# Sustainable Development Communication : A far cry from discourse to practice ?

---


**Jocelyn HUSSER**
Maître de conférences, Université Montesquieu-Bordeaux IV, CRECCI, 35,
avenue Abadie-PUSG, 33000 Bordeaux,
(mjhusser@club-internet.fr)

**Jean-Marc ANDRE**
Maître de conférences, HDR, Professeur associé Bordeaux Management School,
CIH / ISCC / IMS- Ecole National Supérieure de Cognitique,
Campus de Carreire Bordeaux2, 146, rue Léo Saignat - Case 40, 33076 Bordeaux cedex,
(Jean-marc.andre@ensc.fr)

**Guillaume BARBAT**
Doctorant en Sciences de Gestion, GRAPHOS, ESTIA/CREG-UPPA,
BEM - Bordeaux Management School, 680 cours de la Libération - 33405 Talence Cedex,
(Guillaume.barbat@bem.edu)

**Véronique LESPINET-NAJIB**
Maître de conférences, CIH / ISCC / IMS- Ecole National Supérieure de Cognitique,
Campus de Carreire Bordeaux2, 146, rue Léo Saignat - Case 40, 33076 Bordeaux cedex
(veronique.lespinet@ensc.fr)


---

# Sustainable Development Communication : A far cry from discourse to practice ?

**Abstract**

The “Debate over Corporate Social Responsibility” edited by May S., Cheney G., Roper J. (2007 : 40) points out the third generation of Corporate Social Responsibility. This new age involves the intensification of linkages across social domains, the emergence of permeability of public and private boundaries, the interdependent nature of contemporary life, the reinforcement of interests between stakeholders in the stream of globalization. It is now considered ( Deetz S., 2007) that communication conceptions and practices have tremendous impact on the success and viability of stakeholders’ relationships. Thus, Incorporating companies’ social and ecological concerns into their commercial activities and stakeholder relations requires now some organizational re-balancing of the relationships between stockholders and stakeholders, affecting in turn practices and discourses Based on French companies as a qualitative approach, the purpose of the present communication is to offer an exploratory discussion of the structuring modes applied to the information found in sustainability reports targeting stakeholders. Mobilising a structural contents analysis, its findings identify differentiated communications practices among the companies in question. The study also unveils the existence of shorter-term approaches to sustainability action, contrasting to more long-term and/or analytical orientations. Lastly, the reports in question all emphasized sustainability’s “economic” dimension, with its “social” dimension being considered secondary and its “environmental” dimension coming last.

**Key words:** CSR communication / Stakeholders groups / Structural analysis / Sustainability reports /

## Introduction

In France, an application decree from February 2002 enumerates a series of operational indicators that companies must offer, including a number of accounting and financial items. The information expected notably includes working time organisation, gender equality, health and safety, disability policies, subcontractor arrangements, water, raw material and energy consumption and biodiversity efforts.

Although corporate sustainability reports are largely descriptive and visual in nature, they can become a real complement to financial communications. In this sense, formalising sustainability reports is akin to what listed companies already do with management reports or annual reports. Sustainability reports are more qualitative, however, theoretically because this provides more contextualised view of the company's activity (Giordano-Spring S. and Rivière-Giordano G., 2008). The 700 listed companies affected by article 116 may not apply a CSR approach per se, but the fact is that they have become part of the movement, providing indications that nurture the development of social and environmental reporting (Rubinstein, 2006). At the same time, some authors have noted that the quality of this information remains very uneven (Pavan and Rahib, 2004; Chen and Bouvain, 2009). The present study will therefore try to account for the diversity of the social and environmental information that companies supply by focusing on three stakeholder categories: suppliers; customers; and employees). It will also highlight possible variations among different sectors of activity; influence of three pillars of sustainability (economic, social and environmental); timeframe (short-term, long-term, analytical); and type of discourse (situational or action variables).

# 1. Theoretical framework

## 1.1. Stakeholders mobilised in companies' social communications

Corporate governance model focused originally on agents, principals and control over agency costs (Jensen and Meckling, 1976). Its narrow vision limited managers' responsibility to the maximisation of shareholder interests. The emergence of Corporate Social Responsibility (CSR) and the theme of sustainability would pressurise executives and undermine the old "shareholder-executive-creditor" vision because it fails to account for stakeholders. In theoretical terms, formalising the "stakeholder model" a la Freeman and Reed (1983) or Freeman (1984) creates a framework that is better suited than the more limited "shareholders" framework is for understanding the requirements of corporate sustainability.

### 1.1.1. An emerging category of stakeholders

According to Baret (2006) and Lougee and Wallace (2008), sustainability as a strategy seeks long-term improvements in corporate competitiveness. Its application therefore involves aggregating economic, social and environmental performance. Managers today are asked to organise communications around a system of socially responsible decision-making. As such, all decisions and (positive and negative) consequences of a company's activity affecting some or all stakeholders must be accounted for and cited in its activity reports. Executives must also open governance structures up to stakeholders. The stakeholder construct has been analysed by many researchers, notably Freeman and Reed (1983) and Kochan and Rubinstein (2000). The key study underlying the present text is Post, Preston and Sachs (2002), whose definition of stakeholders integrates the economic and social dimensions of the firm: "Individuals and constituents that contribute, voluntarily or not, to the firm's ability to create value and/or to its activities, and who are the main beneficiaries thereof and/or assume the risks**”**. According to Freeman (1984), these stakeholders can be either internal or external to the organisation. In order to operationalise existing sustainability documents, we have used Baret’s reference list (2006) as a way of improving our grasp and measurement of total corporate performance. Specifically, nine categories will be highlighted:

- Direct or internal stakeholders directly involved in the company’s nexus of contracts: investors; employees; customers; and suppliers.
- Indirect or external stakeholders working outside of the company’s nexus of contracts: state authorities; local residents, competitors; media; NGOs.

Clarkson (1995) established an analogous typology of stakeholders in a more Anglo-American management context, distinguishing between voluntary (or primary) economic agents and involuntary (or secondary) ones according to whether they accept or submit to a particular risk through their relationship with a company. This reading of stakeholder literature heightened our interest in direct/voluntary stakeholders involved in the economic cycle of the company and in its daily organisation management.

