

An Exploratory Analysis of the Voluntary Responsibility Discourse in Corporate Sector: the Case of France

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Abstract

Sustainability and CSR have become an integral part of business media across the continents. Despite the considerable amount of research done in this domain, CSR remains so far, a field of study within the broader discipline of Management. It is often defined as an ideology that pursues to attain business objectives by operating in an economically, socially and environmentally sustainable way whilst balancing the interests of diverse stakeholders. Thus identifying the key stakeholders and engaging with them in transparent and lucid is crucial to the long-term viability of business. A Corporate disclosure is often considered as a method by which organizations can interact with their stakeholders and thereby influence their perceptions. However, unlike financial disclosures, which are based on uniform standards, social and environmental disclosures vary within regions, countries and industries. In this present piece of work we endeavor to explore the patterns of social disclosures within the boundaries of political entity i.e. France. We discover that French companies focus on employees and environment respectively as the most important stakeholders in CSR discourse. A number of differences have been observed between this work and the literature. We argue that socio-political differences, in part, account for these differences and therefore a more holistic approach by combing political economy theory with stakeholder and legitimacy theory should give a better approximation of CSR discourse dynamics.

1. Introduction

The concept of sustainability has often been defined in terms of the intersection of social, economic and ecological interests and initiatives. In most cases it serves as a meta or base concept for a number of responsible business concepts, terms or issues such as Corporate Social Responsibility, Corporate Responsibility, Triple Bottom line, Business Ethics, Corporate Accountability, Corporate Citizenship, Total Responsibility Management etc. Among other aspects, it links the human and biophysical, present and future, local and global, active and precautionary, critique and alternative vision, concept and practice, and universal and context-specific. Rugimbana et al. regard integration of social, economic and ecological considerations as the essence of the concept of sustainability. Moreover they consider integration as a central consideration in the design and implementation of sustainability-based assessment (Rugimbana, Quazi, and Keating, 2008). On the other hand Faber, Jorna, and Van Engelen, (2005) define sustainability semantically as a relationship between an (sustainable) artifact and its environment that exists indefinitely. They consider equilibrium as the focal point in this relationship maintaining a delicate balance between the artifact and the environment, thus letting the artifact exist without damaging the environment.

1.1 Sustainability Reporting and CSR

Since sustainability reporting first became a topic of broader interest in academia, business and government, it has rapidly grown to a field of research with increasing relevance for companies and capital markets, even in the eyes of investors (Isenman, Bey, and Welter, 2007). Hence, for a growing number, the question is now how to report on sustainability issues, and no longer whether to report at all (Isenman, Bey, and Welter, 2007; Marshall and Brown, 2003). It has become an integral and permanent part of business media (Waddock, Bodwell, and Grav, 2002), This seems to be a global trend, lead by America and Europe, across all continents (Kolk, 2004;Visser, 2002). Within organizations, it is increasingly acknowledged that conducting business in a sustainable manner reduces risks (Welford and Gouldson, 1993; Gilding *et al.*,

2002), increases market opportunities (Funk, 2003; Faber *et al.*, 2005) and prepares the organization to face various stakeholder and social pressures (Waddock, Bodwell, and Grav, 2002).

A recent research demonstrates that an overall coverage of both sustainability- and corporate responsibility-related '*terms*' has risen significantly throughout the globe since 1990. However, among various concepts of business responsibility towards society, CSR (Corporate Social Responsibility) seems to have 'taken off', while other concepts/terms are lagging behind (Barkemeyer *et al.* 2009). Although the short history of management is marred by 'brainy' ideas that appeared on the business scene, got popularized and then withered away within a brief period of time (Crainer and Dearlove, 2006), the term CSR or at least the concept that this term represents, appears to keep to the test of time. (Waddock, Bodwell, and Grav, 2002; Isenman, Bey, and Welter, 2007; marshal and brown, 2003). Vogel even believes that CSR (corporate social responsibility) has already produced many positive and quite significant changes in corporate behavior including, child labor, health and safety conditions, re-pricing of agricultural products, decrease in greenhouse gases, to name but a few (Pava, 2008).

