

# Companies' Ethical Commitment – An Analysis Of The Rhetoric In CSR Reports

**Caroline D. Ditlev-Simonsen**<sup>1\*)</sup>

Department of Public Governance  
Norwegian School of Management,  
Norway

**Søren Wenstøp**<sup>2</sup>

Department of Strategy and Management  
Norwegian School of Economics and Business Administration  
Norway

---

## Abstract

This paper investigates rhetoric applied in 80 Corporate Social Responsibility (CSR) reports in 2005. A taxonomy of five distinct rhetorical strategies for describing the purpose of CSR is applied; Agency (profit), Benefit (collective welfare), Compliance (laws and contracts), Duty (duties), and Ethos (virtue). The findings reveal that very different rhetoric is applied. Ethos is the most common ethical perspective expressed in the reports, Benefit and Agency are on second and third place. Specific patterns of ethical reasoning appear to be common, while other possible reasoning strategies are rare. The most prevalent pattern of ethical reasoning is to link Agency and Benefit perspectives, claiming that Benefit is done for the sake of Agency. These findings constitute a new approach in CSR research.

**Keywords:** *Corporate social responsibility (CSR), reporting, ethics, rhetoric*

---

<sup>1</sup> Caroline Dale Ditlev-Simonsen, PhD (Corresponding author), is a researcher at BI-Norwegian School of Management and has international and comprehensive business and organizational experience in the area of corporate social responsibility, including Project Manager, World Industry Council for the Environment, New York; Executive Officer, Norwegian Pollution Control Authority; Advisor, Kværner ASA and Vice President, Head of Community Contact, Storebrand ASA, one of Norway's largest companies. From 2002-2008 she was a board member of WWF-Norway (World Wide Fund for Nature). She is also an Associate Director at the BI Centre for Corporate Responsibility [www.bi.no/ccr](http://www.bi.no/ccr).

<sup>2</sup> Søren Wenstøp (co-author) is a research fellow at the Norwegian School of Economics and Business Administration. His main areas of interest are business ethics and moral philosophy applied to the business context. He has previously worked at the Center of Corporate Citizenship (CCC) at the Norwegian School of Management (BI), and with initiatives in the non-profit humanitarian aid sector (the JetAid Foundation). Søren Wenstøp has lectured in business ethics and the Norwegian School of Economics and Business Administration (NHH) and at the Norwegian School of Management (BI).

<sup>\*)</sup> We would like to thank Professor Fred Wenstøp, Norwegian School of Management, for inspiration and advice in the process of this article.

## 1. Introduction

Corporate Social Responsibility (CSR) is ostensibly about doing good. But the question is good for whom? Good for the company, the owners, the managers, the employees, the customers, the environment, the local community, the world? The possibilities are many, and most CSR reports give reasons for why a particular company engages in CSR. Since CSR is about doing good, these reasons may be seen as ethical commitments. In this paper, we explore patterns of such arguments. We are not concerned with the real impacts of CSR, only what arguments are given; the study is therefore a study of rhetoric.

The number and volume of CSR<sup>1</sup> reports have increased tremendously over the last 15 years (Corporate Register, 2008; KPMG, 2008). Contrary to mandatory financial reporting which are guided by a regulatory framework, CSR reports are voluntary and without a fixed and regulated framework. Corporations are therefore free to choose the content as well as the manner in which they are presented.

A substantial volume of research has been conducted to get an understanding of the background for and effect of CSR disclosures. A common method is quantitative discourse analysis with observation of such variables as the frequency of CSR related sentences, number of papers addressing CSR, number of

words disclosed or lines disclosed (M. C. Branco & Rodrigues, 2007). Such studies, however, do not capture underlying attitudes to CSR nor the specific ethical commitments statements express. Therefore, “there is a significant lack of research that analyses practices of language through which managers and other societal actors come to describe, explain or otherwise account for environmental and social problems” (Joutsenvirta, 2009). The ethical attitude behind a company’s CSR is presumably a determining element for its CSR activities, and a relevant place to look for the expression of such attitudes is the rhetoric applied in CSR reports. Few studies have however been conducted in this area (Ihlen, 2010) and this study will respond to this gap through investigating the moral commitments reflected in 80 CSR reports.

In the study “Ethical Guidelines for Compiling Corporate Social Reports”, a framework for developing CSR reports is suggested (Kaptein, 2007). In this paper, however, we go a step behind (or ahead) and look at what ethical perspectives corporations actually apply in their CSR report rhetoric.

Whereas previous studies have investigated the quality of voluntary disclosures (Brammer & Pavelin, 2008), the reason behind why corporations use corporate social disclosures (Clarke & Gibson-Sweet, 1999), factors influencing social responsibility disclosures (M. Branco & Rodrigues, 2008), how companies best can communicate their CSR initiatives (Morsing, Schultz, & Nielsen, 2008), this study focuses on the ethical commitment reflected in the CSR goal rhetoric. In their study analyzing sustainability values, Livesey and Kearins com-

<sup>1</sup> Many different appellations of corporate voluntary activities exist. In this article we will use the term “Corporate Social Responsibility” to account for voluntary engagement by corporation described in their non-financial reports. Some corporations studied have named these reports Environmental-, Sustainability-, HSE- etc., - and in some cases these reports are part of the annual report. Common for all these reports are that they are voluntary, and to simplify the wording in the article we are using one term, CSR

pare the corporate discourse expressed in the two corporations, Body Shop Int. and Royal Dutch/Shell Group (Livesey & Kearins, 2002). Whereas they discuss to which extent the values expressed in the reports can contribute to improved social and environmental behaviour in the corporate decision making, we will not investigate the *impact* of the values expressed in the reports. Our study will solely identify, compare and categorize the values expressed.