#### 1.1.2. Incorporating a limited stakeholders model

To justify stakeholders’ existence, Andriof and Waddock (2002) as well as Gond and Mercier (2004) have scrutinised this group’s legitimacy and exercise of power within companies. In terms of legitimacy, two approaches have been developed: a strategic approach incorporating stakeholders’ analytical aims; and a normative approach entailing an ethical orientation. This typology can only be exploited using an analytical perspective focusing directly on the actors (i.e. the economic agents) themselves. Seminal empirical research by Berman et al. (1999) and Hillman and Keim (2001) shows that it is appropriate to only incorporate those stakeholders who are closest to the company’s economic activities. This is because they are in a better position to generate economic performance. Thus, special attention should be paid to the life of the company, i.e. to the economic and investment cycles linked most closely to the three direct stakeholder categories (employees, customers and suppliers) that are regularly equated with first-order stakeholder groups precisely because they are direct (Baret, 2006) and/or voluntary (Clarkson, 1995).

In studies by Wolfe and Putler (2002) and elsewhere, the stakeholder categories cited the most often are the ones involved in a company's operational cycle (purchasing-manufacturing-sales), thus in its daily creation of value added and wealth. For Freeman (1984), it is important to study these stakeholders in light of their different expectations and interests. According to Wolfe and Putler (2002), it is also worthwhile conducting empirical studies that identify different stakeholder sub-groups: "The fact of considering each stakeholder category as a homogeneous group with homogeneous expectations and interests creates a fuzzy and deformed vision of the real nature of the relationships between organisations and stakeholders". Similarly and in line with Stoney and Winstanley (2001), theoretical and empirical research might consider "stake-holder" as separate concepts. This would be a better way of accounting for multiple divergent interests. Therefore, it is possible to hypothesize that in companies' communication the treatment of stakeholders is differentiated and hierarchised (Hypothesis 1). Our study mobilises these findings and recommendations and develops a multi-directional matrix for "sustainability" communications aimed at customers, employees and suppliers. These communications can be short or long-term; descriptive or analytical; quantitative or qualitative; and include social, environmental and/or economic dimensions.

## 1.2. Corporate communications and sustainability

For Capron (2005), the novelty in sustainability communications does not lie in companies' recent commitment to social responsibility but in the fact that they have started to publish objectives and approaches that were once implicit. “Citizen” companies and responsible managers have been around for a while but the publication of formalised commitments has become compulsory in corporate institutional communications. In the companies we studied, sustainability reports are viewed as communications tools connecting the company to its stakeholders. In this way, they have become suitable strategic piloting tool~~.~~

### 1.2.1 An instrumental vision of sustainability communications:

Guthrie and Parker (1989) along with Belkaoui and Karpik (1989) have affirmed that companies disseminate information in response to environmental pressures and because they want to legitimise their existence. Deegan and Rankin (1996) along with Brown and Deegan (1998) also apply legitimacy theory to explain systematic changes in annual reports' environmental information diffusion practices. Their findings show, for instance, that Australian companies would significantly increase their dissemination of environmental information depending on public opinion on certain topics and the media. Meznar and Nigh (1995) explained that companies will actively seek to match and even exceed regulatory requirements in a particular sector of activity by anticipating them and adapting progressively. It remains that sustainability communications involve more than legitimacy alone since they also feature an instrumental dimension that deserves further exploration (Andriof and Waddock, 2002). For Watts and Zimmerman (1990), whenever companies disclose private information to the financial markets, what they are trying to do is to increase their value. The assumption is that social information is diffused after an internal arbitration has occurred, i.e. it implements certain financial agents' decisions (Cormier and Magnan, 1999). This kind of hypothesis has two consequences. On one hand, listed companies must provide formalised information since investors could have a negative interpretation of silence (Verrechia, 1983), leading to a loss of confidence and subsequent decline in share prices (Grossman, 1981; Milgrom, 1981). These same companies are also concerned about their image and tend to only reveal positive information, as several empirical studies confirm (Bewley and Li, 2000; Dye, 1985). Such arguments raise the idea that sustainability reports may be new instruments for explaining and arguing social strategy, targeting stakeholders but also financial markets (Capron and Quairel, 2004). The heterogeneity of markets and the specificity of the economic contexts belonging to the different industries leads to the adaptation of the communication intended for the different stakeholders (Chen and Bouvain, 2009). Moreover, Brammer and Pavelin (2006, 2008) underline the main importance of cross-sector variation in environmental disclosure. According to these authors, business sectors would have a great impact on CSR communication strategy: CSR would fit to main stakeholders and the fit depend on business sectors. Therefore it is possible to hypothesize that industrial sectors have an impact on how companies communicate on sustainable development. The communication would be differentiated from one business sector to another (Hypothesis 2).

Disseminating social information is more or less tantamount to stressing the role that the company plays in its environment, something that simple standardised accounting items could not do. It would, for instance, be almost impossible to provide a full overview of human resources and working conditions using financial statements alone. Similarly, information on community commitment can also be useful, given the institutionalised nature of companies that are fully ensconced nowadays in their economic (hence human) environment. As for environmental information, this is directly linked to the durability of a company’s long-term economic model, based on its use of resources that are usually non-renewable, thus limited.

All in all, despite the lack of coercion in the application decree accompanying the NRE law - which encourages companies to publish information on the social and environmental consequences of their activities – it is clear that there has been a generalised effort to comply with regulatory stipulations. This should probably be interpreted as managers' desire to maintain and even increase access to financial capital by communicating with shareholders on the social policies being implemented. For the moment, it is not clear how social and environmental actions are being valued in financial terms but there is no doubt that the markets would penalise a total absence of social reporting.

### 1.2.2. A range of corporate behaviours regarding social communications

Findings concerning the potential link between social and financial performance are very controversial. Even if socially responsible behaviour does exist and affects shareholder wealth, it would still be hard to measure given the obviously difficulty and even impossibility of isolating the non-financial aspects of a company's overall performance. It is also likely that some companies would try to justify mediocre financial results by portraying their social and environmental actions as being conducive to future profits (Jadhi and Acikdilli, 2009; Neu et al, 1998). Lastly, assuming that social and environmental information can generate additional value for shareholders is akin to considering that shareholders really do incorporate – and above all, value – information of this kind. Yet it would appear that social reporting currently suffers from a credibility gap (Chen and Bouvain, 2009) with greater credence generally being lent to negative rather than positive information (Chan and Milne, 1999). Indeed, there is much doubt about the reliability of some of the positive information that companies communicate. This makes it urgent that the credibility of the data used by investors to assess companies' overall value be buttressed. Some authors have established that transparent information, evaluations and audits create and intensify trust (Power 2005; Piechocki 2004). This explains why it is crucial that social and environment data be verified.

