

The CSR Communications and Reporting Landscape in Developing Countries

David Katamba and Cedric M. Nkiko

Abstract Despite the global trends shaping Corporate Social Responsibility (CSR) Communications and Reporting (CSR C&R), which trends advocate for quality, reliable and accurate CSR messages, developing countries' CSR C&R is still lagging behind. For example, much as the most common channels of CSR C&R are annual reports, website postings, newsletters, etc., , to a large extent, these CSR C&R fail to differentiate between material and non-material CSR issues that should be communicated. This is evidenced by most of the CSR C&R messages from companies and organizations in these countries, produced and issued to the audiences at below Global Reporting Initiatives (GRI) 4 minimum standards. In a promising development though, traces of the relationship between '*Speech Act Theory (SAT)*' and '*Sense-making Theory (SMT)*', have been found to be helpful in understanding how stakeholders targeted by these CSR messages in developing countries endeavor to extract and make meaning and use of this information/message. Hence, as a contribution to knowledge, this chapter provides the '*Kata-Nkiko Framework*.' This framework explains the state of Integrated CSR Communications and Reporting (CSR C&R) in developing countries. Additionally, it advances critical points, which, if observed, will allow the CSR C&R from these countries to be credible, and *sense* can be made out of it. Lastly, from this framework, a concept, "*Sense-Act*" of CSR information is fronted in the debate on CSR C&R for the first time. It is derived from roots of "*Sense-making Theory*," and "*Speech Act Theory*".

D. Katamba (✉)

Department of Marketing and International Business, Makerere University Business School (MUBS), Port Bell Road, Kampala, Uganda

Uganda Chapter for Corporate Social Responsibility Initiatives (UCCSRI), Plot M118, Port Bell Road Nakawa, P.O. Box 7602, Kampala, Uganda

e-mail: dkatamba@uccsri.com

C.M. Nkiko

University of Derby, Bridge Street, Derby DE1 3LD, United Kingdom

e-mail: cedric.marvin@gmail.com

1 Introduction

1.1 *What Is Corporate Social Responsibility (CSR)?*

Understanding how to communicate and report about Corporate Social Responsibility (CSR), commands possessing some understanding of what CSR means. CSR has been variously defined (Stanwick & Stanwick, 2009). However, these various definitions are presented in a way that is limited to the topics that are being examined, the economic situation, the levels of analysis, or the parties/stakeholders involved. For example, the European Commission's Green Paper of 2001 offers two definitions of CSR: (i) CSR is "essentially a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment", and (ii) CSR is "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis." These two definitions leave any CSR interested party wondering why the same body (*European Commission*) defines the same concept of CSR, differently! Nevertheless, other definitions of CSR exist. For example, the World Business Council for Sustainable Development (WBCSD, 2000, p. 9) defines CSR as "the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large." A bevy of these definitions was described as nothing but chaos that surrounded the concept and practice of CSR (Katamba, Nkiko, Tushabomwe-Kazooba, Babiiha, & Kemeza, 2014). Interestingly, after mentioning 'chaos' these authors also put forward another definition of CSR. They defined CSR from a community involvement and development (CI&D) point of view with guidance of stakeholder theory and with views of ISO 26000 (*a social responsibility guidance standard*). They mentioned that CSR/CI&D mean:

[...] Organizational activities that bring about positive impact in the community as the organization re-emphasizes its citizenship and its responsiveness to the socio-economic concerns of the communities/areas in which it operates, (Katamba, Nkiko, Tushabomwe-Kazooba, Babiiha, et al., 2014, p. 840).

Henceforth, it is important for the reader of this chapter to note that all the CSR definitions mentioned, as well as those outside this chapter, merge towards a common ideology. That is, they present CSR as a strategy through which organizations (profit and non-profit) can participate in the efforts that bring about *sustainable development* (SD).¹ Additionally, this book chapter finds Katamba, Nkiko, Tushabomwe-Kazooba, Babiiha, et al. (2014)'s definition as more appropriate in the context of developing countries. This is because most developing countries are

¹The Brundtland Commission (1987)'s report coined the term, '*sustainable development* (SD)'. The report defined SD in terms of development initiatives that seek to meet the needs and aspirations of the present society without compromising the ability of future generations to meet their own needs.

still engulfed by complex socio-economic problems (Katamba et al., 2014; The Millennium Development Goals Report, 2014), which are no longer problems of developed countries. These problems are collectively reflected in Sustainable Development Goals (SDGs), formerly MDGs.

Meanwhile, since this chapter is about CSR Communication and Reporting (CSR C&R) in developing countries, it will place its rootholds in the text book, “*Principles of CSR: A guide for students and practicing managers in developing and emerging countries*” by Katamba, Christoph, Tushabomwe-Kazooba & Haag (2012). These authors, in their efforts to write a chapter on “*implementation, tracking CSR undertakings and managing CSR communications,*” mentioned that it is good practice that “after implementing (undertaking) CSR activities, you have to track and measure their progress using different tools. Thereafter you have to communicate with stakeholders . . .,” (p. 59). These scholars offered various frameworks and tools (like, Global Reporting Initiative—GRI; UN Global Compact 10 principles; Balance Score Card, AccountAbility, -AA 1000; etc.) or any other recommended tool (depending on industry guidelines and specifics) that can be used to “*Communicate and Report*” CSR undertakings to the stakeholders (either internal or external).

