Business & Society

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Journal:	*Business & Society*
Manuscript ID	BAS-17-0452.R2
Manuscript Type:	Original Manuscript - Full Length
Keywords:	business and society, corporate reputation, corporate social responsibility (CSR), corporate transparency, sustainability

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ABSTRACT

Despite the proliferation of studies on corporate social responsibility (CSR) communication, 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 paper explores an alternative perspective to evaluating the quality and reliability of sustainability reports. Our two-phased analysis employed the Greimas Canonical Narrative Schema and the Semiotic Square of Veridiction to draw meanings from the sustainability/CSR reports of selected UK FTSE100 companies. Our paper advances CSR communication research by introducing a theoretical-cum-methodological perspective which provides unique insights into how to evaluate the quality of CSR communication. In addition, we present a distinctive CSR Report Quality Model capable of guiding policy makers and firms in designing sustainability/CSR reporting standards.

Keywords: CSR Communication, CSR Reports, Greimas, Narrative, Semiotics, Sustainability Reports.

1. Introduction

The focus of the corporate social responsibility (CSR) communication debate over the last 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, NGOs, media, amongst others, have raised concerns about the scope, differences, reliability and comparability of CSRRs (Adams, 2004; Beattie et al., 2004; Hasseldine et al., 2005). Scholars have not only engaged with the issues of quality and reliability but sought to identify the best methodology and measure for the quality of CSRR (Yekini et al., 2015). This is because of the narrative nature of the reports which raises important questions regarding the validity of diverse quantitative measures used in the extant literature (Aguinis and Edwards, 2014). For example, should we evaluate CSRR in terms of its quantity (amount or length) or its quality (authenticity or reliability)? (Botosan, 2004; Beretta and Bozzolan, 2004, 2008; Albu, and Flyverbom, 2016) and, if it is the latter, what should be the best measure or the best way to evaluate quality? (Aras and Crowther, 2009; Burritt and Schaltegger, 2010; Cho et al., 2010).

Despite some attempts in the literature (see Price and Shank, 2005), there remains a lack of clarity regarding the best way to assess the quality of CSR information (Crane and Glozer, 2016). For example, some extant studies have used analyst ratings such as the Dow Jones, FTSE4Good, the GRI index etc. (Toms, 2002; Hasseldine *et al.,* 2005), others have constructed their own indexes (Botosan, 2004; Freedman and Stagliano, 2008; Yekini and Jallow, 2012; Yekini et al., 2015). While some measure quality based on certain criteria such as the location of the narrative in the annual reports, others rely on the evidence produced/disclosed (Guthrie *et al.,* 2004). Some authors have also used volume/quantity as a proxy for quality (Hackston and Milne, 1996), arguing that the quantity of information is capable of influencing the quality. Furthermore, Beattie et al. (2004), acknowledging the complexity of measuring disclosure quality, suggested a four-dimensional framework which encapsulates the previous methodological approaches (see Beattie et al. 2004, p. 227). We argue that these prior methodologies are deficient at drawing meaning and

making sense from the information (Weick et al., 2005). For example, Freedman and Stagliano (2008) argue 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.

Our article thus departs from previous studies in this area, in that it adopts a qualitative and a more robust theoretical-cum-methodological approach using semiotics. Consequently, in this paper, 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 in order to draw meaning out of it and thus make sense of the information being reported. This paper 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/CSR reports. In doing this, it makes important contributions and advances the theoretical and methodological literature on sustainability/CSR communication. Our analysis is however transparent and standardised, thus free from the criticism usually associated with qualitative research (Bluhm et al., 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 paper 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 and Glozer, 2016).

The rest of the paper is structured into six 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. Section three presents the development of a theoretical framework for measuring CSRR quality – the CSRR Quality Model and shows how it can be used to understand specific CSR activities and communication. Sections four presents the application of our model to a sample of FTSE100 companies, highlighting important implications for researchers, policy makers, and corporate managers. In section five, some conclusion, limitations and suggestions for future research are also highlighted.

2. Review of prior studies and theoretical framework

2.1. Disclosure quality

Price and Shank (2005) describe 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 et al., 2017). Hence disclosure quality can be said to be the usefulness and sense making that users are able to derive from the communicated information. Evaluating the quality of CSRRs is important because CSR information is intended to show the intrinsic values of the organisation. It is an opportunity for firms to '*talk*' their organisational values into existence in an attempt to channel the "intrinsic flux of human action … toward certain ends" (Weick et al., 2005:410). 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 organisational values that are otherwise unintelligible into existence in such a way as to influence the perception/behaviour of users of the information (Calton and Payne, 2003). To this end, Weick et al., asserts:

> *"… 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"*. (Weick et al., 2005:410).