The need to make ecological and social expectations part of business management has been largely demonstrated (Reynaud and Rollet, 2001) but there is still much disagreement about which strategic behaviours companies should choose (Lougee and Wallace, 2008). Sustainability is synonymous with restrictive and costly external demands, whereas for others, it is a real opportunity to create value (Acikdilli, 2009; Jahdi and Persaix, 2002 ). Martinet and Reynaud (2004) have identified wait-and-see, adaptive and proactive attitudes. Carroll (1979) has identified three types of industrial ecological behaviour (i) eco-defensive behaviour emphasizing immediate economic benefits and viewing environmental investments solely as costs; (ii) eco-conformist behaviours fulfilling regulatory requirements concerning social and environmental domains without surpassing them even when possible; and (iii) eco-sensitive behaviours surpassing legal requirements and viewing the ecological imperative as key to a company's survival. These behaviours lead to distinct communication strategies based on the three dimensions of sustainable development. Therefore it is possible to hypothesize that the companies' treatment of the three dimensions of sustainability is differentiated and hierarchised (hypothesis 3).

Behavioural changes should be considered as actions to be driven over the long-term. For Andriof and al. (2002), it is important to promote the effective actions to create value appearing in the long term rather than focus on an immediate benefit. The stakeholders should now be regarded as partners in an integrated long-term commitment. Therefore, it is possible to hypothesize that sustainability is one aspect of the companies' communications structured via long-term action (hypothesis 4).

Moreover, according to Morsing and Schultz (2006), communication in terms of CSR has improved because it is watched by many institutions. They find that a large variety of topics is addressed to all stakeholders, with a quality of discourse that goes beyond the simple reporting framework. In their communication concerning sustainable development, companies all consider the stakeholders through concrete and proactive actions. Therefore it is possible to hypothesize that sustainability communications are based on a practical discourse that is oriented towards concrete action (hypothesis 5).

## 2. Hypotheses

The purpose of the present communication is to study the nature and structuring mode underlying the information provided in the sustainability reports that 20 CAC40 companies have published. Analysis focuses on data involving employees, suppliers and customers. These three stakeholders played a prime role in the reports in question since they intervene at the very heart of companies' activity cycle (purchasing-manufacturing-sales). In addition, the analytical criteria chosen here (relating to economic, social and environmental issues) are particularly suitable for such stakeholders since their interest can be heterogeneous, varied and even contradictory. This fits the thinking of Wolfe and Putler (2002).

Five hypotheses were tested within this framework:

1) Companies' treatment of stakeholders is differentiated and hierarchised.
2) Activity sectors of affect companies' choice of sustainability communications.
3) Companies' treatment of the three dimensions of sustainability is differentiated and hierarchised.
4) Sustainability is one aspect of communications structured via long-term action.
5) Sustainability communications are based on a practical discourse that is oriented towards concrete action.

## 3. Research methodology

This was a two-stage process with a 1) structural analysis of the contents of the sustainability reports published by the companies chosen, and a 2) statistical analysis of the findings.

***Structural analysis method***

A structural analysis method was chosen for the sustainability results. Initiated by Barthes (1981 and 1991) and operationalised by Demazière and Dubar (1997), this approach has the advantage of giving the researcher an analytical framework that is structured and coherent. It is a method that helps to avoid three obstacles:

- The illustrative stance that consists of arbitrarily selecting just a few excerpts from interviews for illustration purposes and leads to a loss of content
- The restorative attitude that consists of reproducing contents in their entirety without any interpretation;
- An absence of objectification, avoided thanks to the implementation of a procedure that is both standardised and systematic.

For Bourgeois et al (1996), method is a concise guide giving researchers the means to broach materials constituting their object of study without projecting their own conceptions onto it. The structural method chosen sought to apprehend the associations and contrasts interlinking the different themes found within a discourse, i.e. its structure.

According to Barthes (1981), all contents can be analysed on different levels corresponding to readings that vary but are necessarily articulated: the ‘action’ level; and the ‘narration’ level. Previous sustainability research has reproduced this analytical framework:

- The action level involves the elements in the narrative that provide a stage for “actors “, i.e., individuals that act and intervene and play a role in the narrative. In the present case, these were the three stakeholders chosen (employees, customers and suppliers).
- The narration level is identified by the presence of postulates, arguments and proposals intended to convince the targets of the communications action and defend a point of view.

Structural analysis made it possible to identify occurrences involving the three stakeholders in question. The chosen method also helped to specify three levels of analysis:

1. The number of occurrences involving the three stakeholders and the modalities of social responsibility: economic; social; or environmental (Eco, Soc, and Env.).

2. The level of the actions chosen by the companies and their scope: simple situational verb (SV) or action verb (AV), in short-term (ST) or long-term (LT) perspectives. Moreover, actions can be considered as simple findings or as consequences of structured analytical process (A).

3. Level of involvement, apprehended by precisely quantifying its absence (Quantified Value).

Table 1 provides a better understanding of the structural analysis of discourse from the 3 selected stakeholders. This is a sample survey of sustainability report on one of the 20 CAC 40 companies studied

***Statistical analysis***

This was a three-stage process.

First, a series of variance analysis were undertaken using different numerical indicators (total number of occurrences, sustainability indicators' frequency of utilisation, duration and action) so as to specify the impact of sectors of activity, on one hand, and type of stakeholders, on the other. Measurements were repeated for different factors except sectors of activity, which was expressed via independent measurements. Post hoc tests were employed whenever significant differences ($p<0,05$) were found. An average comparison series analysis was conducted using Stat-view software.

Secondly, a principal components analysis was undertaken across all of the criteria to specify the variables enabling an optimal discrimination of the companies. The nine criteria chosen were: employees-economic; employees-social; employees-environment; customers-economic; customers-social; customers-environment; suppliers-economic; suppliers-social; and suppliers-environment. To ascertain the most discriminatory (hence the most relevant) variables, we chose those that on an axis-by-axis basis had an above average contribution (average = 100/9). The number of axes chosen would be determined by when the explained cumulative variance exceeded 50% of the total variance.

Lastly, an ascending hierarchical classification was undertaken to build up groups of companies with a similar behaviour in terms of the sustainability indicators. Data derived from this analysis would be represented in the form of a dendrogramme, an often used diagramme that can illustrate the arrangement of the groups generated through a hierarchical grouping while representing the distance between variables.

The principal components and ascending hierarchical classification analyses were undertaken using Stat-Lab software.

***Case presentations***

The cases selected responded to the need for a diverse range of management contexts among CAC 40 listed companies. Research and documentary analysis was undertaken using sustainability reports.