1.2 CSR Communication

CSR Communication can be taken to mean a set of initiatives that are employed by a company so as to inform, activate, share as well as enter into dialogue with its concerned stakeholders about what such a company or firm has done, plans to do or a combination of these, in a given period as regards to CSR. However, it’s important to note that CSR communications are voluntary in most of the developing countries (like Uganda, Kenya, Georgia, India, etc.), yet in most developed countries, it is mandatory, e.g., in South Africa, Canada, UK, etc.). CSR Communications can take the form of company reports, press releases, magazines, etc. CSR communications may be made through a variety of communication channels. These can include (though are not limited to) websites, TV, print, radio or points of sale (Europe, 2000). As noted by Mersham and Skinner (2005), websites, advertising and social reports play a crucial role compared to other media/channels. Given this fact therefore, and before we engage in detailed rhetoric, it’s important to differentiate between CSR Communications, Public Relations and marketing campaigns. This can be briefly shown in Table 1 below:

Table 1 Differentiation of CSR communication from other related communications

CSR communications	Public relations	Marketing campaign/ communication
A set of initiatives that are employed by a company so as to inform, activate, share as well as enter into dialogue with its concerned stakeholders about what such a company or firm has done, plans to do or a combination of these, in a given period, as regards to CSR.	Building awareness and a favorable image for a company, its products or clients so as to have goodwill. In other words, it is one of the promotional tools a company can use.	A specific, defined series of activities used in marketing a new or changed product or service, or in using new marketing channels and methods (http://www.entrepreneur.com)

Source: Katamba, Christoph, Tushabomwe-Kazooba & Haag (2012, p. 62)

1.3 CSR (Sustainability) Reporting

CSR Reporting (*starting with early 2000*) was ‘branded’ *sustainability reporting* (International Integrated Reporting Council,—IIRC,² 2011; KPMG, 2005; Nielsen & Thomsen, 2007). Henceforth, according to the Global Reporting Initiative (GRI, 2011), sustainability reporting is:

... the practice of measuring, disclosing, and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development.

Similarly, Soderstrom (2013) defines sustainability reporting as the communications, which corporations make concerning their corporate social responsibility (CSR) activities, including social and environmental impacts in addition to financial performance. Similarly, the Global Reporting Initiative (GRI) mentions that the sustainability report is a report published by a company or organization about the economic, environmental and social impacts caused by its everyday activities. GRI further says that a sustainability report presents the organization’s values and governance model, and demonstrates the link between its strategy and its commitment to a sustainable global economy. To fit the reporting debate into the broader (integrated) communication and reporting rhetoric, GRI mentions that sustainability reporting is identical with other expressions for non-financial reporting. That is, triple bottom line reporting, corporate social responsibility (CSR) reporting, etc. Hence, CSR reporting is an essential element of integrated reporting, that is, reporting which combines the analysis of financial and non-financial performance. This means, by being integrative, CSR (Sustainability) reporting can help organizations to measure, understand and communicate their economic, environmental, social and governance performance, and then set goals, and manage change more

²The International Integrated Reporting Council (IIRC) (previously the International Integrated Reporting Committee) was formed in August 2010 and aims to create a globally accepted framework for a process that results in communications by an organization about value creation over time. See, <http://integratedreporting.org/the-iirc-2/>

effectively. Hence, CSR (Sustainability) reporting is a key platform for communicating sustainability performance and impacts (*positive or negative*) created by an organization.

1.4 The Concept of Integrated CSR Reporting and Communication

A review of objectives and key concepts in literature (*see Table 2*) from both the GRI³ and the IIRC reveals that these two bodies somewhat agree that Integrated Reporting (IR), *as applied to CSR*, is that CSR C&R, which incorporates appropriate material sustainability information equally alongside financial information so as to provide a chance to the reporting organizations, a broad perspective on risk. In more specific terms, IIRC (2011) describes Integrated Reporting as:

Bringing together the material information about an organization's strategy, governance, performance and prospects in a way that reflects the commercial, social and environmental context within which it operates.

This IIRC definition of IR implies that Integrated Reporting provides a clear and concise representation of how an organization demonstrates stewardship and how it creates value, now and in the future.

This reporting (*of financial and non-financial issues*) starting with the year of 1999, witnessed a change towards a reporting approach recently baptized as sustainability reporting (KPMG, 2005, 2008). That is, KPMG revealed that corporate responsibility reporting shifted toward sustainability reporting rather than focusing primarily on environmental reporting. In more elaborate terms, Soderstrom (2013) observed KPMG's report and noted that:

In 2002, about 70 per cent of the reports were published as Environmental Health and Safety reports; in 2005, about 70 per cent were published as Sustainability Reports. The number of corporations providing CSR information continues to increase. In 2005, 64 per cent of the G250 corporations⁴ provided CSR reports, either standalone or as part of their annual reports.