Coupland, and Brown (2004, p. 1328) maintained that, as 'linguistic social constructions', organisational values and identities are best assessed through dialogical processes. However, a variety of methods for the measurements of CSR disclosure quality exists in the literature, including a substantive multi-disciplinary interest regarding the best way of evaluating the quality of the information/disclosures in annual reports and stand-alone sustainability reports (Botosan, 2004; Beattie et al., 2004; Beretta and Bozzolan, 2004, 2008). These individual discipline-based perspectives, in the last decade, have led to conflicting findings on the content and quality of CSRRs (Price and Shank, 2005; Yekini, 2017). Aguinis and Edwards (2014, p. 148), questioned the construct validity of these measures, arguing that there remains a *'perennial concern'* regarding their validity. Bluhm et al. (2011) and Crane and Glozer (2016) both argued that the various approaches lack fundamental theoretical conception and methodology. Furthermore, none of the extant studies have attempted to explore the efficacy of a linguistic-based approach such as semiotics in examining the quality and reliability of CSRRs. Price and Shank (2005, p. 90) argued that a 'complete approach' to information quality measure should consider the suitability of the information from the perceptions of the audience. For example, Guenther et al., (2016) found evidence that stakeholder groups have direct relevance and can influence carbon disclosures by firms.

Semiotics is a very useful approach to examining the quality of such 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. We discuss semiotics as a theory and as a research method in the next sub-section.

2.2. 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 conceptualise 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 (Floch, 1988; Fiol, 1989; Sulkunen and Torronen, 1997; Joutsenvirta & Usitalo, 2010) or the Barthes semiotics (Bell *et al.*, 2002; Davison, 2007 & 2011).

The distinction between these two strands of semiotics is the fact that Barthes semioticians (Bell et al., 2002; Davison, 2007, 2011; Barthes, 1977) emphasise the natural language as the sign system, while, Greimas semioticians (Propp, 1958; Jakobson, 1960; Greimas, 1983) emphasise 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: 110) rather than the narrator's actions or motives or the effect the actions would have on the reader. Barthes semioticians therefore emphasise the functions of the words and their relationship to other words used in the narrative to form signification (Barthes, 1977).

Greimas semioticians on the other hand define signification as when the reader is able to uncover the reality inherent in the narrative by analysing the actions of the subject using logical, temporal and semantic criteria (Greimas, 1983; Greimas and 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 organisational values into existence in such a way as to influence the perception of the users of the information, Greimas Narrative Semiotics,

otherwise known as GNS, presents a superior alternative to investigating the quality of CSR information over the Barthes 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 organisation) in the narrative in a way to bring (*talk*) the organisational values into existence. The next sub-section describes GNS and its implications for CSRR quality research.

2.3. The Greimas Narrative Semiotics (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 and 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 and Shank, 2005).

Moreover, as the audience is diverse, and the message is produced at a different time to 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 (Jain, 1973; Belkaoui, 1978). 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 emphasise 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 amongst others. Most of these are either developed by, or, an advancement of the work of Greimas (Hébert, 2011). The models look beyond the narratives into the system of signification in order 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 (Le Roux et al., 2016; Joutsenvirta and Usitalo, 2010) applied single model in their analysis, while others (Kanonge & Jordaan, 2014; Anido Freire, 2014; Fiol, 1989; Floch, 1988) applied a combination. In the current paper, we employ the Greimas canonical narrative schema, the veridictory and ontological analysis and the semiotic square in a two-phased narrative analysis.

2.3.1. The Greimas Canonical Narrative Schema.

The model analyses narratives as series of schemas in which the semiotic act or story may be structured into components (Hébert, 2011). The five 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 other hand, 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 actualised, 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 actualisation of the action, that is, *causing-to-be*. Since 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 in order to bring out a rich and meaningful discursive structure (Anido Freire 2014).

For example, a paragraph from the 2006 CSR report of Centrica states:

"*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 components of the narrative schema and the application of the narrative schema to Centrica's narratives is presented in Table 1.

INSERT TABLE 1 ABOUT HERE

2.3.2. 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 (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, while 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 and Torronen, 1997). First, it begins with the formation of discourses which develops from 'simple deep semio-narrative' (Sulkunen and 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 organisation of modal structures such that the combination of a set of propositions should qualify them to be situated in the same semantic universe in order 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 their 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 and Torronen, 1997).

