and identities are best assessed through dialogical processes (p. 1328). Accordingly, Cooren (2018) emphasized the important role of CSR communication as a “dialogical way by which the organization itself gets constituted” (p. 5). To achieve this important role, Feix and Philippe (2018) showed the potential of Greimas’s narratology from semiotics in resolving the structural tension in the language frames of narratives. Consequently, in this article, we extend the work of Feix and Philippe (2018) and put forward a case for semiotics and Greimas’s narratology as a useful and important approach to examining the quality of CSR information.

Semiotics relates to the way an information recipient can draw meanings from the signs inherent in the communicated information (Chandler, 2007). Chandler (2007) further noted that semiotics is very valuable if the task is to look beyond the content of the text, arguing that semiotics reveals the role of humans in the construction of meaning and the fact that meaning is not conveyed to humans, but that humans are actively involved in the creation of meaning (Cooren, 2018). This echoes Price and Shanks’s (2005) argument that a “complete approach” to information quality measure should consider the suitability of the information from the perceptions of the audience (p. 90). For example, Guenther, Guenther, Schiemann, and Weber (2016) found evidence that stakeholder groups have direct relevance and can influence carbon disclosures by firms. We discuss semiotics as a theory and as a research method in the next subsection.

### *Semiotics as a Theoretical Framework and as a Research Technique*

The semiotics theory, originally developed out of linguistics through the works of Saussure (1857-1913) and Peirce (1839-1914), is the scientific

study of language but has since expanded to conceptualize the general study of signs (Crystal, 1987). However, semiotics as an emerging theoretical research technique has developed into different strands depending on the sort of sign system being studied (Chandler, 2007). For instance, management and social researchers, most often, employ either the Greimas' semiotics (Feix & Philippe, 2018; Fiol, 1989; Floch, 1988; Joutsenvirta & Uusitalo, 2010; Sulkunen & Torronen, 1997) or the Barthes's semiotics (Bell, Taylor, & Thorpe, 2002; Davison, 2007, 2011).

The distinction between these two strands of semiotics is the fact that Barthes semioticians (Barthes, 1977; Bell et al., 2002; Davison, 2007, 2011) emphasize the natural language as the sign system, whereas Greimas semioticians (Greimas, 1966/1983; Jakobson, 1960; Propp, 1958) emphasize the sequence of events in the narrative or groups of narratives as the sign system. Barthes semioticians are more interested in the "code by which the narrator and the reader are signified throughout the narrative itself" (Barthes, 1977, p. 110) rather than the narrator's actions or motives or the effect that the actions would have on the reader. Barthes semioticians therefore emphasize the functions of the words and their relationship to other words used in the narrative to form signification (Barthes, 1977).

Greimas semioticians, on the contrary, define signification as when the reader is able to uncover the reality inherent in the narrative by analyzing the actions of the subject using logical, temporal, and semantic criteria (Greimas, 1966; Greimas & Courtés, 1982). Greimas semioticians believe that the actions or motives of the subject in the narrative are of more importance in drawing meaning from the narrative than the words used in describing the actions. Consequently, as CSR information is an opportunity for firms to "talk" their organizational values into existence in such a way as to influence the perception of the users of the information, GNS presents a superior alternative to investigating the quality of CSR information over the Barthes's semiotics.

GNS as a narrative semiotics method is particularly suitable for the evaluation of CSRRs' quality because CSRRs are recorded corporate messages narrated in the form of stories. Consequently, GNS is capable of examining the contextual representation and actions of the subject (the organization) in the narrative in a way to bring (*talk*) the organizational values into existence. The next subsection describes GNS and its implications for CSRR quality research.

### *The GNS*

GNS identifies the structural pattern in narratives and aims to clarify the necessary conditions that produce values through which reality may be

perceived (Sulkunen & Torronen, 1997). GNS is therefore based on the *doings* in the texts rather than the functions of the words; hence, the words are seen as *actants* helping to describe the actions (Hébert, 2011). This is useful for CSR information evaluation because management provides this information with an intended meaning and can only hope that the message in the information is interpreted, as intended, by the audience. However, whether the message will be interpreted as such depends on the meaning drawn from it by the information user because not every text is informative (Price & Shanks, 2005).

Moreover, as the audience is diverse, and the message is produced at a different time from when it is received by the audience, the author has no opportunity to explain themselves, hence leaving the interpretation of the message entirely to the audience (Derrida, 1978). Consequently, messages may be interpreted in different ways by different stakeholders and are capable of being misinterpreted altogether if the right lexical structures are not used (Belkaoui, 1978; Jain, 1973). GNS helps to provide the way out. It investigates the link between the author, the audience, and the message by looking beyond the content of the text through the interplay of codes and conventions to establish the reality of the message (Chandler, 2007).

GNS is particularly suitable in examining the quality of CSRRs because the approach does not emphasize the functions of the words and their relations to form signification but rather the contextual representation and actions of the subject in the narrative, thus revealing the underlying values being communicated. In addition, GNS analysis draws on a broad range of analytical tools and models, such as the narrative schema, the semiotic square, the veridictory square, and dialogic analysis, among others. Most of these are either developed by or are an advancement of the work of Greimas (Hébert, 2011). The models look beyond the narratives into the system of signification to uncover the reality in the narratives. The models have been used in a variety of ways in the literature depending on the type of narrative analysis and the system of signification. For instance, some writers (Joutsenvirta & Uusitalo, 2010; Le Roux, Bobrie, & Thébault, 2016) applied a single model in their analysis, whereas others (Anido Freire, 2014; Fiol, 1989; Floch, 1988; Kanonge & Jordaan, 2014) applied a combination. In the current article, we employ the Greimas's canonical narrative schema, the veridictory and ontological analysis, and the semiotic square in a two-phased narrative analysis.

### *The Greimas's Canonical Narrative Schema*

This model analyses narratives as a series of schemas in which the semiotic act or story may be structured into components (Hébert, 2011). The five

**Table 1.** The Narrative Schema.

Action	Manipulation	Competence	Performance	Sanction
The act itself	<i>Causing-to-do</i>	<i>Wanting-to-do</i> or <i>having-to-do</i> plus <i>knowing-how-to-do</i> and <i>being-able-to-do</i>	<i>Causing-to-be</i>	<i>Being-of-being</i>
As applied to Centrica's statement				
Train engineers.	<i>Identified a skills shortage</i>	<i>Set up the British Gas Engineering Academy, which now has nine training centers across the country</i>	<i>Four thousand engineers have been trained in the centers over the past 4 years</i>	<i>Positive or negative, true or false, real or unreal</i>

components identified by Greimas are action, manipulation, competence, performance, and sanction.