The contributions of this article are theoretical as well as empirical: we develop a taxonomy of rhetorical strategies that reflect the kinds of ethical arguments we find in the business ethics literature, and review 80 CSR reports and document the ethical arguments actually used. Our taxonomy has two main features. The first is a system of rhetorical strategies; the second is a structure that links them. This is necessary because different strategies can be connected within a system of moral reasoning; one reason for CSR may for instance be an instrument for another.

The rest of the paper is organized as follows: The next section gives an overview of research in the CSR field and the role of rhetoric and ethics in such reports. Thereafter the method and data is presented. In the section after, different examples of quotes that exemplify ethical commitments are presented. The findings are then discussed. The final section concludes with theoretical and practical implications of the study as well as suggestions for further research.

## **2. CSR Reporting, Rhetoric and Ethics – a review**

### ***CSR Reports***

Non-financial reporting has gone through a comprehensive growth. The number and scope has grown exponentially, from less than 30 in 1992 to over 3000 in 2008. The focus in these reports has changed to. Whereas the majority of reports in the 90ties were concerned with environmental issues, the content has gradually become more encompassing. Now it is more common to extend the reports to address corporate responsibility and sustainability issues ([www.CorporateRegister.com](http://www.CorporateRegister.com)).

Institutional theory is suggested as a theoretical approach to study CSR issues (Campbell, 2007; Galaskiewicz, 1997). The three pillars of institutions, regulative, normative and cultural-cognitive, provide a basis for legitimacy (Scott, 2008). Legitimacy is one of the leading perspectives for explaining why corporations engage in CSR reporting. “Legitimacy theory is based on the idea that in order to continue operating successfully, corporations must act within the bounds of what society identifies as socially acceptable behaviour” (O'Donovan, 2002). Several studies support the argument that it is socially expected of companies to issue CSR reports and apply the CSR terminology. However, legitimacy theory does not deal with the moral attitude of CSR reports.

### ***Ethics rhetoric in CSR reporting***

There is no generally accepted moral reason for why corporations ought to pursue social engagement (Hummels, 2004), but most corporations do state a purpose for their CSR activities that is based on ethical principles. Rhetoric, the art of using language to communicate effectively, is applied to convey these messages. Corporations presumptively apply ethics rhetoric in their CSR reports to achieve certain communication goals, such as for example enhancing legitimacy. Our aim is not to speculate around the set of motives behind ethics rhetoric, but rather to make theory-based assessments of what this rhetoric actually communicates, as interpreted by a reasonably informed audience.

Few studies have been conducted of this kind. One of them, which analyzed the CSR reports of the world's largest 20 companies, identified five rhetoric strategies: (1) We improve the world, (2) We clean up in our own house, (3) Others like us, (4) We are part of society, (5) We like you (Ihlen, 2010)<sup>2</sup>. Some of these strategies are close to those in our study, but whereas Ihlen looks at *what* companies say we look at the justification or ethical commitment *entailed by* what they say. Another closely related vein of research has studied corporate value statements (Wenstøp & Myrmel, 2006). That paper argues "that value statements would be clearer and at the same time more suitable for strategic decision-making purposes if they were structured according to the classical ethical categories". Our research makes an explicit connection between such CSR

value statements and specific ethical frameworks.

### ***The taxonomy of ethics rhetoric***

In their book *Business Ethics*, Crane and Matten present four central ethical theories and show how they relate to business: Egoism, Utilitarianism, Ethics of duties, and Rights and justice (Crane & Matten, 2004). The first two are forms of consequentialism, whereas the latter represent non-consequentialism. The consequentialist approaches focus on outcomes, whereas the non-consequentialist approaches place a primacy on specific principles above a concern for outcome. For example, for a company that considers whether to downsize, a consequentialist theory will look at the effects of the downsizing, either more narrowly (egoism) or more widely (utilitarianism). A non-consequentialist perspective will pick up one among a number of principles and hold that the decision should be made according to how well it complies with the guiding principle. A rights perspective, for instance, will look at downsizing in terms of what rights the people involved have, and how the decision meets or infringes on these rights.

There is more than one way to cut a cake, but Crane and Mattens suggestion exemplifies a widely recognized way of dissecting ethical theory. With one notable exception, this framework is also relatively complete. It leaves out virtue ethics and it seems clear to us that this perspective needs to be included. Not only does virtue ethics have a rich intellectual history (which runs back to antiquity), but it is also a distinct perspective with a high standing in contemporary

<sup>2</sup> Translation of 1. Vi forbedrer verden, 2. Vi rydder opp i eget hus!, 3. Andre liker oss!, 4. Vi er med!, 5 Vi liker deg!

moral philosophy and business ethics alike.