1.2 Stakeholder perspective of CSR

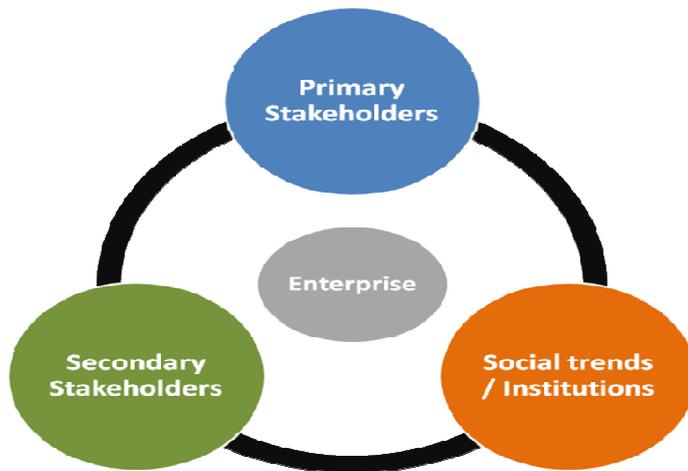
On the academic front, a lot of research work has already been done on CSR. However, Despite the considerable amount of research, it remains so far, as a *field* of study within management rather than as a *discipline* (Lockett, Moon, and Visser, 2006). CSR stays to date a broad, complex and continually evolving concept that encompasses a variety of ideas and practices (Sweeney and Coughlan, 2008). It has also been described as an ambiguous subjective, unclear, amorphous and highly intangible concept (Cramer, Jonker, and Heijden, 2004; Sweeney and Coughlan, 2008). Most of the recent definitions of CSR tend to focus on firm's responsibility toward its various stakeholders (Vos, 2003; Jones 2005; Sweeney and Coughlan, 2008). Reynolds (2008) defines CSR as a company's commitment to operate in an economically, socially and environmentally sustainable manner whilst balancing the interests of diverse stakeholders'. Stakeholder view of the firm recognizes the fact that most, if not all firms have a large and integrated set of stakeholders (Cochran, 1994) to which they have an obligation and responsibility (Spence, Coles, and Harris 2001). In fact the common feature of the systems-oriented theories (political economy, stakeholder, and legitimacy) is the principle that firms are part of society, and therefore exist only

at its behest (Walter and Lanis, 2009). The major difference is in what Gray, Kouhy, and Lavers 1995 refer to as the level of resolution of perception whereby each theory emphasizes a specific aspect of society as the major variable of influence (Gray, Kouhy, and Lavers 1995; Walter and Lanis, 2009).

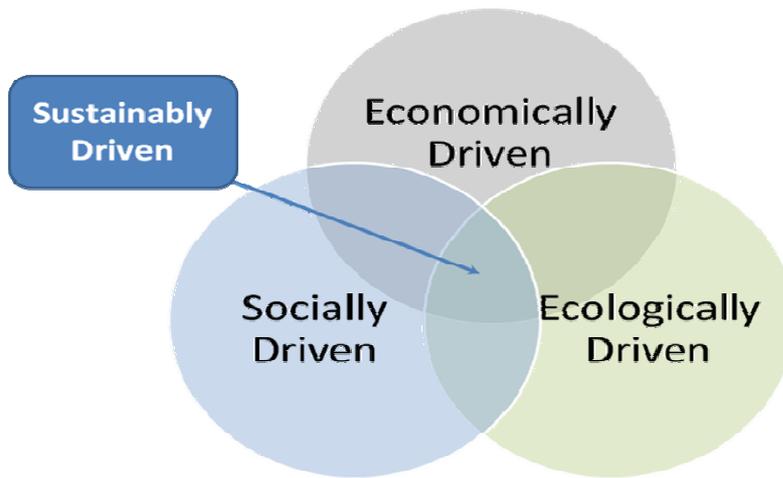
Identifying and engaging key stakeholders around corporate operations, communications and planning have become increasingly critical to long-term corporate viability (Brown and Flynn, 2008). Freeman's definition of stakeholders, arguably the most popular definition cited in the literature (Kolk and Pinkse, 2006), proposed that stakeholders are 'any group or individual who can affect or is affected by the achievement of a corporation's purpose' (Sweeney and Coughlan, 2008). According to the stakeholder view of the firm a company can last over time if it is able to build and maintain sustainable and durable relationships with all members of its stakeholder network. These relationships are the essential assets that managers must manage, and they are the ultimate sources of organizational wealth (Perrini and Tencati, 2006). Frequent and dynamic stakeholder engagement across broader participants will provide companies with highly informed decisions, increased investment and commitment from stakeholders and insight into new opportunities (Brown and Flynn, 2008). Metcalfe, 1998 classifies the stakeholders into two groups i.e. the primary or participant stakeholders and secondary or non-participant stakeholders. Primary stakeholder is the one without whose continuing participation the corporation cannot survive as a going concern. Secondary or non-participant stakeholders are defined as those who influence or affect, or are influenced or affected by the corporation, but they are not engaged in transactions with the corporation and are not essential for its survival. (Metcalfe, 1998; Sweeney and Coughlan, 2008)