We consequently observe a few things from these statistics:

³GRI is an international independent organization that helps businesses, governments and other organizations to understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption & many others. Visit: <https://www.globalreporting.org/information/about-gri/Pages/default.aspx#sthash.ke46XQPt.dpuf>. Also visit: <https://www.globalreporting.org/information/current-priorities/integrated-reporting/Pages/default.aspx#sthash.D3Rvzku8.dpuf>

⁴G250 stands for Fortune Global 250. These are the world's largest corporations, including the top 250 companies of the Fortune 500, and the top 100 companies in 34 countries.

Table 2 The concept of IR in the CSR discussions and practice

Objectives of integrate reporting (IR)	Three fundamental concepts underpinning IR
1. To improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital 2. Provide a more cohesive and efficient approach to corporate reporting that draws on different reporting strands and communicates the full range of factors that materially affect the ability of an organisation to create value over time 3. Enhance accountability and stewardship for the broad base of capitals (financial, manufactured, intellectual, human, social and relationship, and natural) and promote understanding of their interdependencies 4. Support integrated thinking, decision-making and actions that focus on the creation of value over the short, medium and long term	(i) Value creation for the organisation and for others. An organisation’s activities, its interactions and relationships, its outputs and the outcomes for the various capitals it uses and affects influence its ability to continue to draw on these capitals in a continuous cycle (ii) The capitals. The capitals are the resources and the relationships used and affected by the organisation, which are identified in the < IR > Framework as financial, manufactured, intellectual, human, social and relationship, and natural capital. However, these categories of capital are not required to be adopted in preparing an entity’s integrated report, and an integrated report may not cover all capitals—the focus is on capitals that are relevant to the entity (iii) The value creation process. At the core of the value creation process is an entity’s business model, which draws on various capitals and inputs, and by using the entity’s business activities, creates outputs (products, services, by-products, waste) and outcomes (internal and external consequences for the capitals)

Source: Compressed from IIRC website: <http://www.iasplus.com/en/resources/sustainability/iirc>

- (i) There is a growing force behind corporations to be accountable and transparent, and to disclose a wide variety of information about their various activities, including their sustainability.
- (ii) A revolutionary shift in the way that corporations report their actions, done or intended, to stakeholders, essentially by going beyond financial statements to *integrated reports* that contain (a) financial information, (b) operational data, and (c) sustainability information.
- (iii) An organized approach and agenda is making corporations more sustainable since they have to provide information to a broad range of stakeholders.

2 The Changing CSR Communication and Reporting Trend

Nielsen and Thomsen (2007) in their study “*Reporting CSR—what and how to say it?*” painted a clear impression that CSR Communication and Reporting has changed over time, whether in developed or developing countries. That is, while in Denmark, these scholars were puzzled about whether organizations report consistently on CSR in terms of genres, media, and rhetorical strategies. They

therefore analyzed and discussed what organizations say and how they say it when reporting on CSR. They used critical discourse analysis of selected corporations' CSR reporting, theories & research on CSR and stakeholder relations. They found that whereas CSR relevant topics to be communicated and reported are: employees, local community, environment, society, corporate governance and accountability, business strategy, and measurement of CSR initiatives, it is nevertheless clear that the six companies use different strategies for reporting on CSR. That is, the respective annual reports of the six Danish studied companies were very dissimilar with respect to topics on the one hand and dimensions and discourses expressed in terms of perspectives, stakeholder priorities, and contextual information & ambition levels on the other hand. In the end, they proposed a model of analysis, which presents discourse as a result of four kinds of challenges facing corporations today [that is, (1) globalization; (2) the role of business in society-, people, planet, profit; (3) the relations to the stakeholders; and, (4) the CSR ambition level of the company (Nielsen & Thomsen, 2007, p. 30)].

Although Nielsen and Thomsen (2007)'s research was conducted in a developed country (Denmark), this trend of corporate communications has not spared CSR communications and reporting practices in developing countries (Elving, 2010; Iza, 2015). This is because the four challenges observed by Nielsen and Thomsen (2007) have suggested initiatives and methods to be employed by a CSR C&R company so as to inform (Van-Riel & Fombrun, 2007), activate, share, as well as enter into dialogue with stakeholders (Katamba, Nkiko, Tushabomwe-Kazooba, Babiha, et al., 2014; Katamba, Nkiko, Tushabomwe-Kazooba, Mpisi, et al., 2014; Maignan & Ferrell, 2004) in its sphere of influence (Grayson & Hodges, 2004) regarding what such a company or firm has done, or plans to do or a combination of these, in a given period of time. This demonstrates a company's commitment to being socially responsible. Interestingly, however, this trend has helped to shape the face of CSR communications and reporting (CSR C&R) in developing countries by presenting it as a multifaceted practice involving responding to or mitigating crises (Grayson & Hodges, 2004), enhancing reputation (Fombrun & Van Riel, 2004), strengthening corporate identity (Katamba, Tushabomwe-Kazooba, et al., 2012; Katamba, Christoph, Tushabomwe-Kazooba, & Haag, 2012; Morsing & Schultz, 2006; Porter & Kramer, 2006), etc.