*Action* refers to the act itself, for example, educational sponsorship. *Manipulation* is the compelling force to perform the action. This can have either positive or negative modalities. *Positive manipulation* is described in semiotics as *causing-to-do* and compels the subject to produce an action with positive retribution (see Tables 1 and 2). *Negative manipulation*, on the contrary, refers to *causing-not-to-do*, implying an action with negative or false retribution (Hébert, 2011)—see Table 4.

*Competence* is the *being* that is necessary for the *doing*, that is, what is required to achieve the action. The modalities for competence are *wanting-to-do*, *having-to-do*, *knowing-how-to-do*, and *being-able-to-do*. For competence to lead to performance, these modalities must be sufficiently positive. Courtés (1991) argued that performance can only be actualized when the subject demonstrates either a positive *wanting-to-do* or *having-to-do* in addition to positives of both *knowing-how-to-do* and *being-able-to-do* (Courtés, 1991).

*Performance* is the actualization of the action, that is, *causing-to-be*. As positive competence will lead to performance, it follows that whenever there is performance, there has been positive competence (Courtés, 1991).

*Sanction* is the evaluation of performance for its reality. This stage is the *being-of-being* and can best be established using the veridictory square—discussed in the next subsection. Therefore, given that CSRRs are recorded corporate messages in the form of stories, they could be rearranged, using the narrative schema to bring out a rich and meaningful discursive structure (Anido Freire, 2014). For example, a paragraph from the 2006 CSRR of Centrica stated,



**Table 2.** Examples of Explicit/Implicit Values of Reality.

Lexical words	Syntactic context	Semantic context
Manipulation		All positive ( <i>causing-to-do</i> )
Engineering education	<i>The Group supports the Engineering Education Scheme</i> ” (ARM, 2005:21)	Awareness of the need for support
Graduates	“addressing a shortfall in graduate numbers” (BP, 2013, p. 43)	Awareness of the need for more graduates
Local expertise	“we are helping to develop local expertise” (BP, 2014, pp. 47&48)	Realized a need for local expertise
Skills shortage	“British Gas Services identified a skills shortage” (Centrica, 2006, p. 156)	Awareness of skills shortage
Competence		
Partnered/ partnership	“The Group is seeking to increase the scalability of the University Programme through partnership” (ARM, 2012, p. 72) “we partnered with King’s College London”; (BP, 2013, p. 43)	Positive competence ( <i>wanting-to-do</i> )—to provide the needed support through partnership
Engage	“ARM’s University Programme engages universities worldwide” (ARM, 2005, p. 21) “The Group engages with universities around the world” (ARM, 2012, p. 72)	Positive competence ( <i>having-to-do, knowing-how-to-do</i> )—to support education through engagement with universities
Setup	“So we set up the British Gas Engineering Academy” (Centrica, 2006, p. 156)	Positive competence ( <i>being-able-to-do</i> ) toward actualization of action
Plan	“We plan to open a tenth in 2007” (Centrica, 2006, p. 156)	Positive competence ( <i>wanting-to-do</i> )—future targets
Performance		
Trained	“Four thousand engineers have been trained” (Centrica, 2006, p. 156)	Actualization ( <i>causing-to-be</i> )—trained engineers
Helping	“we are helping to develop local expertise (BP, 2014, pp. 47&48); we are helping to promote science” (BP, 2013, p. 43)	Actualization ( <i>causing-to-be</i> )—promoting local expertise and science

In 2002, British Gas Services identified a skills shortage when trying to recruit fully trained engineers. So we set up the British Gas Engineering Academy, which now has nine training centres across the country. We plan to open a tenth in 2007. Four thousand engineers have been trained in the centres over the past four years. (Centrica, 2006, p. 156)

The descriptors for each component of the narrative schema and the application of the narrative schema to Centrica's narratives are presented in Table 1.

### *Veridictory and Ontological Analysis*

To determine the sanction component, we apply veridictory and ontological dialogics to our analysis of the semantic context of CSR narratives. Rastier (1989/1997) argued that, to understand social reality, a semantic unit may be formulated as a logical proposition and then evaluated on its veridictory and ontological status. The veridictory status shows that the semiotic act can be said to be true or false, whereas the ontological status shows that the semiotic act can be situated in one of the three worlds of the semantic universe: the *actual world* (what is), the *counterfactual world* (what is not), or the *possible world* (what could be). Hence, ontological status may be real, unreal, or possible/doubtful (Hébert, 2011).

This approach is particularly useful for evaluating the quality of CSRRs because it is generative in nature (Floch, 1988; Sulkunen & Torronen, 1997). First, it begins with the formation of discourses, which develops from "simple deep semio-narrative" (Sulkunen & Torronen, 1997, p. 51) structures, exhibiting abstract articulation with little condition for signification, and then progresses to the formation of discourses developed from "rich and complex discursive structures" (p. 51), which enriches signification by manifesting a distinct expression of reality.

For example, to form a logical discourse, the components of the narrative schema suggest that, in a semiotic act, the subject is not only motivated by something but should also exhibit the desire and willingness to perform the act. In addition, the competence to perform and actual performance of the act must be evident before signification can occur. Therefore, the generative process of signification requires a logical organization of modal structures such that the combination of a set of propositions should qualify them to be situated in the same semantic universe to generate signification. This implies that several related modal structures would have to be constructed and, consequently, different propositions with different degrees of certainty. For instance, the semio-narrative structure may include a simple

utterance of *being*, that is, the firm has knowledge of a specific need or social issue within its community of operation, as in the case of the Centrica example—“identified skills shortage,” and is therefore motivated to a further utterance of *doing*, which could be supplying or meeting the specific need—“So we set up the British Gas Engineering Academy” (Centrica, 2006, p. 156). These show a transformation from the state of *being* to the state of *doing* and thus form a rich and complex discursive structure (Sulkunen & Torronen, 1997).