The 20 groups chosen were: AIR LIQUIDE, ALSTHOM, BNP, BOUYGUES CARREFOUR, CREDIT AGRICOLE, DANONE, EDF, GDF, LAFARGE, L'OREAL, LVMH, MICHEIN, PERNOD-RICARD, PSA, RENAULT, SANOFI, SCHNEIDER, SOCIETE GENERALE, ST MICRO, TOTAL, and VINCI.

The variety of management situations was particularly apparent in relation to factors like size, strategic dimension, target customer base, shareholder structure and corporate missions as enunciated in companies' statutes of incorporation. The companies came from six major sectors of activity: banking, automobile, chemicals/pharmaceuticals/cosmetics, construction, energy and agribusiness.

## 4. Research findings

***Incorporation of total number of occurrences***

We undertook a two-factor variance analysis across the total number of occurrences. The two factors were stakeholders (three modalities: employees, suppliers and customers) and sectors of activity (eight modalities: agribusiness, automobile, banking, construction, chemicals, electronics, energy and luxury goods).

The findings (Table 2) identified a stakeholder type of effect [$F=4.1$; $p=0.02$] that can be explained by significant differences between employees (average=64.3) and suppliers (average=29.7), with customers finding themselves in an intermediary position (average=47.1). The sector of activity did not have a significant impact.

***Incorporation of traditional sustainability dimensions (social, economic and environment)***

We undertook a three-factor variance analysis using sectors of activity, stakeholders and sustainability dimensions. These findings revealed that the sector of activity (whether involving a simple effect or an interaction) had a significant impact on sustainability-related communications.

On the other hand, stakeholder and sustainability dimension factors had a significant impact [respectively: $F=3.1$; $p=0.05$ / $F=17.9$; $p<0.0001$] on sustainability-related communications. There were, for instance, more occurrences for employees (average=21.5) than for suppliers (average=11.1), with customers being in an intermediary position (average=14.1). Moreover, the most frequently mobilised dimension was social (average=21.3) followed by economic (average=18.1) and environmental (average=7.9).

We also found an interaction between the stakeholders factor and the sustainability dimensions [F=18.8; p<0.0001] (Table 3 and Figure 1). For employees, the most frequently cited indicator was social, followed by economic and environmental in joint second place. For customers, the most frequently cited indicator was economic, followed by social and lastly environmental. For suppliers, the most frequently cited indicator was economic, followed by social and environment in joint second place.

***Incorporation of indicators: Short Term (ST), Long Term (LT).***

A two-factor variance analysis was undertaken on the sector of activity variables and duration type indicators (three modalities: ST, LT and A). Analyses highlighted a significant effect involving the duration indicators variable (F=16.4; p<0.0001), discovering that discourse mainly pertains to short-term actions (average=41.5 ±9.2) followed by analytical type actions lacking any specific term (average = 11.2 ±5.3) and lastly long-term actions (average = 11.2 ±4.7).

***Incorporation of SV / AV indicators***

A two-factor variance analysis of "sectors of activity" and "type of action indicators" (two modalities: SV and AV) was undertaken without revealing any significant effect.

***Principal components analysis***

Principal components analysis was done on the stakeholder and sustainability dimension variables, covering a total of nine variables. The findings demonstrated that in and of itself, Axis 1 accounts for 42.4 % of total variance (TV) with Axis 2 contributing 23.7 %. As such, the main plane accounts for 66.1 % of total variance. Table 4 features findings relating to correlation and contribution for the nine variables along these two axes.

On Axis 1, only five variables made a contribution that is significant i.e. that exceeds the average of 12%. In order of importance, these were employees-social / suppliers-economic / customers-environment / employees-economic / customers-economic.

On Axis 2, four variables made a significant contribution: employees-environment/ employees-economic / suppliers-social and suppliers-environment.

***Dendrogramme reclassification of companies***

An ascending hierarchical classification was done on the 22 companies using nine variables (stakeholder and sustainability indicators): employees-economic/ employee-social / employees-environment / suppliers-economic / suppliers-social / suppliers-environment / customers-economic / customers-social / customers-environments.

A dendrogramme (see Figure 2) enables discrimination of four categories of companies featuring profiles that are similar in terms of the nine variables.

- Group 1: Danone, Carrefour and L’Oréal
- Group 2: GDF, EDF and Crédit Agricole
- Group 3: ST Micro and BNP
- Group 4: Schneider, Lafargue, Air Liquide, PSA, Pernod Ricard, de Vinci, Sanofi, Michelin, Total, LVMH, Alsthom, Bouygues, Renault and Société Générale.

To understand the behaviour of these four groups, we worked with average profiles across the nine variables. Figure 3 illustrates these profiles.

Thus, Group 1 was characterised by a discourse that is very strong in terms of occurrences for suppliers, who favoured none of the indicators. Customers tended to stress economic indicators. The few occurrences for employees related mainly to social indicators.

Group 2 (GDF, EDF, CA) had a very-customer oriented discourse emphasizing social and economic indicators. For employees, the social domain was dominant. For suppliers, on the other hand, discourse was almost non-existent when measured in occurrence terms.

Regarding Group 3, employees were characterised by a discourse that was significant social whereas suppliers and customers placed almost identical emphasis on economic indicators.

Lastly, discourse in Group 4 varied much less among the stakeholders, although employees in this group were more geared towards the social. On the other hand, the total number of occurrences cited was much lower in Group (89) than in Group 1 (265); Group 2 (170) or Group 3 (311).

## 5. Discussion

*Sectors of activity affect companies' modalities for sustainability communications*

In terms of number of occurrences (Table 2), no sector effect was observed. Furthermore, although significant variance existed within each sectorial group, the three stakeholders were treated homogeneously irrespective of the sector in question.

One explanation is that benchmarking behaviour standardises relationships via an imitation effect. In addition, some of reports had been subcontracted to a small group of specialist firms who did not necessarily adopt the report to the specificities of the sector in question. This whole field remains an exercise in codified communications.

*Companies' treatment of stakeholders is differentiated and hierarchised*

Employees appear to be the clear priority in sustainability report communications, followed by customers then suppliers. Employees are treated as members of clearly identified sub-groups (women, men, young people, older people, disabled, etc.) whereas customers and suppliers are treated as homogeneous groups. These findings modify somewhat Wolfe and Putler (2002). Employees may be treated in a differentiated manner insofar as the diversity of their interests is accounted for (retirement, competencies, training, access, mobility, etc.) but the same does not seem to apply to customers and suppliers, considered to be homogeneous populations, each featuring its own unique interests.