What is emerging now in most developing countries, is a divergence of how different stakeholders⁵ or audiences (development partners, governments, NGOs, employees, competitors, suppliers, etc.) act and/or make sense [*attach meaning*] of the CSR C&R message(s) they receive or anticipate from companies and

⁵With this in mind, stakeholder theory then becomes relevant to guide CSR decision-making (Katamba, Nkiko, Tushabomwe-Kazooba, Babiha, et al., 2014; Katamba, Nkiko, Tushabomwe-Kazooba, Mpisi, et al., 2014; Lantos, 2001). That is, when developing adequate CSR programs, it is important to acknowledge how stakeholders are affected, or can affect the profit-oriented operations of a business as it pursues its economic (profit-making) agenda. Therefore, as part of integrated CSR Communication and Reporting, this effect should be communicated and/or reported on.

organizations. That is, some stakeholders/audiences reject it as not factual, welcome it, ignore it, others don't act on it, while others act but with a non-desired behavior. These divergences, according to the philosopher Austin (1962)'s '*Speech Act Theory (SAT)*', convey three meanings to both parties (the originators of the CSR C&R; and the recipients). That is: (i) *propositional meaning* (precise meaning of what is said by either party), (ii) *illocutionary meaning* (social function of what is said by either party), and, (iii) *perlocutionary meaning* (the effect of what is said by either party). This means that in the eyes of *sensible*' stakeholders in any developing countries (Freeman, 1984; Freeman, Harrison, & Wicks, 2007; Freeman, Harrison, Wicks, Parmar, & de Colle, 2010; Kumar & Singhal, 2012; Lantos, 2001; Weick, 1995), especially, profit-oriented stakeholders (Friedman, 1970), every material CSR activity undertaken is worth being communicated and/or even reported on (Fombrun & Van Riel, 2004) if it is to carry sense and receive the desired actions. The desired actions from CSR communications in the context of developing countries (*which are not so very different from developed countries*), include forming partnership in CSR activities, CSR budgetary support by donors/or approval by the board, brand attachment/loyalty, favorable share price, etc.

Lastly, guided by philosophers, notably Austin (1962), Grice (1975), and Searle (1965, 1969, 1975), we cannot easily find a tendency in developing countries to segregate between material and non-material CSR activities when conducting CSR C&R. This breeds detrimental effects (like litigations for the misuse of shareholder funds; green washing, fines, etc.) for the communication and the reporting company, especially when this segregation is not properly is performed. Occasionally, and for guidance, the tendency for this segregation, would start from how a CSR activity was initiated (ISO 26000; Katamba et al., 2012), was undertaken/implemented (Katamba, Nkiko, Tushabomwe-Kazooba, Babiha, et al., 2014), how much financial cash inflow/outflow was involved (KPMG, 2008), etc., to how such activity should be segregated (e.g., matrices, statistics, tabulations, graphs, etc. [GRI 4; CSR Europe, 2000]).

3 Major CSR C&R Channels

Currently, CSR C&R messages are largely conveyed through '*modern channels*', which include annual reports (branded with words like, Sustainable Development Report—the best case here is Nile Breweries Ltd., a Ugandan based company/subsidiary of SABMiller Plc., South Africa, Corporate Citizenship reports, etc.), corporate advertising, websites and management reports. Katamba, Tushabomwe-Kazooba, et al. (2012) observed that it is worth noting that there are other dominant traditional channels. The work of these scholars (*Corporate Social Responsibility Management in Uganda: Lessons, Challenges and Policy Implications*) attempted to investigate CSR Communication as part of exploring socio-economic factors shaping CSR in Uganda. These scholars interviewed senior managers in charge of CSR (managing directors, chief executive officers, chief financial officers,

marketing managers, public relations managers, CSR managers, heads of corporate affairs and human resources managers) in companies operating in Uganda. Using a combination of interviewing and focus group discussions (FGDs), these scholars found that:

[...] about 70 % of the business entities in Uganda use press releases as the major medium to communicate what they have done under CSR. . . followed by their annual reports (26 %), newsletters (23 %), and brochures (22 %), while international reports account for 14 %, yet publications of associations that bring the companies together were responsible for a mere 4 % (p. 382).

The above statistics seemed in agreement with Li, Marc, Ilan, Christoph, and Kuang (2010), who examined how country-level, industry-level, and firm-level factors affect the extent of corporate communication about CSR in Brazil, Russia, India, and China (BRIC) (the countries, which are considered as developing, with the exception of Russia). These authors used data of the 105 largest MNCs from BRIC and found that firms communicating more on CSR tend to be from more rule-based societies (e.g., OECD countries, EU, etc.) They also noted that the country-level, industry-level, and firm-level factors affect CSR communication intensity and channels.

Therefore, whereas the above mentioned channels are used to convey CSR C&R, these media are also prevailing in developing countries and have seemed most effective for Small and Medium-sized Enterprises (SMEs): meetings, memos, invitations to meeting as well as minutes of meetings with stakeholders, CSR Newsletters, News placements/pullouts.

4 How CSR Communication and Reporting Messages Are Received and Interpreted in Developing Countries

Developing countries have similar characteristics (Fox, 2005). These include, among others, miserable social-economic life, poverty (most average people living on less than US\$ 2 a day), escalating political turmoil, limited access to quality education, corrupt business climate, and rampant environmental degradation. This landscape of characteristics has a big bearing on how CSR Communications and Reporting (CSR C&R) will be received and interpreted. This is because the implementation of CSR activities, which consequently have to be reported on, can be impeded by a lack of adaptation to these contextual characteristics (Baughn, Bodie, & McIntosh, 2007; Gerson, 2007), especially economic and political freedoms and high levels of corruption.