This is consistent with Preston’s (1975) organizational framework for managing and reporting social issues:

Preston recognised the fact that firms would first, be aware and/or recognise a social issue; second, the firm plans to solve the issue and incorporate such plans into its corporate goals; third, the firm responds in terms of policy development; and, finally, it implements the policy. (Yekini, 2017, p. 244)

Nevertheless, we argue that, to achieve a logical and comprehensive taxonomy of discourses that would reveal the underlying values of reality, a real act of social responsibility should not be a one-off event but should take into consideration future targets and commitments (Feix & Philippe, 2018; Penttilä, 2019). The reports should not only be outward looking, but also forward looking (Crowther, 2002). For instance, the Centrica expression “We plan to open a tenth in 2007” demonstrates future commitment. In other words, the generative process of signification should be clearly evident in the expression to reveal the explicit and/or implicit significations of reality. For example, the values of reality can be seen in the certainty of Centrica’s commitment to supporting educational activities, as evident with the use of the phrases “identified a skills shortage,” “we set up,” “We plan to open” (Centrica, 2006, p. 156). The story tells of the company’s awareness of the need for engineers and its commitment to meeting this need. Similar words and phrases found in other reports are analyzed in Table 2.

Consequently, in developing the propositions for semantic analysis, we put into perspective both the outward- and forward-looking semiotic act, while taking into consideration how these are articulated in the narratives. We propose the following in analyzing the text of CSRRs:

**Proposition 1a:** The CSR narrative shows evidence of the firm’s concern or awareness of specific CSR issue (manipulation or causing-to-do).

**Proposition 1b:** The CSR narrative shows evidence of the firm’s commitments to solving the specific issue (competence/performance or wanting-to-do/being-able-to-do/causing-to-be).

**Proposition 2a:** The CSR narrative shows evidence of the firm's consideration of future targets for identified CSR issue (manipulation or causing-to-do).

**Proposition 2b:** The CSR narrative shows evidence of the firm's commitment to future targets as a reflection of further commitment to social responsibility (competence/performance or wanting-to-do/being-able-to-do/causing-to-be).

To put our propositions into perspective, we re-present the narrative schema (Table 1) in Table 3. We can observe from Table 3 that for signification to occur, Proposition 1a must be evident along with Proposition 1b or at least be implicit in each other. Subsequently, Proposition 2a must be evident along with Proposition 2b or at least be implicit in each other. Hence, for the purpose of ontological classification, the propositions are paired up such that the validity of each set of propositions is investigated under various world conditions by applying them to the CSR narratives being considered.

The veridictory status is evaluated using the veridictory square. The veridictory square is a type of semiotic square developed by Greimas and Courtés (1982) and follows the same principles as the traditional semiotic square. The traditional square is used in oppositional analysis, say life and death, as used by Greimas and Rastier (1968), to produce different opposing views with bidirectional relations (contraries, contradictions, and complementaries) or unidirectional relations (implication or affirmation)—see Figure 1.

Therefore, going by Greimas and Rastier's (1968) idea, the *manipulation* component of the narrative schema, when placed on the square, produces four possible manipulative contexts as illustrated in Figure 2.

Positive manipulation for the semiotic of CSR narratives refers to circumstances compelling corporate action that increases social benefit or decreases social problems (Marquis, Glynn, & Davis, 2007). Negative manipulation, on the contrary, rather than increasing social benefits, simply leads to the glorification of the subject (Hébert, 2011). For example, in Centrica's narration, the identification of *skills shortage* in engineering led to actions that produced 4,000 engineers over 4 years—a case of *positive* manipulation (*causing-to-do*)—see Tables 1 and 2. A similar narrative from BHP Annual Reports of 2012 states,

Training and employing local people is important to us. However, our ability to have a significant impact on unemployment is limited by the nature of our operations as typically we require highly skilled people with relevant industry and technical experience. We make a broader economic contribution through indirect employment, where we focus on building the capacity of local

**Table 3.** Applying Logical Propositions to the Narrative Schema.

Action	Manipulation	Competence	Performance	Sanction
The act itself	Causing-to-do	Wanting-to-do or having-to-do plus knowing-how-to-do and being-able-to-do	Causing-to-be	Being-of-being
As applied to the semiotics of CSR	Propositions 1a and 2a <ul style="list-style-type: none"> <li>Awareness and/ or recognition of social issue</li> </ul>	Propositions 1b and 2b <ul style="list-style-type: none"> <li>The firm plans to solve the issue, incorporate plans into its corporate goals;</li> <li>Responds in terms of policy development</li> </ul>	Propositions 1b and 2b <ul style="list-style-type: none"> <li>Firm implements policy, that is, performs the CSR act</li> </ul>	Veridictory status <ul style="list-style-type: none"> <li>True or false;</li> <li>ontological status</li> <li>Real or unreal</li> </ul>

Note. CSR = corporate social responsibility.

**Table 4.** Examples of Explicit/Implicit Uncertainty.

Lexical words	Syntactic context	Semantic context
Manipulation		
Quality of life	“aim to have a long-lasting positive impact on people’s quality of life” (BHP, 2012, p. 50).	Positive desire to contribute to quality of life ( <i>causing-to-do</i> )
Unemployment	“our ability to have a significant impact on unemployment is limited by the nature of our operations” (BHP, 2011, p. 50)	Negative manipulation—shows hindrance ( <i>causing-not-to-do</i> ) to providing needed employment
Charitable	“our direct donations to charitable and community activities totalled £804,000” (Smith & Nephew, 2002 and 2003, pp. 15, 18)	Negative manipulation—shows desire to be philanthropic, may lead to glorification ( <i>causing-not-to-do</i> )
Competence		
Source locally	“Our approach is to source locally if a product or service that meets our requirements is available” (BHP, 2012, p. 50)	Shows laissez-faire attitude to providing indirect employment ( <i>not-causing-not-to-do</i> )
Voluntarily invest	“We also voluntarily invest one per cent of our pre-tax profit” (BHP, 2012, p. 50)	Negative competence toward glorification
Foundation	“The Smith & Nephew Foundation . . . funded entirely by Smith & Nephew . . . offers awards. . .” (Smith & Nephew, 2004, p. 20)	Positive competence ( <i>having-to-do</i> ) to offer awards
Performance		
Employment (indirect)	“We make a broader economic contribution through indirect employment, we focus on building the capacity of local businesses to provide us with a diverse range of services and products” (BHP, 2012, p. 50)	Claimed without evidence of actualization—negative performance
Quality of life	“community programs that aim to have a long-lasting positive impact on people’s quality of life” (BHP, 2012, p. 50)	Claimed without evidence of actualization—negative performance
Award	“The Foundation is unique in being the largest single charitable awarding body to the nursing professions in the UK” (Smith & Nephew, 2004, p. 20)	Negative performance ends in glorification rather than describe impact on beneficiaries