This is consistent with Preston's (1975) organisational 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, in order 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. 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 analysed in Table 2.

INSERT TABLE 2 ABOUT HERE

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 analysing the text of CSRRs:

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

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*).

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

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 perspectives, we re-present the narrative schema (Table1) in Table 3.

INSERT TABLE 3 ABOUT HERE

We observed from Table 3 that for signification to occur, proposition (1a) must be evident along with (1b) or at least be implicit in each other. Subsequently, proposition (2a) must be evident along with (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.

2.3.3. The semiotic square and the veridictory square.

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 complemeteries) or unidirectional relations (implication or affirmation) – see Figure 1.

INSERT FIGURE 1 ABOUT HERE

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.

INSERT FIGURE 2 ABOUT HERE

Positive manipulation for the semiotic of CSR narratives refers to circumstances compelling corporate action that increases social benefit or decreases social problems (Marquis et al., 2007).

Negative manipulation, on the other hand, rather than increase social benefits, simply leads to the glorification of the subject (Hébert, 2011). For example, in Centrica's narration, the identification of *skill shortage* in engineering led to actions that produced four thousand engineers over four years – a case of *positive* manipulation *(causing-to-do)* - see Tables 1 and 2 above. 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 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, 2012, p. 50).

In the above 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 their 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 choose not to. Furthermore, the narrator 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, 2012:50), implying 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.

INSERT TABLE 4 ABOUT HERE

Consequently, positive manipulation is fundamental to causation and hence to positive sanction. The argument here is that, since 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 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, since quality lies in the truth and reliability of the performance reported, we applied the v*eridictory square,* to determine the *sanction* component. The main elements of the veridictory square are illustrated with Figure 3 below:

INSERT FIGURE 3 ABOUT HERE

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*, *not-being*, *seeming* or *not-seeming*).

3. Towards a theoretical-cum-methodological model for CSRR quality

The foregoing highlights the possibility of applying a two-phase model of GNS to analyse 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 analysed 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 their veridictory and ontological statuses by applying the logical propositions in order to examine the reality of the performance using the *veridictory square*. Figure 4 presents a fuller description of the process.

INSERT FIGURE 4 ABOUT HERE

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 meta-terms, *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 meta-terms to be placed in the same semantic universe and to be awarded a common ontological status. Therefore, a story with veridictory status such 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 (P2a) in Figure 4 is assigned a *seeming* characteristic and (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 are 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 other hand, 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 of the pair of propositions is *true* while the other pair is either *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 organisational 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 analysing each component of an organisation's CSR themes to obtain what we consider as 'a reliability score' for each components of the CSR activities. We call it reliability score to encapsulate all our observation through the GNS analysis.

CSR themes usually consist of corporate community involvement, customer satisfaction, diversity and inclusivity, environmental issues, health and safety, human resources, product safety,

pollution control, suppliers and supply chain, modern slavery transparency statement amongst others. However, for the purpose of our illustration, we chose only one of the CSR themes i.e. corporate community involvement (CCI) reports. 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 CCIR because CCIR 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 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, etcetera), will be analysed within a time horizon based on the organisation'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 in order to work out a weighted average quality score to determine the aggregate CSRR reliability, hence, the overall CSRR quality score (CSRQ) (see Figure 5)

INSERT FIGURE 5 ABOUT HERE

In the next section, we present our findings from the application of our model to the CSRRs of a sample of FTSE100 companies.

4. GNS and CSRR Quality Model

4.1. The Sample

To test the applicability of our model, we drew some samples from the UK FTSE100 index. We chose the FTSE100 index to ensure that a representative sample of large companies in the UK is considered and that a good spread is achieved among different industries. Previous studies (Gray et al., 1995a and b; Campbell et al., 2006) have shown that larger companies are more likely to capture more data than smaller ones, given their often extensive CSR activities and reporting. To ensure representativeness, the companies on the list were divided into ten 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 was collected over a 14-year period from 2002 to 2015. We sourced for data from all available corporate reporting outlets, including annual reports, standalone sustainability/CSRRs, as well as official websites of companies in order to ensure that we capture all available narrative disclosures of the sampled companies. The final sample comprised of 224 reports which included 120 annual reports and 104 standalone/web sustainability/CSRRs. Data on CCI was collected manually from the annual reports, CSR standalone and web reports of sampled companies.

