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Striving for Legitimacy Through Corporate Social Responsibility: Insights from Oil Companies

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Abstract Being a controversial industry, oil companies turn to corporate social responsibility (CSR) as a means to obtain legitimacy. Adopting a case study methodology, this research examines the characteristics of CSR strategies and CSR communication tactics of six oil companies by analyzing their 2011–2012 web site content. We found that all six companies engaged in CSR activities addressing the needs of various stakeholders and had cross-sector partnerships. CSR information on these companies' web sites was easily accessible, often involving the use of multimedia technologies and sometimes social media platforms. Furthermore, to boost the credibility of their CSR messages, these companies utilized a variety of tactics, such as factual arguments and two-sided messages. In sum, this research unveils the interconnectedness among business strategy, CSR practices, and CSR communication in oil companies' attempt to gain legitimacy in an environment of controversy. The article ends with a discussion of the theoretical and practical implications of the research findings.

Keywords Corporate social responsibility · Communication · Legitimacy · Oil industry · Controversial industries · Corporate website

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Introduction

What constitutes a controversial industry? Controversial industries may be polemic owing to the goods or services that they provide and/or how they conduct themselves in the process of achieving business objectives. In the first case, some industries, such as tobacco, alcohol, gaming, and adult entertainment, are controversial because their products are viewed as sinful by society based on social norms, their addictive nature, or potential undesirable social consequences resulting from their usage (Cai et al. 2012; Hong and Kacperczyk 2009; Yoon et al. 2006). In the second case, an industry can become controversial when there are industry-wide practices that violate stakeholder interests or social expectations, such as morally corrupt or unethical behaviors, socially or environmentally irresponsible practices, and product harm crises (Cai et al. 2012; Carroll 1979; Klein and Dawar 2004).

Oil industry is controversial because there has been persistent, widespread engagement in unscrupulous business practices that entail adverse social, environmental, and ethical consequences (Woolfson and Beck 2005). Prior research has documented the negative social and environmental consequences of oil, such as global warming caused by the production and use of oil, deterioration in local air and water quality around petroleum refineries, and the "resource curse" that has afflicted many countries with abundant oil resources (Frynas 2005; Idemudia 2009; Woolfson and Beck 2005). High profile disasters, such as the Exxon Valdez oil spill in 1989 and BP's oil spill in the Gulf of Mexico in 2010, have triggered public outcry and litigation. Over the past several decades, oil companies have been harshly criticized by media, governmental organizations, and non-governmental organizations (NGOs) for issues ranging from environmental violations, human rights abuses, detrimental impact on local communities, to breaches of labor and safety standards[1] (e.g., BBC News 2011; New York Times 2001, 2011; Oil and Gas Journal 1981).

Companies in controversial industries frequently find their organizational legitimacy being challenged (Palazzo and Scherer 2006). Legitimacy, defined as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (Suchman 1995, p. 574), is vital for organizational survival because it ensures the continuous flow of resources and the sustained support by the organization's stakeholders (Pfeffer and Salancik 1978; Suchman 1995). In response to the widespread negative media publicity, as well as the increased level of stakeholder sensitivity to ethical, social, and environmental issues (Du et al. 2011; Maignan and Ferrell 2004), oil companies are embracing corporate social responsibility (CSR) as a strategic means to counter negative public sentiments, build reputational capital, and ultimately attain legitimacy essential for their long-term prosperity. A company's CSR actions, or the broad array of strategies and operating practices that deal with and develop relationships with its stakeholders and the natural environment (Waddock 2004, p. 10), appeal to the socio-cultural norms of its institutional environment and therefore contribute to its organizational legitimacy (Handelman and Arnold 1999; Palazzo and Scherer 2006; Scott 1987). Prior research demonstrates that stakeholders expect companies to be socially responsible and will reward good corporate citizens and punish bad ones (Greening and Turban 2000; Maignan and Ferrell 2004; Sen et al. 2006).

However, precisely because of the highly controversial nature of the industry, oil companies face challenges in building the requisite legitimacy through their CSR endeavors. As Bhattacharya and Sen (2004, p. 17) noted, "Belonging to a certain industry (e.g., oil, tobacco, and alcohol) is likely to dampen the effect of CSR initiatives due largely to the unfavorable often cynical attributions that consumers are likely to make in these instances." Similarly, Woolfson and Beck (2005) expressed significant concerns about the sincerity of the oil industry's commitment to CSR, criticizing that CSR is simply a façade to allow the industry to continue with business as usual. Godfrey et al. (2009) found that, due to higher stakeholder skepticism, firms in controversial industries reap less benefits (in terms of reputational capital or goodwill) from their CSR engagement than those in neutral industries (also see Sen et al. 2009; Yoon et al. 2006).

In light of the unique challenges facing oil companies in their attempt to build legitimacy through CSR, this research employs a case study methodology to critically examine the CSR practices and CSR communication of six oil companies. More specifically, this research seeks to explore answers to the following questions:

(i) What are the characteristics of CSR strategies and practices of these oil companies?
(ii) What tactics do these oil companies use to overcome stakeholder skepticism and to enhance the overall effectiveness of their CSR communication?

This research has several contributions. First, our analysis of the six oil companies reveals substantial similarities and differences in terms of their CSR strategies and practices. We point out areas where oil companies need to be more strategic and more long-term oriented. Our analysis indicates that, rather than treating CSR as a public relations strategy, oil companies need to embed CSR into their business operations, minimizing their negative externality and investing more substantially into renewable, alternative energies. Furthermore, in-depth consultation with key stakeholders (e.g., local communities and relevant non-profits), and being open and transparent throughout the implementation process, are essential ingredients of an authentic, credible CSR strategy.

Second, we identify a number of framing mechanisms and communication tactics that can enhance the effectiveness of CSR communication. Scholars have consistently called for more research on CSR communication as it tends to trigger stakeholder skepticisms and perceptions of corporate hypocrisy (Dawkins 2004; Du et al. 2010; Maignan and Ralston 2002). Our research answers this call and advances our understanding of CSR communication, particularly in controversial industries where there is low perceived company credibility (Godfrey et al. 2009; Yoon et al. 2006).

The rest of the article is organized as follows. We first discuss relevant literature on organizational legitimacy, CSR, and CSR communication. We then describe our methodology and present our findings. We conclude with a discussion of theoretical and practical implications, as well as limitations of our study and avenues for further research.