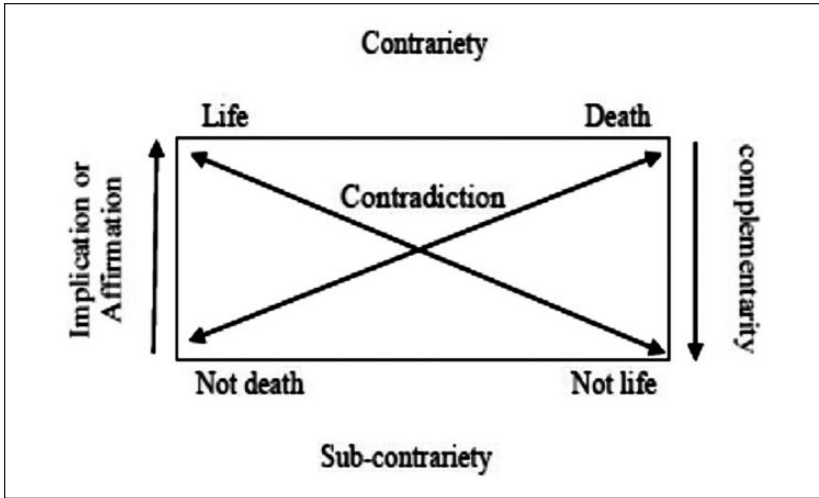


Figure 1. The traditional semiotic square.

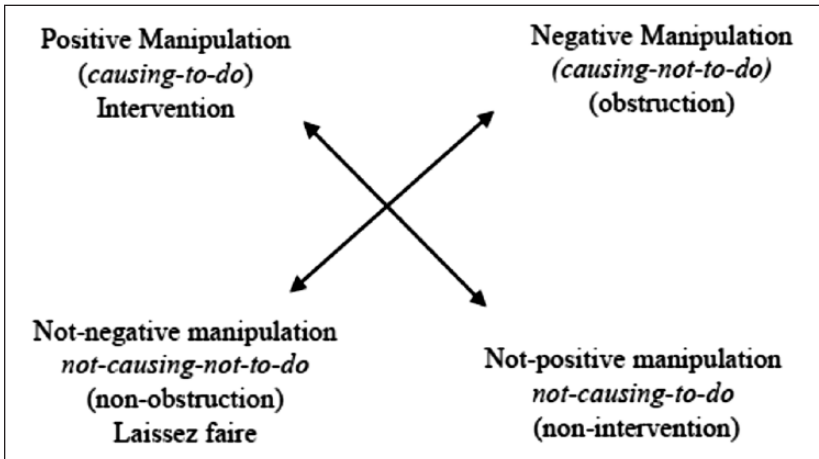


Figure 2. Four possible manipulative contexts.

businesses to provide us with a diverse range of services and products. Our approach is to source locally if a product or service that meets our requirements is available. . . . We also voluntarily invest one per cent of our pre-tax profit . . . in community programs that aim to have a long-lasting positive impact on people's quality of life. (BHP Billiton, 2012, p. 50)

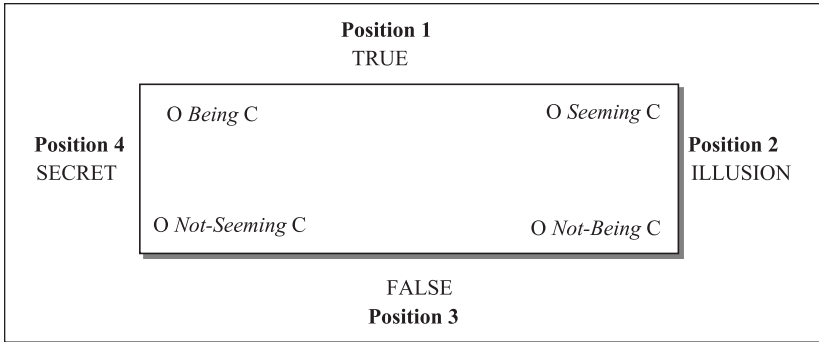
In the BHP narrative, the awareness of unemployment is immediately followed by a hindrance to meet the need—“our ability to have a significant impact on unemployment is limited by the nature of our operations”; this indicates *negative* manipulation (*causing-not-to-do*). Furthermore, the subject identified shortage of relevant skills that could aid providing local employment but provided no evidence of its intervention (*causing-to-do*) to provide the needed training; this indicates *not-positive* manipulation (*not-causing-to-do*). Although there is an obstruction (*causing-not-to-do*) to providing employment, it is evident that there was no obstruction to providing the needed training, but the company chooses not to. Furthermore, the narrator’s claim that the subject provides indirect employment through sourcing from local suppliers, however with a clause that they only “source locally if a product or service that meets our requirements is available” (BHP Billiton, 2012, p. 50), implies that if the locally available product fails to meet BHP’s requirements, it will be sourced from outside the locality. In other words, the indirect employment through local supplies is also not certain. This shows an evidence of indifference or *laissez-faire* (*not-causing-not-to-do*) to the plights of the local community.

Rather, the later part of the story tells of voluntary donations to charities aimed at having “long-lasting positive impact on people’s quality of life.” This claim, however, is not substantiated by evidence of how such donations could achieve long-lasting impact. One could argue that a surer way of having “long-lasting positive impact” is to provide necessary training for the skills required for employment, which, in a way, would have agreed with the claims of the narrator at the beginning of the story—“Training and employing local people is important to us,” which, would have resulted in positive retribution/sanction. Rather, when related to the rest of the story, the last sentence simply signifies creating an image bank of the company’s philanthropic activities (i.e., glorification or negative retribution)—see Table 4 for analysis.