Waddock, Bodwell and Gray (2002) argue that various stakeholders that exercise their pressures and influences on an organization, can be segregated into three broad categories. One group of stakeholders, that they name as 'Primary Stakeholders', include the owners, employees, customers and suppliers. This could be termed as the insiders. The second group, 'Secondary Stakeholders, represents an aggregation of nongovernmental organizations (NGOs), independent activists, communities, and governments. Lastly, the third source of pressures pushing companies towards greater CSR is constituted by the 'general social trends' and 'public expectations' of corporate citizens.

The figures 1 and 2 depict the above mentioned concepts.

FIGURE 1

The nature of pressures or imperatives employed by the various stakeholders is generally divided into three principle groups, i.e. economic pressures, social pressures and environmental pressures. A sustainable organization needs to maintain the balance between these three pressures or imperatives to remain viable in long run. (Schlange, 2009; Spiller, 2000; Waddock, Bodwell, and Gray, 2002)

FIGURE 2

The remainder of this paper proceeds as follows. We first present a brief overview of corporate disclosures and CSR/social reporting in corporate world. We then brief on the objectives of this research paper and its relevance with regards to CSR discourse. Subsequently, the methodology applied for the analysis and its appropriateness in the given context is described. In the next part, some of the key results of the analysis are presented. The paper concludes with the research implications and findings, and limitations of our work.

Corporate Disclosures

The root of corporate accountability concept is equity or fairness. This is based on the assumption that corporation are managed in ways that challenge society's ability to protect itself. Thus disclosure is a sort of 'safety valve' against possible government intervention (Holland and Boon Foo, 2003). Gray et al. 1996 defined accountability as "the duty to provide an account (not limited to financial accounts) or reckoning of those actions for which one is held responsible". Holland and Boon Foo (2003) infer that there are, therefore, two responsibilities. The first responsibility is to undertake certain action whereas the second responsibility is to provide an account of those actions. Considering the potential economic, social and environmental pressures, risks and benefits proactive and positive corporate engagement of stakeholders is a smart bottom-line strategy (Brown and Flynn, 2008). Pava (2008) suggests that it is in the own benefit of the company as well as from social point of view to engage stakeholders in honest, transparent, and forthright debate about social values and the limitations of what any one business can

accomplish.

Corporate disclosure is seen as a method by which organization can interact with its stakeholders and thereby try to influence their perceptions about the organization (Deegan, 2002). Over the years there has been an increase in voluntary disclosures, with changes in the design and content to include graphics, photographs, and disclosures relating to human resources, the environment, and the community (Marino 1995; Stanton and Stanton 2002; Zéghal and Sadrudin 1990). Organizations have made several additions to the annual report and it now contains more than is legally required: the presentation of the accounts of the organization over the last financial period accompanied by a report from the directors and the auditors. In recent years, the annual report has started to contain information on how the organization is discharging its social responsibilities. (Rugimbana, Quazi, and Keating, 2008)

In the words of (Hund *et al.*, 2004) Sustainability reporting is moving away from a ‘managerial closed shop procedure’ towards a ‘quasi-public effort’ of engaging and involving stakeholders. Information supply evolves from a strict monologue and one-way company-controlled exercise towards a more interactive reporting approach, while communicating with a larger audience and initiating dialogues, trying to obtain feedback and stakeholder commentary from a number of target groups, or even to engage interested parties providing a ‘challenger report’. Table 1 compares the traditional reporting approach to sophisticated, interactive and proactive approach.