Therefore, in light of the foregoing paragraph, CSR C&R in developing countries is understood and interpreted in developing countries by use of knowledge of the somewhat existing traces of the relationship between ‘*Speech Act Theory (SAT)*’ (Austin, 1962; Blum-Kulka, House, & Kasper, 1989; Cohen, 1996; Grice, 1975;

Searle, 1969) and ‘Sense-making Theory (SMT)’, (Dervin, 1983, 1992; Duffy, 1995; Kumar & Singhal, 2012; Savolainen, 1993; Weick, 1995). This relationship is evident in a tendency adopted during CSR C&R to explain how the authors of these messages and reports use language (Weick, 1995) to accomplish intended actions by stakeholders (Lantos, 2001) and how the hearers (stakeholder audiences) in the company’s sphere of influence infer the intended meaning from what is said. Additionally, by engaging in CSR C&R, the targeted audiences understand insights into factors, issues and influence that surface as the organization is addressing either uncertain or ambiguous social responsibilities (Katamba, Nkiko, Tushabomwe-Kazooba, Babiiha, et al., 2014; Katamba, Tushabomwe-Kazooba, et al., 2012). Therefore, in managing organizational issues, notably communication and reporting, *sensemaking*⁶ requires us to look for clarification, explanations and answers in terms of how people will see things. Weick (1995), in his book “*Sensemaking in organizations*”, mentions that *sensemaking* suggests that organizational issues (for example, ‘strategies’, ‘system or process breakdowns’, ‘change’, ‘goals’, ‘plans’, ‘tasks’, ‘teams’, among others) cannot easily be found out by people (stakeholders who actually want to know them or extract sense regarding why they happened). Consequently, it is important to understand these people’s way of thinking about them.

Therefore, CSR C&R can be interpreted as messages intended to communicate product safety, maintain supplier relations, enhance fair competition, and inform the various stakeholders of the improvements in the quality of life of the society in which the business operates, as a result of CSR of the respective company.

5 CSR Communication and Reporting Challenges in Developing Countries

Failure to meet international reporting standards and a lack of expertise in keeping track of CSR information, which will be reported, is the major challenge facing CSR C&R in developing countries (Katamba, Christoph, Tushabomwe-Kazooba and Haag, 2012). In developing countries, the application and adoption of globally recognized CSR Communication and Reporting mechanisms (*like* GRI) seem scanty. Very many CSR reports do not even meet the lowest grade of GRI 4. For example, while GRI 4 mentions that CSR C&R messages/information should be sufficient and accurate to inform the decisions of the targeted audiences, many reports fall below this standard. We can hence say that most CSR C&R reports lack credibility as opposed to their counterparts in developed countries. For example, Iza

⁶*Sensemaking* is an approach to thinking about and implementing communication research and practice and the design of communication-based systems and activities. Weick (1995) mentioned that it consists of a set of philosophical assumptions, substantive propositions, methodological framings and methods.

(2015) conducted a study, “*Communication Needs for Corporate Social Responsibility in Developing Countries: The Case of Georgia.*” Georgia is a developing country in the Caucasus region of Eurasia, located at the crossroads of Western Asia and Eastern Europe. Now, this scholar found that most Georgian companies prepare CSR communications. However, they are insufficient, if not absolutely insufficient!

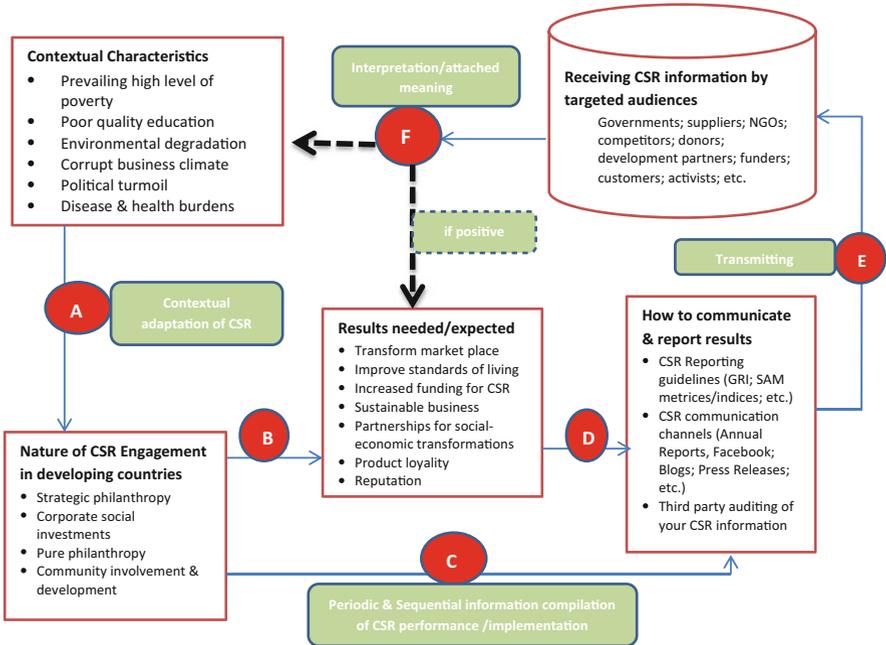
[...] the existing information on social responsibility is insufficient or absolutely insufficient. However some respondents still think that the available information is sufficient. Respondent opinions differed in categories of age and sex. 14 % of women and 13 % of men considered the existing information about CSR as absolutely insufficient while 24 % of women and 15 % of men thought it as insufficient. Only 2 % of women and 3 % of men believed that the existing information was sufficient.