4.2. Results and Analysis

The language of all the texts analysed 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 CSR report was sorted into; community projects; health and related activities; education and the arts; and other community activities. The GNS tools (the narrative schema, the veridictory square and the ontological analysis) as earlier explained, was applied to the narratives of each components 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 can be applied either as a qualitative evaluative tool only or could be extended to generate a quantitative measure of quality.

4.2.1. CSRR quality model as an evaluative tool.

Figure 6 summarises the results of our analysis as an evaluative tool to assess the quality of the reports in explicating the organisational values of the reporting companies. For example, Figure 6 show that 57% of the reports extracted from annual reports of the reporting organisations had doubtful ontological statuses, while 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, while 50% of the reports are doubtful and 13% are 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 reveal that most of the companies are more into philanthropic activities than actual community developments. Likewise, most educational sponsorships are tailored towards 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 CCIR in standalone/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 standalone/web reports seem to be of better quality, charitable activities standout at 80% further confirming that most reports simply presents an image bank of the companies philanthropic activities (i.e. glorification or negative retribution). An interesting observation is the fact that there are more quality information from standalone/web reports than the disclosures in annual reports. This may be because of more details which are given in standalone reports than in the annual reports.

INSERT FIGURE 6 & 7 ABOUT HERE

4.2.2. CSRR quality model as a quantitative measure of quality

Table 5 presents the CCIR quality scores for the companies sampled. The scores were obtained by allocating 2 points for community activity (e.g. education sponsorship etcetera) 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) while 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, age etc) 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, Audit committee meeting frequency/size etc) 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, since this is not the focus of this paper we did not perform this analysis.

INSERT TABLE 5 ABOUT HERE

4.3. 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 organisational 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 ten decades

and has proved to be suitable for analysing sign related communications (Price and 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 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 et al. (2005, p. 415) asserts 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."* This is evident in the contradiction experienced when the results obtained from the annual reports of some of the companies sampled are compared to that obtained from their standalone/web reports. This could be because the annual reports as an abridged version of the full sustainability report is not comprehensive enough to communicate the underlying organisational value of the reporting organisation. Lastly, 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. Also researchers can use the scores as a statistical analytical tool to measure the quality of each CSR component.

4.4. Implication for practice

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 organisation) or between organisations 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 world as a whole.

Our paper reinforces the importance of ensuring the quality and reliability of CSR reports. Since communication remains central to the production of CSR reports, it is important that the preparers of the reports adopt a pragmatic approach to disclosure practices in order 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, since 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 CCI reports semiotically analysed in this paper fall into the unreal ontological status implies that the credibility of social and environmental reports should be improved upon by increasing the rigour 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 (FRC, 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 organisations such as the Global Reporting Initiative (GRI) in setting a social accounting or

sustainability accounting standard to ensure standardisation in the quality and quantity of the data disclosed in CSR reports.

5. Conclusions, limitations and future research

This paper makes an important theoretical and methodological contribution to CSR communication research by employing a combination of the Greimas canonical narrative schema and the semiotic square of veridiction in the development of the CSRR quality model. In this paper we explored a theoretical research method – the Greimas Narrative Semiotics (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 paper makes unique contributions to CSR communication/reporting research by introducing semiotics – a linguistic based theoretical and analytical tool, to explore an alternative perspective to 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. 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.

The foregoing contributions notwithstanding, this paper and the proposed methodology, like any other, has its limitations. For example, a knowledge of semiotics and the application of the GNS might be necessary in order to fully appreciate the robustness of the methodology. However, we've made 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 CCI reports. 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 recognise 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 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, non-executive directors or report preparers.

Furthermore, our analysis is limited to the UK FTSE100 companies - the topmost 100 companies in the UK. We recognise that smaller companies with better interactions with local communities may offer more nuanced insights in their CCI reports (Amaeshi, et.al. 2016). Our choice of the FTSE100, however, helps us to contribute to the advancement of business research methodologies (Aguinis and Edwards, 2014; Seny Kan, et. al. 2016) by exploring the applicability of semiotics as an analytical tool to CSR communication research. Future research may consider extending the analysis to smaller companies.

Finally, we recognise 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 paper is the use of semiotics as a tool of analysis from the perspective of the reports' audience and not of the writer's. 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. Additionally, our findings justify the need for a linguistic methodology in drawing meanings and thus making sense of corporate disclosures (Weick et al., 2005; Macintosh and Baker, 2002).