Table 1. Converging trends pushing the field towards sustainability online reporting (Isenman, Bey, and Welter, 2007)

Traditional reporting approach	Sophisticated reporting approach
Managerial closed shop procedure	Quasi-public effort
One-way company controlled exercise	Stakeholder involvement
Monologue	Dialogue
One-way communication	Two-way communication
One size fits all reports	Customized reports
Ad-hoc distribution of information	Continual exchange of ideas
Few opportunities for response	Many mechanisms for feedback and criticism
Hard copies	Computer-based media
Print media fixation	Cross-media availability

Table 1. Converging trends pushing the field towards sustainability online reporting

In spite of the amount of work that has been done in the area of social reporting, the matter of fact

remains that unlike financial reporting - which is based on uniform standards such as the International Financial Reporting Systems (IFRS) throughout much of the world - there exists no comparable standard for environmental and social reporting (Reynolds, 2008). However, this does not diminish the need for social and environmental perspectives in the reporting. The essence of the argument is that companies should create value on financial, social and environmental fronts. The concept of three prong bottom line (3BL), promulgated by John Elkington of AccountAbility, basically expresses the same fact that companies and other organizations create value in multiple dimensions (Elkington, 2006). Robbins very eloquently elaborates this argument, "to think that profit is the purpose of the firm is like thinking that the purpose of life is breathing. Profit is not purpose but constraint, a necessity for survival from which the deeper meanings can flow" (Benefial, 2007).

Annual Reports and CSR disclosures

Although much of the communication by larger public companies is voluntary, organizations are required to report to their owners at least once a year, and the mechanism to do this traditionally is the annual report (Sweeney and Coughlan, 2008). While annual reports are not the only means by which companies can communicate their CSR information, as they can use advertising, public relations - through newsletters bulletins and media releases - and their Web sites, the annual report is the only document produced periodically to comply with regulatory requirements and is central to the organization's own image (Gray, Kouhy, and Lavers 1995). It contains not only the mandatory reports destined for the shareholders and third parties, but also non-mandatory information (Walter and Lanis, 2009). Companies may also use the annual report as a marketing or communication tool for voluntary disclosure of nonfinancial information to their various stakeholders, including shareholders, employees, customers, suppliers, media and the government, and to develop a particular brand image for the organization (Berkey 1990; Neu, Warsame, and Pedwell 1998; Stanton and Stanton 2002).

Focus and Level CSR Disclosures

A review of business literature and accounting literature in particular, indicates that the sociopolitical context within which an organization operates influences its level of CSR disclosure, a view that is consistent with systems-oriented theories (Campbell, Craven, and

Shrives 2002; Deegan 2002; Farook and Lanis 2005; Gray, Owen, and Maunders 1987; Walter and Lanis, 2009). These theories propose that firms seek to legitimize and sustain their relationships in the broader social and political environment in which they operate (Farook and Lanis 2005; Gray, Kouhy, and Lavers, 1995; Walter and Lanis, 2009). A recent study by Barkemeyer et al. 2009 highlights the fact that level of public discourse on sustainability related issues varies from one region to the other.

More over Podnar and Janc'ic', 2006 note that given the competitive environment organizations find themselves in, organizations '... do not and cannot treat all stakeholders equally or communicate with them with the same intensity'(Sweeney and Coughlan, 2008). It is obvious that different stakeholder groups can present quite different, and possibly conflicting, needs and interests (Neville and Menguc 2006; Sen, Bhattacharya, and Korschun 2006). According to Cooper et al. 2001, when stakeholder theory is used as a managerial tool it is specifically concerned with identifying which stakeholders are more important, and as a result should receive a greater proportion of management attention. Summing the above debate, we can safely conclude that level of CSR disclosure and the focus on various stakeholders depends on social, political, economic and business environment in which a company finds itself.