It is surprising to note that employees – an internal component in companies - are favoured in a document that targets external audiences. This observation might be explained by a number of non-exclusive hypotheses: 1) Internal stakeholders are interested in the life of their company and seek elements of information, including those found in externally oriented documents. This would mean that companies are diverting the vocation of their sustainability reports because they want to use them to communicate indirectly with employees; 2) Sustainability reports are still very recent and have not benefited from any major long-term investment in areas like awareness, specific data accumulated or dedicated concrete actions. Usable data is therefore mainly internal in nature and come from already established sources that exist outside of the sustainability report (i.e. social and financial statements).

Note that the findings from the ascending hierarchical classification show that Group 1 (Danone, Carrefour and l'Oréal) clearly stresses supplier citations. This is because the three companies depend strongly on sourcing to create wealth within their value chains. Group 2 (EDF, GDF and Crédit Agricole) mainly tries to communicate with customers. These are networked and locally oriented companies for whom the customer relationship constitutes a competitive advantage. In addition, sourcing (thus suppliers) has limited strategic value in this group. Moreover, the three companies' relationship with employees has historically been statutory in nature.

Group 3 emphasizes employees. Note that these are two companies that have experienced strong growth internally (ST Micro) and externally (BNP Paribas). The coherency between economic development and human resources management is clearly a major issue for companies in this group.

Group 4 is the largest category since it includes 14 of the 21 companies studied. Companies here do not treat stakeholders in a differentiated or hierarchised manner. The number of citations appears to be lower and it is conceivable that the sustainability culture for companies in this group is still at an early stage with regards to three stakeholders in question.

*Companies' treatment of the three dimensions of sustainability is differentiated and hierarchised*

An examination of occurrences clearly reveals that the "social" dimension is preponderant for employees, whereas the economic dimension dominates for suppliers and customers, i.e. for the company's external stakeholders (figures 3). Note a mirror effect where communications are oriented towards the primary interests of each stakeholder category. It is surprising to observe that the "environmental" dimension is systematically treated as something marginal in occurrence terms, irrespective of sector of activity, company or stakeholders group. It is also paradoxical that the environment constitutes the "poor cousin" of sustainability reports. It would appear that in those rare instances where the "environment" dimension is cited, suppliers are involved. In other words, issues relating to environmental management seem to have been passed on to suppliers.

*Sustainability is one aspect of communications structured via long-term action*

Irrespective of sector of activity, sustainability communications are short term (ST) and have duration of less than one year. It is surprising to note that the companies studied seem to be mainly concerned by instantaneous outcomes, i.e. short-term performance whose value can be measured immediately. This is particularly surprising in the context of sustainability communications that should logically suggest medium and even long-term (LT) action. The analytical dimension (A) does not appear in the sustainability communication. Reports do not link causes to consequences. Means (intermediary objectives) and mediations are not cited. Companies are still at a stage where they observe things. For the moment, sustainability is not part of a structured strategic approach broken down into diagnostics, definition of objectives, and implementation of means, assessment and corrective actions.

*Sustainability communications are based on a practical discourse that is oriented towards concrete action*

Sustainability reports focus both on situational (SV) and action variables (AV). The study has highlighted an equilibrium involving these two components. Companies commit to action but also position themselves as seeking meaning or values through action. They act but also define their identity through action. It might be hypothesized that a kind of ethical discourse is manifested through action, which becomes part of an ethos that appears through action. This is a reverse effect insofar as companies generally enunciate a code of conduct first and then act within a framework defined by the code's components. It is a tendency shared across all sectors of activity. This is because it is easier to observe concrete actions that can be easily understood by the targets of a communications than to outline sustainability's underlying theoretical principles. As such, it is the action itself that reveals the existence of a company's global sustainability commitment.

## Conclusions

Sustainability reports' degree of structuring shows that the CAC 40 companies in question here still find themselves in a learning phase and treat their stakeholders and the pillars of sustainability inconsistently. Discourses have revealed an early structuring of sustainability action around stakeholders but communications are more likely to provide an overview, an image of the budding implementation process and/or some early results. They do, however, lack multivariate analysis depicting how firms' economic logic continues to be dominated by shareholder value logic. Thus, there is a clear paradox that sustainability, normally a long-term phenomenon, is treated both without a truly long-term approach (replete with deadlines) and also without clearly hierarchised, formalised and quantified objectives. In short, sustainability report communications are still at a declarative stage, with no culture of demonstration or proof having emerged for the moment. This research points out that Sustainable development and Corporate Social Responsibility also represent a strategic process that is primarily concerned with managing the image of corporations and countering any real or potential criticism of the social impacts of profit-driven businesses on the lives and values of people.

**References**


ANDRIOF, J. and WADDDOCK, S. (2002). *Unfolding Stakeholder engagement*, in Andrioff, J., Waddock, S., Husted, B., Rahman, S., (Eds), Unfolding Stakeholder Thinking. Theory, Responsability and engagement, Sheffield, Greenleaf, 19-24.

BARET, P. (2006). *L'évaluation contingente de la Performance Globale des entreprises : une méthode pour fonder un management socialement responsable* ? In J-J Rosé *(Ed) Responsabilité Sociale de l'entreprise*, Méthodes et Recherches Management, Bruxelles, DeBoeck.

BARTHES, R. (1981). *Introduction à l'analyse structurale des récits*, Paris, Le Seuil, Collection Points Essais.

BARTHES, R. (1991). *L'aventure sémiologique*, Paris, Le Seuil Collection Points Essais.

BELKAOUI, A. and KARPIK, P.G. (1989). Determinants of the corporate decision to disclose social information, *Accounting, Auditing and Accountability*, **2**, n° 1, 36-49.

BERMAN S. L., A. C. WICKS, S. KOTHA et T. M JONES, 1999. Does Stakeholder Orientation Matter? The Relationship Between Stakeholder Management Models and Firm Financial Performance, *Academy of Management Journal*, **42**, n° 5, 488-506.

BEWLEY, K. and LI, Y., (2000). Disclosure of environmental information by Canadian manufacturing companies: a voluntary disclosure perspective, *Advances in environmental accounting and management*, **1**, 201-226.

BRAMMER S and PAVELIN S. (2006). Corporate reputation and social performance: the importance of fit, *Journal of Management studies*, **43**, 3, 435-352.

BRAMMER S. and PAVELIN S. (2008). Factors influencing the quality of corporate environmental disclosure, *Business Strategy and the environment*, **17**, 2, 120-136.

