A Discussion of Implicit Verses Explicit CSR Discourse: A case study of Ford, Volkswagen and Toyota.

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Abstract

A growing body of scholarly work has been emerging in the field of comparative capitalism due to its importance for multinational corporations. National Business Systems theory (NBS) explains how certain business practices are embedded in its national context. The Implicit verses Explicit framework differentiates CSR practices within different NBS. As more research emphasise convergence between NBS. This research aims to explore the language of CSR disclosures and how this language might differ between different institutional environments. By integrating literature from national business systems and corporate social responsibility, this research attempts to understand how converging national business systems as a result of continued globalisation (Dore, 2000), influences CSR discourse. Matten and Moon (2008), explain the relationship, since CSR is embedded within the institutions and environment. Furthermore, converging or diverging would have a profound effect on CSR, as companies may well have to adapt their practices to engage stakeholders (Marano & Kostova, 2016) and gain legitimacy (Bansal & Roth, 2000).

The critical discourse analysis of Ford, Volkswagen and Toyota’s CSR reports allowed for identification of how discourse differs between companies originating from different NBS. As well as change in discourse between the period of 1999 and 2018. The findings indicate that Volkswagen and Toyota’s CSR language are showing more similarity to Fords’ CSR language. This research hopes to inspire further research in CSR disclosures and converging national business systems.
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5.4 From implicit to explicit .................................................................42
5.5 Summary: ....................................................................................42
Chapter 6: Conclusion .......................................................................43
Reference List ..................................................................................45
Appendix: .........................................................................................53
Chapter 1: Introduction

For the past few decades, Corporate social responsibility (CSR) has become an essential business consideration among multinational corporations to address the public’s wider societal concerns that go beyond the conventional corporate role of maximizing profits in both foreign and domestic markets (Deegan, 2002; Carrol, 1991). International business literature reveals significant cross-national differences in corporate CSR such as regulation (Matten and Moon, 2008), stakeholder engagement (Marano & Kostova, 2016) and disclosures (Gjoldberg, 2009). Matten & Moon’s (2008) Implicit Versus Explicit framework provides a comprehensive theoretical argument to explain such differences. Founded on the National Business Systems theory (Hall & Soskice, 2001; Whitley, 1999), Matten and Moon assert that firms’ CSR practices and disclosures are embedded within different institutional environments. Furthermore, a growing body of literature examines how globalisation drives National Business Systems convergence (Dore, 2000; Witt, 2006; Hiss, 2009). The neo-institutionalist approach explains the mechanism that pressures firms to conform to institutional environments (Meyer and Rowan 1977; DiMaggio and Powell 1983; Scott 2001). All things considered, this research aims to explore the language of CSR disclosures and how this language might differ between different institutional environments. By integrating literature from national business systems and corporate social responsibility, this research attempts to understand whether converging national business systems influences CSR disclosures.

A critical realist epistemology and a qualitative research method are used to facilitate a critical discourse analysis, which will uncover any implicit to explicit change in the discourse of Ford, Volkswagen and Toyota’s CSR reports. This informs ‘A Discussion Implicit Verses Explicit CSR Discourse: A case study of Ford, Volkswagen and Toyota’ and explore the following:

1) How does implicit verses explicit CSR language differ from the CDA approach?
2) How are CSR reports becoming more similar?

1.1 Background:
The automobile industry is a capital intensive and knowledge intensive industry that plays an essential role in the country’s economy. According to international estimates, the average annual turnover of the world automobile industry is more than 2.75 trillion (€), which
corresponds to 3.65% of world GDP (IOCA, 2017). Even though global car and light commercial vehicle sales in 2018 contracted by 0.5% to 86 million vehicles. Companies such as Volkswagen and Toyota are among the top ten largest companies in the world in terms of revenue (Jegede, 2019). Toyota led the market with a 3% increase in 2018, selling 8,091,277 vehicles. The same year Volkswagen had also increased sales to reach 6,746,204 cars sold worldwide. Although Ford struggled in 2018, the US manufacturer still managed to sell 5,329,290 vehicles (Bekker, 2019). Thus, the automotive industry represents one of the key branches of the economy, providing development of other industries and the country as a whole. Furthermore, the automotive industry comprises a wide range of companies and organizations involved in the design, development, manufacturing, marketing, and selling, the industry is interlocked with equally large industries such as Oil and Gas.

However, as a result of the industry’s sheer size and nature, the automotive industry has a profound effect on the environment. The Environmental Defence Fund (2003) claims that the automobile industry is the largest source of global pollution. First, car consume a lot of energy during production including different materials such as steel, rubber, glass and plastics (National Geographic, 2019). Secondly, the end of a car’s life cycle does not end its environmental impact. Plastics and toxic battery acids require further energy to properly dispose of. Second, not only do cars consume massive amounts of oil during its use but they are also considered a one of the biggest air pollutants in the U.S (Brinson, 2012).

Given the sheer size of the automobile industry coupled with its global social and environmental impact, marks the decision studying a form of its communication. Plus, signifies the importance of effective CSR communication with stakeholders. While a large part of corporate communication is voluntary, organisations are required to report to their owners at least once a year, this is traditionally done in the form of annual report (Sweeney and Coughlan, 2008). In recent years, company annual reports have started to contain information on how the organisation is contributing to social responsibility, additionally, social accounting is undoubtedly growing (Rasche and Esser 2006). Nevertheless, as globalisation continues to expand beyond social, political and national borders. Questions rise regarding the framing of CSR communication specifically in discourse.

Environmental discourse is dependent upon economic, political, and social contexts (Huckin, 2002). It reflects and shapes environmental policy and regulatory enforcement, as well as
influences institutional forms and practices. Therefore, companies have the ability to create their own image when communicating with stakeholders. As a result of continuous environmental deregulation, U.S. automakers have become especially known as discursive actors and have taken a prominent role in shaping the nature and contents of environmental discourses (Reyes, 2013). As global companies such as automobiles are the leading source of environmental pollution (e.g. greenhouse gas emissions). Auto companies are under constant pressure by environmental advocates for institutional legitimacy and authority on issues of sustainability. Which constantly motivates them to engage in environmental discourse in order to shape public perceptions and ways of thinking about sustainability in ways that benefit their financial bottom line (Levy and Rothenberg, 2002).

The structure of the dissertation is as follows. Chapter 2 will consider the broader topic of National Business Systems and will introduce the theoretical framework for implicit and explicit Corporate Social Responsibility. Subsequently, Chapter 3 will focus on the research epistemology and methodology chosen. This will also highlight the approach to CDA and note its effectiveness as an analytical tool. Chapter 4 will present the findings of the CDA whereas Chapter 5 will discuss the findings and link back to the research questions and framework. Finally, Chapter 6 will be the conclusion to the study.
Chapter 2: Literature review

2.1 Introduction:
This chapter integrates literature from Corporate Social Responsibility (CSR) and National Business Systems theory (NBS). Matten and Moon’s Implicit/Explicit framework addresses how and why CSR differs among countries. Furthermore, the research explains the mechanism that causes organisations to conform with institutional environment. Whilst NBS and CSR are individual topics, they are independently linked with CSR discourse.

2.2 Corporate Social Responsibility:
In recent years, Corporate Social Responsibility (CSR), frequently referred to as a global movement and a mega-trend, has been the subject of considerable attention (Sahlin-Andersson, 2006; Kleine and von Hauff, 2009; Habek, 2013; Freeman, 1987). CSR has a long and diverse history in the literature and an intensive debate has taken place amongst both academics and practitioners. Consequently, different schools of thought suggest distinct approaches as regards whether CSR should be mandatory or voluntary. Even though the concept of CSR has deep roots within management practice that can be traced back to the 1950’s and the work of Howard Bowen (1953). Carroll (1991), laid the foundations for mandatory CSR by aligning the corporate perspective to the societal perspective. From this point of view, the concept of CSR suggests that companies should strive to make profit, obey the law, be ethical and be a good corporate citizen as well. Carroll’s (1997) pyramid model considers stakeholders’ expectations by means of company policies and actions by focusing on four main corporate responsibilities: economic, legal, ethical and philanthropic.

Conversely, economists have developed a contrary approach to CSR which views a corporation’s main objective as being to maximise profits. Friedman (1970), differentiates CSR from both corporation’s core profit-making responsibility and from the social responsibilities of the government. Chapple and Moon (2005, p. 416), describe CSR as the ‘involvement, responsiveness and accountability of companies apart from their core profit activities and state that it is beyond the requirements of the law and what is otherwise required by the government’. Accordingly, for an action to be considered a part of CSR strategy, it must go beyond what a firm is legally obligated to do and should not be aimed at increasing revenue.
The importance of CSR is developed by highlighting the relationship between companies and society. From society’s perspective, companies need to exist in order to create welfare, provide goods and services and create employment (Eberle et al., 2013). However, from an economic point of view a company’s main purpose is to simply maximise its profits (Friedmen, 1970). Thus, the claim that companies and societies must live separate from one another (Carroll, 1991) is central to this study as it highlights the importance of stakeholders. Although it could be argued that CSR is separate from maximising profit and government regulations, the need to satisfy stakeholders and gain legitimacy is the key to a firm’s survival.

Recent literature on CSR highlights the importance of effective communication between firms and their stakeholders in order to align business activities with the interests of different social actors (Habisch et al., 2010). Specifically, authors underline the relevance of stakeholder dialogue for the creation of social capital, which in turn can represent a valuable asset for a company with several beneficial effects which may assist a firm’s success (Habisch and Moon, 2006). Additionally, CSR disclosures in the form of reports are an essential tool to communicate about a firm’s CSR activities (Deegan, 2002).

It should be noted that a number of studies conducted by various authors report that CSR reports vary widely within different countries and regions (Skouloudis et al., 2010; Sierra et al., 2013; Habek, 2014). One example is Adams et al (1995), in a study that found that CSR disclosures in the UK are heavily concentrated on exceptional performance and managerial attitudes. Conversely, CSR disclosures in the Netherlands were directed towards employees and their inclusion in different company activities (Quaak et al., 2007). Most notably, authors have found systematic differences in CSR disclosures between different national institutional environments (Campbell, 2007; Jamali et al., 2008). In a study by Khanna, Palepu and Sinha (2005), the authors claim that in economies where stakeholder involvement is not institutionalised, corporations tend to tackle problems by adopting voluntary policies and practices related to CSR. In contrast, other researchers observed that different regions rely on mandatory policies and practices to dictate their CSR practices (Jackson and Apostolakou, 2009).