Consequently, positive manipulation is fundamental to causation and hence to positive sanction. The argument here is that, as the *manipulation component* sets the stage for the action in the first instance, the performance of the action should correspond to the description set at the *manipulation* stage to achieve positive sanction. Accordingly, the evaluation at the sanction stage (the *being-of-being*) requires a true or false answer to the reality and quality of performance. To this end, the veridictory square (also known as the semiotic square of veridiction) is very relevant to achieving the sanction component.

Veridictory square is built upon the oppositions, *being* and *not-being* or *seeming* and *not-seeming*. The veridictory square is used to examine the





**Figure 3.** The semiotic square of veridiction at time (*T*) for *S*.

Source. Hébert (2011, p. 54).

Note. *S* = subject (narrator or author); *O* = object (the act or performance); *C* = characteristic (observed in the object).

extent of truth/falseness in any semiotic act where truth or falseness is fundamental to the whole analysis (Hébert, 2011). In other words, the square can be used to evaluate the reality and hence the quality of performance as claimed by the performing subject. Therefore, as quality lies in the truth and reliability of the performance reported, we applied the *veridictory square* to determine the *sanction* component. The main elements of the veridictory square are illustrated in Figure 3. In Figure 3, the story narrated by subject *S* in time *T* is assessed and assigned the veridictory status (true, false, illusion, or secret), depending on the combination of the characteristics (*being* or *not-being*, *seeming* or *not-seeming*).

### *Toward a Theoretical-cum-Methodological Model for CSRR Quality*

The foregoing highlights the possibility of applying a two-phase model of GNS to analyze the quality of CSRRs. Phase 1 involves two steps. *Step 1* is to identify the semiotic act(s)—what stories/topics are being told in each report. Each topic will represent a semiotic act, thus a unit of analysis. *Step 2* is to uncover the structural pattern, where the stories will be analyzed into semantic units using the narrative schema and the semiotic square of veridiction (i.e., *veridictory square*). In Phase 2, each semantic unit will be evaluated for its veridictory and ontological statuses by applying the logical propositions to examine the reality of the performance using the *veridictory square*. Figure 4 presents a fuller description of the process.

Time	Unit of Analysis	Procedure	Propositions	Veridictory status	Ontological Status
T1	Specific aspect of CSR: E.g. Community projects	<ul style="list-style-type: none"> <li>- Read each story</li> <li>- Analyse into semantic units using the narrative schema and the veridictory square.</li> <li>- To determine sanction component, check for evidence of Propositions 1a–2b</li> </ul>	<p><b>P1a:</b> <i>The narrative shows evidence of firm's concern or awareness of specific CSR Issue.</i></p> <p><b>P1b:</b> <i>The narrative shows evidence of the firm's commitment to solving the issue.</i></p> <p><b>P2a:</b> <i>The narrative shows evidence of the firm's consideration of future targets for identified CSR issue.</i></p> <p><b>P2b:</b> <i>The narrative shows evidence of the firm's commitment to future targets as a reflection of further commitment to social responsibility.</i></p>	<p>Seeming/ Being</p> <p>Being</p> <p>Seeming/ Being</p> <p>Seeming/ Being</p>	<p>True</p> <p>Real/ Certainty</p> <p>True</p>

**Figure 4.** An overview of the method adopted.  
 Note. CSR = corporate social responsibility.

Consequently, to construct reality, we sought to find evidence of the juxtaposition of both current CSR and future targets in a particular story. We argue that it is necessary for a particular CSR story to embrace all four propositions for signification to occur. In view of this, the analysis is designed to find a distinct spatial description that allows for the coexistence of two pairs of the complementary metaterms, *being/seeming* or *seeming/being*, for the first set of propositions (1a and 1b) and *being/seeming* or *seeming/being*, for the second set of propositions (2a and 2b), such that the two pairs are awarded the *true* veridictory status as depicted in Figure 4. This allows both pairs of complementary metaterms to be placed in the same semantic universe and to be awarded a common ontological status. Therefore, a story with veridictory status, as shown in Figure 4, can be said to be a true reflection of CSR activity and can be awarded an ontological status of *real* (Hébert, 2011, p. 136).

However, in a scenario where Proposition 2a in Figure 4 is assigned a *seeming* characteristic and Proposition P2b is assigned *not-being*, the position for this pair of propositions will move on the veridictory square to Position 2 (*illusion*). In this case, the ontological status of such a semiotic act will be *doubtful* as far as CSR signification is concerned, because if the first set of propositions is true and the second set is false (i.e., illusion), then it becomes unclear if this is a real act of social responsibility or just a one-off event. Hence, a CSR story considered as a semiotic act may only acquire the full ontological status of *real* when the veridictory status of *true* is assigned to both pairs of propositions consistently through time.

In summary, a CSR act in a particular time period will be awarded an ontological status of *real*, where each pair of propositions is assigned a *true* veridictory status for that time period (Figure 4). On the contrary, an ontological status of *unreal* will be awarded when each pair of propositions is assigned a *false* veridictory status for that particular time period. Finally, an ontological status of *doubtful* indicates that, in a particular time period, one pair of propositions is *true*, whereas the other pair is *false*, *secret*, or an *illusion*.

The two-phase model can be useful either as a qualitative analysis or as a quantitative measure of CSRR quality. As a qualitative analytical tool, it can be used to evaluate the reality of the underlying organizational values being communicated by the reports as illustrated earlier. As a quantitative measure of CSRR quality, the model can be used for statistical analysis by generating quality score for CSR activities. To do this, the two-phase model can be used to examine the quality of CSRRs by analyzing each component of an organization's CSR themes to obtain what we consider as a reliability score for each component of the CSR activities. We call it reliability score to encapsulate all our observations through the GNS analysis.

