

An Examination of Applied Ethics and Stakeholder Management on Top Corporate Websites

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A content analysis was conducted using a random interval sample of the 2008 Fortune® 500 list of the largest US corporations to explore their application of ethics and stakeholder management. Seventy-two of the 500 were quantified along the lines of the content of their corporate website related to ethics, communication, stakeholders, relationship measures, community relations, and other qualitative variables. Findings indicate a greater need for identification of stakeholders on organizational websites and linkages to be explicitly made between ethics, trust, and other relationship variables with these stakeholding publics, going beyond the compliance standards of the Sarbanes-Oxley Act. Scholarship discussed in the conceptualization of this research concluded that in order to build and enhance relationships, organizations must illustrate their commitment to trustworthy behavior, honest actions, and open communication with publics other than investors. However, less than 30% of the corporations analyzed in this research made efforts to build relationships in that manner. Implications and recommendations for improvement of corporate communication with stakeholders are discussed.

INTRODUCTION

Public relations and stakeholder management seem focused on the bottom line in modern corporations, with little time for more philosophical pursuits such as ethics and building trust. However, communication management and stakeholder relations stand at a crucial intersection of ethical values sometimes in conflict between organizations and stakeholders. Communication of those values, or the lack thereof, both builds or undermines trust among stakeholders and influences organizational decision making, policies, and communication about those decisions and policies. For this reason, this research seeks to fill a gap in the body of knowledge by combining theory on public relations, stakeholder management, and ethics. A study of 72 successful corporations, drawn from a random interval sample of the Fortune® 500, was conducted to determine if these perspectives are as symbiotic in professional practice as they are in the research of scholars in communication and business management.

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Conceptualization

Codes of ethics are commonplace in modern corporations, but they are often not linked to issue resolution or to specific concerns of stakeholders and publics of those organizations. The Sarbanes-Oxley Act of 2002 (also known as the Public Company Accounting Reform and Investor Protection Act of 2002) only requires that the top officers in an organization have a code of ethics or that the organization file a disclosure with the Securities Exchange Commission (SEC) that they do not have a code of ethics. It is positive that the dominant coalition is required to have an ethical code (or disclose why they do not) but these standards often do not apply to the rest of the organization.

The SEC requires that organizations post this CEO-level code of ethics on their Internet site or provide a free copy to those who request it. Section 406 of Sarbanes-Oxley deals specifically with codes of ethics, and is enforced in Section 228.406 of the SEC regulations. It defines codes of ethics simply as written standards that are meant to foster accurate, honest, and timely reporting of financial information and encourage ethical behavior. However, the SEC does not require that the code of ethics be posted on a website since it can alternately be requested in written form by interested parties. The regulations leave the issues of accountability and what should be included in a code of ethics open to interpretation by each organization, leaving room for interpretation and a wide variation of standards.

This research looks past what Sarbanes-Oxley requires to see how many organizations have posted those codes on their Internet sites, and, of those that have, how substantive the codes are. Are the codes applicable only to top executives or to the organization as a whole? Do they mention stakeholders? Compliance-based, simplistic codes of ethics often do not specify responsibilities outside of conforming to legal regulations. It is a point of interest to explore how many top organizations consider the ethical responsibilities to stakeholders and publics as part of a code of ethics or organizational mission, and thus this research was conceived.

Stakeholder Management

Researchers (Morsing & Schultz, 2006) suggests that stakeholder management is an effective way to segment organizational publics and to determine who and what matters. Stakeholder management originated with business and marketing scholars as a way to segment groups according to their relationships with the organization (Gronstedt, 1996, 2000). Stakeholder groups are defined as those who are connected to the organization in some way, oftentimes being more active than publics and segmented around smaller issues of concern or interest (Gronstedt, 1996). Public relations and business management literature on stakeholder management frequently converge on the same topics (Grunig & Repper, 1992). Grunig and Repper (1992) differentiated between publics and stakeholders when they explained that publics arise around issues while stakeholders are connected to the organization by consequences. The very consequences of conducting business create stakeholders. Stakeholder groups are a part of organizational life whether they are recognized by the organization or not.

Public relations theory and stakeholder management literature converge in their discussion relationship attributes. Stakeholder management discusses relationships in terms of the attributes power, legitimacy, and urgency (Mitchell, Agle, & Wood, 1997). Public relations researchers have discussed similar relationship variables (Huang, 2001; Hung, 2007; Ledingham & Bruning, 2000), including control mutuality, satisfaction, commitment, and trust. The most important of the relationships variables to the present study is the variable "trust" because it is a cornerstone of ethical relationships that allows the building of the other variables comprising good relationships with stakeholders.