The taxonomy we propose, then, consists of five categories. To capture the essence of what they stand for we have chosen to denote them as follows: A (Agency), B (Benefit), C (Contract), D (Duty), and E (Ethos). We also have a sixth category, F (Fail), for companies that fail to communicate an ethical perspective. A, B, C, D, E can be thought of as denoting different *ethical commitments* (and F lack of commitment).

By making ethical statements, companies perform certain acts, what might appropriately be called ‘speech acts’ (Austin, 1962). These ethical speech acts imply commitment to types of ethical theory. While we give examples of these theories, it is important to note that the theoretical commitments do not pertain to specific theories but specific *kinds* of theories (unless a specific reference is made in the CSR reports), and that the examples we give are theories of the same *type*. For example, Singer (1993) gives a specific expression of consequentialism. By invoking

**Table 1**  
**Overview over the ethical categories applied**

	A – Agency	B – Benefit	C- Contract	D – Duty	E – Ethos	F – Fail
<b>Business perspective (what is important?)</b>	Profit, Agents, Shareholders	Collective welfare, Stakeholders	Contractual agreements, Rules, regulations, Laws	Duty, legitimacy, ‘Natural moral laws’	Virtues, Excellence, Power	Nothing in particular
<b>Associated business theories</b>	Adam Smith (1991) Milton Friedman (1970)	Archie J. Bahm (1983), Edward R. Freeman (1984)	Donaldson & Dunfee (1999)	DiMaggio & Powell (1983) Norman Bowie (1999)	Chester I. Barnard (1938), Solomon (1992)	
<b>Associated ethical theories</b>	Ayn Rand (1970)	Jeremy Bentham (2000), Peter Singer (1993)	Jean-Jacques Rousseau (1984) John Rawls (1971) David Gauthier (1986)	Immanuel Kant (1998)	Aristotle (2004) Alasdair MacIntyre (1984)	
<b>Type</b>	Consequentialism	Consequentialism	Non-consequentialism	Non-consequentialism	Non-consequentialism	

Singer as an exponent of consequentialism, we do not imply that companies expressing a consequentialist stance adopt Singer’s specific version of it.

Our labels correspond to the question: What is of moral importance? In the CSR reports, the strength and clarity

with which the implicit commitments are expressed varies. We address neither the clarity, strength, nor the plausibility of the various theoretical commitments. The aim in this study is to *classify* the different commitments, and the way they feature in patterns of moral reasoning. To start with, we will look at how the

different commitments relate to ethical theories. Table 1 provides an overview over the taxonomy and related ethics and business theories. The rest of the section will describe them more closely.

**Agency:** Agency is linked to the ethical perspective of egoism. Some dislike even suggesting that egoism is an ethical perspective; many see egoism as lack of ethics. But, as a distinct perspective, it deserves a place in any taxonomy of ethical commitments that claims to be reasonably complete. Moreover, the relevance of egoism to business ethics is especially relevant, given the fact that egoism features as a behavioral assumption in several key theories of business and economics. In our framework, agency is somewhat wider than egoism as conventionally conceived. Normally, egoism is restricted to the individual level, but in business egoism would be linked to the profit motive. Our notion of agency therefore amounts to an extension of egoism. For instance, in a typical business organization the motives of its owners, by extension, also become the motives of the agents employed to work on their behalf (when their motives are suitably aligned). Given that this type of arrangement is so prevalent in business, we find the label ‘agency’ more apt than ‘egoism’. We take agency to express the concerns that are *internal* to the firm; including owners, managers, as well as employees.

**Benefit:** The benefit perspective is linked to benevolent consequentialism and utilitarianism. It expresses a commitment to further the interests, welfare, or well-being of stakeholders *outside* the boundaries of the firm; the boundary of the firm is the cut-off point between the agency perspective and the benefit per-

spective. For corporations, the scope of these perspectives vary between the expression of more closely held preoccupations with the interests of customers or clients, to a wider concern for social good and the environment.

**Contract:** The contract perspective is linked to contractualism. Contractualist theories, in turn, contain theories of rights and justice. The notions of rights and justices on this perspective are understood *in terms of* some idea of a contract. This contract can be thought of as either actual or ideal; where the moral ‘validity’ of the contract is sutured by an actual (between actual contracting parties) or idealized *agreement* (between suitably rational and well informed contractors). For corporations, this simply implies following existing rules and regulations – and not take on responsibilities beyond this.

**Duty:** Duty relates to duty ethics, and caters the idea of one or more absolute duties. Typical duty-based perspectives include the classical perspective of Immanuel Kant, and the contemporary perspective of Norman Bowie. Applied to corporations, the duty concept has been referred to as Treviño and Nelson’s “New York Times test”(Crane & Matten, 2004). To a certain degree this attitude is in line with legitimacy theory. There are certain things corporations should engage in, independent of laws and regulations. For example, most companies donated to organizations helping the victims of the Tsunami in 2004, even though this was not mandatory nor linked to profit. As most companies did so, it could be perceived as embarrassing for a company if it was revealed that it had skipped this token of empathy.

**Ethos:** The ethos perspectives express a commitment to *virtues* (or vices to avoid) – how one would want to *be* (as opposed to look at what to do). The related normative perspective is virtue ethics. The ethos category contains two rather different sort of ideals; on the one hand we have the more business-related ideals (such as the ideal of being ‘excellent’ or ‘a leader’), on the other hand there are the more overtly moral type of ideals (such as ‘to be fair’ or ‘being trustworthy’). The former is an agency-related ethos, while the latter is a benefit-related ethos. Ethos needs to be separated out as a distinct rhetoric strategy because it communicates a distinct sort of moral commitment. For corporations, ethos can be viewed as having aspirations of being the best - in search of excellence.