6 A Framework Explaining the State of CSR Communication and Reporting in Developing Countries

The rhetoric in the different subsections above can be better summarized into the “Kata-Nkiko” framework below (Fig. 1).

This framework explains the state of Integrated CSR Communications and Reporting (CSR C&R) in developing countries. Additionally, it advances critical points which, if observed, can help to ensure that the CSR information from companies/organizations operating in these countries will be *credible*, *sense* is made out of it, and henceforth, the desired *action* is taken. Lastly, from this framework, a concept, “**Sense-Act**” of CSR information is put forward in the debate on CSR C&R for the first time. It is derived from roots of “Sense-making Theory,” and “Speech Act Theory”, as a relationship from these theories was found to be sufficient to explain how CSR information is interpreted and acted on in developing countries. To build its case, this framework assumes six critical points that matter for meaningful CSR Communicating & Reporting (CSR C&R) in developing countries.

- (i) *Point A: Adaptation point.* Here the CSR engaging company understands the problems/characteristics that define the country (geographical) area where it does business. This largely helps it to know the relevant nature/mode of engagement. Additionally, literature mentions that these characteristics define how the CSR C&R information will be received and interpreted.
- (ii) *Point B:* is the *justification of the CSR Communicating & Reporting* company for its CSR information after engaging in CSR. This point tells us why it is worthwhile to communicate and report on CSR conducted in a developing country. These justifications would ideally be the “*interpretations*” the company expects stakeholders to get when they receive CSR C&R information. Note that stakeholders may negatively get (*interpret*) or give (*attach*) the reverse in the form of product boycotts, litigations, etc. So, this framework assumes a positive interpretation of the information received.



Source: Author compilation.

Fig. 1 The ‘Kata-Nkiko’ Framework of CSR Communications and Reporting. Source: Author compilation

- (iii) *Point C:* According to GRI, CERES, ISO 26000, and other reputable CSR rating agencies, meaningful CSR C&R information has to be periodically compiled (monitored) either statistically, qualitatively, mechanically, etc., if it is to be credible and also pass third party/independent evaluations. This point was observed as lacking in most developing countries.
- (iv) *Point D:* Professional packaging. This is where the company now *thinks* through the process of how it should professionally package the information so that it can bring out the intended meaning, sense and action (Sense-Act), when it is received by the targeted audiences. Hypothetically, Point D and Point C are the same.
- (v) *Point E:* This is the transmission component of CSR C&R. To reach the targeted audiences (stakeholders), appropriate transmission means need to be employed. That is the means of how the developed/generated CSR C&R is passed over. These could include, (a) digital media (like phone calls to the relevant stakeholders requesting them to pick up a copy of the report, to check on the website, face book page, etc.); (b) electronic media (e.g., sending emails with the CSR information attached, embedded in a website link, phone message pop-ups, etc.); (iii) manual transmission (like using courier services to deliver hard copy reports, CDs, pictorials, etc.)

- (vi) *Point F: Interpretation*—of the received CSR information. It is true that developing countries have contextual characteristics (social-economic problems). Similarly, literature has indicated that chances are higher that stakeholders will interpret and attach meaning (react) to the CSR C&R in relation to these characteristics. That is, by how far have their problems been reduced? These “*interpretations*” would ideally be *in-line* or *against* what the CSR C&R company/organization expects of stakeholders when they receive CSR C&R information. This should never surprise the CSR C&R company/organization, but rather, it should know that the communication process ends when feedback is received (good or bad). So, chances are that stakeholders may negatively *interpret* or *attach* the reverse of what the reporting company expected. This will be exhibited in the form of product boycotts, litigations, the assumption that the reporting company is corrupting the minds of stakeholders with regard to its operations, a denial of the social license to operate, etc. In this case, the CSR C&R process will end with *contextual factors* being fronted as still prevalent. In contrast, the CSR C&R information may be positively interpreted. In this case, the stakeholders in the country for which CSR C&R is being conducted, will notice the changes advocated for and anticipated by the company. In this case, the CSR C&R will end with results needed/expected.