[1] Oil companies have long been criticized for their unscrupulous business practices. In addition to the massive media coverage relating to large-scale disasters like Exxon Valdez oil spill and BP's oil spill in the Gulf of Mexico, media report of oil companies' unethical and often illegal practices abound. For instance, in February 2011, a court in Ecuador fined Chevron \$8.6 billion for polluting the country's Amazon region, where over 30,000 indigenous people claimed loss of crops and farm animals as well as increased local cancer rates as the result of reckless oil drilling in the rainforest (BBC News 2011; New York Times 2011). Similarly, Exxon Mobil is constantly under the media spotlight for oil spills and human rights violations, among others (Gazette 2011; Oil and Gas Journal 1981); critics and human rights activists have condemned Exxon Mobil for its operations in Indonesia and in Chad (New York Times 2001). Smaller oil companies likes Marathon Oil and Valero Energy also have had their share of negative publicity regarding unethical and controversial practices (e.g., Chemical News & Intelligence 2010; Financial Wire 2007).

Theoretical Background

Pursuit of Legitimacy via CSR

Legitimacy is essential for a firm's survival and growth (Handelman and Arnold 1999; Scott 1987; Suchman 1995). Prior literature on organizational legitimacy adopts two approaches: strategic legitimacy and institutional legitimacy (Suchman 1995). The strategic approach depicts legitimacy as an operational resource that organizations extract from their cultural environments and that they employ in pursuit of their goals (Ashforth and Gibbs 1990; Pfeffer and Salancik 1978). Strategic legitimacy researchers view the process of legitimation as instrumental, calculated, and frequently oppositional (i.e., conflicts between managers and constituents; Ashforth and Gibbs 1990). In contrast, institutional researchers view legitimacy as congruence with a set of constitutive beliefs in an organization's institutional environment (Scott 1987; Suchman 1995). According to this view, institutional norms, which originate from public opinions, educational systems, professions, ideologies, and certification and accreditation bodies, to name a few (Scott 1987), act as unwritten rules of the "social contract" to which organizations must adhere (Robin and Reidenbach 1987). Organizations that conform to these institutional norms demonstrate cultural allegiance and attain legitimacy. This article draws upon both approaches to legitimacy.

In today's socially conscious environment, stakeholders, such as consumers, employees, investor, local communities, government, non-profits, and media, expect companies to be socially responsible (Maignan and Ferrell 2004; Peloza and Shang 2011). In other words, institutional norms demand that a company be aware of its impact on various stakeholders and honor the "social contract" between business and society. A company's CSR actions comprise of various strategies and operating practices that contribute to the long-term economic, social, and environmental well-being (Kotler and Lee 2005). Through CSR actions, a company enacts and upholds the socio-cultural norms in its institutional environment and attains legitimacy (Handelman and Arnold 1999; Palazzo and Scherer 2006).

In turn, legitimacy drives the business outcomes of CSR as stakeholders willing to offer their support for companies that have achieved legitimacy (Luo and Bhattacharya 2006; Maignan and Ferrell 2004). In the consumption domain, a positive record of CSR fosters consumer trust in the company that can lead to increased consumer patronage (Du et al. 2011 2007). In the employment domain, socially responsible companies enjoy a significant advantage in attracting, motivating, and retaining talented employees (Greening and Turban 2000). In the investment domain, a positive CSR record attracts socially responsible investors (Hill et al. 2007; Maignan and Ferrell 2004; Sen et al. 2006). Interestingly, however, most prior research on the business benefits of CSR was conducted in the context of neutral, non-controversial industries. Oil companies, due to their controversial reputation, face challenges of overcoming stakeholder skepticism, restoring public trust, and cultivating or repairing their legitimacy.

As such, oil companies need to establish the credibility of their CSR actions to reap legitimacy benefits from CSR. One aspect of CSR credibility refers to stakeholder perceptions of how sincere, or intrinsic, a company is in upholding the institutional norms of being socially responsible (Du et al. 2007; Yoon et al. 2006). A company's CSR actions are credible to the degree that its stakeholders perceive intrinsic motives (i.e., genuine concern for societal welfare) and believe that the CSR actions reflect the company's underlying character of being responsible and trustworthy (Sen and Bhattacharya 2001; Peloza and Shang 2011). Another aspect of credibility refers to the perceived efficaciousness of CSR actions in making a positive change (Du et al. 2008, 2011; Kotler and Lee 2005). A firm's CSR actions are credible if they improve the welfare of stakeholders and the society.

CSR Communication

Legitimacy management rests heavily on the communication of meaning-laden actions (e.g., CSR actions) between the organization and its various stakeholders (Suchman 1995). Research on strategic legitimacy suggests that, at the margin, management can make a noticeable difference in the extent to which a company reaps legitimacy benefits from its CSR actions (Ashforth and Gibbs 1990; Suchman 1995). Specifically, communication plays a critical role; given a solid CSR record, effective communication will raise stakeholder awareness of a company's CSR actions and can enhance its CSR credibility (Du et al. 2010; Maignan and Ferrell 2004).

There exists a diverse range of channels through which companies communicate their CSR-related information, such as social, environmental, and sustainability reporting (Gray 2001, 2006), corporate websites (Moreno and Capriotti 2009; Maignan and Ralston 2002), CSR advertising (Wagner et al. 2009; Yoon et al. 2006), public relations, and social media platforms (Dawkins 2004; Korschun and Du 2012). Social, environmental, and sustainability reporting, in conjunction with financial reporting, provide a more comprehensive picture of a company's overall performance, and contribute to the company-society dialog (Gray 2006; Gray et al. 1995). Companies' voluntary disclosure about their social and environmental performance has been steadily increasing (Gray 2006; KPMG 2011). In addition to social reporting, companies also communicate

Table 1 Key statistics of companies in our sample

Company name	Revenue ($ million)	Profit ($ million)	Number of employees	Headquarter
Exxon Mobil	452,926	41,060	99,100	Irving, TX, USA
BP	375,517	39,817	83,400	London, ENG, UK
Chevron	245,621	26,895	61,189	San Ramon, CA, US
ConocoPhillips	237,272	12,436	29,800	Houston, TX, USA
Valero Energy	125,095	2,090	21,942	San Antonio, TX, USA
Marathon Oil	68,413	2,568	29,677	Houston, TX, USA

Source Statistics about Exxon Mobil, Chevron, ConocoPhillips are from Fortune (2012); statistics about BP are from BP's 2011 annual report; statistics about Marathon Oil are from Fortune (2011) due to the company's split into the new Marathon Oil and Marathon Petroleum in 2011

their CSR on corporate websites (Maignan and Ralston 2002), through public relations and CSR advertising (Dawkins 2004). Finally, CSR communication can be from a neutral, third-party source, including social audits by non-profit organizations (e.g., Greenpeace, Oxfam, trade unions, and many others), newspaper editorials, and CSR ranking by various organizations (e.g., Newsweek's green rankings, Fortune's reputation ranking on CSR; Du et al. 2010).