Therefore, researchers have clearly traced back the mandatory and voluntary CSR debate to different countries and regions around the world. However, further research is required to
fully comprehend how CSR disclosures differ between different regions worldwide. Moving forward, the next part of this chapter considers different national business systems in search of links with CSR reporting.

2.3 National Business Theory:
The literature on different institutional environments consists of two primary frameworks; specifically the Varieties of Capitalism and National Business System theory (NBS). The Varieties of Capitalism approach (Hall & Soskice, 2001), divides advanced economies into liberal and coordinated market economies, according to mechanisms that allocate resources, profits and risk. Conversely, NBS (Whitley, 1999 p.448), focuses on ways of “structuring economic activities with different sorts of actors following contrasting priorities and logics”. This research, however, follows the NBS approach given that it explains distinctive historical underpinnings of institutional frameworks as claimed by Matten and Moon (2008).

National Business System Theory organises countries by the amount of coordination between economic organisations and the interconnectedness between various stakeholders (Whitley, 1999). According to Whitley (1999), there are four key features of historically grown national institutional frameworks; namely political system, financial system, educational system and cultural system. Liberal market economies and coordinated market economies are considered the far end of the NBS framework, as each economy is opposite in each of the four features. However, the main difference lies in how each economy organises itself. In Liberal Market Economies (LME), firms organise their activities according to hierarchies and market arrangements. Relationships are characterised by the exchange of goods and services in the context of competition. In Coordinated Market Economies (CME) firms are highly dependent on non-market relationships to organise their affairs. This generally entails more extensive relational contracting, networking and collaboration as opposed to competition.

One key distinction is the power of the State within the political systems pertaining to LMEs and CMEs. According to Lijphart (1984), the power of the State has been shown to be greater in Europe (CME) than in the US (LME), as European governments have proved to be more present in both economic and social activity. Some demonstrate this by the national insurance systems established for health and pensions which assume state responsibility in these areas (Heidenheimer et al., 1990), whereas the US government has been less active in these areas, yet more active in creating incentives for employees to provide social benefits.
Financial systems are also a major difference between LMEs and CMEs, in the sense of how firms access finance to fund their operations. In LMEs, the stock market plays a major role in funding corporations. In general, larger companies are publicly owned and access capital by allowing shareholders to buy and sell company shares on the stock market (Coffee, 2011). In CMEs, an essential part of company funding is based on what is referred to as ‘patient capital’ (Hall & Soskice, 2001). Institutional investors such as banks value investments that generate returns in the long-term. However, trading on stock markets is not impossible to find in CMEs, some companies choose to fund certain secondary operations through stocks.

In terms of education and labour systems, LMEs have been categorised as ‘fluid’ labour markets. Training is typically provided by institutions offering formal education which often focuses on general skills (Hall & Soskice, 2001). Companies tend not to invest in their employees since employees are not guaranteed to stay for long. An example of a CME in Germany is where labour is generally highly equipped with both industry specific and firm specific skills which firms are willing to provide. Workers are assured that internships and apprenticeships are awarded with long-term lucrative contracts. Companies are willing to invest in their labour’s skills as they are considered an asset that companies rely on to return its long-term investment (Molina & Rhodes, 2002).

Even cultural systems between LMEs and CMEs have seen profoundly different perceptions regarding business, society and government. In Europe, the culture relies on representative organisations, political parties and unions to act socially responsible. However, the US has been categorised as a much more participative, philanthropic culture (Dowie, 2001), where social responsibility falls on the wealthy businessperson to produce the best results for the community (Whitley, 1999).

Given the differences between types of national business systems globally, a growing body of literature has been addressing how systems may possibly becoming more alike. Ronald Dore in his book ‘Stock Market Capitalism’ (2000), explains his theory that different types of capitalism are shifting towards the LME and American model. As mentioned earlier, companies from different business systems prefer to finance their operations differently. Companies in LMEs generally prefer raising funds quickly by way of selling shares on stock markets. In CMEs however, corporations take long-term bank loans that permit incremental growth. Each finance mechanism has a profound effect on how companies organise their
operations. For instance, LME companies can expand into foreign markets much faster giving them an advantage abroad.

According to Dore (2000), financialisation and marketisation have played essential roles in this phenomenon. The former relates to institutional arrangements that involve economic transactions between parties. This is built on two assumptions. First, self-interest maximization is valued above all else. Second, competition is relied on to maximise welfare. Financialization refers to the dominance of the finance industry where it determines corporate strategies and business cycles. Through globalisation, both marketisation and financialisation have led firms in coordinated markets to adopt the LME model. Firms in LMEs can quickly raise finance which allows them to expand their operations, develop new products and respond to changing environments and trends much faster than firms from CME (Dore et al., 2002). This has led companies from CMEs to increase their reliance on stock markets as a vital way of raising finance to compete with companies from LMEs.

Researchers have set out to test the extent to which different coordinated markets around the world have shown signs of convergence towards or divergence from LMEs. On the one hand, Streeck (1997) claims that convergence is inevitable for a couple of reasons. First, the widespread Anglo–American liberal market model ideology as well as its strong influence on the global economic and financial systems, are seen as drivers towards the model. Second, the passive exposure of business systems to the corrosive effects of this globally effective free market-orientated model, produces greater expansion and higher returns, whereas less active participation in globalisation by companies receives less attention. Conversely, Sorge (1996), asserts that business systems will remain the same and will not converge into the American model. Additionally, where business systems accept the main differences between them, even with a certain amount of change, its impact is not corrosive.

Germany is a highly coordinated market that has claimed to be changing in recent years (Lane, 2000). Firstly, capital markets and foreign direct investment have grown in importance and increased significantly in absolute terms (Deutsche Bundesbank, 1997). Secondly, the constantly changing economic and technological environment has encouraged large German corporations to expand their foreign investment, cooperation and place more emphasis on their internationalisation strategies (Sally, 1995). Finally, other companies have engaged in organisational restructuring, with a view to improving their responsiveness and global
expansion (Ferner & Varul, 2000). Therefore, German corporations have witnessed certain changes as they compete for their global position.

It is also important to mention that Japan, a country that was once characterised with high levels of coordination between its institutions that aimed for long-term returns, has also been characterised with a changing national business system (Dore, 2000). Witt (2006), studies cultural, business environment and business system institutions within the Japanese environment and identifies changes. He claims that culture witnesses limited change, the shareholder view gains in importance and becomes more recognised, yet more emphasis is placed on the importance of stakeholders especially employees. Second, business environments have witnessed certain changes, even though education still witnesses development rates in college. However, long-term employment is beginning to weaken as unions are in decline and the State is becoming less involved in labour market programmes (Kato, 2001). Most importantly, following the issue with bad loans in 1990, a liberalised financial policy weakened firm’s dependence on banks (Vogel, 1996). Therefore, Japanese firms have placed more dependence on capital markets to finance their operations.

With respect to CSR, very few studies have explored whether or not it might be changing. Tangblad and Ohlssen (2010), aim to understand how CSR might be changing in light of globalisation and the changing national business systems. In doing so, they adopt Haak’s (2002) categorisation of business systems into communitarian and individualistic. Communitarian business systems are ones that tend to form communities within businesses, whereas individualistic business systems are ones that aim to protect their individual autonomy through loose interfaces (Haak, 2002). When applying this theory to investigate Swedish companies, Tangblad and Ohlssen claim that companies have been moving from a communitarian approach to a more individualist approach. They assert that by becoming more self-regulatory, companies aim to act more responsibly to maintain strong relationships with stakeholders, specifically stakeholders from different countries.

As CSR is at the core of social issues and its challenges during business and economic processes, CSR’s change is related to institutional change within countries. Hiss (2009), argues that in Germany, CSR is currently being highlighted through voluntary practices rather than regulation as a result of institutional change. The German institutional environment is characterised with implicit mandatory and obligatory regulations that have a clear context for
corporate responsibility, seeing as the institutional framework in Germany is characterised with ‘organised capitalism’. However, as a result of years of a more integrated and competitive world economy coupled with financial liberalisation and deregulation, Germany could be experiencing institutional change where corporations are explicitly and voluntarily participating in social issues. Yet, the researcher does not support this with empirical evidence. The country that was once characterised with (its characteristics) is being seen as changing.

Japanese firms have long been categorised as ‘society friendly’ because of their corporate governance, close coordination with various stakeholders and governments and long-term employment. Nevertheless, research has claimed that Japanese firms are deviating from the traditional Japanese model (Fukukawa and Moon, 2004). Different drivers are causing firms to expand on their CSR. First, Lewin et al. (1995), alleges that the practice of governmental organisations implies that a course of social action under administrative guidance is an essential driver of CSR activity. Second, as Japanese companies continue to expand in different markets, Japanese firms continuously learn about new CSR agendas that meet expectations in various host countries.

Therefore, as Dore alleges convergence between national business systems, other writers have both agreed and disagreed with such claims. Furthermore, this changing institutional landscape has a profound effect on CSR according to (Hiss, 2009; Fukukawa and Moon, 2004). Consequently, it might be discerning to explore CSR language’s movement from mandatory to voluntary and how it may possibly differ in light of such changes.

2.4 Impact of institutional context on CSR:
The mechanism in which institutional environments impact CSR by way of firms is central to this study. Institutional theory posits that institutions which exist through structures, rules and norms, impose authoritative guidelines for organisational behaviour (Mayer & Rowan, 1977). DiMaggio and Powell (1983), were one of the first to study how Scott’s ‘Three Pillars of Institutions’ pressures organisations to conform to an institutional environment. By considering the constraints imposed by states and professions, DiMaggio and Powell introduce the concept of ‘Institutional Isomorphism’, a ‘constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions’ (1983, p. 149).
Furthermore, as a result of the pressure imposed on organisations within an institutional environment, the scholars identify three mechanisms that allow isomorphic change, which are Coercive, Mimetic and Normative isomorphism. Coercive isomorphism occurs when pressure is exerted on one organisation by another organisation that it is dependent on, such as political pressure or a change in legislation. Mimetic isomorphism occurs when organisations copy the practices of one organisation since they are perceived as successful. Finally, normative isomorphism are pressures brought on by professions. For instance, this relates to an organisation field where actors must behave and dress in a certain way to meet expectations.