**Fail:** In these cases there is no traceable theoretical commitment to CSR in corporate reports.

### *Patterns of moral reasoning*

The commitments discussed above can be expressed as *rhetorical strategies* in all sorts of combinations. While it is of interest to look at isolated expressions of commitment, it is also interesting to assess relations between them. By analyzing paragraphs and sentences, we can identify distinct patterns of moral reasoning. For instance, one company may emphasize a commitment to benefit (B), but also state that it does so in order to meet a commitment to agency (A). The end motive here is agency (A), and the pattern of moral reasoning is that (B) is an instrument for (A). Another company may express the reverse, that agency (A) is necessary in order to meet commitments to a benefit (B). In principle, all sorts of combinations are possible. The

paper will identify the most prevalent combinations in our material.

### **3. Data collection and Methodology**

The data presented in this study reflects a review of CSR attitudes reflected in annual and non-financial reports from 80 different companies in 2005.

#### *Selection of companies*

This article originated from a consultancy task conducted for 12 large Norwegian corporations. Management representatives in these corporations selected between five and 10 corporations which CSR activities they wanted to know more about. According to the contract, the clients should receive a two page executive summary of CSR coverage in financial and non-financial reports of the corporations selected for investigation. Some of the corporations selected were already part of the Top Brands 2005 list, the list of the World’s Most Respected Companies (WMRC) and WMRC-CSR<sup>3</sup>, and some additional corporations from these lists were also included. The list of companies investigated is available in attachment 1.

One of the authors of this article was responsible for conducting the consultancy task. A format for this two-page executive summary, or fact sheet, was developed. One section of the fact sheet documented how corporations presented their CSR efforts, with focus on CSR

<sup>3</sup> Top Brands 2004, a joint venture between BusinessWeek and Interbrand, The World’s Most Respected Companies survey are published in a special supplement of the Financial Times and a joint venture between PricewaterhouseCoopers and FT and been conducted on a global basis. WMRC-CSR is the companies that best demonstrate their commitment to corporate social responsibility according to NGOs

**Table 2**  
**Overview Over Corporations Studied**

Characteristic	Information
Turnover	70 mill \$ (NextGenTel) to 285 200 mill \$ (Wal Mart)
Number of employees	150 (Vollvik/Chess) to 1 600 000 (Wal Mart)
Location / country of HQ	1 Australia, 1 Austria, 1 Belgium, 2 Canada, 4 Denmark, 4 Finland, 2 France, 5 Germany, 1 Italy, 2 Japan, 21 Norway, 10 Sweden, 2 Switzerland, 1 The Netherlands, 8 UK, 12 USA, 1 UK/Netherlands, 1 Sweden/UK, 1 Denmark/UK
UNGC, WBCSD, DJSI and FTSE4Good Sector	28 support UNGC, 22 member of WBCSD, 33 on DJSI and 34 on FTSE4Good list. 32 sectors

challenges – their overall CSR purpose. Compiling these fact sheets, it became evident that the rhetoric in the reports reflected very different ethical commitment, and this deserved further investigation.

The focus is on CSR reports from 2004/05, which is a “limbo period” in CSR reporting as the Global Reporting Initiative had not yet “taken off”, i.e. no firm reporting framework existed, making the reports provide a good picture of truly voluntary reporting.

The companies vary with regards to size, sector, turnover, number of employees and location (Table 2).

The size of the reports also varies widely, ranging from a few pages in the annual report to separate CSR reports of about one hundred pages (for example Alcan, Body Shop and Daimler Chrysler).

Whereas most studies investigate corporations of similar sizes, sector, and country, this study looks at very different corporations. This has its advantages and

disadvantages. The advantage is that we will have large varieties in cases. The disadvantage is the lack of homogeneity that makes it less possible to generalize based on the findings.

#### *Selection of quotes and interpretation*

The CSR reports were read by one of the authors and passages that most succinctly reflect ethical commitment were identified and quoted. Although CSR reports may run up to hundred pages, it was usually possible to find a place where goals and purposes are highlighted, thus revealing an ethical commitment. Several quotes from individual companies are included in this paper to give the reader an account of what they look like.

The quotes were then assigned to ethical categories as well as to patterns of moral reasoning. This was done independently by three persons – the two authors and a third person, who then came together to compare notes. The participants generally agreed, and subsequent discussions

landed the remaining ambiguities. The full set of quotes can be made available. It is important to bear in mind that ours is a study of rhetoric. An exercise in comparing what companies report about themselves and what media say about the same company, illustrates the discrepancy between self reporting and others perception or reality (M. C. Branco & Rodrigues, 2007). However, we are not concerned with reality, only rhetoric strategies as revealed by CSR reports.

#### 4. Findings

Here follows a summary of interpretation and classification of quotes regarding ethical commitments in the CSR reports of 80 companies. When an ethical category appears as an instrument for another, we have an instance of moral reasoning. Patterns of moral reason are also identified and classified.