The strategic approach to legitimacy requires that companies should carefully design and implement their communication strategy, paying attention to details of their CSR messages as well as utilizing a variety of communication channels (Dawkins 2004; Du et al. 2010; Wagner et al. 2009). Furthermore, there is likely to be a tradeoff between perceptions of controllability and credibility of communication channels: the less the channel is perceived as company-controlled, the more credible the CSR message is from the stakeholders' perspective and vice versa (Bhattacharya and Sen 2003; Yoon et al. 2006). Stakeholders will likely perceive the company as more self-interested than third-party non-corporate sources and, consequently, judge CSR information from corporate sources (e.g., corporate web, public relations, and CSR advertising) as less credible than information from non-corporate sources (e.g., media report, independent CSR rankings).

Methodology

Sample Selection

We chose to analyze six oil companies, Exxon Mobil, Chevron, ConocoPhillips, Valero Energy, Marathon Oil[2], and BP. The first five companies are headquartered in the US and are selected because they constitute the five largest US oil companies based on sales revenue reported by Fortune (2012); BP is based in UK but is included because of its size and, more importantly, the controversies surrounding its 2010 oil spill in the Gulf of Mexico. Table 1 provides key statistics about these companies, including revenue, profit, number of employees, and the location of their headquarters.

We focus on large oil companies because, all else equal, larger firms not only have greater CSR engagement (Campbell 2007) but also are more likely to report their CSR activities extensively (Gray et al. 1995; KPMG 2011), thus providing the appropriate empirical context for us to investigate our research questions regarding CSR practices and CSR communication. Furthermore, there are sufficient variations in size and profitability within our sample; Valero Energy and Marathon Oil are much smaller and less profitable than the other four. Thus, we are able to examine potential relationships, if any, between firm-specific factors (i.e., size and profitability) and CSR. Finally, our sample size (i.e., 6 cases) is considered appropriate for case study analysis (Eisenhardt 1989).

CSR Information on Corporate Website

Consistent with a large body of prior research (e.g., Wanderley et al. 2008; Moreno and Capriotti 2009; Maignan and Ralston 2002), we use CSR information on the corporate websites as our data source. Corporate websites have been increasingly recognized as an important and mainstream CSR reporting tool because they can provide in-depth and comprehensive information about companies' CSR practices and also allow for strategic stakeholder communication (Du et al. 2010; Kotler and Lee 2005; Lee et al. 2009; Maignan and Ralston 2002; Moreno and Capriotti 2009).

More generally, corporate websites are fast becoming an important platform for corporate self-presentation (Pollach 2003) due to a number of reasons. First, compared to traditional media, corporate website allows a company to publicize more information less expensively and faster than

[2] Marathon Oil spinned off its refining unit, Marathon Petroleum, in June 2011 and as a result is a much smaller company focusing on oil and gas exploration and production.

ever before, as well as being available 24 hours a day and 7 days a week (Wanderley et al. 2008). Second, corporate websites tend to serve audiences that are more active in how they seek and process information than the more passive publics who are reached via traditional mass media (Esrock and Leichty 1998). Furthermore, those web audiences tend to come from a variety of stakeholder groups including customers, government officials, news media, employees, and issue activists (Lee et al. 2009), thus a company can reach a diverse set of stakeholders with its corporate website. However, despite the unique strengths of corporate websites, it is worth noting that CSR information on corporate websites are not audited and, coming from a corporate source, are viewed by stakeholders as lower in credibility than a neutral source (Bhattacharya and Sen 2003; Dawkins 2004).

Data Collection and Analysis

The corporate websites of the six companies were identified using the Google search engine. We collected the CSR information on these companies by visiting and revisiting their corporate websites multiple times from August 2011 to July 2012.

We conducted in-depth analysis of the CSR information reported on the websites to reveal the characteristics of the CSR strategies/practices of these companies, and the characteristics of their CSR communication on the web.[3] In line with case study methodology (Eisenhardt 1989; Flyvbjerg 2011), our initial analysis consisted of analyzing within-case data and searching for cross-case patterns. Each company was analyzed separately and then reinterpreted in a comparative manner. We then followed an iterative approach of analysis, traveling back and forth between the data and the emerging themes (Eisenhardt 1989). For every theme distilled from the data, we tried to enhance its validity both by evaluating it in the context of relevant literature (e.g., Du et al. 2010; Godfrey et al. 2009; Maignan and Ferrell 2004), and by corroborating the theme across multiple cases (i.e., companies). Whenever appropriate, we tried to present specific examples to support our findings. Two researchers collectively analyzed the data; any disagreements were solved through discussion in light of relevant literature on CSR and CSR communication (e.g., Berger et al. 2007; Dawkins 2004; Godfrey et al. 2009; Porter and Kramer 2006, 2011).

[3] Our findings are based on information collected from the corporate websites during the time frame specified. Changes may occur regarding the CSR information on these corporate websites after our data were collected.

Findings

Our analysis revealed a number of important findings. Oil companies exhibited certain characteristics in their CSR practices, such as diversity of CSR issues being addressed and the widespread presence of cross-sector partnerships. Regarding CSR communication, we found that oil companies utilized (i) a number of framing mechanisms that enhance the salience and effectiveness of CSR messages, (ii) communication tactics that boost the credibility of CSR messages, and (iii) an affective, story-based method of communication. Figure 1 presents the conceptual framework, with the bold part being the focus of our study.

Characteristics of CSR Practices

Diversity of CSR Issues Addressed

One prominent theme that came out of our analysis is that all six companies have CSR activities in multiple domains, addressing a diverse range of social issues targeting customers (e.g., product safety, provision of quality), employees (e.g., health, safety, diversity, training), environment (e.g., climate change, pollution prevention), and community (e.g., charitable giving, support for education and arts program).

Overall, initiatives about the environment and local communities where they operate received the most attention and resources from the oil companies, as indicated by the level of commitment and number of explicit CSR programs they have in these two domains. Their environmental CSR activities generally included enhancing energy efficiency, promoting biodiversity, fighting climate change by reducing greenhouse emission, and the preservation of natural resources. Their community CSR activities ranged from health initiatives (e.g., programs fighting malaria, AIDS, and Tuberculosis), arts and educational programs, to initiatives that stimulate socioeconomic development in the local communities. Except Valero Energy, all other companies had extensive community initiatives both in the US and across the globe. Valero Energy's community CSR actions were very limited and only took place in the US, mostly surrounding its corporate headquarter in Texas; it had no initiatives benefiting the communities abroad where it operates (e.g., Canada, UK, and the Caribbean).