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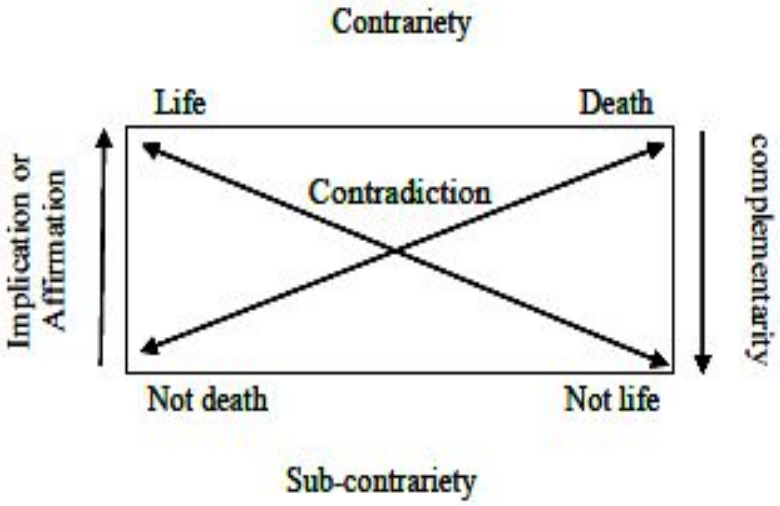


Figure 1: The traditional semiotic square

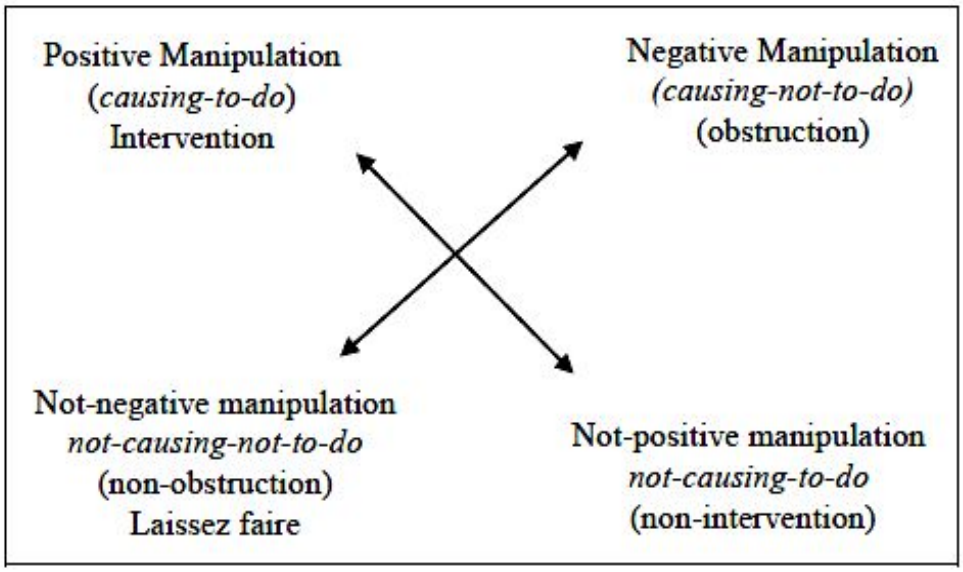


Figure 2: Four possible manipulative context

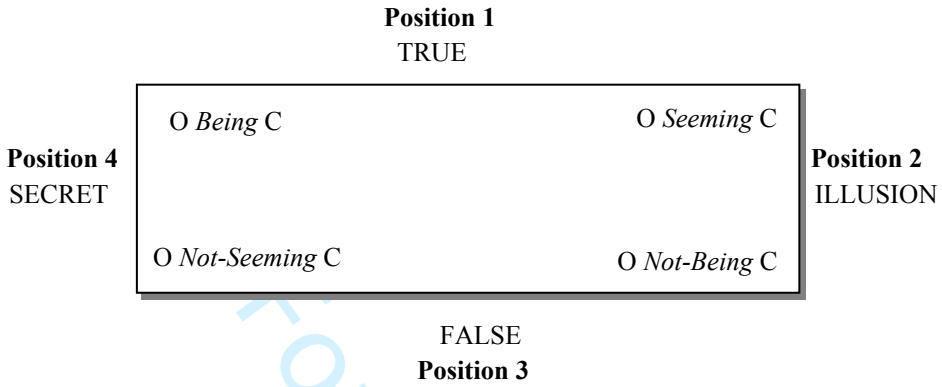


Figure 3: The Semiotic Square of veridiction at time (T) for S

Legend: S = subject (narrator or author); **O** = object (the act or performance); **C** = characteristic (observed in the object)
Source: Tools for Text and Image Analysis an Introduction to Applied Semiotics Analysis (Hébert, 2011, p.54).