Trust as a relationship indicator spans the areas of ethics and moral philosophy, public relations, and stakeholder management. It also is a linchpin underlying much of this research because it touches upon the more elusive ideals of corporate citizenship and responsibility. Public relations and corporate social responsibility (CSR) (Heath & Ryan, 1989; Henderson, 2001) are intertwined with the concerns of stakeholders because they revolve around common issues, and most of those issues have a component of values, principle or ethics involved (Heath, Seshadri, & Lee, 1998).

Placing Ethics in Public Relations

The importance of ethics in communication was emphasized by Botan (1997): "In an information society ... campaigns constitute the primary input with which publics make assessments about both the ethicality of the organization's communication and the ethicality of the organization itself" (p. 188). For this reason, it is clear that those who work in public relations need ethical understanding and guidelines to help foster relationships with those publics (Danner & Mitrook, 2005). Moral philosophy seeks to understand and determine both the nature of ethics in itself and general ethical principles that can apply across many types of situations. There are many definitions of ethics and many public relations professionals define ethics simply as "doing the right thing" (Bowen, 2002) but corporate public relations practitioners must hold a deeper understanding of ethics to help guide stakeholder management in its complex interplay of managing interests and values.

One scholar and former practitioner argued, "Anyone who spends sufficient years in public relations will face a crisis of conscience" (Wakefield, 2008, p. 129). When a practitioner faces such a crisis of conscience, how can he or she assess what course of action constitutes "doing the right thing?" If no guidance is given in terms of ethical policy or an ethics statement, different managers throughout an organization would use different means of determining what is ethical, and situational and individual decisions would surface. Inconsistent or even contradictory decisions would threaten the organization's relationships with publics by making it appear inconsistent, arbitrary, or capricious. Management would hear different conclusions regarding ethical issues from each person in the public relations function. These mixed messages would be communicated to stakeholders. The organization's reputation and credibility would both be diminished as a result. Stakeholders would not know what to expect from the organization. Stakeholders would then lose their trust that is so essential in relationship

building and maintenance. Valuable relationships would be harmed or discarded. Therefore, the need for a consistent and clear ethical policies and analyses is clear.

The need for a consistent ethical approach also means that organizations must make a clear commitment to ethics and provide some standard form of making ethical decisions. A management function must be charged with ethical issues so that they do not get left out of the considerations involved in strategic planning. Some researchers maintained that ethical responsibility falls to the CEO, some believe it lies with the legal department or in an advocate role (Fitzpatrick & Bronstein, 2006), and others scholars argued that ethics should be the responsibility of the communication management or public relations function (Heath & Ryan, 1989; Pettit, Vaught, & Pulley, 1990). Pettit, Vaught, and Pulley (Pettit et al., 1990) described how the communication function could be used to safeguard ethical considerations by providing a system of checks, balances, mediation, and synthesis that goes far beyond what could be offered by simply espousing a code of ethics.

Why should public relations be the organizational function deemed responsible for conducting ethical analyses? Early public relations pioneers in the first half of the 20th Century, such as John W. Hill (Heath & Bowen, 2002) and Ivy Lee (Cutlip, Center, & Broom, 2006) made a case to for the public relations practitioner to act as the 'Ethical Conscience' of an organization based on enacting these roles successfully for major corporations. Ryan and Parkinson (1983) explicitly advanced the argument that public relations should act as the "ethical conscience" of an organization based on their study findings that "public relations persons are uniquely qualified to serve as corporate consciences" (p. 22). Ryan and Martinson found that these qualifications are:

- backgrounds in social science research methodology, public opinion, ethics, and communication
- the ability to collect information and conduct research on stakeholder publics
- relationships with various stakeholders of the organization
- concern that their employers act in the public interest
- ability to implement management's policy decisions
- access and ability to articulate to senior management the beliefs of various publics, and vice versa
- ability to argue for policies that benefit various publics, often external publics who exist outside of the organization. (adapted from p. 21)

The excellence research (Dozier, Grunig, & Grunig, 1995; Grunig, 1992) and resulting theory (Grunig, Grunig, & Dozier, 2002) added ethics as the tenth generic principle of public relations excellence (Vercic, Grunig, & Grunig, 1996), meaning that organizations should consider ethical principles and values as well as the values of stakeholders when making strategic decisions in order to be their most effective. To this list of qualities making public relations the ideal place to situate ethical decision making in an organization, Bowen's (2006) research added the elements:

- public relations managers must have the autonomy or individual authority necessary to make tough decisions
- organizational culture must be supportive of public relations acting as an ethical advisor and provide access and autonomy to practitioners for this purpose
- the public relations practitioner should span the boundary between the organizations and stakeholders outside the firm acting as a liaison and ethical information source for both.