Different institutional environments impose different pressures on firm’s operations and activities (Campbell et al., 2012). For example, in Western countries bribery is considered unethical as well as illegal, yet it is not viewed the same way in other parts of the world (Cuevro-Cazorla, 2006). In some countries, a small amount of extra money is considered an incentive by greasing someone’s palms. Another example, dismissing employees during economic downturn is considered unethical in Asian countries where this might be accepted in certain Western ones (Crane & Mattan, 2004). Thus, institutional environments dictate how business is conducted within countries. Therefore, it is essential for companies to understand the institutional environments it operates in.

CSR generally faces a broad range of institutional pressures within one environment, in addition to how these pressures interact with one another. In a study of Korean firms, Kim et al (2013), ascertained that their CSR policies faced regulative pressure to conform from both the Korean government and international standards, including the UN Global Compact. This is amplified in the case of multinational companies that operate in several different countries. Firms face multiple sources of pressure, some of which can be conflicting. To illustrate, Muller (2006), explores CSR practices and subsidiary autonomy among Mexican subsidiaries of seven European companies within the automotive industry, given that certain car manufacturers have been observed to apply European CSR standards while others applied Mexican CSR standards. From a sample of seven European car manufacturers, three implemented European CSR standards, three implemented Mexican CSR standards and one reported inconclusive. However, the study concludes that with respect to CSR regulation, companies had to manage pressures imposed by the Mexican market in order to operate in it.
Different researchers have aimed to show that a country’s institutional environment can influence firms’ adoption of CSR practices (Marano and Kostova, 2016). Bansal and Roth (2000) claim that by understanding the values of these stakeholders can firms gain legitimacy. Linked to the institutional environment of a country, there has also been evidence to suggest that both primary and secondary stakeholders can have an impact on what influences CSR reporting. Rhee, Park & Peterson (2018), distinguishes between primary (e.g., consumer, employees, suppliers) and secondary stakeholders (e.g., government, media, community) and identifies the relationship between local stakeholder pressures and Korean foreign subsidiaries’ CSR. Local primary stakeholders have a positive impact on responsive CSR activities, but have no influence on strategic CSR activities. Second, local secondary stakeholders in host countries have a strong influence on both responsive and strategic CSR activities. Additionally, secondary stakeholders have more influence on strategic than on responsive CSR activities. This further provides evidence that a firm’s CSR is not only influenced by their institutional environments, but that different stakeholders vary in the amount of influence they imposed on a company.

Therefore, previous research asserts that internationalising companies must implement different CSR approaches to conform with different environments and gain legitimacy. As different stakeholders have different amounts of influence on CSR. Thus, this research assumes that changes in CSR are a result of conforming with a more divers number of stakeholders.

2.5 Implicit and Explicit:
Matten and Moon (2008), are one of the first to lay the groundwork for institutional comparative CSR. Matten and Moon draw on new institutional theory (DiMaggio & Powell, 1983) and national business theory literature (Whitley, 1998) to study the differences in CSR activities in different institutional environments. Matten and Moon (2008), claim that CSR practices are different between Europe (CME) and the United States (LME). This is a result of the different institutions that regulate CSR nature within different regions. Relating back to DiMaggio & Powell (1983) regarding ‘institutional isomorphism’, the authors claim that firms which operate within the same institutional environment tend to become isomorphic in terms of legitimacy.
Variations in national business systems can be understood by means of the long history of different institutional environments, including both formal and informal ‘rules of the game’ (North, 1999). As explained earlier, the institutional framework of a country contains four distinct features: political, financial, educational and labour systems as well as culture. The authors argue that in the US, institutional environment delivers much more incentives and opportunities for firms to take explicit responsibility, whereas European institutions create an environment that’s more directed towards implicit responsibility. Therefore, explicit responsibility is observed where CSR is a voluntary corporate practice or corporate activity that is part of programmes and strategies. Implicit responsibility, however, is observed where CSR is codified and mandatory for corporations that consist of values, norms and rules.

On the one hand, ‘explicit’ CSR refers to corporate activities that assume responsibility for the interest of society. This ordinarily consists of voluntary corporate programmes, policies and even strategies that are motivated by the expectations of different stakeholders. For example, in September 2005, several US companies including Wal-Mart and FedEx immediately issued disaster relief funds after hurricane Katrina (Roner, 2005). Such activities were not enforced by any regulatory or formal institutions, yet companies rushed to donate. In contrast, ‘Implicit’ CSR refers to the role of corporates within both formal and informal institutions in society. These commonly consist of codified and mandatory requirements for corporations, motivated by legitimate expectations concerning all groups in society.
Considerable research has applied the Implicit/Explicit framework since then. Scholars have tested the Implicit/Explicit framework across European counties and unearthed noticeable differences. First, Gjolberg’s (2009), study asserts that corporations from the UK, Switzerland and the Netherlands are leading the way in their CSR efforts. As a result of constant monitoring by the media and NGO’s, the author describes these countries as explicit and in need of being perceived as responsible. Similarly, the Nordic countries had high levels of CSR effort. Yet, organisations in Nordic countries were more implicit in how they communicated their CSR. This is because company engagement in environmental and social issues are embedded into their institutional framework.

Second, François and colleagues (2018), apply Matten and Moon’s (2008) implicit-explicit framework to determine how macro-level and meso-level factors shape CSR practices at the micro level in two different sports in both the UK and France. This paper examines the ways in which French and UK professional sports clubs implement and communicate their CSR policies. Regarding rugby and football clubs in the UK, CSR is characterised by the strength of both the communication and implementation dimensions. Concerning French clubs, CSR is socially engaged though their initiatives are neither communicated strongly nor implemented explicitly. The study traces this back to how stakeholders within an institutional environment have different expectations, which subsequently influence the CSR strategies that companies choose to adopt.

Central to this study is the issue of measuring implicit and explicit CSR. Certain researchers have discovered difficulties when attempting to measure explicit CSR but even more with implicit CSR. While investigating the CSR practices of twenty companies, Gjoldberg (2009), expected US companies to score highly, whereas Nordic countries would not due to institutional environments. However, this was found not to be the case which contradicts the theory by Matten and Moon. One possible explanation suggested by Gjoldberg is that companies from implicit countries might be under a lot of pressure to conduct more CSR programmes. Therefore, while the environment may promote implicit CSR companies may possibly undertake explicit CSR to adhere to this.

Gjoldberg’s study identified a clear need for a more comprehensive way to analyse whether a company’s CSR strategy was implicit or explicit CSR. In response, Matten and Moon presented two key dimensions that classifies whether a company’s strategy is implicit or
explicit CSR. Firstly, regarding language, explicit CSR would use ‘CSR language’, whereas implicit would be harder to clarify. Secondly, in relation to intent, a firm engaging in an explicit CSR strategy would generally be a deliberate decision by the firm. However, engaging in implicit CSR would be a result of the institutional environment. Both dimensions are central to this study as they distinguish the type of CSR strategy, how it is presented in the report as well as what influenced the firm’s engagement. Likewise, these dimensions allow understanding of company motivation to engage and enable comparisons between different companies.

2.6 CSR Reporting:
CSR reports have always been one method of communicating social and environmental information to various stakeholders (Golob and Bartlet, 2007). Few researchers have aimed to understand the importance of globalisation’s influence on firms’ CSR reports. For instance, Tengblad and Ohlsson (2009), allege that globalisation has a profound effect on how Swedish companies frame their CSR discourse. Their study of several Swedish companies concludes that as companies become more global, CSR discourse becomes more internationally orientated rather than national. These claims have been supported by Chapple and Moon (2011), who have also pointed out the influence of an institutional environment on CSR reports. When studying a diverse sample of global companies, these companies have been witnessed to adopt the CSR profile of the country in which they operate in rather than their country of origin.

Further studies have considered other factors that might influence CSR reporting. Adams (2002), has placed several factors in three categories; specifically corporate characteristics, general contextual factors and internal contextual factors. After conducting interviews with seven multinational corporations in the pharmaceutical and chemical industries, Adams (2002), concludes that factors with the most influence on CSR reporting are country of origin, corporate size and corporate culture. Furthermore, studies such as Einwiller and colleagues (2016), went into greater detail by considering the CSR reports of both US and German companies. They illustrate how regulatory pressures from domestic organisations and also international bodies to conform impose pressure on companies to follow the regulations. However, companies in both cases tended to conform with local effects, as German
companies reported more on environmental performance and US companies reported more on social issues such as community.

As noted previously in this chapter, mandatory CSR versus voluntary disclosures differ between institutional environments. LMEs have been categorised with higher voluntary material in tackling issues, whereas CMEs have been noted to be implicit in their form of CSR. Interestingly, a study by Habek and Wolniak (2016) considers the relationship between mandatory disclosures and the overall quality of the CSR report. Quality is related to the level of credibility in text and is defined as ‘a situation in which the things that someone says are not believed or trusted because of the difference between what is said and what seems to be true’ (Odriozola and Baraibar-Diez, 2017, p.123). Accordingly, this research assumes that higher quality would exist in the form of less promotional material within implicit CSR reports, whereas lower quality CSR reports would contain higher promotional material within explicit CSR.

All things considered, this research aims to explore CSR language and how it might differ between different institutional environments. Earlier this chapter, researchers have traced back differences between mandatory verses voluntary CSR to different regions of the world. Matten and Moon’s framework categorised differences in CSR and explain the relation between CSR and institutional environments. Habek and Wolniak (2016), claim that CSR reports from CMEs have higher quality than reports originating from LMEs. This research will apply a discourse analysis to explore the quality of CSR reports originating from different institutional environments. This is explained further in the next chapter.