Time	Unit of Analysis	Procedure	Propositions	Veridictory status		Ontological Status
T1	Specific aspect of CSR: E.g. Community projects	- Read each story - Analyse into semantic units using the narrative schema and the veridictory square. - To determine sanction component, check for evidence of Propositions 1a–2b	***P1a:*** *The narrative shows evidence of firm's concern or awareness of specific CSR Issue.*	Seeming/ Being	True	Real/ Certainty
			P1b: *The narrative shows evidence of the firm's commitment to solving the issue.*	Being		
			P2a: *The narrative shows evidence of the firm's consideration of future targets for identified CSR issue.*	Seeming/ Being	True	
			P3*: The narrative shows evidence of the firm's commitment to future targets as a reflection of further commitment to social responsibility.*	Seeming/ Being		

Figure 4: An overview of the method adopted in this paper

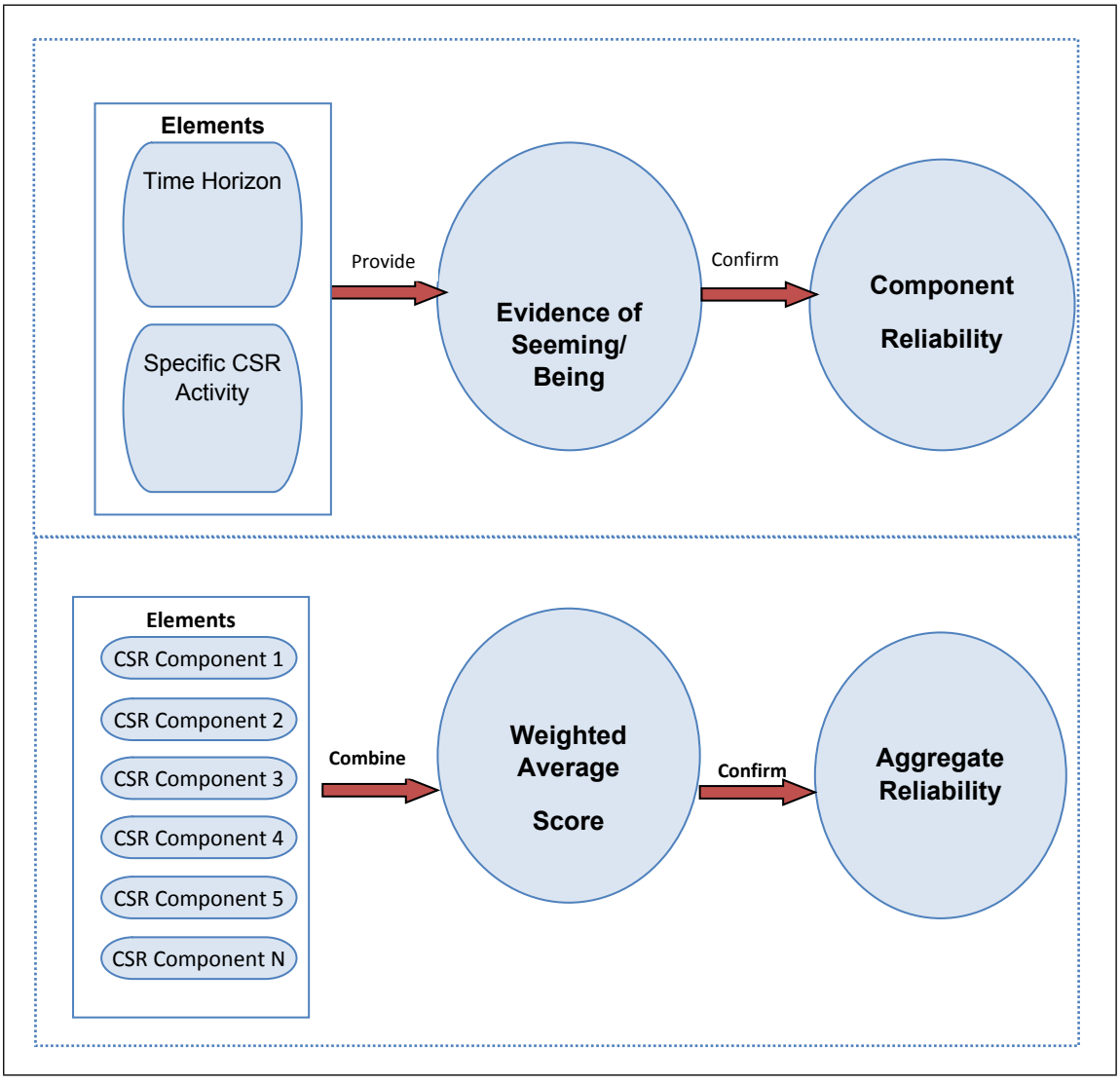
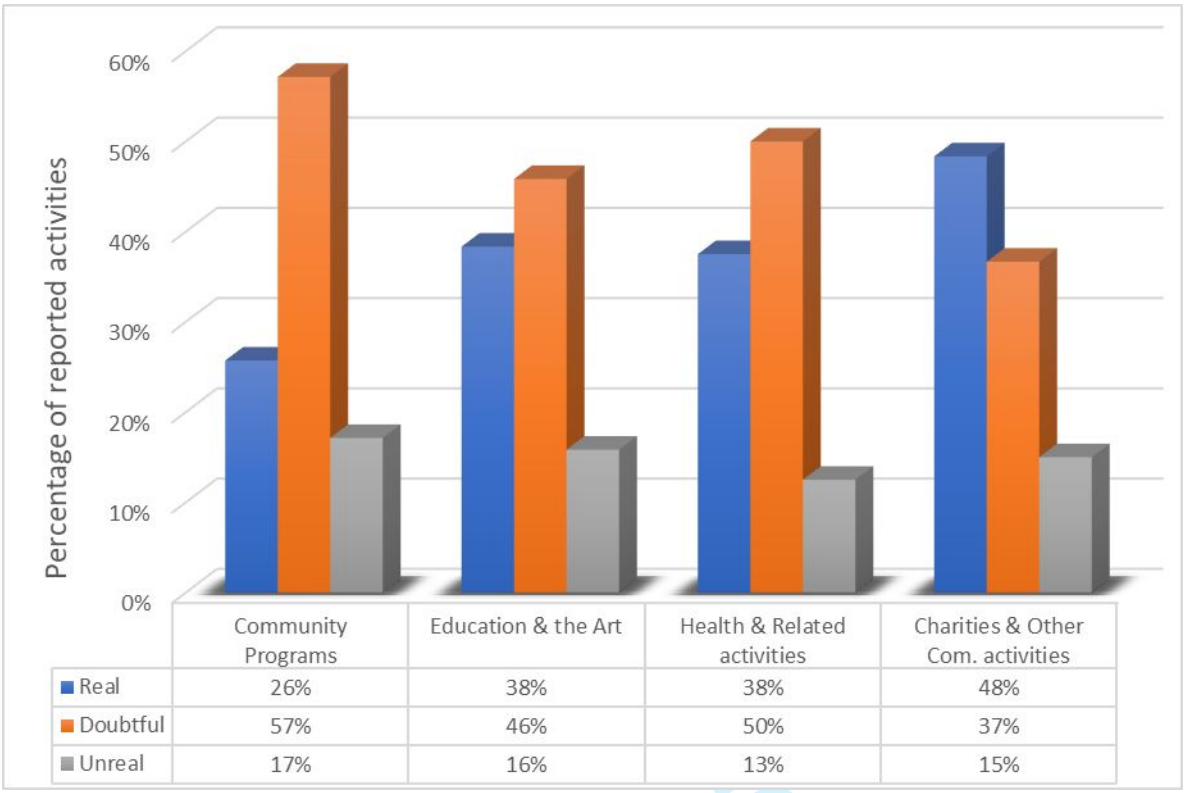