In this exploratory piece of work we seek to understand how business organizations orient themselves towards different stakeholders in CSR debate in a specific socio-political framework.

How French companies are engaging in CSR discourse and can we trace some similarities and dissimilarities with respect the other research results?

Do companies in same industries tend to report CSR in similar fashion? Does there exist an Industry conformity effect on CSR disclosure?

The firms that have a negative impact on one area of CSRs (Ex. Environment, community) will report relatively less on it? How does Intensity of issue focus change with reference to the state or position of an organization?

Do political and social context in which a company operates affect the CSR discourse in annual reports?

To carry out this work, we focus on one country in order to keep the regional differences relatively constant and concentrate on CSR discourse within a limited socio-political and economic framework. We have selected France as a case in point, due to certain reasons. Firstly, France has the 5th largest economy in the world, 2nd in Europe (IMF, 2008), secondly because of

its importance in global geo-political make-up – permanent member of UN security council, influence on francophone countries, a key military power (bbc country profile, bbc.com)–and so on. Last but not the least it is amongst the leading countries of the world with reference to public discourse on CSR related issues (Barkemeyer et al. 2009). Laws regulating non-financial data in private bodies in France were introduced as early as 1977 with the Social Assessment Law (Bilan Social), which required listed companies to report on asset of social data. The *Nouvelles Regulations Economiques* (NRE) law passed in 2001 has acted as an impulse for non-financial reporting in France (Guide to CSR in Europe, 2009).

Research Methodology

We opt for the annual reports of CAC-40 companies as the source of our data and content analysis as the data extraction technique. The primary reason for selecting annual reports is its mandatory nature. It is the only compulsory report complying to stipulated legal requirements, that organizations are required to produce for their owners at least once a year (Gray, Kouhy, and Lavers 1995). However, it contains a lot of non-mandatory information as well, such as CSR in addition to compulsory the items (Walter and Lanis, 2009). Whilst companies are increasingly using a variety of alternative reporting media to report their CSR activities including interim reports, newspaper advertisements, press releases and company websites, in most cases, if not all, the annual report is the only document that is automatically sent to the shareholders by all companies (Sweeney and Coughlan, 2008). Furthermore, annual reports are bound to be consistent with the financial statements presented therein and material in the annual report is verified by external auditors for accounting authenticity.

Content analysis has been widely employed in CSR research and is the most common method of analyzing social and environmental disclosure in. Content analysis is, at its simplest, a research technique used to determine the presence of certain words or concepts within text (Sweeney and Coughlan, 2008). It is usefully defined by Abbot and Monsen (1979), p. 504 as:

“A technique for gathering data that consists of codifying qualitative information in anecdotal and literary form into categories in order to derive quantitative scales of varying levels of complexity”.

Krippendorff, 1980 defined content analysis as a ‘research technique for making replicable and valid inferences from data to their context’. In this study we take the assumption highlighted by

(Krippendorff, 1980) that the extent of disclosure can be taken as some indication of the importance of an issue to the reporting entity. So what we are looking to find out is the indicators reflecting CSR in the content of annual reports, rather than an actual measure of CSR.

Secondly previous researches have either been industry specific, focusing on a certain industry or sector like financial services (Simpson and Kohers, 2002; Sachs et al., 2006; Hamid, 2004; Holland and Foo, 2003), or ethical/best CSR companies or comparative studies (Sweeney and Coughlan, 2008). We, however, do not differentiate between different industries, sectors or ethical/best CSRs companies in our sample selection, i.e. CAC-40. Moreover, our work remains country specific, i.e. France, which has not been studied as such, with regards to our research interest, despite its obvious importance in the global context.

Findings and discussion

The annual reports of CAC40 companies in 2008 were analyzed for this piece of research. The 40 companies were then further classified in ten different broad categories. Qualitative Data Analysis software (Nvivo 8) was used for data extraction. Data Enumeration can take the form of either the number of documents containing a particular category of disclosure, and/or the number of characters, words, sentences, pages, or proportion of pages devoted to different categories (or themes) of social disclosure, or the proportion of volume of CSR disclosure to total disclosure (Unerman, 2000). Because of the exploratory nature of our study, we aimed to have a greater amount of detailed information by using words as the unit of analysis - a recommended procedure for business research. (Kassarjian, 1977)

Based on a content analysis, a summary of the main finding is presented in table 2 and table 3, and a more detailed discussion is found below.