2.8 Summary:
Whilst individually broad areas, the literature has sought to understand why CSR is different within environments. The mechanism that creates conformity between company practices and how might convergence or divergence in national business systems be witnessed in CSR practices. Further focus must be paid to CSR discourse and how it might be changing within different CSR reports.
Chapter 3: Methodology

3.1 Introduction:
A qualitative approach was implemented in the form of critical discourse analysis regarding the CSR reports. This approach will allow for comprehensive analysis of the constructs portrayed in the language and discourse of the reports. As CSR reports are a means of communicating with stakeholders, the analysis enables an understanding of how Implicit CSR is becoming similar to Explicit.

3.2 Research Philosophy:
A link must exist between the epistemology and the chosen research method (Crotty, 1998). It is imperative that the chosen method is aligned with the intention and expectation of the research (Denscombe, 2002). Furthermore, Bershka (1979, 1989), asserts that critical realism not only considers social structures, intangible events and discourse but also considers how these interact within the wider outcome.

What constitutes knowledge is a much-debated topic in the field of management. Through the use of scientific methods to measure and observe, positivists support an objective reality, one which exists independent of people (Fleetwood, 2005). In this case, researchers take part in studies to make scientifically grounded recommendations. In response, Wikgren (2005), claims that it is not possible to isolate a phenomenon from its social context, since reality is constructed by the subjective experience of beings. However, Brosio (2005), emphasises that it is the researcher’s duty to analyse critically the ideas and subsequent implicit or explicit calls to action by important theorists. Hence, it is essential to adopt a holistic approach rather than an individualistic approach, which entails both objective and subjective measures when considering the make-up of knowledge.

As an epistemology, realism is regularly assumed to be ontologically positivist and objective (Jackson and Carter, 2000). According to Contu and Willmott (2005), critical realism can be considered somewhat dualist, identifying with both positivist and constructivist ontology. However, critical realism deviates between ontologies and the transitive and intransitive dimensions of reality (Turner & Archer, 1997). Both the transitive and intransitive dimensions shape how individuals perceive the social world, as one single perspective cannot be a complete reflection of what exists. As such, critical realism considers a much broader focus,
that shifts from the traditional positivist perspective (Wikgren, 2005). Therefore, it is important to consider many ways of conceptualising reality, rather than there being a single conceptualisation of reality.

Furthermore, a central consideration of critical realist epistemology is “how” reality is represented in different modes, rather than considering what is and what is not real (Al-Amoudi and Willmott, 2011). For instance, CSR reports consider a social reality that holds a much wider social impact. Critical realism is not critical strictly in the sense that concepts are subject to debates. Rather the intent is to consider a wider context as what exists cannot be defined by what we know. The relationship between the epistemology and the research method becomes clearer when discussing Critical Discourse Analysis in the following section.

3.3 Critical Discourse Analysis:
Critical discourse analysis (CDA) is the primary approach to analysing the CSR reports of Ford, Volkswagen and Toyota. CDA is a form of linguistic analysis that not only studies linguistic features within the text but also considers the social, political and ideological factors that contributed to the production of the text (Fairclough, 1995). Van Dijk (2001), stresses that CDA operates across disciplines in order to adapt its methods to the subject of investigation and thus establish a relationship between the social problem and the discourse. Thus, CDA includes interdisciplinary methods and theories that investigate the relationship between discourse structures and social structures which reflect cultural, socio-political and ideological issues enclosed within text.

Since the development of CDA, considerable research has been directed towards the way institutions are shaped by discourse, as well as their capacity to create and impose discourse on both individuals and groups (Van Dijk, 1993). Although previous research has focused primarily on media, educational and political institutions (Wodak, 2009), more studies are considering corporate institutions and enterprise discourse (Mayr, 2008). Within a neoliberal system, corporations have considerable control over the shaping of individual experience and the way in which individuals and groups classify the world (Mayr, 2008). Through discourse these corporations seek to legitimise their own interest and existence which reframe and reflect social practices (Mayr, 2008).
Therefore, this research is guided by the work of Fairclough (1989), which suggests that discourse has the capability to construct and re-construct social reality. Specifically, CDA is ‘how the process of social construction leads to social reality that is taken for granted and that advantages some participants at the expense of others’ (Phillips & Hardy, 2002 p.15). This is essential as it draws the link between the research method and critical realist epistemology, as many of the constructs that are developed in it are reinforced by the importance of discourse.

Given that the aim of the research is to explore whether CSR communication is becoming more explicit than implicit and aims to study how communicative language has changed, CDA will be implemented to identify the discourse within Ford, Volkswagen and Toyota’s CSR reports. The analysis of the language and linguistics should allow the identification of how these reports reflect social reality.

3.4 Data collection:
The essential building block of this research claims that implicit CSR (companies originating from CMEs) is becoming more explicit (CSR used by companies originating in LMEs) (Matten & Moon, 2008; Hiss, 2009). As such, this research analyses a company from an LME to provide an example of explicit CSR both past and present and to understand whether its communication has varied in 20 years. Furthermore, the research compares it with two different examples from CMEs. European countries are not the only CMEs, many scholars consider Japan to be a CME. Previous studies have pointed out that coordinated markets in general are shifting towards a more liberal model (Dore, 2000). Seeing as both Germany and Japan are considered highly coordinated markets (Hall & Soskice, 2001), this research studies both examples to be more representative of CMEs.

The case studies in this research were chosen according to a number of different reasons. First, these companies represent a set of principles, practices, activities and behaviours that can be traced back to their individual institutional environments (Friedland & Alford, 1991). In other words, they embody the key features of their national business systems outlined in the literature review (political, financial, labour and cultural systems) (Hall & Soskice, 2001; Whitley, 1999). Second, all three companies are the largest and most globalised compared to their domestic counterparts, with sales in almost every country on the planet (Sawe, 2019). Toyota sells in 170, Volkswagen in 153 and Ford in 132 countries around the world. Finally, all
three companies have had excellent sustainability reputations and programmes (McKinsey, 2011; Forbes, 2019) and have been able to maintain their reputation through effective communication with their stakeholders when face with corporate crises (Allen & Sturcke, 2019; BBC, 2016).

Although the small sample size might be construed as lack of representativeness, the case studies are studied in-depth and should be illustrative. It is being assumed that trends in ‘flagship’ companies in automobile industry are likely to legitimate globalization tendencies (Lane, 2000) and hence influence the way companies more generally will handle the growing tensions between internationalization and national embeddedness.

The years of analysis were chosen for a number of reasons as well. First, 1999 was chosen as a year of study because the neoliberal movement took place in the late 1980s and would therefore give a sufficient amount of time for companies to internationalise (Kinderman, 2011; Kinderman, 2008). Second, 1999 was the earliest CSR report found for all the companies chosen, both on their company websites and over other resources. Third, some evidence has been given that institutional change is visible within twenty years (Siengthai, 2010). Language research has confirmed how language can change over time; however, these changes would be negligible over five or ten years (Hall, 2002). Therefore, this research presents a twenty-year gap between CSR reports for language differences to be noticeable, although isomorphic pressures (Menkes & Aluchna, 2018) would have also forced companies to change after 20 years of globalisation.

3.5 Strategy:
The analysis of CSR reports will be facilitated via Fairclough’s (1989; 1992) framework, which entails a three-dimensional process of text analysis. The three dimensions and their methods are presented within the framework presented below in Figure (3.1), to address any critique that CDA has no single strategy (Wodak & Meyer, 2003). In addition to Fairclough’s (1992) three-dimensional framework, the research will consider ‘tone’ according to Loughran and McDonald (2016). The research will also refer to the implicit/explicit framework and Neilson and Thomson (2007) to differentiate between CSR topics. Although Fairclough provides the general framework for CDA, tone is not one of the aspects measured by Fairclough. Previous studies have claimed that companies from LMEs disclose with a more positive tone (Hummel et al., 2017). Therefore, it would be interesting to test how positive companies from CME
disclosures are, as well as changes to tone throughout the years. When analysing CSR reports these aspects will be interesting to consider and will be undertaken as follows:

**Fairclough’s Framework Figure 3.1**

The first dimension is principally concerned with the text and the level of description that the reports entail. For example, the distribution of the report’s sections and headings. In this research, this would entail categorising the different programmes that companies report on. The language in CSR reports was specifically produced for their general readers, stakeholders or shareholders. Therefore, the companies’ choice of programmes were specifically designed to address their stakeholders. Furthermore, it is important to understand what companies are reporting on since different institutional environments choose to report on different programmes, according to Matten and Moon (2008).

As for the second dimension, the analysis is more concerned with a critical feature that considers whether the language considered was more implicit or explicit. First, the researcher will examine for modality and tone (Machin & Mayr, 2013). Explicit communication would be measured by way of words such as initiative, programme and campaign. As companies aim to promote their own initiatives, their CSR reports are explicit by nature. Implicit conversely is slightly harder to locate, Matten and Moon (2008), claim implicit CSR to be a company’s role within society. Hence, the research would be locating phrases such as society. However, any CSR report regardless of the environment it originates from will include ‘society’ in the reports so as to describe their policies. Therefore, in order to test implicit CSR, this research will also
consider the word ‘stakeholder’. Combining both words ‘society’ and ‘stakeholder’ is likely to offer an insight into the company’s role in society depending on the sentence (Strand et al., 2015). The second dimension will also present the number implicit and explicit programmes in each report. This is essential to understand the intent of a company’s CSR programme as specified by Matten and Moon (2008). Finally, the third-dimension is simply a consideration of the greater social and cultural contexts that these reports carry.