BROWN, N. and DEEGAN, C. (1998). The public disclosure of environmental performance information-a dual test of media agenda setting theory and legitimacy theory, *Accounting and Business Research*, **29**, n° 1, 21-41.

CAPRON, M. (2005). Les nouvelles responsabilités sociétales des entreprises : de quelles nouveautés s'agit-il ?, *Le Management Responsable*, Dupuis J.-C. et Le Bas C., Paris, Éd. Economica, 27-37.

CAPRON, M. and QUAIREL, F. (2004). *Mythes et Réalités de l'Entreprise Responsable*, Paris, La Découverte.

CAROLL, A. (1979). A Three-Dimensional Conceptual Model of Corporate Social Performance, *Academy of Management Review*, **4**, n°4, 497-505.

CHAN, C.C. and MILNE, M.J. (1999). Investor reactions to corporate environmental saints and sinners: an experimental analysis", *Accounting and business research*, **29**, n° 4, 265- 279.

CHEN, S. and BOUVAIN, P. (2009). Is corporate responsibility converging ? A comparison of corporate Responsibility Reporting in the USA, UK, Australia and Germany, *Journal of Business Ethics*, July 2009, **87**, 299-317.

CHENEY G., MAY S., ROPER J.(2007), *The Debate over Corporate Social Responsibility*, Oxford University Press, New York, 490 p.

CLARKSON M. B. (1995) "A Stakeholder Framework for Analyzing and Evaluating Corporate Social Performance", *Academy of Management Review*, **20** (1), 92-117.

CORMIER, D. and MAGNAN, M. (1999). Corporate environmental disclosure strategies: determinants, costs and benefits, *Journal of accounting, auditing and finance*, **14**, n° 4, 429-451.

DEEGAN, C. and RANKIN, M. (1996). Do Australian companies report environmental news objectively? An analysis of environmental disclosures by firms prosecuted successfully by the

Environmental Protection Authority, *Accounting, Auditing and Accountability Journal*, **9**, n° 2, 50-67.

DEETZ S. (2007), Corproate Governance, Corporate Social Responsability, and Communication, in The dabate over Corporate Social Responsability, edited by S. May, G. Cheney, J. Roper, Oxfrod University Press, New-York, 490 p.

DEMAZIERE, D and DUBAR, C. (1997). *Analyser les entretiens biographiques*, Paris, Essais et recherches Nathan.

DEPOERS, F. (2000). L'offre volontaire d'information des sociétés cotées : concept et mesure, *Comptabilité-Contrôle-Audit*, Tome 6, **2**, 115-131.

DYE, R.A. (1985). Disclosure of non-proprietary information, *Journal of accounting research*, **23**, n° 1, 123-145.

FREEMAN, R.E. (1984), *Strategic Management: A stakeholder approach*, Pitman Series in Business and Public Policy, Boston.

FREEMAN, R.E. and REED, D.L. (1983). Stockholders and Stakeholders: A new perspective on Corporate Governance, *California Management Review*, **25**, n°3, 88-106.

GIORDANO-SPRING S. and RIVIÈRE-GIORDANO G. (2008). Reporting sociétal et IFRS : quelle cohérence ? Revue Française de Gestion – n° 186, 19-34.

GOND, J-P. and MERCIER, S. (2004). *Les théories des parties prenantes : une synthèse critique de la littérature*. Actes du Congrès de l'Association francophone des ressources humaines, Montréal.

GROSSMAN, S. (1981). The role of warranties and private disclosure about product quality, *Journal of law and economics*, **24**, n° 3, 461-483.

GUTHRIE, J. and PARKER, L.D. (1989). Corporate Social reporting: a rebuttal of legitimacy theory , *Accounting and Business Research*, **19**, n° 76, 343-52.

HILLMAN A. J. et G. D. KEIM, 2001. Shareholder Value, Stakeholder Management, and Social Issues: What's the Bottom Line? *Strategic Management Journal*, **22**, 125-139.

JAHDI, K. and ACIKDILLI, G. (2009). Marketing Communications and Corporate Social Responsability : Marriage of Convenience or Shotgun Wedding ? *Journal of Business Ethics*, **88**, Issue 1, 103-113.

JENSEN, M .C. and MECKLING, W.H. (1976). Theory of the Firm: Managerial Behavior, Agency Costs and Ownership structure, *Journal of Financial Economics*, **3**, n°4, 305-360.

KOCHAN, T.A. and RUBINSTEIN, S.A. (2000). Towards a stakeholder theory of the firm: The saturn Partnership**,** *Organisation science*, 11 (4), 367-386.

LOUGEE, B. and WALLACE, J. (2008). The corporate Social Responsibility Trend, *Journal of Applied Corporate Finance*, **20**, Issue 1, 96-108

MARTINET, A.C. and REYNAUD, E. (2001). Shareholders, stakeholders et stratégie, *Revue Française de Gestion*, No. Spécial : Des nouvelles règles pour l'entreprise, n°136, 12-25.

MEZNAR, M. B. and NIGH, D. (1995). Buffer or Bridge? Environmental and Organisational Determinants of Public Affairs Activities in American Firms, *Academy of Management Journal*, 975-996.

MILGROM, P. (1981). Good news and bad news: representation theorems and applications, *Bell Journal of economics*, **12**, 380-391.

MORSING M., SCHULTZ M. (2006). Corporate social responsibility communication: stakeholder information, response and involvement strategies, *Business Ethics: A European Review*,**15**, n°4, 323-33

NEU, D., WARSAME, H. and PEDWELL, K. (1998). Managing public impressions: environmental disclosures in annual reports, *Accounting, Organisations and Society*, **23**, n° 3, 265-282.

PAVAN, V. and RAHIB M. (2004). Bilan critique de l'application de l'article 116 de la loi NRE, ORSE, d'EpE et de l'Orée.

PERSAIX, E. (2002). L'écologie comme atout stratégique : une validation de l'approche ressources par la méthode PLS, *Finance Controle Strategie*, **5**, No. 3, 95-230

PIECHOCKI, R. (2004). Transparency of Annual Sustainability Reports, *Corporate Reputation Review*, 7, n°2, 107–123.

POINCELOT E. et WEGMANN G. (2005). Utilisation des critères non financiers pour évaluer ou piloter la performance : analyse théorique. *Comptabilité-Contrôle-Audit*, Tome 11, **2**, décembre, 109-125.