Given the ten different industries found, the literature suggested that intensity of stakeholder focus should vary from one industry to the other. Therefore, shareholders were further classified into stakeholder groups based upon a review of the extant literature in this particular area (Sweeney and Coughlan, 2008; Walter and Lanis, 2009; Holland and Boon Foo, 2003). The coding of the reports is oriented towards stakeholder groups in order to look how organizations

are taking a focused stakeholder group view of CSR. Primary stakeholders are most vital to the organization, without their active participation the company cannot stay alive as a going concern. Secondary stakeholders are important for the company but it can still exist without their participation.

In terms of providing a separate CSR section in the annual reports, 100% of CAC-40 companies have done so, whereas seventeen companies (42.5% of the total sample of 40) had a separate report of CSR disclosures and four had separate websites for CSR. The separate CSR section in annual reports is not surprising considering the binding legislation of 2001 in France (Tschopp, 2005).

There could be different motives behind the production of separate CSR reports by companies. By engaging in a separate CSR reporting firms may like to communicate to its stakeholders that it takes CSR much seriously and annual reports - which by default are focused on financial performance of the company - are not the most appropriate forum to discuss firms CSR achievements and commitments. Secondly, stand-alone CSR reports, as well as the annual reports, are addressed to various stakeholders, thus these reports /disclosures lend an opportunity to the marketing communication specialists to reach out to various stakeholders. Thus the firm can convey its responses to stakeholders' environmental/social concerns. In addition to that certain certification and regulation authorities may oblige the companies to produce dedicated CSR reports. Nonetheless, companies producing separate CSR reports, tend to disclose CSR information in their annual reports as well. In our sample 100% of companies producing a separate report also included CSR information in their annual reports.

Annual reports are considered as important documents in CSR because the high degree of reliability they lend to information reported within them (Tilt, 1994). However an exclusive focus on annual reports "may result in a somewhat incomplete picture of disclosure practices" (Roberts, 1991; Holland and Boon Foo, 2003). To offset this effect to some extent, we have tried to link the annual report disclosures to stand alone CSR reporting by noting down the companies that are engaging in separate CSR reporting, which represents almost half of the CAC-40 firms.

Table 2: Separate reports for CSR, separate CSR sections in annual reports and separate website for CSR.

	Cases	CSR section in annual report		CSR section in corporate website		Separate report for CSR		Separate website for CSR	
		N°	%	N°	%	N°	%	N°	%
Automobile	3	3	100%	3	100%	1	33%	1	33%
Conglomerate and Hotel	3	3	100%	3	100%	1	33%	0	-
Construction and Building Materials	4	4	100%	4	100%	2	50%	0	-
Electric Utilities, Oil and Gas	6	6	100%	6	100%	2	33%	1	17%
Financial Services	5	5	100%	5	100%	1	20%	1	20%
Information and communications technologies	7	7	100%	7	100%	4	57%	0	-
Other manufacturing industries	6	6	100%	6	100%	2	33%	0	-
Pharmaceutical	2	2	100%	2	100%	2	100%	0	-
Retail	2	2	100%	2	100%	0	-	0	-
Water and environment	2	2	100%	2	100%	2	100%	1	50%
	40	40	100%	40	100%	17	42,5%	4	10%

Results of the present study are displayed in Table 2. The objective of the table is to make inter industry comparisons of CSR disclosure with regards to diverse stakeholders groups.

Perusal of table 2 indicates that there was some homogeneity among (1) the automobile, (2) the construction and building materials, (3) the other manufacturing industries and the (4) pharmaceutical industries, in terms of the emphasis placed on the stakeholder groups. Apparent from the results, these industries focus, in decreasing order, in their annual reports on: employees, environment, shareholders, customer and communities respectively.