3.6 Limitations:
When conducting any research, limitations must be addressed and acknowledged. In general, when conducting qualitative research most concerns are related to reliability and validity. The ongoing argument against qualitative research is that the researcher’s subjective position can influence the entire process (Brymen, Bell & Harley, 2019). Additionally, issues of validity arise when the quality of the research is solely dependent on the perspective and skills of the researcher (Bradley, 1993). However, Smith (2008), maintains that this issue can arise when conducting both qualitative and quantitative research. In both cases, it is the researcher’s responsibility to decide which part of the data should be included for his/her research regardless of the data type. Therefore, this research was structured and analysed in a manner that ensures its authenticity and trustworthiness. By way of the method and the concepts used, anyone that wishes to replicate this research would be able to facilitate the analysis.
3.7 Ethics:
The data analysed in this dissertation are the CSR reports belonging to Ford and Volkswagen, through critical discourse analysis. Using secondary data eliminates a number of the ethical issues that exist when conducting other types of research. First, the CSR reports used are publicly available and are accessible through company websites. Second, no human participation was included throughout this research. As a result, ethical concerns such as confidentiality, informed consent and participative welfare have been avoided (Brymen, Bell & Harley, 2019). Nevertheless, this research has acknowledged the report’s original source and is referenced appropriately. A concern that remains omnipresent when conducting research with qualitative data, is whether this data is analysed within the same context (Irwin, 2013). However, these reports are a means of communication created by companies with the purpose of communicating with their stakeholders (Cowton, 1998). Likewise, data was analysed within the same context published for stakeholders as it attempts to uncover the social realities portrayed by these reports by way of considering their linguistic perspective.
Chapter 4: Findings

4.1 Introduction
The purpose of the findings is twofold. First, to identify differences between implicit and explicit language. Second, to highlight linguistic change from implicit to explicit CSR between 1999 and 2018. This is measures through three dimensions of CDA and quantifying implicit or explicit strategies implemented. The findings from the analysis of CSR reports enables the assessment of discourse concepts and change of the reports throughout the years.

4.2 First dimension: Descriptive level analysis
The descriptive textual analysis allowed for the CSR reports to be read from the point of view of what is assumed to be a stereotypical reader, a stakeholder or shareholder. In the first dimension of CDA we consider text from the surface level. In the second dimension we consider the textual level, whereas in the third level we consider the sociocultural level.

In general, the six reports from all three companies maintained a similar chronological order regarding the topics they reported on. All the reports started with a letter from the CEO of the company, followed by an overview the company’s sustainability management. Subsequently, each report begins to report on different CSR topics and programmes. The following part illustrates what CSR activities companies prioritise by determining what programmes were reported on the most. Tables 4.1 and 4.2 contain the main topics considered by each report:

<table>
<thead>
<tr>
<th>1999 CSR Reports</th>
<th>Ford</th>
<th>Volkswagen</th>
<th>Toyota</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perspectives on Corporate Citizenship</td>
<td>• Sustainability and Environmental Management</td>
<td>• Environmental Management</td>
<td></td>
</tr>
<tr>
<td>Ford’s Journey Forward</td>
<td>• Products</td>
<td>• Development &amp; Design</td>
<td></td>
</tr>
<tr>
<td>Ford’s Stakeholders</td>
<td>• Research and Development</td>
<td>• Procurement and Production</td>
<td></td>
</tr>
<tr>
<td>Performance review</td>
<td>• Production</td>
<td>• Recycling</td>
<td></td>
</tr>
<tr>
<td>Glimpse into the future</td>
<td>• Partners and Projects</td>
<td>• Environmental Approaches Overseas</td>
<td></td>
</tr>
</tbody>
</table>

The 1999 reports contained different variations regarding the programmes each company reported on. Ford’s report relative to Global Reporting Initiatives (GRI) guidelines begins with a profile of the reporting entity establishing its presence as a ‘Corporate Citizen’ then moves onto stakeholder relationships, performance management and finally, an overview of
sustainability. Even though Volkswagen’s report also followed the GRI guidelines, the report was substantially different to Ford’s report. Volkswagen began with environmental management, moved onto products, research and development followed by production and concluded with their partners and projects. In contrast, Toyota’s report was much more similar to Volkswagen’s report than to Ford’s. The report started with environmental management and development & design which entailed details of how their product’s lifecycles are aligned to their environmental approach. This was followed by production, recycling and finally, cooperation among affiliates and partners.

Even from a descriptive level, opening statements from all three reports were noticeably different as well. For example, Ford asserts, “outlines our strategy for becoming a leader in corporate citizenship” (Ford, 1999, p.1), Volkswagen states, “Environmental Report which covers our environmental activities during the 1999 financial year” (Volkswagen, 1999, p.3), whereas Toyota state, “The 1998 annual Company-wide Environmental Management policy engaged three issues”, highlighting their three issues afterwards (Toyota, 1999, p.10). From a reader’s perspective, both Volkswagen and Toyota use direct language to clearly state to the reader the report’s content such as ‘activities’ and ‘issues’, whereas Ford uses phrases like ‘becoming a leader’ which represent language that is regarded as hyperbolic and vague (Rahimi & Riasati, 2011).

Table 4.2:

<table>
<thead>
<tr>
<th>2018 CSR Reports</th>
<th>2018 CSR Reports</th>
<th>2018 CSR Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ford</strong></td>
<td><strong>Volkswagen</strong></td>
<td><strong>Toyota</strong></td>
</tr>
<tr>
<td>• Our Sustainability Strategy</td>
<td>• Strengthening Integrity and Compliance</td>
<td>• Overview of Toyota Motor Corporation</td>
</tr>
<tr>
<td>• Enhancing People’s Lives</td>
<td>• Strengthening Sustainability throughout the group</td>
<td>• New Vehicle Zero CO2 Emissions Challenge</td>
</tr>
<tr>
<td>• Advancing Our Planet</td>
<td>• Shaping mobility with a view to the Future</td>
<td>• Life Cycle Zero CO2 Emissions Challenge</td>
</tr>
<tr>
<td>• Innovating Future Motion</td>
<td>• Creating trust in Environmental Protection</td>
<td>• Plant Zero CO2 Emissions Challenge</td>
</tr>
<tr>
<td></td>
<td>• Being an Excellent Employer</td>
<td>• Challenge of Minimising and Optimising Water Usage</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Challenge of Establishing a Recycling-based Society and Systems</td>
</tr>
</tbody>
</table>
In the 2018 reports, all three companies reported relative to GRI guidelines, although the topics Volkswagen and Toyota chose to prioritise were different compared to their 1999 reports. Most notably, Volkswagen chose to report on governance first then guides the reader through their activities with stakeholders followed by its sustainability strategy and discussing employees and the environment in the final two chapters. Conversely, in 2018, Toyota applied a different approach by referring to each topic as a challenge. The report begins with an overview of the company followed by three chapters concerning the environmental effects of their products, product lifecycles and manufacturing plants. Subsequently, the report describes their role in society, while the concluding chapter points out their charities and volunteering.

Figures 4.1 and 4.2 illustrate the number of programmes reported by all three companies in 1999 and 2018 respectively.

Throughout these chapters, Ford highlights the programmes that are concerned with people and society. This includes their charities, volunteer work and financial grants awarded which represented 50% of the total programmes during the year. This was followed by production programmes 18%, environment 14%, employees 14% and finally, governance programmes 5%. A different pattern emerged when considering the Volkswagen report.
placed the greatest emphasis on programmes such as the Environment 30%, Employees 30% and Production 30%. Followed by People & Society and Governance with less than 10%. Furthermore, the programmes that Toyota reported on were considerably different from both Ford and Volkswagen, with considerable importance being placed on Environmental programmes 36% followed by Employees 29%. Governance and Production each represented 14% with only 7% directed towards People and Society.

The 2018 CSR reports exhibited different variations regarding the programmes that each company reported on in Figure 4.2 below.

Accordingly, in comparison with their 1999 report, Ford did not demonstrate much difference. People and Society led with 45%, the Environment represented 19% of the programmes they reported, followed by programmes regarding Production 16%. Only 10% of their reports included Governance programmes. Conversely, Volkswagen demonstrated considerable difference in the number of programmes they reported on. In 2018, 39% of their programmes were directed towards People and Society. Environment, Employees and Production are currently 22% each and programmes regarding Governance are at 4% of their total reported programmes. Finally, Toyota’s reports also showed similar differences to the ones revealed by Volkswagen. People and Society programmes represented the majority of programmes reported at 42%, followed by Employee programmes at 21%. Environment and Production programmes which had also decreased from 1999 were now observed to be at 17% and 13% respectively. Finally, Governance reports represented 8% of the total reported programmes. Further quantitative analysis can be found in Appendix A.
On the descriptive level, there are a few indicators of change. When considering choice of programmes reported and how each report was organised, clear differences appear between each company as well as year on year. While Ford’s CSR programmes have not changed greatly, both Volkswagen and Toyota’s programmes regarding employees and the environment decreased in 2018, while programmes on their community increased. However, further analysis is required concerning the second and third dimension.

4.3 Second Dimension: Text Processes Level Analysis
The second-dimension analysis will progress through word, sentence and whole text levels relative to CDA. At a word level, modality and tone are analysed. At the sentence and text level, sentences will be considered relative to the implicit and explicit framework.

Whilst reading the CSR reports, the language of these reports raised concerns relative to the CDA. Specifically, when considering the change between the years 1999 and 2018. Modality focuses on the level of certainty and obligation between synonyms (Xu, 2009). Certain terms contain a higher level of obligation than their synonyms. For instance, words such as ‘strive’ and ‘promote’ have lower levels of modality than terms such as ‘ensure’. Previous literature has claimed that the use of low modality terms in texts represents an element of deception used for promotional material. Table 4.3 compares the amount of low modality terms within all six reports. The comparison indicates whether the language contained more deceptive promotional material or confidence in the reports.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Promote</td>
<td>13</td>
<td>18</td>
<td>4</td>
<td>3</td>
<td>38</td>
<td>97</td>
</tr>
<tr>
<td>Aim</td>
<td>4</td>
<td>6</td>
<td>16</td>
<td>36</td>
<td>6</td>
<td>19</td>
</tr>
<tr>
<td>Strive</td>
<td>1</td>
<td>7</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>Intend</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Encourage</td>
<td>6</td>
<td>22</td>
<td>0</td>
<td>10</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>26</td>
<td>55</td>
<td>23</td>
<td>55</td>
<td>54</td>
<td>145</td>
</tr>
</tbody>
</table>

In terms of frequency for lower modality words, a couple of recurring trends are present. First, all three companies have shown an increase in the number of low modality words between the years 1999 and 2018. Second, both Volkswagen and Toyota are becoming more like Ford with respect to communication. Given the increasing amount of lower modality words, it is evident that the language is becoming more ‘promotional’ when describing their
activities and programmes. This was noticeable with regards to Toyota’s 2018 report, where lower modality terms were used to demonstrate the company’s role in the industry. For example, ‘Toyota Industries Corporation established an organisation to promote collaboration among industry’ (2018, p.32) and ‘Promote environmental initiatives by ensuring thorough implementation of Toyota dealer’ (2018, p.54). In this case, Toyota used language that would ‘promote’ company activities within society. This endorsement of activities is regarded as much more explicit than implicit, according to Matten and Moon (2008).