Compared to the environment and communities, other key stakeholders such as employees and customers received less attention. CSR activities targeting employees were mostly limited to workplace safety and employee health. More progressive programs such as fair hiring and recruitment, work-life balance, and efforts to support diversity and inclusion, were noticeably lacking, with some exceptions in the cases of Chevron and BP. Specifically,

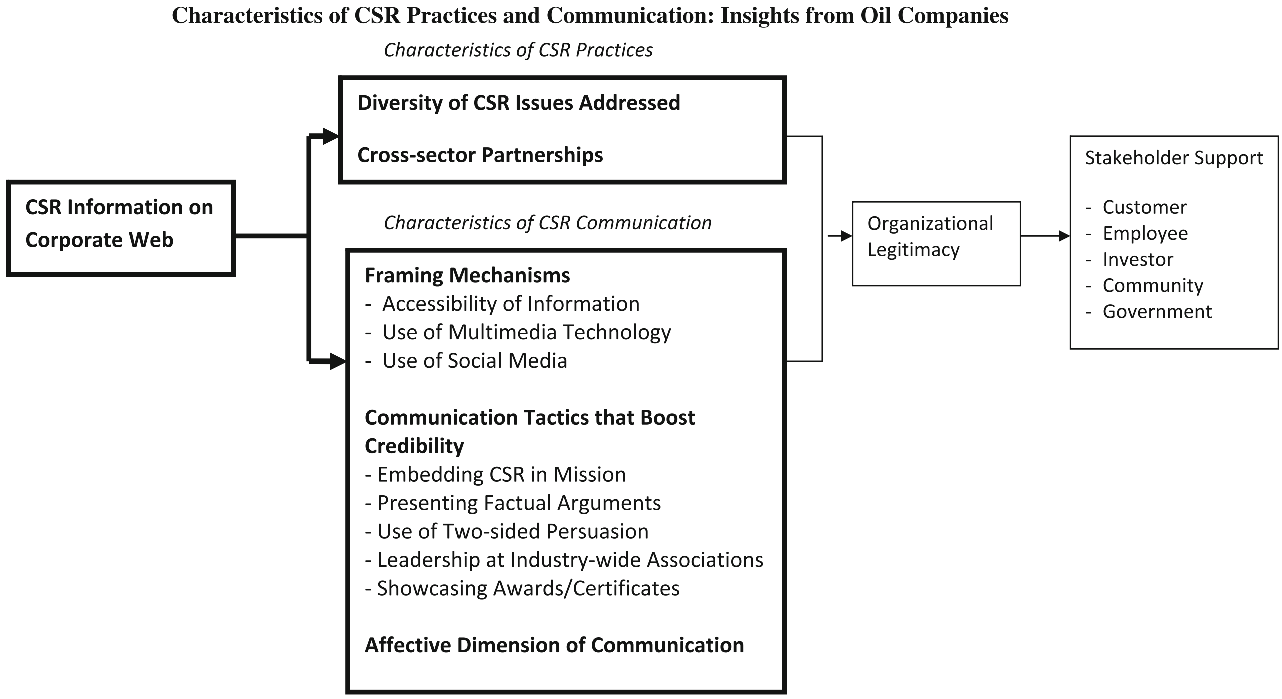

Fig. 1 Characteristics of CSR practices and communication: insights from oil companies

Chevron has diversity councils for employees but lacked more proactive or systematic initiatives to promote diversity and inclusion. BP recently added programs to support the development and promotion of talented women; however, women still remained significantly under-presented at the executive and board levels.

CSR activities targeting consumers mainly refer to actions to improve energy efficiency and to develop cleaner, alternative energy, which overlapped with environmental CSR activities. Three companies, BP, Chevron, and Valero Energy, had substantial investments to develop alternative, renewable energy. BP had an alternative energy business unit and has invested $6.6 billion in alternative energy since 2005, focusing primarily on biofuels and wind energy. Chevron was the largest producer of geothermal energy, and also invested heavily in advanced solar technologies and biofuels. Valero Energy, with 10 state-of-the-art ethanol plants, engaged in large-scale production of ethanol; the company also invested in other renewable energy including biofuels and wind farm. In contrast, Exxon Mobil, ConocoPhillips, and Marathon Oil focused almost exclusively on their core expertise in extracting oil and related technologies and did not invest substantially in alternative energy.

Cross-Sector Partnerships

Another theme emerging from our analysis is the widespread use of cross-sector partnerships. Partnership between businesses and non-profit organizations is an effective way of corporate social engagement due to the complementary roles they can play in solving social issues (Gourville and Rangan 2004; Kotler and Lee 2005; Mahoney et al. 2009). Non-profits have a keener sense of community needs, and can provide guidance as to the importance or severity of certain social issues. Non-profits also provide much needed expertise in implementing the social initiatives on the ground. For their part, businesses can provide financial and human resources, and leverage their core business competency (e.g., technology, R&D) to provide solutions to societal problems.

We noted such cross-sector partnerships in all six companies, albeit to varying degrees. Among them, Exxon Mobil had the most extensive partnerships with various non-profit organizations, such as Africare, the Global Health Group, and the Harvard School of Public Health. In contrast, BP and Valero Energy had the most limited partnerships. Regarding the nature of partnership, Exxon Mobil and Marathon Oil had some developmental initiatives that focused on developing underprivileged demographic groups (e.g., aboriginals, women), entrepreneurs, and business leaders as well those that focus on deploying technologies. The other four companies mostly had partnerships that concentrate on providing donations or building infrastructures (e.g., learning centers). Research suggests that developmental initiatives, such as those undertaken by Exxon Mobil and Marathon Oil, could build local business capacities and spur local employment, and therefore are far superior to those merely seen as "gifts" from outsiders (e.g., rich oil conglomerates; Frynas 2005; Porter and Kramer 2011).

Discussion

We noticed several weaknesses in the CSR strategies and practices of these companies. First, their environmental CSR strategies were reactive rather than proactive. There appears to be no long-term approach to seriously address the challenges associated with environmental pollution and climate change. Systematic, industry-wide efforts to minimize the adverse environmental impact of oil extraction and refinery and to develop green capabilities through renewable, alternative energy were largely absent (see also Escobar and Vredenburg 2011). Second, employees as a key stakeholder group received inadequate attention, with employee-related CSR actions mostly limited to workplace safety and employee health. Catering to the multi-dimensional needs of employees (Bhattacharya et al. 2008), oil companies should adopt more progressive initiatives, such as initiatives that promote diversity and inclusion, and those that provide continuous employee training and leadership development.