For the financial Services, shareholders and employees are the most important stakeholder information disclosure category. This is followed by customers and environment whereas communities' stakeholders are placed the last by the financial services companies. This result is partially contrary to previous research results (hamid, 2004; Sweeney and Coughlan, 2008) wherein customers and communities were deliberated as primary stakeholders. However, the focus on employees is in keeping with (Sweeney and Coughlan, 2008) and opposing to (hamid 2004).

For the information and communications technologies companies, employees' stakeholder was found to be the most important stakeholder group followed by customers, environment, communities and shareholders. The focus on customers was expected as this is a relatively growing industry. There are some interesting similarities in financial services and information and communication technologies companies. The two industries - mostly deal in intangibles such as financial and technical services, communication facilities, consulting etc - seem to emphasize on employees and customers respectively. The figures in table 2 indicate that for the hospitality companies and conglomerate group also, employees and environment are the most important stakeholder category groups.

With regard to the retail companies, employees and shareholders are the most important stakeholder group and less importantly customers, environment and communities. This is partly in accordance with Sweeney and Coughlan, 2008 findings as they suggested that retailers were giving more attention to their customers and to a lesser extent, the environment in CSR discourse in annual reports. But with respect to employees, our findings do not affirm the results obtained by Sweeney and Coughlan (2008).

The Water and environment industry and electric utilities, oil and gas industry met expectation. In line with the previous research (Cooper et al. 2001, Sweeney and Coughlan, 2008) those industries emphasis on environmental performance.

Table 3: Information Disclosures in the Annual Report by Stakeholder groups

	Cases	Customers		Employees		Communities		Shareholders		Environment		Total words
		%	Rank	%	Rank	%	Rank	%	Rank	%	Rank	
Automobile	3	10%	4	35%	1	2%	5	21%	3	32%	2	1106
Conglomerate and Hotel	3	24%	3	34%	1	2%	5	9%	4	31%	2	1052
Construction and Building Materials	4	7%	4	49%	1	4%	5	14%	3	26%	2	2419
Electric Utilities, Oil and Gas	6	13%	3	28%	2	9%	4	9%	4	41%	1	2028
Financial Services	5	16%	2	35%	1	0%	4	35%	1	14%	3	5035
Information and communications technologies	7	26%	2	35%	1	3%	5	14%	4	22%	3	2537
Other manufacturing industries	6	14%	4	37%	1	3%	5	21%	3	25%	2	2980
Pharmaceutical	2	2%	4	50%	1	0%	5	4%	3	44%	2	249
Retail	2	19%	3	33%	1	1%	5	30%	2	17%	4	1330
Water and environment	2	12%	3	23%	2	5%	5	8%	4	52%	1	828

As a whole our study results seem to follow the previous research but not in totality. Waddock and Graves, (1997), Kohers (2002), Sweeney and Coughlan (2008) found visible differences in CSR disclosure across industries, which was the case in this work as well. Likewise, general trend of the results show that firms in an industry do conform to the norms set by that industry. In addition to that all of the reports mentioned all of the stakeholder groups in one form or another but the depth of focus on these groups differed significantly (Sweeney and Coughlan, 2008). Focus on shareholder is quite limited though, from a communications perspective, this should be the prime audience of the reports. This ascribes to the idea of stakeholder multiplicity proposed by Sen, Bhattacharya, and Korschun (2006).

There are, however, certain results digressing from the literature. In particular Mitnick (2000) argued that companies that have a negative impact on one area of CSR will not report this to extent but instead will report other areas where they have a positive impact. Contrary to the results of Mitnick (2000), we notice that companies having negative impact on one area of CSR emphasize that particular area. Electric utilities, oil and gas industry and water and environment industry are a case in point. The mentioned industries emphasize environment stakeholder group, and these industrial sectors are, generally, considered direct contributors to environmental

degradation. Another example would be the automobile, construction and building materials industry, other manufacturing industries, generally criticized for its outsourcing, layoffs and job stress, accentuating on employees' stakeholder category. This may be considered as marketing and communication strategy to give a lift to the companies stained image in afore-mentioned areas. Communities as Primary stakeholders in the financial services suggested by previous research (Hamid, 2004; Sweeney and Coughlan, 2008) are not supported in our study.