Tone is used to measure the attitude of the author who writes the text (Loughran & McDonald, 2016). This is revealed by words used in the text. Typical measures that analyse the tone of texts rely on word lists that classify words as positive, neutral or negative. Loughran & McDonald (2011), identify a list of words that reflect positive tone within voluntary CSR disclosure. This research follows Loughran & McDonald’s (2016) measure of tone by quantifying the frequency of positive words in the text. Table 4.4 shows the amount of positive words in all six CSR reports, the higher amount of positive words reflects a more positive tone.

**Table 4.4: Tone**

<table>
<thead>
<tr>
<th>Tone</th>
<th>Ford 1999</th>
<th>Ford 2018</th>
<th>Volkswagen 1999</th>
<th>Volkswagen 2018</th>
<th>Toyota 1999</th>
<th>Toyota 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achieve</td>
<td>12</td>
<td>25</td>
<td>12</td>
<td>26</td>
<td>21</td>
<td>30</td>
</tr>
<tr>
<td>Attain</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Efficient</td>
<td>14</td>
<td>15</td>
<td>16</td>
<td>24</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Improve</td>
<td>25</td>
<td>49</td>
<td>14</td>
<td>20</td>
<td>23</td>
<td>20</td>
</tr>
<tr>
<td>Profitable</td>
<td>8</td>
<td>2</td>
<td>0</td>
<td>7</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Upturn</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>70</td>
<td>92</td>
<td>43</td>
<td>77</td>
<td>58</td>
<td>61</td>
</tr>
</tbody>
</table>

According to Cho et al. (2010), firms in LMEs are under greater societal pressure to fill the gaps through their CSR engagement and thus, are more likely to use optimistic language. Therefore, voluntary CSR disclosure of firms are regularly a strategic decision (Matten & Moon, 2008) that aim to positively influence the firm’s image. The results from Table 4.4 are aligned with the former claims. Ford points to significantly higher levels of positive words than Volkswagen and Toyota in both reports. Nevertheless, both Volkswagen and Toyota show different variations in the level of increase as regards positive words. This is especially evident in Volkswagen’s reports, not only in the amount of words stated in Table 4.4 but also in the
context that these words were used. This example was chosen from the same section on the same page from different reports, ‘all European plants for Volkswagen marque were to achieve certification in line with the EC Eco-Audit Regulation by 1999’ (1999, p.11) whereas in 2018: ‘We aim to achieve lasting success in tomorrow’s world of mobility’ (2018, p.11). In the 1999 example, Volkswagen used the word ‘achieve’ in a context that explains what the company has accomplished. In contrast, the 2018 example described the goals the company would like to achieve in the future.

4.3.1 Implicit VS Explicit:
The following tables give a comprehensive overview of how there three companies described both their implicit and explicit activities. The passage below highlights certain changes in language regarding different aspects such as customers, stakeholders and regulation.

Table 4.5: Volkswagen 1999

<table>
<thead>
<tr>
<th>Implicit</th>
<th>Explicit</th>
</tr>
</thead>
<tbody>
<tr>
<td>As a global player, Volkswagen has a special responsibility to society (1999, p.4).</td>
<td>Volkswagen group will provide the driving force behind this new start-up and development initiative (1999, p.93).</td>
</tr>
<tr>
<td>Volkswagen works hand-in-hand with society and policy makers to shape a development process (1999, p.10).</td>
<td></td>
</tr>
<tr>
<td>All Volkswagen employees are informed, trained and motivated in respect of environmental protection (1999, p.20).</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.6: Volkswagen 2018

<table>
<thead>
<tr>
<th>Implicit</th>
<th>Explicit</th>
</tr>
</thead>
<tbody>
<tr>
<td>We have institutionalized our stakeholder work through external committees (p.26).</td>
<td>With the TOGETHER – Strategy 2025 future programme, which was announced in 2016, we are aiming to make the Volkswagen Group more focused, efficient, innovative, customer-oriented and sustainable, and more systematically geared to generating profitable growth (p.11).</td>
</tr>
<tr>
<td>Our customers and our employees are the key stakeholders in our stakeholder network (p.28).</td>
<td>In close partnership with the Institute for the Market, Environment and Society (p.29).</td>
</tr>
<tr>
<td>buyers of components associated with higher sustainability risks were given an intensive training program in a separate format (p.36).</td>
<td>Our Group’s activities include providing a support program for refugees which once successfully completed (p.31).</td>
</tr>
</tbody>
</table>
Since 1996, Toyota has worked closely with the Chesapeake Bay Foundation, an environmental protection organisation in North America, to support an environmental education programme for elementary and junior high school students and their teachers (p.77).

In June 1999, Toyota was honoured with the “Global 500 Award,” which is presented by the United Nations Environment Programme (UNEP*) to individuals and organisations who distinguish themselves in the field of environmental conservation and improvements (p.76).

In response to the 1991 recycling law, IDO has worked hard to collect battery packs (p.75).

Toyota has joined the “League for the Promotion of Environmentally Symbiotic Housing” (p.72).

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<table>
<thead>
<tr>
<th>Implicit</th>
<th>Explicit</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
<tr>
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</tr>
<tr>
<td>Toyota has joined the “League for the Promotion of Environmentally Symbiotic Housing” (p.72).</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Implicit</th>
<th>Explicit</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Toyota shares with our stakeholders the ways in which Toyota’s business is contributing to the sustainable development of society and the Earth” (p.1).</td>
<td>All-Toyota Harmony with Nature Working Group Activities: All-Toyota Green Wave Project (p.46).</td>
</tr>
<tr>
<td>Analysing and identifying environmental challenges from the standpoint of their importance for both stakeholders and our business (p.7).</td>
<td>We have established the Toyota Today for Tomorrow Project to bolster our long-standing grant programme on a global basis (p.47).</td>
</tr>
<tr>
<td>Toyota is committed to continue to work hand in hand with stakeholders to build the necessary infrastructure that supports the widespread adoption of these vehicles (p.21).</td>
<td>Toyota Environmental Activities Grant Programme (p.62).</td>
</tr>
<tr>
<td></td>
<td>The programme enables us to assess environmental risks and opportunities across the supply chain (p.57).</td>
</tr>
<tr>
<td></td>
<td>Toyota has taken the initiative in developing and promoting the use of electrified vehicles (p.20).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Implicit</th>
<th>Explicit</th>
</tr>
</thead>
<tbody>
<tr>
<td>This will be done with the input of key stakeholders and will help inform the Company’s corporate citizenship goal-setting process (1999, p.26).</td>
<td>Ford institutes new 16 hours of paid community service programme (p. 26).</td>
</tr>
<tr>
<td>Has generated unprecedented recognition and new support for efforts to help clean the area’s beaches and coastlines (p. 39).</td>
<td></td>
</tr>
<tr>
<td>The Massachusetts Institute of Technology’s (MIT) Cooperative Mobility Programme of which Ford is a key sponsor (p.77).</td>
<td></td>
</tr>
</tbody>
</table>
Table 4.9: Ford 2018

<table>
<thead>
<tr>
<th>Implicit</th>
<th>Explicit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate change is an important concern for our business and our stakeholders (2018, p.29).</td>
<td>Ford Fund is a member of the American Red Cross Annual Disaster Giving Programme, allowing the Red Cross to respond immediately with shelter, food and supplies to natural disasters (2018, p.26).</td>
</tr>
<tr>
<td></td>
<td>Our programme now includes certifications from the National LGBT Chambers of Commerce, DisabilityIN, the Small Business Association (2018, p.27).</td>
</tr>
</tbody>
</table>

Although the purpose of certain programmes and initiatives has not changed, the language used to describe these programmes undoubtedly has. The context in which these companies have referred to their stakeholders was clearly different. With explicit CSR, stakeholders have been referred to as value drivers, in other words, they have been referred to as assets that companies can utilise to extract information and value. However, in implicit CSR, stakeholders have been referred to as entities for collaboration and coordination. To illustrate, Ford’s reports revealed different examples such as: ‘Stakeholders are a rich source of ideas, insights, creativity and questions that can help inform and shape strategies’ (1999, p.28). In this case, stakeholders are referred to as a value source to determine strategy. Conversely, the Volkswagen report states: ‘Volkswagen works hand-in-hand with society and policy makers to shape a development process’ (1999, p.10). In such a case, Volkswagen explains that the company perceives stakeholders as an entity to work ‘with’. Furthermore, this has also been witnessed with Toyota as they state: ‘Toyota is committed to continue working hand in hand with stakeholders’ (2018, p.21).

However, recent reports contained more examples of how Volkswagen and Toyota are referring to their stakeholders in the same context that Ford does. For instance, Volkswagen states: ‘Volkswagen Group more focused, efficient, innovative, customer-oriented and sustainable, and more systematically geared to generating profitable growth’ (2018, p.11). In this case, Volkswagen are referring to their stakeholders as assets that generate growth. Furthermore, Toyota states: ‘stakeholders provide new value and extend the circle of activities
globally’ (2018, p.17). The examples presented give an indication into how both implicit and explicit CSR communication is becoming more similar with respect to the context of how they perceive their stakeholders.

A further clear distinction between implicit and explicit communication was the report’s language describing regulation and regulating bodies. Ford was much more ambiguous than Volkswagen and Toyota when referring to regulation throughout both the 1999 and 2018 reports. For example, when describing emissions regulations Ford states: ‘Ford seeks to provide the greatest level of emission reduction that is consistent with fuel quality and affordability for a given country’ (1999, p.73). In this particular case, Ford do not specify how much emissions reduction or in accordance with the regulation. Additionally, this example indicates how Ford refer to regulation to gain legitimacy with customers and stakeholders ‘This helps us meet or exceed applicable laws and regulations, as well as our customers’ needs and expectations’ (2018, p.18).