##### *Agency (A)*

Ten companies argued that their CSR activities were directly related to or driven by a profit motive. The following quotes exemplify an agency attitude:

“RWE’s declared mission is to contribute to establishing a global trend that economizes resources, guarantees secure, high-quality supplies, and creates wealth. This is the very philosophy that determines RWE’s strategy for sustainability.” (RWE, 2003)

For RWE “wealth” (profit) is presented as a key driver for CSR activities. CSR engagement is thus an agent for increasing the wealth of the shareholders or owners.

Some CSR reports argued to the effect that a benefit (B) motive was instrumental to an agency (A) motive – that is a combination of moral reasoning.

“Jotun A/S will enhance long term competitiveness and financial performance through responsible approach, attitude and actions regarding Safety, Health and Environment” (Jotun, 2005)

“By acting responsibly, we can contribute to sustainable development and build a strong foundation for economic growth.” (Nokia, 2004)

Jotun, one of the world's leading manufacturers of paints, coatings and powder coatings, argues that the responsibility approach leads to improved financial performance. This is along the lines of Nokia, which argues that responsibility (collective welfare) build a foundation for ‘economic growth’. In both statements it is clear that financial interests are the main objective. Responsibility is presented as a secondary aim undertaken to meet the first.

A few companies argued that by fulfilling their duty (D), profit (A) could be achieved.

“The core responsibility of the Sony Group to society is to pursue enhancement of corporate value through innovation and sound business practices.” (Sony, 2005)

‘Innovation and sound business practices’ are presented as corporate activities that contribute to corporate value (A). Meanwhile the responsibility element is expressed as something that the

company simply *has*; a duty (D), in relation to society.

### *Benefit (B)*

Thirteen companies focused on benefit (B) as the key argument for CSR.

The ambition of DnB NOR is to “promote sustainable development through responsible business operations giving priority to environmental, ethical and social considerations” (DnBNor, 2004)

The interests of stakeholders, such as the environment and society feature centrally in DnB NOR’s (a Norwegian based bank) statements about CSR. The benefit (B) perspective given here is broad, and unambiguously stated due to the use of the word ‘priority’.

Some companies combine benefit (B) and agency (A) moral rhetoric; doing good for society and making money at the same time.

“Nike’s overall corporate strategy focuses on delivering value to shareholders, consumers, suppliers, employees and the community.” (Nike, 2004)

Nike indicates that it wants to combine value to shareholders and customers, which are more in the corporate direct self interest (A) to also encompass the community, i.e. society outside the company (B). The aims in this statement are placed side-by-side, without one being subordinated the other. No specific pattern of moral reasoning is expressed.

Two companies argued that through increase profitability (A) it could further the aim of taking care of society outside the company (B).

“Peab builds for the future. We wish to be the leading and most attractive construction and civil engineering company in Sweden. We wish that what we build to create added value for our customers, suppliers and ourselves, and to contribute to the sustainable development of society. Good financial profitability is a precondition of our success.” (Peab, 2004)

### *Contract (C)*

Only five companies argued that to fulfil laws and regulations was their main reason for CSR. One example however, is Systembolaget, the Swedish monopoly for selling wine and liqueur beverages.

“But the most important part of our work is actually not what we do, but what we do not do. We do not sell to just anyone. Not to anyone less than 20 years of age. Not to anyone who is obviously under the influence of alcohol or other intoxicant. And not to anyone whom we suspect will sell the goods on.” (Systembolaget, 2004)

This quote expresses a distinct contract (C) perspective: Their key basis for CSR is to comply with what they are (legally) obligated to do: Not sell to anyone less than 20 years of age. This expression of social responsibilities is shaped by the laws of society, and hence the central feature of the message they send is that their corporate social responsibility consists in abiding by the social contract of society as represented by laws and regulations.

Only one company argued that a contract perspective (C) was instrumentally important for profit (A). Furthermore,

none of the moral attitudes (A-E) was presented as leading to (C). This is not surprising, as for example neither profit nor duty is formally required (C) in the business world.

#### *Duty (D)*

Seven companies used a rhetoric of duty (D) as a basis for their CSR activities.

“Carrefour’s progressive approach is built on 3 major commitments: quality and safety, respect for the environment, and economic and social responsibility.”(Carrefour, 2004)

By using the word ‘commitment’ Carrefour expresses their ethics in terms of a duty (D) perspective. One gets the impression that there simply *are* certain commitments, and that they should be heeded *qua* commitments.

#### *Ethos (E)*

Ethos (E) as a basis for CSR activities was by far the most common rhetoric approach. For 26 of the 80 companies, the rhetoric was built on the ethos (E) basis of ethics. Often the ethos was aligned with ideals such as ‘being the best’, ‘trustworthiness’, or ‘excellence’. Some of the perspectives propounded more business-like ideals, whereas others were more overtly ethical.

An example of a business-related (or agency-related) ethos (E) is given by the Italian oil and gas firm, Eni.

“Sustainability aims to strike a balance between expectations for growth to the value of the business, environmental protection and social issues. An approach to sustainability based on adoption of all possible instruments to ad-

dress this issue – rigorous management systems, targeted strategic projects, research and innovation and dialogue with stakeholders – is a prerequisite to maintaining positions of leadership within the energy sector.” (Eni, 2004)

Eni’s aim to be ‘a leader’ is an ideal and serves to define an ethos. To strike the balance is furthermore a type of art, along the lines of identifying where ethos is located – what is the ‘right thing to do’.