Regarding cross-sector partnerships, we frequently noticed large sum donations to non-profits in support of various worthy causes, but did not see many partnerships where the company's involvement goes much further beyond simple financial donations (with some exceptions in the cases of Exxon Mobil and Marathon Oil). Interestingly, large sum donations are more media friendly (e.g., easy to impress) and, at least in the short term, constitute good public relations strategies. Oil companies need to weigh the short-term benefits of public relation-friendly donations against the long-term, enduring benefits of more complex, developmental initiatives that require in-depth involvement from the company, the non-profit sector, and the local community (Kotler and Lee 2005; Porter and Kramer 2011). Switching from a self-serving, myopic approach to a longer term, truly developmental approach to their cross-sector partnerships would greatly enhance the credibility of their CSR actions. In other words, oil companies should step out of their comfort zone, and engage in thorough consultation with the local communities and the non-profit sector to identify societal areas that require attention, and devise social initiatives that put the "doer" (a person, a community, a country, etc.) "in the driver's seat" to actively help itself. Allowing cause beneficiaries to actively participate in, and to "own" the initiative is one of the best routes for community development and outreach (Ellerman 2001; Kotler and Lee 2005).

Furthermore, our analysis suggests that size does matter in CSR practices; the larger firms like Exxon Mobil, BP, and Chevron had more extensive and more diversified CSR engagement relative to the smaller firms in our sample. These larger firms also had more negative publicity and were considered more sinful than the smaller firms, which perhaps triggered more CSR actions in their attempt to repair/restore legitimacy. Interestingly, the two smaller firms, Valero Energy and Marathon Oil, were noteworthy for embodying certain elements of truly strategic CSR (Porter and Kramer 2006, 2011). For example, Valero Energy's focus on cleaner, renewable energy and Marathon Oil's focus on community capacity-building reflect CSR strategies that produce long-term, "shared" social and business value, rather than treating CSR as add-on, stand-alone efforts.

Characteristics of CSR Communication

Framing Mechanisms

In presenting their CSR information on the web, oil companies employed a variety of methods, or framing mechanisms to enhance the salience of CSR messages. In communication theory, framing mechanisms refer to elements that influence the prominence of a news item, such as placement and size, photographs, quotes, subheads and so on, all of which serve to give the news item, or a particular piece of information, more prominence (Ghanem 1997). We identified three framing mechanisms used by oil companies, namely, (1) accessibility of CSR-related information on corporate website, (2) use of multimedia technologies to enhance media richness, and (3) use of social media to promote stakeholder involvement.

Accessibility of CSR-Related Information on Corporate Website Internet, as a pull media, requires the active participation of the audience in seeking out CSR-related information on the web (Moreno and Capriotti 2009). Hierarchization is the most familiar and effective way to organize information on a corporate website, with the most general or important topics on the main page and then moving toward more specific and detailed sub-topics (Rosenfel and Morville 1998). Therefore, the way in which CSR-related information is structured not only facilitates its accessibility for visitors but also allows the company to establish the level of importance that CSR has within the site. Thus, we consider the level of accessibility of CSR information a major framing mechanism.

We found that CSR-related information was highly accessible on the corporate websites for all six companies. Exxon Mobil used three tabs on the main page, "energy and technology," "safety and environment," and "community and development" to denote the general categories of their CSR activities. BP had a tab "Sustainability" on the main page with a pull-down menu for various subcategories of its CSR activities; BP's main page also had a separate tab "Gulf of Mexico Restoration" for its cleanup and restoration efforts after its 2010 oil spill. For Chevron, two tabs on the main page, "Human Energy Stories" and "Global Issues," were used to describe their CSR activities. ConocoPhillips had a tab on the main page, "sustainable development," with a pull-down menu listing subcategories. The main page of Valero Energy had three CSR-related tabs, "products," "community," and "environment and safety." Marathon Oil had a tab "social responsibility" with a pull-down menu on its main page. In sum, for all six companies, CSR was prominently featured on the corporate main page and was highly accessible, with detailed CSR information merely one or two clicks away from the main page.

Furthermore, except for ConocoPhillips, all other five companies had standalone corporate responsibility reports that were two clicks away from their corporate main pages, prominently featured, and available for download. Although it did not have a comprehensive CSR report, ConocoPhillips had regional sustainability reports, covering Alaska, Australasia, Canada, and China, respectively; these reports were two clicks away from the main page and available for download.

Use of Multi-media Technology to Enhance Media Richness The second framing mechanism that we examine is the use of multimedia technology. According to media richness theory (Daft and Lengel 1986), utilization of various multimedia technologies (e.g., videos, graphics, animation, and so on) raises the media richness of a website and enhances the effectiveness of communication. "Rich" media are not only vivid, attention-grabbing, but also more effective in the transmittal of highly complex information (Kaplan and Haenlein 2009; Vickery et al. 2004). Media richness is a pertinent issue for CSR communication because relative to non-CSR, product-related information, CSR information is often value-laden and highly complex (Dawkins 2004; Sen and Bhattacharya 2001), thus necessitating rich communication media to convey complex messages through the usage of compelling images, text, and audio. As such, use of multi-media technology is an important framing mechanism.

All six oil companies utilized multimedia technology to boost the media richness of their CSR communication, albeit to varying degrees. Among the six companies, Chevron seemed to be the most effective in utilizing multimedia technologies and enjoyed the highest level of media richness. The company prominently featured a series of short videos on the main page of its corporate web, directly under the tab "Human Energy Stories," to showcase its CSR involvement. Some videos featured interviews with NGOs, community members, and employees, and others featured local communities (e.g., in California, Angola, Nigeria, and Australia) where positive changes have been made. Exxon Mobil, BP, and ConocoPhillips also used graphs, pictures, and some short videos, but to a much less extent than Chevron, and instead relied more heavily on textual information in their CSR communication. The CSR information of Valero Energy and Marathon Oil demonstrated the lowest level of media richness, with predominantly textual information and some supplemental pictures, but no videos.

Use of Social Media to Promote Stakeholder Involvement Social media, broadly defined as "Web 2.0 technologies that allow the creation and exchange of user generated content" (Mangold and Faulds 2009), have been shown to greatly facilitate two-way communication between a company and its stakeholders (Kaplan and Haenlein 2009). Research suggests that social media-based communication promotes stakeholder involvement and signals a company's openness and transparency in dealing with it stakeholders (Korschun and Du 2012; Mangold and Faulds 2009). Furthermore, social media-based communication enjoys higher credibility as well as greater reach and persuasive power (Kane et al. 2009; Kaplan and Haenlein 2009). Given oil companies' overall negative reputation and stakeholders' skepticism at such companies' CSR activities (e.g., Woolfson and Beck 2005), the use of social media may be of particular importance in their efforts to engage stakeholders in two-way conversations, overcome stakeholder skepticism, and gain legitimacy from CSR activities (Handelman and Arnold 1999). Thus, we consider the use of social media a critical framing mechanism.