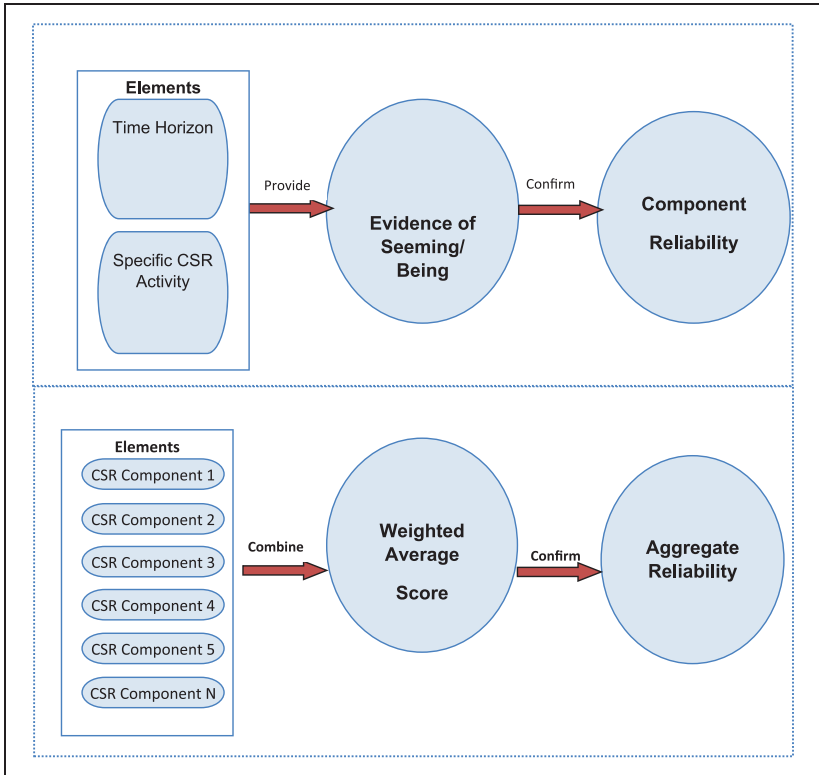
CSR themes usually consist of corporate community involvement (CCI), customer satisfaction, diversity and inclusivity, environmental issues, health and safety, human resources, product safety, pollution control, suppliers and supply chain, and modern slavery transparency statement, among others. However, for the purpose of our illustration, we chose only one of the CSR themes (i.e., CCI reports [CCIRs]). CCI is the involvement of firms in social initiatives within the communities in which they operate. It is referred to as the “behaviours and practices that extend beyond immediate profit maximization goals and are intended to increase social benefits or mitigate social problems for constituencies external to the firm” (Marquis et al., 2007, p. 926). We chose CCIRs because they tell stories of the involvement of firms in developments within their community of operations. Such stories are narrated as a sequence of events and, therefore, suitable for transparent analysis (Bluhm et al., 2011). They give specific details of the firms’ community activities, with the objective of reflecting the underlying values of a good corporate citizen to the readership of the reports. The reliability and quality of the stories, therefore, can be established through the achievement of such values, with the stories acting as signals of achievement.

Hence, for CCI, specific activities making up the component (i.e., educational sponsorship, community projects, etc.) will be analyzed within a time horizon based on the organization’s narrative reports, using the GNS analytical tool as earlier illustrated. The reliability score will be obtained by assigning values to the assessed quality of each activity, based on the strength of the ontological status: *real*, *doubtful*, or *unreal*. The scores are then summed up to obtain each component’s reliability score. Each CSR component reliability score can be combined to work out a weighted average quality score to determine the aggregate CSRR reliability, hence, the overall CSRR quality score (CSRQ; see Figure 5). In the next section, we present our findings from the application of our model to the CSRRs of a sample of FTSE 100 companies.

## **GNS and CSRR Quality Model**

### *The Sample*

To test the applicability of our model, we drew some samples from the U.K. FTSE 100 index. We chose the FTSE 100 index to ensure that a representative sample of large companies in the United Kingdom is considered and that a good spread is achieved among different industries. Previous studies (Campbell, Geoff, & Philip, 2006; Gray, Kouhy, & Lavers, 1995a, 1995b) have shown that larger companies are more likely to capture more data than



**Figure 5.** The CSR quality model.  
*Note.* CSR = corporate social responsibility.

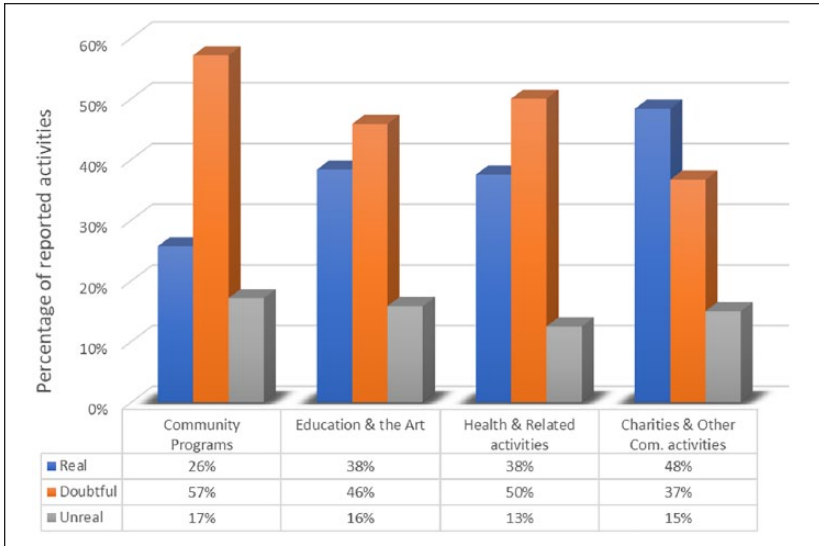
smaller ones, given their often-extensive CSR activities and reporting. To ensure representativeness, the companies on the list were divided into 10 strata, using the Industrial Classification Benchmark (ICB) structure and code index as a basis. They include Oil and Gas, Basic Materials, Industrials, Consumer Goods, Health Care, Consumer Services, Telecommunications, Utilities, Financials and Technology (ICB, 2017). Efforts were made to ensure a fair representation of the ICB classifications, while data were collected over a 14-year period from 2002 to 2015. We sourced for data from all available corporate reporting outlets, including annual reports, stand-alone sustainability/CSRRs, as well as official websites of companies to ensure that we capture all available narrative disclosures of the sampled companies. The final sample comprised 224 reports, which included 120 annual reports and

104 stand-alone/web sustainability/CSRRs. Data on CCI were collected manually from the annual reports, CSR stand-alone, and web reports of sampled companies.