7 Conclusion and Directions for Future Research

Globally, CSR being variously defined has not only created chaos and problems in its conceptualization, but also in how CSR C&R should be managed. In developed countries, the chaos ought to have been somehow contained, because of institutional factors like a functioning European community, which at the international political level offers guidelines on how CSR C&R should probably be managed. However, developing countries seem to be still far from delivering what is competitively expected, both in terms of CSR as a practice and subsequently its ‘communication and reporting’ to stakeholders/targeted audiences. This is more apparent when companies operating and reporting from developing countries are placed on one side of a continuum, and those from developed countries are put on the other side. Whereas studies e.g., from Denmark, a developed country, revealed four CSR C&R challenges (globalization; role of business in society, -people, planet, profit; relations to the stakeholders; & CSR ambition level of the company) as cross-cutting limitations in CSR C&R globally, developing countries’ CSR C&R is additionally challenged with how to go about the contextual adaptation of CSR (see Stage A in the ‘Kata-Nkiko Framework of CSR C&R’). This results in failure to “*make sense*” of what is finally communicated and reported. Hence, we can conclude that CSR C&R is still in its infancy in developing countries, but the authors of this chapter feel that the socio-economic situation in these countries contributes a lot, thus causing a slow CSR C&R adoption process. That is, many

good communication and reporting guidelines and initiatives (e.g., GRI 4, International Integrated Reporting Council,—IIRC Frameworks; ISO 26000, etc.) will take long to be appreciated and practiced in developing countries. The solution would be to pilot some of the initiatives on CSR C&R that have worked elsewhere, in developing countries. Additionally, there is a need to identify what is material for developing countries, as opposed to developed countries, since these two categorical countries have vastly different socio-economic and political climates. Thus, what is *immaterial* in developed countries may be *material* in those that are developing. Hence, neglecting to form part of an integrated report (in a developing country context) would constrain the gradual CSR C&R efforts in these countries. We thus welcome future studies that can quantitatively ascertain the strength of the relationships (including ‘mediation’ and ‘moderation’ effects where appropriate) and the contributing prediction or explanatory potential of the variables in the “Kata-Nkiko framework,” studies documenting its limitations, criticisms, improvements or strengths, are welcome, as well as studies looking into what should be material for CSR C&R in developing countries.

8 Exercise and Reflective Questions

1. With reference to ‘*The Kata-Nkiko Framework of CSR C&R*’ what would be its strength as well as limitations in guiding the roadmap to successful and effective CSR Communications and Reporting (CSR C&R)?
2. This book chapter has painted an impression that CSR C&R in developing countries ought to be different from that in developed countries. Identify and discuss five aspects that you think can account for this difference.
3. With reference to any CSR definition (whether in this chapter or elsewhere), describe how the various aspects such a definition points out as CSR should be communicated and reported to stakeholders. (*Hint: It is important that your answer makes appropriate use and reference to appropriate tools and matrices*).

References

- Austin, J. L. (1962). *How to do things with words*. Oxford: Oxford University Press.
- Baughn, C., Bodie, N., & McIntosh, J. (2007). Corporate social and environmental responsibility in Asian countries and other geographical regions. *Corporate Social Responsibility and Environmental Management*, 14(4), 189–205.
- Blum-Kulka, S., House, J., & Kasper, G. (1989). *Cross-cultural pragmatics: Requests and apologies*. Norwood, NJ: Ablex.
- Brundtland Commission. (1987). *World commission on environment and development. Our Common Future*. New York: Oxford University Press.
- Cohen, A. (1996). Speech acts. In S. L. McKay & N. H. Hornberger (Eds.), *Sociolinguistics and language teaching* (pp. 383–420). Cambridge: Cambridge University Press.