Exxon Mobil, BP, Chevron, and ConocoPhillips, but not the two smaller firms, utilized social media in their CSR communication on corporate websites, albeit to varying degrees. Exxon Mobil had limited use of social media, but featured its Energy Policy Blog on its corporate main page. The Energy Policy Blog shared the company's views on issues, policies, and trends shaping the energy industry, many were CSR related. Exxon Mobil also had a YouTube channel with videos about its CSR engagement and an official yet inactive Facebook page; however, neither the YouTube Channel nor the Facebook page was featured anywhere on the corporate website.[4] ConocoPhillips had three social media elements, a Facebook page, a Twitter account, and a YouTube Channel, on its main web page, thus enabling visitors to directly go to those platforms.

[4] Exxon Mobil's YouTube channel was featured on its corporate main page in September 2011; however, subsequent visits to its website in February and July 2012 showed that the YouTube channel had been removed from the website.

ConocoPhillips was active in managing these three platforms, with frequent updates on Facebook and Twitter. However, for both Exxon Mobil and ConocoPhillips, their social media elements were heavily company-centric, with very few interactions with stakeholders. These two companies did not utilize social media platforms to proactively seek stakeholder feedback or respond to stakeholder comments/inquires, but rather used social media platforms as yet another vehicle for one way, company-to-stakeholder communication. Such company-centric, push strategy is suboptimal in communicating CSR and stimulating stakeholder engagement (Chakravorti 2010).

In contrast, Chevron and BP were more effective at interacting with stakeholders and incorporating stakeholders' voices, thus enhancing two-way CSR communication. On its main page, Chevron had a large "We Agree. Do You?" picture, featuring a variety of stakeholders. Clicking on the picture took you to a section (www.chevron.com/weagree/) where stakeholders can vote on a number of CSR-related statements and learn more about Chevron's CSR involvement;[5] importantly, it is Chevron's stakeholders (e.g., employees, environmental scientists, non-profits, and community members) who shared stories about Chevron's CSR endeavors through testimonials and interviews. Chevron also actively managed its Facebook page, Twitter, YouTube, and LinkedIn, all featured on its website main page. Similarly, BP leveraged various social media platforms (e.g., Facebook, Twitter, YouTube, and Flickr) to engage in a direct dialog with stakeholders regarding its CSR activities. Its Facebook page received several updates everyday and maintained a large, active stakeholder community, with 271,275 Facebook fans. Prior research suggests that such active stakeholder engagement on virtual platforms helps foster favorable CSR perceptions and build connections with stakeholders (Chakravorti 2010; Korschun and Du 2012).

Communication Tactics to Boost CSR Credibility

As discussed previously, overcoming stakeholder skepticism and boosting the credibility of CSR messages are key challenges in CSR communication for all companies and especially so for companies in controversial industries (Dawkins 2004). Our analysis revealed a number of tactics used by oil companies to boost the credibility of their web CSR communication. Table 2 summarizes these tactics together with illustrative examples.

First, integrating CSR into the company's mission and slogan is a powerful way to boost CSR credibility. In general, the greater the extent to which a company integrates CSR into its mission and values, the more likely stakeholders will view CSR as an indispensible part of the company's identity and consider its CSR engagement as authentic and enduring (Du et al. 2007). All six companies in our sample integrated CSR into their missions, but to different extents. Among them, Exxon Mobil was the most limited in embedding CSR into its values, only superficially touching on social issues surrounding its business. At the other end of the spectrum, Chevron and BP were quite thorough in integrating CSR into their values. Specifically, Chevron discussed the "Chevron Way: Getting Results the Right Way," and elaborated on its values—integrity, diversity, protecting people and the environment, and so on; it also had a CSR-relevant slogan, "Human Energy: Finding Newer, Cleaner Ways to Power the World." Similarly, BP focused on its social values using the company name (i.e., BP stands for Beyond Petroleum) and its Helios logo, which symbolizes energy in its many forms.

Second, extensive use of factual arguments serves to enhance credibility of CSR communication. Effective CSR communication is often characterized by factual arguments on central aspects of a company's CSR engagement, particularly factual information on its level of commitment (i.e., resources devoted to a cause) and the societal impact of its CSR initiatives (Du et al. 2010). All six companies extensively utilized factual arguments to communicate their CSR engagement, focusing either on the amount of resources devoted to a cause or on the societal impact of their CSR. Intriguingly, ConocoPhillips employed factual arguments in a novel way. When discussing its CSR involvement in the employee domain, ConocoPhillips used findings (e.g., statistics) from its longitudinal employee survey to showcase where the company stood on employee-related issues such as diversity and inclusion, as well as the progress it has achieved over the years. It is an effective method because employee perceptions and opinions are considered a more credible source of information compared to the company per se (Dawkins 2004).

Third, an interesting and somewhat counter-intuitive way to increase the credibility of CSR communication is the use of two-sided messages. In contrast to one-sided messages, which typically only contain positive information about the company, two-sided messages include both positive and negative information. Research has found that sometimes including negative or qualifying information about a brand can be more effective than a one-sided message where only positive information is presented (Pechmann 1992). In particular, two-sided messages can

[5] Some statements are, "The world needs more than oil," "It's time oil companies get behind the development of renewable energy," "Oil companies should support the communities they're part of." "Oil companies should support small business." "Fighting AIDS should be corporate policy." Individuals can click on the button "I Agree" and click on "what Chevron is doing" in that area for further information.

Table 2 Tactics to boost the credibility of CSR engagement

Tactics	Illustrative examples
Embedding CSR in corporate mission and values	Chevron's slogan—the power of human energy: finding newer, cleaner ways to power the world
	Chevron way: getting results the right way
Presenting factual arguments	ConocoPhillips: it has provided $5 million in hurricane-related contributions to rebuild and support communities on the US Gulf Coast that were devastated by hurricanes in 2008
	Exxon Mobil: through the National Math and Science Initiative (NMSI), of which it is a founding sponsor, the company has helped train more than 6,000 Advanced Placement (AP) and pre-AP teachers across the country since 2008
	Marathon Oil: Marathon has made significant progress in the recruitment, training and development of our workforce in Equatorial Guinea. Today national employees make up 70 % of the workforce. This includes 20 % of managers and supervisors, 52 % of professionals, and 42 % of operations technical employees
Use of two-sided persuasion (i.e., inclusion of both positive and negative information)	Exxon Mobil: however, we are saddened to report that we experienced three worker fatalities in 2010. We thoroughly investigated the causes and contributing factors associated with each incident to learn from them and to prevent similar events in the future
	Exxon Mobil: in 2009, we did not meet our expectation of continued improvement of our spill performance. In 2010, we increased emphasis on spill prevention and re-established our improvement trend
	BP: the overall employee satisfaction index for 2011 (62 %) was below the score from 2009 (65 %) but above that of 2008 (59 %)
	BP: In 2011, our overall recordable injury frequency (RIF) was .36, compared with .61 in 2010, and .34 in 2009. The 2010 group RIF was affected by our Gulf Coast response activities
Membership at industry-wide associations	Chevron: we take a leadership role in the International Petroleum Industry Environmental Conservation Association (IPIECA), leading both the Human Rights and the Voluntary Principles on Security and Human Rights (VPs) task forces
Awards/certificates	Chevron: we were recognized by the publishers of DiversityBusiness.com magazine as one of the "Top Organizations for Multicultural Business Opportunities." For the second year, we received the 2011 Diversity Leader Award from Profiles in Diversity Journal for communicating the company's commitment to diversity and inclusion by sharing thoughts, perspectives, insights, and best practices
	Valero Energy: won recognition for its environmental stewardship from US Environmental Protection Agency, Louisiana Department of Environmental Quality, and others