Pfizer, an American pharmaceutical company, expresses an ethos (E) perspective that is overtly ethics-related (or benefit-related). To consider our next generation’s perception fits closely with virtue ethics, since it invokes a clear ethical ideal (being one one’s children would think well of) which the company professes to strive to stick by.

“Corporate Citizenship at Pfizer means considering our plans and actions against one profound question: What will our children think?”.(Pfizer)

Three companies described how fulfilling duty (D) would lead to achieving ethos (E), and the US pharmaceuticals company Johnson & Johnson was one of them:

“Our Credo articulates the values that drive our business strategy of sustainable, long-term growth and leadership. In essence, it is our sustainable strategy: our Company’s commitment to meet our responsibilities to people, communities and the environment.” (Johnson&Johnson, 2004)

In this example we see how duty is presented through commitment (D) and the company's value (E). This 'value' is not presented as financial value, profit, but more as an encompassing long-term focus on growth and leadership – excellence, i.e. ethos (E)

#### *Fail (F)*

In seven of the reports we could not find any rhetoric ethical commitments. Most of these companies were small and generally had less voluminous reports. Some did not use the term responsibility, nor sustainability in their ethical rhetoric. Arla, a Danish Food producer and processor, is one example of a company stating a goal free of any CSR related

moral elements.

“Arla Food’s mission is to offer modern consumers milk-based products that create inspiration, confidence and well-being.” (Arla, 2005)

#### *Summary*

In sum, the analysis of the statements show that ethos (E) followed by agency (A) are the most frequently applied rhetoric elements for engaging in CSR. The most frequent pattern of moral reasoning appears to be one where benefit (B) is instrumental to agency (A). A pattern where duty (D) is instrumental to agency (A) also appears to be relatively common (ref. Table 3 and 4)

**Table 3:**  
**Summary of Ethical Attitudes Reflected in CSR Reports**

Agency (A)	Benefit (B)	Contract (C)	Duty (D)	Ethos (E)	Fail (F)
10	13	5	7	26	7

**Table 4**  
**Summary of Ethical Instruments for Another Ethical Attitude (patterns of moral reasoning)**

	Agency (A)	Benefit (B)	Contract (C)	Duty (D)	Ethos (E)
Agency (A)	-	2			
Benefit (B)	9	-		2	2
Contract (C)	1		-		
Duty (D)	4	1		-	3
Ethos (E)	2	2		1	-

## **5. Discussion and Conclusion**

Corporations issue non-financial reports on a voluntary basis, beyond what is required by accounting regulations. They are therefore relatively free to communicate normative content and make social commitments. As this paper

illustrates, the type of ethics rhetoric, and the practical and theoretical commitments implied in that rhetoric, as well as the expressed patterns of moral reasoning, varies considerably among the companies. Companies, or the persons writing the reports, express different opinions of why the corporation should en-

gage in CSR and thus their role in society. The rhetorical landscape is pluralistic.

Still, there is a centre of gravity around ethos (E). Almost a third of the companies would subscribe to 'We do CSR because we are virtuous' although the exact formulations differ, but to be committed to *some* sort of ethos appears to be widespread. To just fulfil the idea of heeding some sort of law or social contract (C) seems much less widespread. Agency considerations (A) are expressed in a substantial number of the reports. Indeed many of the companies state this as their *main* CSR consideration. However, the agency perspective only seldom features alone. It is far more common to combine the agency perspective with other normative elements, most notably the benefit (B) perspective.

This paper has investigated the 2005 reports of 80 companies which vary substantially with regards to location, sector, and size. To investigate this moral rhetoric more closely, further studies should select specific sectors in different countries. A plausible research aim would be to assess whether there are culturally related differences. A more comprehensive study of individual companies' CSR reports to investigate if they express different moral attitudes towards different societal activities would also be an interesting avenue of research. The taxonomy of ethical rhetoric can be applied in research of individual companies as well as in comparative analysis. Since formal corporate statements involves *doing* something – whether acts of informing us about facts, advocating certain things, giving specific promises, making moral commitments, or whatever – the study of corporate rhetoric is important and deserves

intensified attention from social scientists.

## References

- Aristotle, Trendennick, H., Thomson, J. A. K., & Barnes, J. (2004). *The Nicomachean ethics*. New York, NY, USA: Penguin Classics.
- Arla. (2005). A brief presentation 2005 (pp. 3).
- Austin, J. L. (1962). *How to do things with words*. Cambridge, MA, USA: Harvard University Press.
- Bahm, A. J. (1983). "The Foundation of Business Ethics". *Journal of Business Ethics*, Vol. 2, No. 2, pp. 107-110.
- Barnard, C. I. (1938). *The Functions of the Executive*. Boston: The President and the Fellows at Harvard College.
- Bentham, J. (2000). *An Introduction to the principles of morals and legislation*. Kitchener, Ont.: Batoche.
- Bowie, N. E. (1999). *Business ethics: a kantian perspective*. Oxford: Blackwell.
- Brammer, S., & Pavelin, S. (2008). "Factors influencing the quality of corporate environmental disclosure". *Business Strategy & the Environment*, Vol. 17, No. 2, pp. 120-136.
- Branco, M., & Rodrigues, L. (2008). "Factors Influencing Social Responsibility Disclosure by Portuguese Companies". *Journal of Business Ethics*, Vol. 83, No. 4, pp. 685-701. doi: 10.1007/s10551-007-9658-z
- Branco, M. C., & Rodrigues, L. L. (2007). "Issues in Corporate Social and Environmental