- Dervin, B. (1983, May). *An overview of sense-making research: Concepts, methods, and results to date*. Paper presented at International Communication Association Annual Meeting, Dallas, TX.
- Dervin, B. (1992). From the mind's eye of the "user": The sense-making qualitative-quantitative methodology. In J. D. Glazier & R. R. Powell (Eds.), *Qualitative research in information management* (pp. 61–84). Englewood Cliffs, CO: Libraries Unlimited.
- Duffy, M. (1995). Sensemaking in classroom conversations. In I. Maso, P. A. Atkinson, S. Delamont, & J. C. Verhoeven (Eds.), *Openness in research: The tension between self and other* (pp. 119–132). Assen, The Netherlands: Van Gorcum.
- Elving, W. J. L. (2010). Trends and developments with in corporate communication: An analysis of ten years of CCIJ. *Corporate Communications: An International Journal*, 15(1), 5–8.
- Europe, C. S. R. (2000). *Communicating corporate social responsibility*. Brussels: CSR Europe Publications.
- Fombrun, C. J., & Van Riel, C. B. M. (2004). *Fame and fortune: How successful companies build winning reputations*. Upper Saddle River, NJ: Prentice-Hall.
- Fox, T. (2005). *Small and medium-sized enterprises (SMEs) and corporate social responsibility*. London: International Institute for Environment and Development (IIED).
- Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Englewood Cliffs, NJ: Prentice-Hall.
- Freeman, R. E., Harrison, J. S., Wicks, A. C., Parmar, B. L., & de Colle, S. (2010). *Stakeholder theory: The state of the art*. Cambridge: Cambridge University Press.
- Freeman, R. E., Harrison, J. S., & Wicks, A. C. (2007). *Managing for stakeholders: Survival, reputation and success*. New Haven, CT: Yale University Press.
- Friedman, M. (1970, September 13). The social responsibility of business is to increase its profits. *New York Times Magazine*, 32–33.
- Gerson, B. (2007, May-June). CSR best practices. *China Business Review*, 20–25.
- Global Reporting Initiative. (2011). G3.1 Sustainability reporting guidelines. <https://www.globalreporting.org/resource/library/G3.1-Sustainability-Reporting-Guidelines.pdf>
- Grayson, D., & Hodges, A. (2004). *Corporate social opportunity! 7 steps to make corporate social responsibility work for your business*. Sheffield, England: Greenleaf Publishing.
- Grice, H. P. (1975). Logic and conversation. In A. Jaworski & N. Coupland (Eds.), *The discourse reader* (pp. 76–87). New York: Routledge.
- IIRC. (2011, September). Towards integrated reporting: Communicating value in the 21st century. Available at: http://integratedreporting.org/wp-content/uploads/2011/09/IR-Discussion-Paper-2011_spreads.pdf. Accessed Dec 2015.
- Iza, G. (2015). Communication needs for corporate social responsibility in developing countries: The case of Georgia. *World Journal of Social Sciences*, 5(2), 127–141.
- Katamba, D., Christoph, Z., Tushabomwe-Kazooba, C., & Haag, D. (Eds.). (2012). *Principles of corporate social responsibility: A guide for students and practicing managers in developing and emerging countries*. Houston: Strategic Book Publishing and Rights Agency.
- Katamba, D., Nkiko, C. M., Tushabomwe-Kazooba, C., Babiiha, M., & Kemeza, I. (2014). Community development and involvement: An intermarriage of ISO 26000 and millennium development goals. *International Journal Social Economics*, 41(9), 837–861.
- Katamba, D., Nkiko, C. M., Tushabomwe-Kazooba, C., Mpsi, B. S., Kemeza, I., & Wickert, C. M. J. (2014). Integrating corporate social responsibility into efforts to realize the millennium development goals: Lessons from Uganda. *World Journal of Entrepreneurship, Management and Sustainable Development*, 10(4), 314–333.
- Katamba, D., Tushabomwe-Kazooba, C., Babiiha, S., Nkiko, C. M., Nabatanzi, A. M., & Kekaramu, J. H. (2012a). Corporate social responsibility management in Uganda: Lessons, challenges and policy implications. *International Journal of Social Economics*, 39(6), 375–390.
- KPMG. (2005). *KPMG international survey of corporate responsibility reporting 2005*. KPMG International.

- KPMG. (2008). *KPMG international survey of corporate responsibility reporting 2008*. KPMG International.
- Kumar, P., & Singhal, M. (2012). Reducing change management complexity: Aligning change recipient sensemaking to change agent sensegiving. *International Journal of Learning and Change*, 6(3/4), 138–155.
- Lantos, G. P. (2001). The boundaries of strategic corporate social responsibility. *Journal of Consumer Marketing*, 18(7), 595–630.
- Li, S., Marc, F., Ilan, A., Christoph, L., & Kuang, Y. (2010). Corporate social responsibility in emerging markets—The importance of the governance environment. *MIR: Management International Review: Journal of International Business*, 50(5), 635–654.
- Maignan, I., & Ferrell, O. C. (2004). Corporate social responsibility and marketing: An integrative framework. *Journal of the Academy of Marketing Science*, 32(1), 3–19.
- Mersham, G., & Skinner, C. (2005). *New insight into business and organisational communication*. Sundown: Heinemann Publishers.
- Morsing, M., & Schultz, M. (2006). Corporate social responsibility communication: Stakeholder information, response and involvement strategies. *Business Ethics: A European Review*, 15(4), 323–333.
- Nielsen, A. E., & Thomsen, C. (2007). Reporting CSR—What and how to say it? *Corporate Communications: An International Journal*, 12(1), 25–40.
- Porter, M., & Kramer, M. (2006). Strategy and society: The link between competitive advantage and corporate social responsibility. *Harvard Business Review*, 84(12), 78–92.
- Savolainen, R. (1993). The sense-making theory: Reviewing the interests of a user-centered approach to information seeking and use. *Information Processing and Management*, 29(1), 13–28.
- Searle, J. (1965). What is a speech act? In P. P. Giglioli (Ed.), *Language and social context* (pp. 136–154). Harmondsworth, England: Penguin Books.
- Searle, J. (1969). *Speech acts: An essay in the philosophy of language*. Cambridge: Cambridge University Press.
- Searle, J. (1975). Indirect speech acts. In P. Cole & J. Morgan (Eds.), *Syntax and semantics, Vol. 3: Speech acts* (pp. 59–82). New York: Academic Press.
- Soderstrom, N. (2013). Sustainability reporting: past, present, and trends for the future. *Insights*, 13, 31–37.
- Stanwick, A. P., & Stanwick, D. S. (2009). *Understanding business ethics*. Canada: Pearson Prentice Hall.
- The Millennium Development Goals Report. (2014). Accessed November 4, 2015, from <http://www.un.org/millenniumgoals/2014%20MDG%20report/MDG%202014%20English%20web.pdf>
- Van-Riel, C. B. M., & Fombrun, C. J. (2007). *Essentials of corporate communication: Implementing practices for effective reputation management*. Abingdon & New York: Routledge. I.
- Weick, K. E. (1995). *Sense-making in organizations*. Thousand Oaks, CA: Sage.