enhance message credibility, leading the receiver of the message to conclude that the company is "telling the truth," and are thus more effective than one-sided messages in changing negative attitudes (Crowley and Hoyer 1994; Settle and Golden 1974). Exxon Mobil and BP both had a considerable number of two-sided CSR messages on their websites (see Table 2 for specific examples). Further examination of these two-sided messages indicated that they were part of a response strategy to crises and negative publicity in the media.[6] Prior research suggests that, to repair legitimacy after a crisis, companies should first accept responsibility by acknowledging the mishap (instead of flat denial) and then take corrective actions to minimize damage and prevent similar situations from occurring in the future (Dawar and Pillutla 2000; Suchman 1995). BP's CSR section "Gulf of Mexico Restoration" embodied such crisis response strategy to a certain extent.

Fourth, another method to convey CSR credibility is through demonstration of a company's leadership in promoting collective action at the industry level to address societal concerns. Zadek (2004) states that, as companies grapple with the issue of CSR, they go through different stages of organizational learning. The highest stage is what

[6] We thank an anonymous reviewer for this insight. Further investigation of these two-sided messages indicated that they were part of a company's response to crises and the subsequent negative media exposure. For example, Exxon Mobil's acknowledgement of worker fatalities in 2010 (see Table 2) was a response to several media reports concerning the tragic death of Exxon Mobil workers. Similarly, BP's messages on employee satisfaction and workplace

Footnote 6 continued
injuries acknowledged the Deepwater Horizon accident in the Gulf of Mexico, 2010.

he calls the "civic stage" where a company goes beyond viewing CSR as "giving us a competitive edge" to promoting industry-wide collective actions addressing relevant social issues. Chevron is a good example of this; it took a leadership role in a number of industry-level associations addressing issues such as the environment and human rights. Such industry leadership lends enormous credibility to a company's CSR engagement, portraying the company as a progressive, industry leader in CSR.

Fifth, showcasing the awards and/or certificates the company has won is another way to enhance CSR credibility. Exxon Mobil, BP, Chevron, and Valero Energy have won awards and certificates from third-party organizations, and they communicated such information on their websites.

Affective Dimension of CSR Communication

In addition to framing mechanisms and tactics that boost the credibility of CSR messages, we noted that some oil companies, notably Exxon Mobil, Chevron, and BP, used affective stories to communicate their CSR actions. Studies of persuasion have found that, relative to argument-based advertising, narrative- or drama-based advertising reduces counterargument, is processed empathically, and often results in greater persuasion effectiveness (Deighton et al. 1989). Similarly, research in communication finds that the audience's emotional response is often a function of the narrative structure of the message. In particular, the use of stories featuring individual cases and emotional themes is highly effective in making readers identify with the message (Bennett and Edelman 1985; Escalas 2004; van Laer and de Ruyter 2010).

Exxon Mobil, BP, and Chevron had many stories interwoven in their website CSR messages, often through multimedia channels including videos and pictures.[7] CSR stories are easy to absorb and are memorable. Furthermore, through evoking empathy and powerful emotions (e.g., sadness, relief, rejoice, pride) among the audience, stories facilitate the persuasion process and attitude change in favor of the company. In contrast to "hard," fact-based presentations of CSR information, these "soft," personal stories put a "human face" on CSR activities, and thus are effective in capturing audience attention, as well as in conveying, vividly and concretely, the societal impact of their CSR initiatives (Henderson and Kitzinger 1999).

Discussion

Our analysis indicated that company size is related to the characteristics of CSR communication on the web. The larger firms (i.e., Exxon Mobil, Chevron, and BP) leveraged multi-media technology and social media platforms in their CSR communication. Furthermore, the larger firms were also more creative in employing a greater variety of tactics that boost the credibility of their CSR messages, as well as using affective, personal stories to convey their CSR actions. Perhaps the more negative reputation associated with the larger oil companies prompted them to be more creative in their efforts to raise the effectiveness of their CSR communication.

How effective is CSR communication of these companies in changing stakeholder perceptions? Supplemental analysis of stakeholder comments on the corporate social media platforms revealed a strong, recurrent theme of stakeholder anger and skepticisms toward the big oil companies. For example, regarding the company's cleanup efforts of the Yellowstone oil spill in July 2011, one stakeholder commented on an Exxon Mobil post in its Energy Policy Blog, "It appears there is some discrepancy in the reaction time to isolate the leak. Why is there different data? Why did it take nearly 2 h to contact the emergency responders?" Another comment on Exxon Mobil's post on bio fuels was: "…There will be no bio fuels coming from this or any other big oil company. It's just a smoke screen to keep America addicted to petroleum." Similarly, stakeholder comments on Chevron's YouTube channel and Facebook page were highly mixed, with negative comments (e.g., "Chevron is only about profit and nothing else. Check Ecuador.") overshadowing positive ones (e.g., "Wonderful work Chevron. Keep it up."). These predominantly negative comments stand in sharp contrast to the positive testimonies by stakeholders about Chevron's role in enhancing community and societal welfare. Overcoming the controversial reputation of the whole industry is no easy task and requires the concerted efforts from all oil companies. More generally, our analysis suggests that oil companies need to exhibit more transparency in their CSR communication, and be more proactive in engaging in two-way, constructive dialogs with their various stakeholders (Kane et al. 2009; Kaplan and Haenlein 2009). Social media provide a wonderful, interactive platform for oil companies to engage in open, continuous, and in-depth dialogs with stakeholders, yet most

[7] To illustrate, when talking about its women's economic opportunity initiative, Exxon Mobil presented a short video featuring how a real woman and her small business in the Republic of Chad are empowered by its social initiative (http://exxonmobil.com/Corporate/community_women_invest.aspx). Similarly, when describing its human rights initiatives in Myanmar, Chevron presented a touching story, with a picture, of a real woman Ma Kyi Ma, who, thanks to the emergency fund she received from a Chevron-supported nonprofit, was able to travel to a clinic to have her baby safely delivered (http://www.chevron.com/globalissues/humanrights/myanmar/). BP utilized affective stories extensively when talking about its cleanup and restoration efforts in the Gulf of Mexico (http://www.bp.com/sectionbodycopy.do?categoryId=41&contentId=7067505).

oil companies in our sample do not fully utilize social media technologies.