The focus on employees was not in keeping with the results of Hamid (2004) but in agreement with Sweeney and Coughlan (2008).

Cooper et al. (2001) argued that companies dealing directly with individual are motivated to focus attention on this particular stakeholder. Our data however, does not show any significant link between mentioned variables. Contrastingly, we do find significant similarities in Service/IT companies. Both seem to underline customers/clients as important stakeholders in their CSR communication. This is inline with the extant marketing literature on services. Vargo and Lusch argued that marketing has moved from a goods-dominant view, in which tangible output and discrete transactions were central, to a service-dominant view, in which intangibility, exchange processes, and relationships are central (Vargo and Lusch, 2004). Duncan and Moriarty (1998, p. 3) wrote that marketing theory and communications theory in the midst of fundamental changes that are similar in origin, impact, and direction. Parallel paradigm shifts move both fields from a functional, mechanistic, production-oriented model to a more humanistic, relationship-based model. They pointed out that many marketing roles, particularly in services, are fundamentally communications positions that take communication deeper into the core of marketing activities, which involves the process of listening, aligning, and matching.

As a whole, the CSR disclosure amongst the French companies seems to be focusing at employees and environment as primary stakeholders followed by customers and shareholders. This is contrary to the findings of Sweeney and Coughlan, (2008) wherein communities got the attention of reporting experts. Interestingly, Pharmaceutical companies were seen to be more focused on their environment and employees and to lesser extend to communities and customers. This result is surprising given the nature of this industry and the previous research.

Conclusions

From the results obtained, as a whole it can be construed that the stakeholders most focused by the French companies were employees, followed by environment, customers and finally shareholders. To a lesser extent, companies disclosed information about communities. Indeed, French companies placed the highest importance on employees' with little inter-industry variation. In line with the study of Sweeny and Coughlan (2008) the industry is considered as a control variable for studies investigating the CSR activities of a group of firms.

There are a number of implications of this study. Firstly CAC-40 companies are avant-garde for smaller enterprises in France. They are a role model not only in the sense of public discourse and image creation on CSR, but also as trend setters and bench markers of CSR practice. Because of the socio-political demands and industry conformity pressures, these smaller players will be obliged to emulate them. Furthermore, as the relevant publics of annual reports are found to be quite diverse, so the communication specialists and marketing managers should benefit from this opportunity to address a variety of stakeholders, to create a relationship with them and to boost their image. They should also be cognizant of the needs and wants of various publics that the annual report addresses, so that they can modify and customize it to fit in the marketing frame.

As discussed earlier, we have observed some noticeable differences between this study and the previous works. Since we controlled the socio-political and economic variables by selecting one country, and by choosing random 40 companies rather than best practices businesses, we assume that the socio-political differences, in part, account for the deviations that we observe from previous studies. Presumably a more holistic approach which combines political economy theory with stakeholder and legitimacy theory should give us a better approximation of CSR discourse dynamics.

Limitations and future research

We have used content analysis, the methodology used for structuring and analyzing textual material, as the basis of data enumeration. There are, however, certain limitations of this

technique that consequently restrict this study. Notably, in content analysis the information is obtained by noting down the words, sentences, themes, figures, graphics, pictures etc, but then again choosing words as the basis would yield different results than sentences, for example. Secondly, our analysis is based on annual reports, which in some ways is a partial representation of the whole, as other means of public discourse such as media briefings, websites, special reports, brochures, ads etc were not studied.

The findings of this research based on one country provide a springboard for further and deeper research. Future research could focus on specific industry or industries to find out the motives behind the communication patterns found in CSR discourse or to observe changes in CSR discourse occurring over time. On the other hand, a more eclectic approach could also be adopted to cover diverse data sources and communication modes than annual reports, such as advertisements, online materials, media briefings, to name but a few.

On the theoretical front, more holistic approaches could be adopted whereby combing the political economy theory with stakeholder and legitimacy theory to investigate the impact of the socio-political factors and the stakeholders on CSR disclosure. This seems to be inline with the CSR and sustainability both, in the sense that these concepts are holistic concerned with wholes and the interdependence of its parts rather than dissection or separation into parts.

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