Figure 5: The CSR Quality Model

Figure 6: Ontological Classification of CCIR in Annual Reports



	Community Programs	Education & the Art	Health & Related activities	Charities & Other Com. activities
Real	26%	38%	38%	48%
Doubtful	57%	46%	50%	37%
Unreal	17%	16%	13%	15%

Figure 7: Ontological Classification of CCIR in Standalone/Online Reports

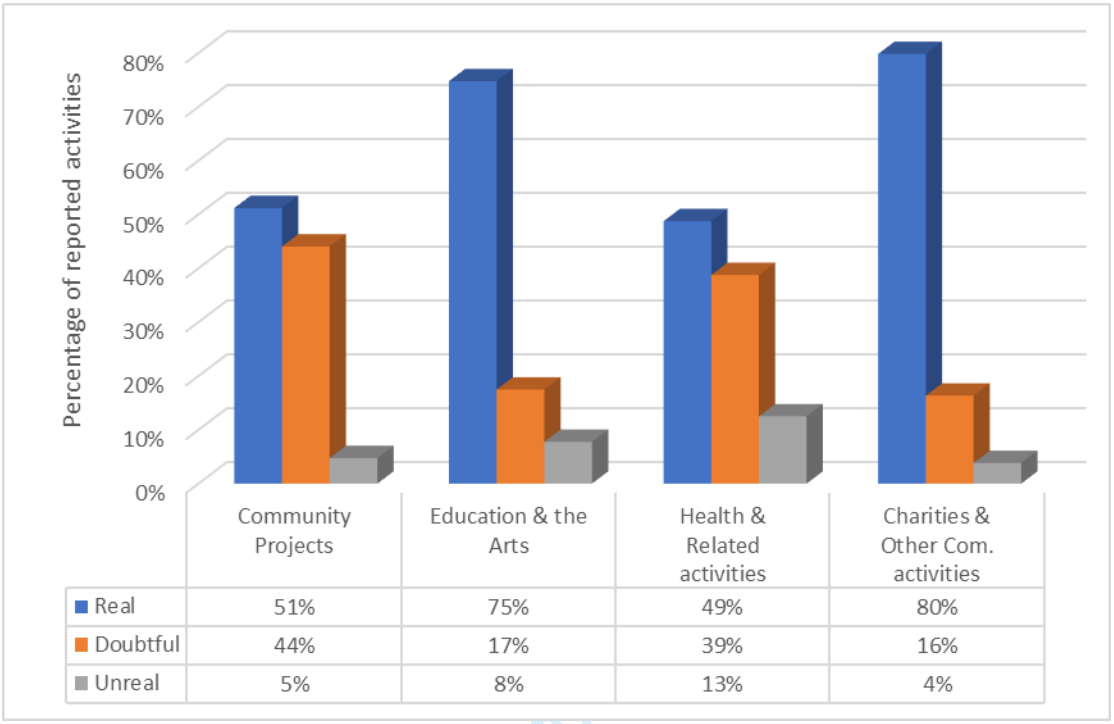


Table 1
The narrative schema

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 Centrica's statement				
Train Engineers.	*identified a skills shortage*	*Set up the British Gas Engineering Academy, which now has nine training centres across the country*	*Four thousand engineers have been trained in the centres over the past four years*	*Positive or negative; True or false; Real or Unreal*

Table 2
Examples of explicit/implicit values of reality

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

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				
Stories on CSR issues.	**Propositions 1a and 2a** - awareness and/or recognition of social issue	**Propositions 1b and 2b** - the firm plans to solve the issue, incorporate plans into its corporate goals; - responds in terms of policy development;	**Propositions 1b and 2b** - Firm implements policy, i.e. performs the CSR act.	Veridictory status - true or false; Ontological status - real or unreal

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, 2012:50).	Positive desire to contribute to quality of life *(causing-to-do)*
- Unemployment	*"our ability to have a significant impact on unemployment is limited by the nature of our operations"* (BHP, 2011:50)	Negative manipulation – shows hindrance *(causing-not-to-do)* to providing needed employment
- Charitable	*"our direct donations to charitable and community activities totalled £804,000"* (Smith & Nephew, 2002 & 2003:15 & 18)	Negative manipulation – shows desire to be philanthropic, may lead to glorification *(causing-not-to-do)*
Competence		
- Source locally	*"Our approach is to source locally if a product or service that meets our requirements is available"* (BHP, 2012:50).	Shows laissez faire attitude to providing indirect employment *(not-causing-not-to-do)*
- Voluntarily invest	*"We also voluntarily invest one per cent of our pre-tax profit"* (BHP, 2012:50)	Negative competence towards glorification
- Foundation	*"The Smith & Nephew Foundation … funded entirely by Smith & Nephew … offers awards…."* (Smith & Nephew, 2004:20)	Positive competence (*having-to-do*) 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, 2012:50)	Claimed without evidence of actualisation – negative performance
- Quality of life	*"community programs that aim to have a long-lasting positive impact on people's quality of life"* (BHP, 2012:50)	Claimed without evidence of actualisation – negative performance
- Award	*"The Foundation is unique in being the largest single charitable awarding body to the nursing professions in the UK"* (Smith & Nephew, 2004:20)	Negative performance ends in glorification rather than describe impact on beneficiaries.

Table 5:
CCIR Quality Score (CCIQ)

Sampled Companies	Before the financial crises (2002 to 2006)			After the financial crises (2011 to 2015)		
	Annual Report	Stand-alone/ web Report	Total Quality Score (TQS)	Annual Report	Stand-alone/ web Report	Total Quality Score (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