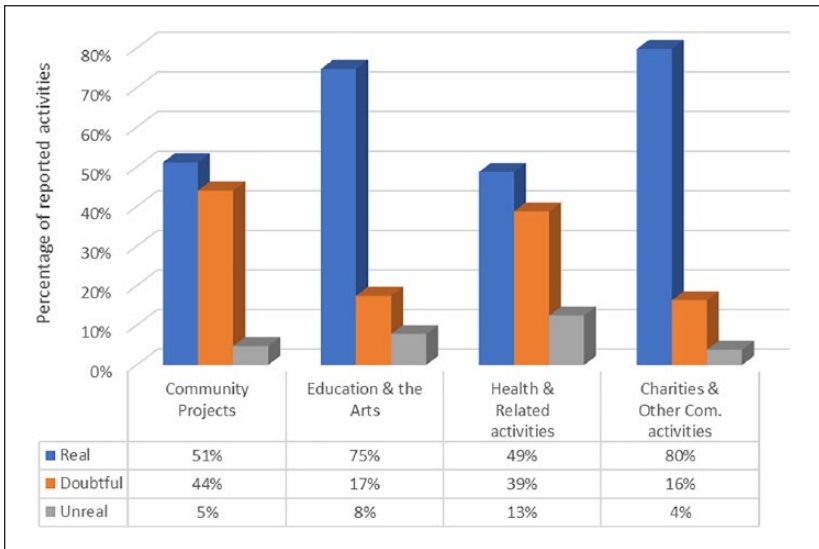
## Results and Analysis

The language of all the texts analyzed was English. The analysis was specific to the message transmitted regarding the involvement of sampled companies within their communities. The information on CCI in each CSRR was sorted into community projects, health and related activities, education and the arts, and other community activities. The GNS tool (the narrative schema, the veridictory square, and the ontological analysis), as earlier explained, was applied to the narratives of each component of community activities (community projects, health and related activities, education and the arts, and other community activities). Depending on the interest of the researcher, the model either can be applied as a qualitative evaluative tool only or could be extended to generate a quantitative measure of quality.

*CSRR quality model as an evaluative tool.* Figure 6 summarizes the results of our analysis as an evaluative tool to assess the quality of the reports in explicating the organizational values of the reporting companies. For example, Figure 6 show that 57% of the reports extracted from annual reports of the reporting organizations had doubtful ontological statuses, whereas 17% of the reports were classified as unreal. Similarly, of all reports on education and the arts, only 38% could be classified as real, 46% were doubtful, and 16% were unreal. Furthermore, only 38% of reports on health sponsorship could be classified as real, whereas 50% of the reports were doubtful and 13% were unreal. It is interesting to note, however, that almost 50% of reports on charitable giving and other community activities were classified as real. Our analysis reveals that most of the companies are more into philanthropic activities than actual community developments. Similarly, most educational sponsorships are tailored toward increasing the skill levels of employees and, hence, take more of an inward-looking approach. Contrary to the findings from the annual reports, however, more of the CCIRs in stand-alone/web reports are classified as real—community project 51%, education 75%, health 49%, and other charitable activities 80% (see Figure 7). While more of the reports from the stand-alone/web reports seem to be of better quality, charitable activities stand out at 80%, further confirming that most reports simply present an image bank of the companies' philanthropic activities (i.e., glorification or negative retribution). An interesting observation is the fact that there is more quality information from stand-alone/web reports than the disclosures in



**Figure 6.** Ontological classification of CCIR in annual reports.  
 Note. CCIR = corporate community involvement report.



**Figure 7.** Ontological classification of CCIR in stand-alone/online reports.  
 Note. CCIR = corporate community involvement report.

**Table 5.** CCIR Quality Score (CCIQ).

Sampled companies	Before the financial crises (2002-2006)			After the financial crises (2011-2015)		
	Annual report	Stand- alone/web report	TQS	Annual Report	Stand- alone/web report	TQS
ARM	5	0	5	6	6	12
BHP	0	12	12	5	10	15
BP	5	9	14	0	11	11
BT Group	6	0	6	5	10	15
Centrica	4	9	13	2	3	5
GlaxoSmithKline	12	9	21	12	12	24
Rolls-Royce	5	0	5	0	2	2
Smith & Nephew	8	6	14	1	7	8
Tesco	5	9	14	4	9	13
Unilever	9	12	21	6	8	14
Vodafone	6	0	6	6	7	13
WPP	6	7	13	6	11	17

Note. CCIR = corporate community involvement report; TQS = total quality score.

annual reports. This may be because of more details given in stand-alone reports than in the annual reports.

*CSRR quality model as a quantitative measure of quality.* Table 5 presents the CCIR quality scores (CCIQs) for the companies sampled. The scores were obtained by allocating 2 points for community activity (e.g., education and sponsorship), with an ontological status of *real*, 1 point for activity with ontological status of *doubtful*, and 0 point for ontological status of *unreal*. These were summed up to arrive at the quality score (CCIQ) for the CCI component of CSR for each company. The CCIQ is a good quantitative measure of CCIR quality and could be useful for statistical analysis. For example, the table revealed that the quality score of this CSR component improved after the financial crises for some of the sampled companies (i.e., ARM, BHP, BT Group, GlaxoSmithKline, Vodafone, and WPP), whereas this is not the case for others. Researchers may be interested in investigating this further by collecting additional data for probable predictor variables (e.g., turnover, profitability, leverage, and age) to measure each firm's specific characteristics and/or variables to measure each firm's board of directors' activities (e.g., board meeting frequency/size and audit committee meeting frequency/size) or any



other variables that could be deemed as a likely predictor of such phenomena. Depending on the sample size, such data can be used in regression analysis with CCIQ as the dependent variable to investigate the phenomenon. However, as this is not the focus of this article, we did not perform this analysis.