Conclusions

Due to the highly controversial reputation of the oil industry and the associated danger of alienating their key stakeholders, oil companies try to attain organizational legitimacy by, among other endeavors, engaging in CSR initiatives. This research investigates the characteristics of CSR strategies and practices, as well as the characteristics of CSR web communication of six oil companies. Our analysis indicated that, despite a wide variety of CSR initiatives and prevalence of cross-sector partnerships, oil companies need to abandon the "CSR as public relations" mentality, and instead work proactively in minimizing the negative externalities of their business operations, and take a long-term approach to CSR by investing substantially in renewable energies and going beyond simple financial donations in their cross-sector partnerships. In terms of CSR communication on the corporate website, we discussed a number of communication framing mechanisms that serve to increase the prominence of CSR information and promote stakeholder involvement in processing the information. We also identified various tactics that boost the credibility of CSR information and, importantly, the use of emotional stories/narratives to communicate CSR actions. Finally, our analysis indicated a size effect, that is, the bigger companies had more extensive CSR practices and better-designed, more effective CSR communication strategies relative to their smaller counterparts. It is interesting to observe that, in the oil industry, size seems to be associated with the perceived sinfulness of a company (i.e., larger firms like Exxon Mobil, BP, and Chevron have a disproportionate share of negative media publicity and face harsher criticisms relative to smaller ones). Perhaps the larger oil companies not only have more resources but also have greater business motives, to engage in substantial CSR activities and extensively communicate their CSR work.

Theoretical Implications

This research makes several contributions. First, there is a dearth of research in CSR communication in general and in controversial industries in particular (Dawkins 2004; Du et al. 2010). By identifying a number of framing mechanisms and communication tactics that serve to enhance the effectiveness of CSR communication, this study advances our understanding of CSR communication. In particular, we point out how the use of multimedia technologies will raise media richness and consequently enhance the effectiveness of CSR communication. We identify features of social media platforms (e.g., company-centric vs. stakeholder-centric, and degree of interactivity) that will serve to stimulate stakeholder involvement in processing CSR information. Furthermore, our analysis reveals a list of communication tactics that can enhance CSR message credibility. Overall, our findings highlight relevant literature streams that can be drawn upon to develop theories and predictions regarding the effectiveness or credibility of CSR communication.

Second, one interesting finding from our analysis is the novel use of stories or emotional narratives in CSR communication. Storytelling is a powerful method to communicate meaning and transform understanding (Gabriel 2000). Relative to argument-based messages, story- or drama-based messages reduce counterargument and are processed empathically (Deighton et al. 1989). In light of the oil industry's controversial reputation and stakeholders' skepticism, perhaps such story-based persuasion, which appeals to stakeholders' feelings and emotions so that they can identify with the story at some level, is an effective way to foster positive stakeholder attitudes toward the company.

Third, another theme emerged from our study is the co-existence of positive and negative CSR information, and relatedly, inconsistencies of CSR performance across various domains as reported on the corporate websites. Such inconsistent information will trigger stakeholder perceptions of corporate hypocrisy (Wagner et al. 2009), which is further exacerbated by stakeholders' prior negative perceptions of the industry and the continuous media reports of negative incidents (e.g., oil spills, corruption scandals). One way to counter such skepticism is to be transparent and take responsibility for negative company actions. Indeed, two-sided messages are quite effective in changing negative attitudes by implying a level of honesty in reporting.

Practical Implications

This study provides several practical implications. For oil companies, our findings indicate that they need to switch from a mindset of "CSR as a peripheral public relation strategy," to a long-term strategic approach (Porter and Kramer 2006, 2011). Ironically, it is perhaps oil companies' emphasis on the business case of CSR that is preventing them from deriving maximal benefits such as gaining social legitimacy from their CSR engagement. Only by being transparent and consulting with their key stakeholders to discover their true needs, will oil companies be able to devise authentic and credible CSR programs that, in the long run, transform the public's perceptions of the industry.

CSR communication is a complex matter for all businesses and particularly for controversial industry sectors. Our research findings are useful for devising CSR communication strategies in controversial industries. For example, our findings accentuate the benefits of rich media (e.g., video, graphs) to communicate complex and often value-laden CSR messages, and the potential of social media to engage stakeholders in two-way dialogs. More generally, our findings suggest that a long-term strategic approach to CSR also provides diagnostic cues for authentic CSR communication. Embedding social values in its mission and slogans, and taking a proactive, leadership role to affect industry-level changes, for example, are characteristics of a solid, authentic CSR strategy for oil companies; meanwhile these characteristics also convey a compelling message about a company's CSR commitment.

Limitations and Future Research

This research has certain methodological limitations. First, the case study method and our sample of six oil companies imply that our findings may suffer from limited generalizability (Eisenhardt 1989; Flyvbjerg 2011). Future research should investigate a larger sample of oil companies, perhaps with greater variations in sizes and countries of origin, to assess whether our findings will generalize to most firms in the oil industry. In addition, future research could employ more structured methods of qualitative data analysis, such as the use of computerized software NVivo. Furthermore, quantitative research methods, such as survey or experimental research designs, could be used to empirically test our research findings and further advance our understanding of CSR-related issues in controversial industry sectors. Second, our empirical context is in the oil industry. It would be interesting to examine whether firms from other controversial industries (e.g., financial, alcohol, gaming) exhibit similar characteristics in their CSR practices and CSR communication.

Third, we use information reported on the corporate websites as our source of information. Although this method has been widely adopted in prior research (e.g., Maignan and Ralston 2002; Moreno and Capriotti 2009), future research should calibrate CSR information reported on the corporate websites against other independent sources of CSR information such as Kinder, Lyndenberg, and Domini data (KLD; Godfrey et al. 2009). Relatedly, future research should investigate the quality of CSR disclosure on the web in general, as well as examine the extent of corporate adoption of established reporting frameworks such as the global reporting initiative.

In addition, we call for more research that will compare and contrast the effectiveness of argument-based versus story-based persuasion under circumstances where industry-, company-, and stakeholder-specific factors vary. Finally, future research can also explore questions such as: What factors underlie the relationships between the characteristics of oil companies (e.g., size, reputation) and their CSR strategies and CSR communication? What are the linkages and dynamics between individual company reputation and the whole industry reputation? How can one oil company stand apart from its industry and the associated negative industry reputation?

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