- Reporting Research: An Overview". *Issues in Social & Environmental Accounting*, Vol. 1, pp. 72-90.
- Campbell, J. L. (2007). "Why would corporations behave in socially responsible ways? An institutional theory of corporate social responsibility". *Academy of Management Review*, Vol. 32, No. 3, pp. 946-967.
- Carrefour. (2004). *Sustainability Report 2004* (pp. 3).
- Clarke, J., & Gibson-Sweet, M. (1999). "The use of corporate social disclosures in the management of reputation and legitimacy: a cross sectoral analysis of UK Top 100 Companies". *Business Ethics: A European Review*, Vol. 8, pp. 5-13.
- Corporate Register. (2008). "<http://www.corporateregister.com/charts/byyear.htm>"
- Crane, A., & Matten, D. (2004). *Business ethics : a European perspective : managing corporate citizenship and sustainability in the age of globalization*. Oxford: Oxford University Press.
- DiMaggio, P. J., & Powell, W. W. (1983). "The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields". *American Sociological Review*, Vol. 48, No. 2, pp. 147-160.
- DnBNor. (2004). *Annual report 2004* (pp. 18).
- Donaldson, T., & Dunfee, T. W. (1999). *Ties that bind: a social contracts approach to business ethics*. Boston, Mass.: Harvard Business School Press.
- Eni. (2004). *Health Safety Environment 2004 report* (pp. 9).
- Freeman, E. R. (1984). *Strategic Management, A Stakeholder Approach*. Marshfield, Massachusetts: Pitman Publishing Inc.
- Friedman, M. (1970). *The Social Responsibility of Business is to Increase Its Profits* *The New York Times Magazine* (Vol. September 13, 1970).
- Galaskiewicz, J. (1997). "An Urban Grants Economy Revisited: Corporate Charitable Contributions in the Twin Cities, 1979-81, 1987-89". *Administrative Science Quarterly*, Vol. 42, No. 3, pp. 445-471.
- Gauthier, D. (1986). *Moral by Agreement*. N.Y.: Oxford University Press.
- Hummels, H. (2004). "A Collective Lack of Memory". *Journal of Corporate Citizenship*, No. 14, pp. 18-21.
- Ihlen, Ø. (2010). *Slik snakker de om samfunnsansvar*: <http://www.bi.no/Hovedstruktur/Forskning-20/Nyheter-20/Nyheter-2010/Slik-snakker-de-om-samfunnsansvar/>.
- Johnson&Johnson. (2004). *2004 Sustainability report* (pp. 1).
- Jotun. (2005). *SHE report 2005* (pp. 7).
- Joutsenvirta, M. (2009). *A language perspective to environmental management and corporate responsibility Business Strategy & the Environment* (John Wiley & Sons, Inc) (Vol. 18, pp. 240-253).
- Kant, I. (1998). *Groundwork of the Metaphysics of Moral*.

- Cambridge: Cambridge University Press.
- Kaptein, M. (2007). "Ethical Guidelines for Compiling Corporate Social Reports". *Journal of Corporate Citizenship*, No. 27, pp. 71-90.
- KPMG. (2008). *KPMG International Survey of Corporate Responsibility Reporting 2008*.
- Livesey, S. M., & Kearins, K. (2002). "Transparent and Caring Corporations? A Study of Sustainability Reports by The Body Shop and Royal Dutch/Shell". *Organization & Environment*, Vol. 15, No. 3, pp. 233.
- MacIntyre, A. (1984). *After Virtue: a study in moral theory*. Notre Dame: University of Notre Dame Press.
- Morsing, M., Schultz, M., & Nielsen, K. U. (2008). "The 'Catch 22' of communicating CSR: Findings from a Danish study". *Journal of Marketing Communications*, Vol. 14, No. 2, pp. 97-111.
- Nike. (2004). *Corporate Responsibility Report* (pp. 3).
- Nokia. (2004). *Corporate responsibility report 2004* (pp. 3).
- O'Donovan, G. (2002). "Environmental disclosures in the annual report - Extending the applicability and predictive power of legitimacy theory". *Accounting, Auditing & Accountability Journal*, Vol. 15, No. 3, pp. 344-371.
- Peab. (2004). *Our most important values, company policy*.
- Pfizer. *How are we doing?*
- Rand, A., & Branden, N. (1970). *The virtue of selfishness: a new concept of egoism*. New York: Signet.
- Rawls, J. (1971). *A theory of justice*. Cambridge, Mass.: The Belknap Press of Harvard University Press.
- Rousseau, J. (1984). *A Discourse on Inequality*: Penguin Book.
- RWE. (2003). *Corporate Responsibility Report 2003*.
- Scott, W. R. (2008). *Institutions and Organizations - Ideas and Interests* (third ed.). Thousand Oaks: Sage Publications, Inc.
- Singer, P. (1993). *Practical ethics*. Cambridge: Cambridge University Press.
- Smith, A. (1991). *Wealth of nations*. Amherst, N.Y.: Prometheus Books.
- Solomon, R. C. (1992). *Ethics and Excellence: Cooperation and Integrity in Business*. New York: Oxford University Press.
- Sony. (2005). *CSR Report 2005* (pp. Preface).
- Systembolaget. (2004). *Annual report 2004* (pp. 11).
- Wenstøp, F., & Myrmel, A. (2006). "Structuring organizational value statements". *Management Research News*, Vol. 29, No. 11, pp. 673-683.