### *Theoretical and Methodological Implications*

The foregoing shows that the two-phased CSRR quality model could enhance the evaluation of specific corporate disclosure because it lends itself to a systematic but rigorous evaluation of the underlying organizational values being communicated by the reports. The model helps to provide a theoretical framework for defining the criteria necessary to establish the reliability and quality of information. Given that semiotics is a well-established linguistic theory spanning over 10 decades and has proved to be suitable for analyzing sign-related communications (Feix & Philippe, 2018; Price & Shanks, 2005; Yekini, 2017), the model is grounded on a sound theoretical footing. This enables the model to look beyond the content of the text, but focuses on the interplay of codes and conventions in the formation of a logical discourse, using the components of the narrative schema—*manipulation* (i.e., the compelling force), the *competence* displayed in bringing about the action, the actual *performance* of the action, and the evaluation of the *action* to establish the context and the reality of the message. It is, therefore, a practical model that can serve as a sensemaking tool for bringing meaning into existence in a way suitable to decode the transparency of accountability statements such as CSRRs. Weick and colleagues (2005) asserted that

sensemaking is not about truth and getting it right. Instead, it is about continued redrafting of an emerging story so that it becomes more comprehensive, incorporates more of the observed data, and is more resilient in the face of criticism. (p. 415)

This is evident in the contradiction experienced when the results obtained from the annual reports of some of the companies sampled are compared with that obtained from their stand-alone/web reports. This could be because the annual report, as an abridged version of the full sustainability report, is not comprehensive enough to communicate the underlying organizational value of the reporting organization. Finally, the reliability score assigned to each component is useful in evaluating the reality of the underlying values being communicated by the firms through the reports. In addition, researchers can use the scores as a statistical analytical tool to measure the quality of each CSR component.

### *Implication for Practice and Policy*

For management, it will facilitate a trend analysis of the firm's performance in each CSR area over a period of time, which can be a valuable way to monitor the firm's progress and hence provide an opportunity to improve in that CSR area. It could also be a handy tool for an investor in making important economic and social decisions. Again, the overall CSRQ can be compared across different accounting periods (for the same organization) or between organizations operating within the same business environments. Indeed, the model has far-reaching implications for accountants and top management (as preparers of corporate reports), auditors (as their advisers), and the CSR practice world as a whole.

Our article reinforces the importance of ensuring the quality and reliability of CSRRs. As communication remains central to the production of CSRRs, it is important that the preparers of the reports adopt a pragmatic approach to disclosure practices to achieve effective communication. The emphasis should shift from managements' intention (behind the reports) to the sense the recipient is likely to make out of the information disclosed. This aspect of corporate communication is bound to assume importance in the light of companies' pursuit of sustained corporate reputation. Therefore, as reporting social activities entails the generation, analysis, reporting, and assurance of robust and accurate information, top management has a role to play in understanding the concept of social activities and the associated challenges as well as how these could be addressed in their involvement and communications. To this end, it is important that top management (probably through the internal audit function) is involved in the design of guidelines for the collection and analysis of the data used for social disclosures to ensure the "truth and fairness" of the information disclosed.

Furthermore, the fact that most of the CCIRs semiotically analyzed in this article fall into the unreal ontological status implies that the credibility of social and environmental reports should be improved upon by increasing the rigor of the assurance process. It also reinforces the need for financial reporting and auditing regulators to play a role in ensuring that the statutory audit function is extended to the narrative contents of the annual reports if they must achieve their objectives of meeting the ever-changing needs of the users of annual reports (Financial Reporting Council, 2010). For example, in the case of CCI, audit work could cover such areas as the physical verification of CCI claimed in the reports as well as checking the process of gathering the information disclosed. Our findings also identify the urgent need for the inputs of the standard setters—the International Accounting Standards Board and the Financial Accounting Standards Board—to complement organizations such as

the Global Reporting Initiative (GRI) in setting a social accounting or sustainability accounting standard to ensure standardization in the quality and quantity of the data disclosed in CSRRs. In particular, our unique CSRR quality model is capable of guiding policy makers in designing sustainability/CSR reporting standards and also helps firms in their CSR activities and communication. It will also be useful to other stakeholders, particularly advocates and beneficiaries of CSR activities, such as the local community, to assess the reliability of firms' claims to be socially responsible and responsive.

## Conclusion, Limitations, and Future Research

This article makes an important theoretical and methodological contribution to CSR communication research by employing a combination of the Greimas's canonical narrative schema and the semiotic square of veridiction in the development of a CSRR quality model. In this article, we explored a theoretical research method—the GNS to evaluate the quality of CSR activities and communication. We argue that the quality of CSR communication might better be construed when the texts of the narratives are subjected to semiotic analysis using GNS. The article makes unique contributions to CSR communication/reporting research by introducing semiotics—a linguistic-based theoretical and analytical tool, to explore an alternative perspective for evaluating the quality and reliability of sustainability reports. This theoretical-cum-methodological perspective provides distinctive insights into how to evaluate the quality of CSR communication.

The foregoing contributions notwithstanding, this article and the proposed methodology, like any other, have their limitations. For example, a knowledge of semiotics and Greimas's narratology might be necessary to fully appreciate the robustness of the methodology. However, we have made an effort to simplify the application by developing a model with clear instructions on its application. Another limitation is that our analysis for illustration purposes is limited to CCIRs. This reduced our sample size as companies that do not report on CCI activities were either removed from the sample (if none of the categories of CCI is reported) or have *nil* recorded against them where a particular category of CCI is not reported. This might have contributed to some reports being classified as *doubtful* or *unreal*. Furthermore, we recognize the fact that some companies might not have indicated community needs, partly because they use general descriptors to describe the CSR they undertake, and so specific needs may have been identified but just not described in specific detail. Therefore, future research should seek for clarification on why some companies provide much more detailed analysis than

others in their CSRRs. This may require extensive interviewing of, for example, nonexecutive directors or report preparers.

Indeed, we recognize that direct engagement through interviews with the writers of the reports has the potential of shedding more light on the structure of the narratives, helping to facilitate a deeper understanding of the underlying values of reality. We have not considered this option, given that the focus of this article was the use of semiotics as a tool of analysis from the perspective of the reports' audience and not of the writers. Such interviews could involve discussing the rationale behind the use of certain phrases in the narratives. This will help to gain further insights into the original intentions and motives of the writers as well as help to further understand the reliability of the reports. Nevertheless, the systematic and rigorous process of our analysis lends itself to the possibility of being replicated by other researchers. In addition, our findings justify the need for a linguistic methodology in drawing meanings and thus making sense of corporate disclosures (Macintosh & Baker, 2002; Weick et al., 2005).

Also, our analysis is limited to the U.K. FTSE 100 companies. We recognize that smaller companies with better interactions with local communities may offer more nuanced insights in their CCIRs (Amaeshi et al., 2016). Our choice of the FTSE 100, however, helps us to contribute to the advancement of business research methodologies (Aguinis & Edwards, 2014) by exploring the applicability of semiotics as an analytical tool to CSR communication research. Future research may consider extending the analysis to smaller companies.

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