POINCELOT, E. and WEGMANN, G. (2005). Utilisation des critères non financiers pour évaluer ou piloter la performance : analyse théorique, *Comptabilité-Contrôle-Audit*, Tome 11, **2**, décembre, 109-125.

POST J. E., L. E PRESTON et S. SACHS, 2002. Managing the Extended Enterprise: the New Stakeholder View, *California Management Review*, **45**, n° 1, fall, 6-28.

POURTIER, F. (2004). La publication d'informations financières volontaires : synthèse et discussions, *Comptabilité-Contrôle-Audit*, Tome 10, **1**, 79-102.

POWER, M. (2005). *La société de l'Audit – L'obsession du contrôle*, Paris, La Découverte, Collection « Entreprise et Sociétés ».

REYNAUD, E. and ROLLET, A. (2001). Les compétences centrales environnement comme source d'avantages concurrentiels et de légitimité. In : Stratégies: actualités et futurs de la recherche, Martinet, A.C. et Thietart, R.A. (Eds.), Paris, Edition Vuibert, Collection FNEGE.

RUBINSTEIN, M. (2006). Le développement de la responsabilité sociale de l'entreprise, *Revue d'économie industrielle*, n°113, 83-105.

STONEY, C. and WINSTANLEY, D. (2001). Stakeholding: confusia or utopia ? Mapping the conceptual terrain, *Journal of Management studies*, **38**(5), 603-626.

VERRECHIA, R.E. (1983). Discretionary disclosure", *Journal of accounting and economics*, **5**, 179-194.

WATTS, R.L. and ZIMMERMAN, J.L. (1990). Positive accounting theory: a ten year perspective, *The accounting review*, **65**, n° 1, 131-156.

WOLFE, R. and PUTLER, D.S. (2002). How tight are the ties that bind stakeholder groups? *Organisation Science*, **13**, n°1, 64-80.

| Company | | Stakeholder | | | | | Dimensions of sustainability | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Sentence** | **Page** | **Employees** | **Customers** | **Suppliers** | **Value : yes (Y), no (N)** | **Situational verb (SV), Action verb (VA)** | **Economical** | **Social** | **Environmental** | **Short-term (ST) or long-term (LT)** | **Analytical (Yes / No)** |
| The company runs its business and manages teams via long term actions by ensuring the respect of the cultures of all its employees. | 100 | 1 | | | N | VA | | 1 | | LT | Y |
| Over 2 / 3 customers have recommended our company to their friends and relatives. | 128 | | 1 | | Y | SV | 1 | | | ST | N |
| The studies led to the systematic introduction of a charter commitment to sustainable development for the suppliers. | 137 | | | 1 | N | VA | 1 | | | LT | N |

**Table I:** Example for the analysis of the sustainability report on one of the 20 CAC 40 companies studied.

| | | Stakeholder | | | |
|---|---|---|---|---|---|
| | | Employees | Customers | Suppliers | **average** |
| Sectors of activity | Agribusiness | 91.6 ± 20.3 | 69.6 ± 23.1 | 63.6 ± 16.1 | **75.0 ± 21.5** |
| | Automobile | 45.3 ± 24.9 | 18.3 ± 26.5 | 16.6 ± 19.1 | **26.7 ± 24.8** |
| | Banking | 69.3 ± 71.7 | 89.0 ± 103.1 | 9.6 ± 6.6 | **56.0 ± 72.3** |
| | Construction | 44.0 ± 36.1 | 32.6 ± 26.3 | 21.6 ± 9.1 | **32.7 ± 24.7** |
| | Chemicals | 53.0 ± 48.1 | 45.5 ± 51.6 | 18.0 ± 16.9 | **38.8 ± 36.4** |
| | Electronics | 105 ± 116.9 | 38.6 ± 46.3 | 47.6 ± 58.3 | **63.7 ± 76** |
| | Energy | 57.0 ± 20.2 | 48.0 ± 27.2 | 11.3 ± 4.1 | **38.7 ± 27** |
| | Luxury goods | 36.5 ± 0.7 | 28.0 ± 32.5 | 53.5 ± 67.1 | **39.3 ± 35.3** |
| | **average** | **64.3 ± 52.1** | **47.1 ± 46.5** | **29.7 ± 32.2** | |

**Table II:** Impact of types of stakeholders and sectors of activity on total number of occurrences. Means ± S.E.M.

| | | Stakeholder | | | |
|---|---|---|---|---|---|
| | | Employees | Customers | Suppliers | **average** |
| indicator | Social | 42.4 ± 32.3 | 12.1 ± 14.7 | 9.6 ±1 5.3 | **21.3 ±26.6** |
| | Economic | 17.2 ± 14.6 | 23.2 ± 20.7 | 14.2 ± 18.1 | **18.1 ±18.1** |
| | Environment | 4.9 ± 7.9 | 9.0 ± 8.3 | 9.7 ± 10.9 | **7.9 ±9.2** |
| | **average** | **21.5 ± 25.9** | **14.8 ± 16.4** | **11.1 ± 15** | |

**Table III:** Impact of types of stakeholders and sustainability indicators on number of occurrences. Means ± S.E.M

| | | Axis 1 (42 % of TV) | | Axis 2 (23.7 % of TV) | |
|---|---|---|---|---|---|
| | | correlation | contribution | correlation | contribution |
| Employees | Economic | **0.47** | **12.5 % (*)** | **0.41** | **19.3 % (*)** |
| | Social | **0.59** | **15.4 % (*)** | 0.23 | 10.8 % |
| | Environment | 0.42 | 11.1 % | **0.47** | **22.4 % (*)** |
| Customers | Economic | **0.46** | **12.1 % (*)** | 0.08 | 4.1 % |
| | Social | 0.12 | 3.1 % | 0.17 | 8.0 % |
| | Environment | **0.51** | **13.4 % (*)** | 0.09 | 4.4 % |
| Suppliers | Economic | **0.58** | **15.3 % (*)** | 0.004 | 0.02 % |
| | Social | 0.26 | 6.8 % | **0.34** | **15.9 % (*)** |
| | Environment | 0.38 | 9.9 % | **0.31** | **14.5 % (*)** |

**Table IV:** Correlations and contributions of each variable studied as function of first two axes (TV = total variance; (*) = contribution above average = 12 %).