However, Volkswagen states: ‘CO2 emissions are based on the calculation logic defined in EU Regulation 443/2009’ (2018, p.75), clearly stating the regulation and regulating body that enforces it. Furthermore, Toyota also ensures that regulatory measures are stated clearly such as: ‘which include the Chemical Substances Control Law in Japan, and the ELV Directive and REACH regulation in Europe. To properly respond to these regulations’ (2018, p.57). Toyota plainly states which regulating bodies they comply with and stress the importance of complying with regulations not only in Japan but also in countries they operate in.

4.4 Third Dimension: Sociocultural Analysis
The third dimension regarding the analysis considers that text and society cannot be separated. Therefore, it views discourse as a social and cultural practice. Intrinsically, there exists a fundamental link between CSR and contemporary macro-social issues. The main purpose is to understand what has motivated the production of the CSR reports.

When considering the sociocultural analysis and macro-level context it is important to appreciate the time period between 1999 and 2018. All three companies, at some point, were under scrutiny as a result of different corporate scandals. In 2015, Volkswagen admitted placing a defect device that manipulated CO2 emissions levels (BBC, 2016). In 2009, Toyota had to recall 1.3 million cars as a result of seatbelt and exhaust failures (Allen & Sturcke, 2019).
Recently, Ford had been questioned regarding their CO2 emissions as well (BBC, 2019). As such, their initial and ongoing commitment towards their CSR disclosures is distracting from these scandals as well as conveying a sustainable image to their stakeholders. However, these reports are produced annually and large amounts of resources are invested into their sustainable portfolio and image. These investments would not take place if there were no internal and external benefits for the organisation. With Toyota being the first, Volkswagen second and Ford the fifth largest car manufacturers in the world, these companies hold considerable power in their sector. As corporations have been identified as becoming more political in nature, CSR disclosures carry substantial benefits. As such, one possible motivation behind these reports is to display commitment to issues such as the environment, but also the effective communication of this commitment to a wide range of stakeholders and shareholders.

Furthermore, since the 1980s, globalised neoliberalism has transferred immense amounts of political power from the state to corporations. By ‘decentralising, deregulating and liberalising’, the state’s role has increasingly become one that facilitates laws and policies which supports corporate freedom and legitimacy (Lipschutz & Fogel, 2002, p. 118). Consequently, the past thirty-years have allowed corporations to globally expand in size and revenue. Therefore, researchers have labelled this phenomenon as ‘corporate sovereignty’, which refers to “the growing political and economic scope of corporations to dimensions hitherto largely reserved for the state” (Rhodes, 2016 p.1504). However, in the context of this research, Marens (2012), explains how corporate sovereignty has allowed managers to define their own responsibilities. Specifically, in practices that corporations can exploit their ethical reputation. The following sentences exemplify how companies linguistically align sustainability and corporate goals:

“strategies in place to govern our business, manage our performance and help create value ethically” (Ford, 2018, p.9).

“further raises business sustainability and sales opportunities” (Toyota, 2018, p.11).

“this is the starting point for further integrating sustainability into the corporate strategy and setting out the goals” (Volkswagen, 2018, p.24).
The analysis presented previously in the first and second dimensions are an example. However, the sentences in the sample above exemplify the dominant corporate view where the essence of social values can be combined with capitalism. Ford, Volkswagen and Toyota refer to their sustainability profiles as drivers to further increase and expand operations and ultimately revenue. On the one hand, Ford placing creating ethical value third after governing the business and managing performance, whereas Toyota equates sustainability with sales as a future aim of the business. Finally, Volkswagen claims that further sustainable integration should be their strategy’s starting point with respect to setting goals.

Alternatively, recent years have introduced various technological advancements which have placed companies under added pressure. Social media platforms such as Facebook and Twitter have granted people from all around the world instant access to information. This has placed companies under pressure since they no longer communicate their social responsibility with their customers only. A wide range of stakeholders from diverse backgrounds must be involved in their message. Building and maintaining a legitimate image is pivotal for any company’s current activities, but also in terms of attracting large amounts of associates to enhance their ability to produce high quality products and services.

4.5 From Implicit to Explicit:
This section considers changes in the amount of implicit or explicit CSR strategies of all three companies. Table 4.10 highlights the CSR strategies for the companies from both 1999 and 2018.
<table>
<thead>
<tr>
<th>Implicit</th>
<th>Explicit</th>
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</thead>
<tbody>
<tr>
<td>Ford 1999</td>
<td>Supplier Executive Champion; Minority Supplier Assistance; Ford Mustang Initiative</td>
</tr>
<tr>
<td>Ford 2018</td>
<td>PACE- Clean Environment</td>
</tr>
<tr>
<td>Volkswagen 1999</td>
<td>Programme of Staff Development and Environmental Communication; Brussels Plant Programme; Palmela Plant Partnership;</td>
</tr>
<tr>
<td>Volkswagen 2018</td>
<td>Together4Integrity; Future; Target; Integrity;</td>
</tr>
<tr>
<td>Toyota 1999</td>
<td>5R Programme; California Cooperation; Environmental Agency Partnership; League for promotion of Environmental Symbiotic Housing</td>
</tr>
<tr>
<td>Toyota 2018</td>
<td>Supply Chain Programme; Dealer Environmental Risk Audit; Employee Training Programme</td>
</tr>
</tbody>
</table>
As shown in Table 4.10, the type of programmes that these companies chose to implement differs between the years 1999 and 2018. A pattern has emerged that companies from CMEs have moved towards explicit strategies. This is witnessed by the type of programmes the companies engage in. According to Matten and Moon (2008), implicit strategies incorporate the corporations’ role within the wider formal and informal institutions of society and explicit strategies comprise corporate activities. Not much change has been witnessed with respect to the programmes that Ford has implemented during 1999 and 2018. In both years Ford has favoured CSR strategies that consist of voluntary programmes such as community programmes and relief funds. Likewise, although the amount of explicit strategies increased between 1999 and 2018 in Volkswagen’s reports, the company implemented an equal number of implicit/explicit programmes.

However, Toyota has witnessed clear movement in the amount of explicit to implicit strategies in 2018. Their 2018 CSR strategy included four different philanthropic programmes that were clearly motivated by the perceived expectations of different stakeholders. This approach to CSR is extremely similar to the one pursued by Ford. For example, in 2018, Toyota started an initiative aimed to help swamps in Indonesia. This is an initiative that took place in a different country with no partnership with local institutions or benefit for Japanese society. Ford’s reports include several examples of programmes and initiatives (1999, p.39) in low income countries, such as Mexico and Brazil that do not contribute to the company’s operations any way other than stakeholder perception through philanthropy.

4.6 Summary:
The chapter pertaining to findings has sought to demonstrate what the CDA and content analysis of CSR reports found. Progressing from a textual level and growing in scope to consider sociocultural level, with some comparability over the years. Several insights were found, the use of modality, positive tone and changing the focus of the report’s topics each year as well as different CSR programs implemented will be imperative when considering the wider literature. The findings will be used to draw conclusions to discuss similarity between implicit and explicit CSR.
Chapter 5: Discussion

5.1 Introduction:
This study has sought to determine which linguistic differences between implicit and explicit CSR and how these differences have changed between 1999 and 2018. The critical discourse analysis (CDA) raised several findings relevant to CSR disclosure in Ford, Volkswagen and Toyota’s reports. Interesting change in topics, tone and modality were highlighted. These findings combined with the change in the number of their implicit and explicit programmes throughout 1999 and 2018 allows for questioning. The discussion will consider the findings relative to the wider literature.

5.2 Discourse Changes:

5.2.1 Topics:
When considering the research on mandatory verses voluntary CSR disclosures within different institutional environments (Jamali et al., 2008). The CDA reveals interesting insights between 1999 and 2018, that provide an example of CSR disclosures becoming more voluntary focused.

In relation to the findings, the first dimension of the CDA presented how companies from LMEs (Ford) placed different emphasis on separate topics than companies from CMEs (Volkswagen and Toyota). In 1999, both Volkswagen and Toyota disclosed heavily on topics regarding the environment, employees and their production facility, whereas less emphasis was placed on people and society. However, the majority of Ford’s disclosures were concerned with their voluntary and philanthropic activities within society. Conversely, in 2018, people and society represented almost 40-45% of the total disclosures for all three companies. In 1999, implicit CSR was highly regulated and directed towards issues that concerned their main stakeholders. Nonetheless, the 2018 reports contained much more information regarding activities that explained the company’s social responsibility.

Therefore, this study sets an example of the growing amount of voluntary disclosures in relation to obligatory disclosures in CSR reports. Findings from 1999 were in line with previous literature; companies from CMEs which are characterised with institutionalised practices and policies (Sierra et al., 2013). Thus, the majority of Toyota and Volkswagen’s disclosed topics can be traced back to their institutional environments. However, LMEs tend to place more
focus on voluntary disclosures as it enhances their ability to contribute to society. In addition, stakeholder engagement is not institutionalised in LMEs which allow companies to assume their own responsibility towards society (Jackson and Apostolakou, 2009). Accordingly, Ford’s disclosures were aligned with these claims. Nevertheless, the 2018 reports revealed a different trend to the ones in previous literature. Volkswagen and Toyota had placed more emphasis on topics such as people and society, in contrast to what implicit CSR is characterised with. Such topics contain information regarding the company’s role in society via community involvement and charity work. Therefore, the reports’ topics indeed differ between different regions. However, the 2018 reports clearly indicate a similar trend between all three companies regardless of institutional background.

5.2.2 Tone and Modality:
Interesting insights were found by way of the CDA when analysing word and sentence level. Habek and Wolniak (2016), assert that CSR disclosures from CMEs reflect higher quality than disclosures from LMEs. Findings from this research support this claim within the context of the 1999 reports, the 2018 reports, however, raise different assertions.