### Attachment 1. Overview over Companies Evaluated

Company	Country	Sector
Alcan	Canada	Steel & Other Metals
Alcoa	USA	Steel & Other Metals
Arla Foods	Denmark, UK	Food Producers & Processors
AstraZeneca	Sweden/UK	Pharmaceuticals & Biotechnology
Best Buy	USA	General Retailer
Bilfinger Berger	Germany	Construction & Building Materials
BNFL	UK	Electricity
Body Shop	UK	General Retailer
BP	UK	Oil & Gas
BT	UK	Telecommunication Services
Camelot	UK	Leisure, Entertainment & Hotels
Carrefour	France	Food & Drug Retailer
Centrica	UK	Gas Distribution
Coca-Cola	USA	Beverages
Comalco	Australia	Mining (Rio Tinto)
Coop	Norway	General Retailer
DaimlerChrysler	Germany	Automobiles & Parts
Danish Crown	Denmark	Food Producers & Processors
Dixons / DSG Int.	UK	General Retailer
DnB	Norway	Banks
Dow	USA	Chemicals
DynoNobel	Norway	Chemicals
Electrabel	Belgium	Electricity (Suez)
Eni	Italy	Oil & Gas
Fortum	Finland	Oil & Gas
GE	USA	Diversified Industrials
Hydro	Norway	Oil & Gas
IBM	USA	Information Technology Hardware
Ikea	Sweden	Household Goods & Textiles
Johnson & Johnson	USA	Pharmaceuticals & Biotechnology
Jotun	Norway	Distributor
Kingfisher	UK	General Retailer
Lundbeck	Denmark	Pharmaceuticals & Biotechnology
Lyse	Norway	Electricity
MT Højgaard	Denmark	Construction & Building Materials
Microsoft	USA	Software & Computer Services

---

Nestlé	Switzerland	Food Producers & Processors
NextGen Tel	Norway	Telecommunication Services
Nike	USA	Household Goods & Textiles
Nokia	Finland	Information Technology Hardware
NorgesGruppen	Norway	Food & Drug Retailer
Norsk Tipping	Norway	Leisure, Entertainment & Hotels
Novo Nordisk	Denmark	Pharmaceuticals & Biotechnology
Nuon	Netherlands	Electricity
Orkla	Norway	Personal Care & Household Products
Peab	Sweden	Construction & Building Materials
Pfizer	USA	Pharmaceuticals & Biotechnology
Philip Morris	Switzerland	Tobacco (Altria)
Rieber (Toro)	Norway	Diversified Industrials
RWE	Germany	Multi-Utilities
SAQ	Canada	Food & Drug Retailer
Schibsted	Norway	Media & Photography
Securitas	Sweden	Diversified Industrials
Shell	UK/Netherlands	Oil & Gas
SIBA	Sweden	General Retailer
Siemens	Germany	Electronic & Electrical Equipment
Skanska	Sweden	Construction & Building Materials
Sony	Japan	Electronic & Electrical Equipment
Starbucks	USA	Leisure, Entertainment & Hotels
Statoil	Norway	Oil & Gas
Steen & Strøm	Norway	Real Estate
Stora Enso	Finland	Forestry & Paper
Storebrand	Norway	Speciality & Other Finance
Svenska Spel	Sweden	Leisure, Entertainment & Hotels
Swedish Meat	Sweden	Food & Drug Retailer
Systembolaget	Sweden	Food & Drug Retailer
Telenor	Norway	Telecommunication Services
Tine	Norway	Food Producers & Processors
Tomra	Norway	Engineering & Machinery
Total	France	Oil & Gas
Toyota	Japan	Automobiles & Parts
UPM	Finland	Forestry & Paper
Vattenfall	Sweden	Electricity
Veidekke	Norway	Construction & Building Materials
Verbund	Austria	Electricity
Volkswagen	Germany	Automobiles & Parts
Vollvik (Chess)	Norway	Telecommunication Services
Volvo Cars	Sweden	Automobiles & Parts (Ford)
Wal-Mart	USA	General Retailer
Yara	Norway	Chemicals

---

This academic article was published by The International Institute for Science, Technology and Education (IISTE). The IISTE is a pioneer in the Open Access Publishing service based in the U.S. and Europe. The aim of the institute is Accelerating Global Knowledge Sharing.

More information about the publisher can be found in the IISTE's homepage:

<http://www.iiste.org>

The IISTE is currently hosting more than 30 peer-reviewed academic journals and collaborating with academic institutions around the world. **Prospective authors of IISTE journals can find the submission instruction on the following page:**

<http://www.iiste.org/Journals/>

The IISTE editorial team promises to review and publish all the qualified submissions in a fast manner. All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Printed version of the journals is also available upon request of readers and authors.

### **IISTE Knowledge Sharing Partners**

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digital Library, NewJour, Google Scholar