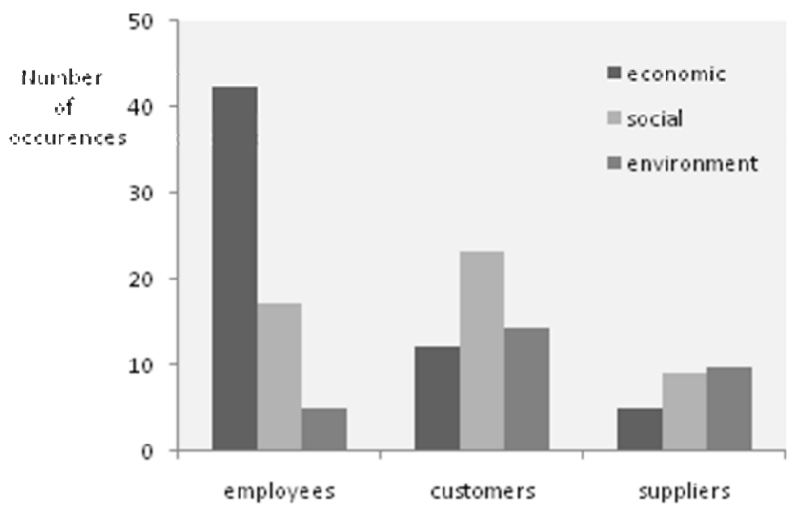


**Figure 1:** Illustration of interactions between stakeholders and sustainability indicators (economic, social and environment).

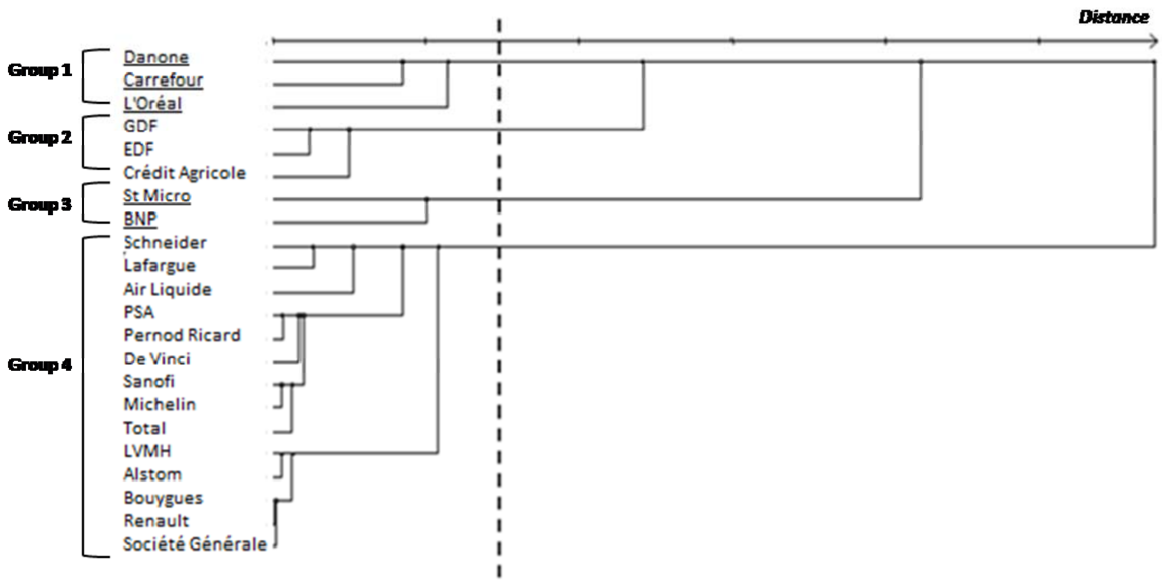


**Figure 2:** Dendrogramme accounting for groups of companies.

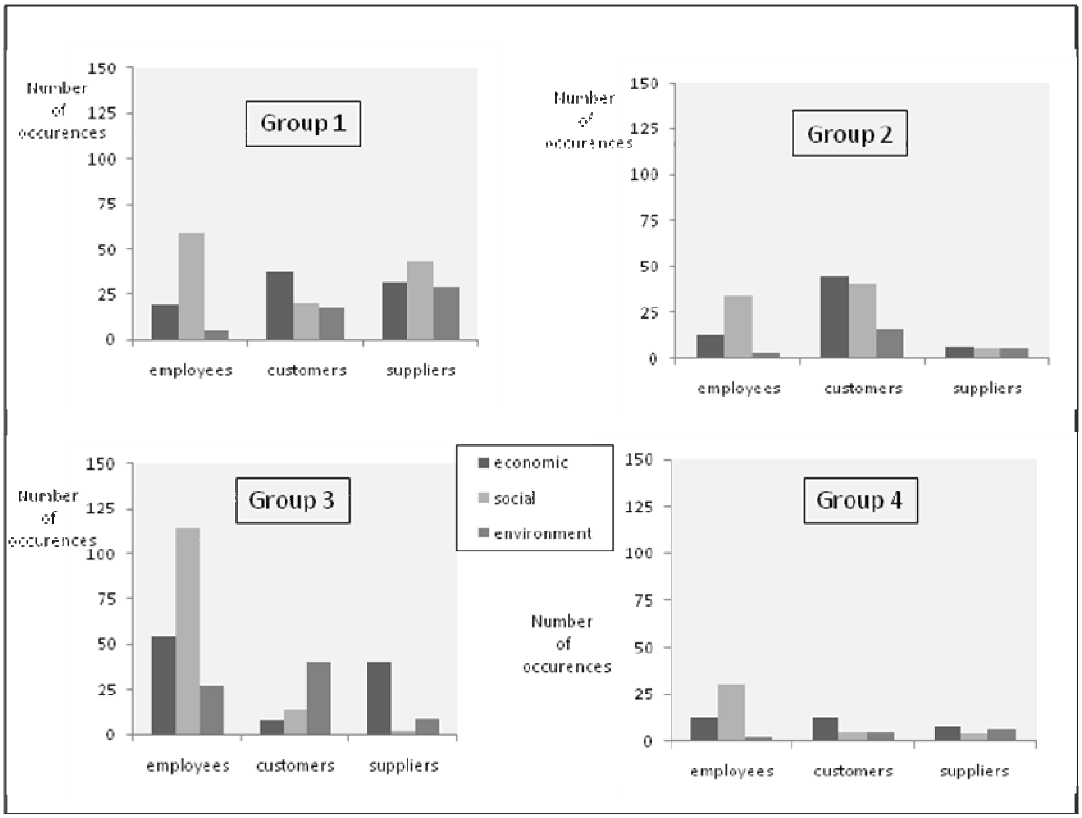


**Figure 3:** Profiles for four groups of companies, by stakeholder (employees, customers and suppliers) and type of indicator (economic, social and environment).