In addition to the findings of the first dimension, the second dimension of analysis has given evidence that supports change in the language by measuring modality and tone. First, the 2018 CSR reports have seen a large increase in the amounts of low modality terms. Ford, Volkswagen and Toyota had doubled the amount of low modality terms used in their 2018 reports relative to 1999. Increased modality within text has not only been linked to deception, but also to becoming more ‘promotional’ by nature (Bondi, 2016). Second, the findings demonstrate that Ford had high levels of positive tone in their 1999 report, which also increased in 2018. Furthermore, Volkswagen and Toyota have had low levels of positive tone in their 1999 reports and noticeably increased the amount of positive words in their 2018 reports.

The first issue to arise was that of credibility. CSR reporting must simultaneously seek to enhance stakeholder’s perception of CSR and effectively communicate company social activities. The difficulty in being able to use the appropriate language when communicating CSR is regularly associated with a lack of credibility (Lock & Seele, 2016). As such, the findings in this part are twofold. First, increasing positive tone within text is usually found in promotional material. Cho et al. (2010), argues that firms in LMEs are more likely to use
optimistic language as a result of greater societal pressure. Thus, the enhancing positive tone utilised by Volkswagen and Toyota not only shows similarity with the language implemented by Ford but is also construed as an attempt at further social engagement. Second, all three CSR reports made use of low modality words such as ‘strive’ and ‘aim’. Adopting such terms portrays distancing from assuming responsibility when targets are not achieved (Birth et al., 2008). As such, changes in tone and modality indicate deception which ultimately places credibility into question (Odriozola and Baraibar-Diez, 2017). According to Habek and Wolniak (2016), lack of credibility is related to lower quality, whilst explicit CSR had already been characterised with a positive tone and a certain amount of low modality.

5.2.3 Nature and intent of programme:
In terms of the nature of the programmes implemented by Ford, Volkswagen and Toyota, the comparison between implicit and explicit programmes show a few interesting findings. Matten and Moon (2008), contend that different CSR systems are embedded in the distinctive underpinnings of national business systems. Matten and Moon draw clear distinctions between the nature of implicit and explicit CSR. Moreover, the articles state that CSR is becoming more explicit and that it is “gaining momentum” around the world (Matten and Moon, 2008 p.411).

In relation the findings, the number of explicit programmes implemented by Ford, Volkswagen and Toyota increased in 2018 in comparison to 1999. Both the 1999 and 2018 CSR reports by Ford and Toyota mentioned a larger number of explicit programmes than implicit. Even though Volkswagen reported an equal number of implicit and explicit programmes, their strategy was more explicit in 2018 with respect to their 1999 report when supplemented with their language. Clearly, all three companies had engaged in CSR programmes that assume responsibility for society and consists of voluntary practices which were not mandated by regulators. To illustrate, a significant part of Volkswagen’s 2018 CSR strategy entitled “Worldwide Social Engagement” (p.31) included a philanthropic donation to the German Red Cross worth 33.8 million Euros. Additionally, Toyota had shown a global interest, as identified in their report of 2018 which states that: “Toyota made donations to BL in Vietnam and Brazil and to CI in Indonesia and Brazil, supporting local surveys” (2018, p.48).

Clear differences were found in terms of the language between implicit and explicit CSR. This research supports Matten and Moon’s claims when differentiating between implicit and
explicit CSR. First, findings from the 1999 and 2018 reports regarding the choice of topics the three companies reported on and the difference in quality, specifically when addressing the company’s role in society. Second, this research supports Matten and Moon’s claims regarding movement towards explicit CSR. The CDA shows how language has moved from implicit to explicit CSR. Firstly, companies choose to disclose topics that emphasise their role in society. Secondly, linguistic analysis shows that CSR reports are becoming somewhat similar in terms of tone and modality. Finally, the nature or intent of their chosen programmes consist of practices that companies perceive as a social issue.

This movement from implicit to explicit suggested by the findings and previous literature (François et al., 2018; Gjoldberg, 2009; Carson et al., 2015) is traced back to new institutionalism and institutional isomorphism (DiMaggio and Powell, 1983). Coercive, mimetic and normative pressures dictate different behaviour within different environments. As Volkswagen and Toyota expand into new host countries, they had to conform to institutions within that environment in order to gain and appear legitimate (Marano and Kostova, 2016). Intrinsically, Volkswagen and Toyota could have adopted new CSR agendas in order to engage potential stakeholders from host countries.

5.3 The use of discourse in CSR reports
The shift from implicit to explicit was not only confined to topics, language and the nature of the programmes but rather to the reality these companies construct throughout these reports. According to Fairclough (2005), language has the ability to construct and reconstruct reality. In the 1999 reports, Volkswagen and Toyota specifically created an image which regarded their companies as entities that collaborate with and contribute to stakeholders within society, which is similar to how Matten and Moon exemplify implicit and explicit CSR (2008, p.410). However, the 2018 reports had a different approach towards stakeholders, one that recognised them as value generators. Whether the images portrayed by the companies are real or not in reality is beyond the scope of this research. Nevertheless, CDA points to the reality in which these corporations seek to legitimise their existence by implementing discourse that frames a social image of their choice to their readers.

Furthermore, the third-dimension sociocultural analysis contributed to the macro-level analysis of the CSR reports and the change witnessed specifically by Volkswagen and Toyota. At some point during the period between 1999 and 2018, both companies were under
scrutiny as a result of corporate scandals. Furthermore, this time period has also been characterised with considerable political power being transferred to corporations as a result of increased liberalisation (Lipschutz & Fogel, 2002). Therefore, as CSR disclosures move from mandatory to voluntary found by the decrease in quality, CSR has become one dimension that corporations from different parts of the world can dictate what is and what is not considered a legitimate social issue. Moreover, corporations can influence what is seen as socially responsible, where ethics and morality have become at corporate discretion.

5.4 From implicit to explicit

Previous studies have already argued convergence between national business systems, as a result of the marketisation and liberalisation of the 1980s (Dore, 2000) and that CMEs are converging into a more liberal American model (Streeck, 1997). This research traces back the change in Volkswagen’s CSR language to changes within Germany’s institutional environment. Hiss (2009), maintains that CSR in Germany is being highlighted through voluntary practices rather than regulation as a result of institutional change. Furthermore, change in the form of liberalisation has also been witnessed in the Japanese business environment which has allowed companies to determine their own strategies (Witt, 2006; Vogel, 1996). Toyota and Volkswagen are the first and second largest car manufacturers in the world respectively. Hence, it would not be farfetched to assume that the company had to adopt a different CSR approach that would align with foreign stakeholders. In addition, the dominance in the liberal American model, from this research’s point of view, is highlighted by the fact that Ford’s CSR language did not significantly differ between 1999 and 2018. This research’s findings coupled with previous research on institutional change which could support whether or not CME institutions are changing is not the purpose of this particular research. However, this research has witnessed convergence in CSR reporting language.

5.5 Summary:

It was identified that these companies have changed the scope of their reports by placing different focus on divergent topics when comparing 1999 and 2018. Linguistic measures not only found lower quality in the 2018 reports from CME, relative to the 1999 reports but this was similar to reports originating from LME. Also, the intent of the programs implemented by CME companies had become more explicit than implicit. The research relates to isomorphic pressures on companies as a result of operating in multiple environments to explain similarity.
Chapter 6: Conclusion

This research aimed to explore differences between Ford, Volkswagen and Toyota’s CSR disclosures and how this language might differ between different institutional environments. The discussion was facilitated by way of critical discourse analysis (CDA) of Ford, Volkswagen and Toyota’s CSR reports between 1999 and 2018. The need for this analysis was informed via an understanding of the limitations of previous research highlighted in the journal article: “Implicit and Explicit CSR: A conceptual framework for a comparative understanding of Corporate Social Responsibility” by Matten and Moon (2008). This research builds on Matten and Moon’s original framework by exploring linguistic differences and providing evidence.

Essentially, this research intended to explore the following:

- Linguistic differences between implicit and explicit CSR disclosures.
- Similarities between implicit and explicit CSR disclosures between 1999 and 2018.

By exploring the above, CDA identifies the modality, enhanced positive tone and heightened tendency to disclose the voluntary practices utilised by Ford, Volkswagen and Toyota, where corporations adopt explicit CSR approaches to engage stakeholders and convey legitimacy. By means of CDA of the CSR reports, interesting insights relative to implicit verses explicit CSR have been found. In doing so, the following questions from the research aim have been answered:

3) How does implicit verses explicit CSR language differ from the CDA approach?
4) How are CSR reports becoming more similar?

According to their framework, Matten & Moon assert that firm’s CSR practices and disclosure are deeply embedded within their institutional environment. On the one hand, CSR practices are regulated by the State through legislation and coordination. As firms implicitly comply with these laws and regulations, hence, their explicit communication as regards CSR practices is reduced which resonates in the disclosed topics and voluntary CSR disclosure. Conversely, firms in the LMEs are generally constrained with less regulation in relation to CSR practices. Therefore, firms tend to disclose their engagement in society and thus, more explicit CSR disclosure.

In terms of Matten and Moon’s framework, this research confirms that CSR is embedded in the institutional differences between LMEs and CMEs and indeed exists. In this vein, the
continuous manifestation of implicit versus explicit forms of CSR is indeed visible. However, CDA indicates significant differences in topics, tone and other aspects of this research and points towards convergence and similarities between implicit and explicit CSR. As corporations continue to internationalise and enter foreign markets, isomorphic institutional pressures encourage companies to conform to new environments. Therefore, CSR is spreading to CMEs, as posited in the initial Matten & Moon (2008) conceptualisation.

Overall, this research does not claim that implicit CSR will converge completely into explicit CSR but rather provides indication of the similarity between both. Hence, this research explores the possibility that CSR in the form of language may possibly conform to a global CSR discourse. Nonetheless, as researchers and authors argue about institutional isomorphism and converging national business systems (Dore, 2000), the possibilities for future research from diverse perspectives are plentiful. However, as far as this research is concerned, CSR discourse is becoming similar as far as highly globalised companies are concerned.
Reference List


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### Appendix A: Number of CSR topics

<table>
<thead>
<tr>
<th></th>
<th>Ford</th>
<th>Volkswagen</th>
<th>Toyota</th>
<th></th>
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</tr>
</tbody>
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### Appendix B: CSR reports:

<table>
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<tr>
<th>Company</th>
<th>CSR Reports</th>
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