Management is more often than not advised on issues by an organization's legal department, in addition to the communication function (Bowen & Heath, 2005; Gower, 2003). If public relations management is excluded from the process of ethical decision making and the legal department is given sole domain over ethics, the concerns of stakeholders are often at risk of being discarded or ignored (Lauzen & Dozier, 1994; Lee, Jares, & Heath, 1999). This omission sets a 'legalistic' precedent for simple compliance with laws and regulations for the consideration of managerial decisions and not necessarily an 'ethical' one within the organization (Berger, 2005; Lauzen, 1992; Schultz, 1996).

The public relations manager should make extra effort to research the views of stakeholders, finding out the ethical views and values of those groups so that they can be included in decision making whenever possible. A two-way symmetrical (Grunig, 2001; Grunig & Hunt, 1984) discussion of the ethical issue can yield valuable information for further understanding of the ethical dilemma, and should always be encouraged. In the management of public relations, it is deemed 'best practice' to encourage the use of dialogue, the creation relationships, and to further trust between concerned parties. These actions could also be considered an ethical pursuit for the public relations function as long as they are conducted with the good will, respect, visibility, and a view of the social responsibility and ethical ramifications of the organization's decisions.

Theory and Principles Informing Ethical Analyses

There are two main approaches within moral philosophy to determining what is ethical in a given situation, utilitarianism and deontology, each approach having variants and 'sub-approaches' within that tradition (De George, 2006). Despite the diverse perspectives philosophers take on ethics, almost all of the various philosophical approaches have one theme in common: the need for rational analysis in order to be ethical (de Boer, 1995). Through a rational analysis, ethical decisions are able to be articulated, explained, and defended to others (Brown, 2003). If a stakeholder group is angered by an organization's policy, for instance, the public relations professional can at least discuss that policy with them in a defensible and logical manner. In this way ethical decisions can be understood, if not agreed upon.

Conducting a rational analysis of ethical decisions provides a firmer footing for the public relations professional than does operating on a basis of speculation, supposition, instinct, or experience. Paul and Strbiak (1997) maintained: "When communicators espouse a rational, logically consistent ethical values system,

judgments can be made about the ethicality of communicative behaviors” (p. 149). A rational analysis is thought by philosophers to be morally superior to other options because it leads to thorough and rigorously calculated decisions. For many reasons, biased or capricious reasoning is discouraged in favor of a more systematic approach to ethical analyses. The terms fairness, judgment, impartiality, and so on indicate that an organization is aware of the role of rationality in moral decision making and are coded as general ethical principles in this study.

Utilitarianism and the Greater Good

Utilitarianism is based on the ‘utility’ of a decision – that is, the consequence or outcome of the decision. This approach weighs the potential outcomes of decisions and accords ethical worth to the outcome producing the greatest utility. Utility is the yardstick by which goodness is judged – meaning that the decision has to produce some intrinsically valuable ‘good’ such as happiness, knowledge, health, and so on. Philosophers Jeremy Bentham and John Stuart Mill are credited with the development of the utilitarianism approach (Christians, 2007).

Mill expanded on Bentham’s original theory of pain versus pleasure by highlighting the absolute impartiality and detachment required of the decision maker and including principles of justice (Elliott, 2007). These principles note that each stakeholder should get what he or she deserves under a utilitarianism approach, but that no person should be deprived of that which is their moral, legal, or civil right, be harmed in the process, or have a promise or trust to them broken (Elliott, 2007). These terms are coded as “utilitarian” in the empirical portion of the present study. The aggregate good, sometimes also called the social good, is the goal for utilitarian decisions, in that each decision made seeks to promote a better state of affairs for the whole (Elliott, 2007). That which is deemed ethical is that which promotes the aggregate or greater good. In the data collection of this research, terms such as “greater good,” “for the betterment of society” and the like were coded as utilitarian ethical themes.

Deontology – Duty, Respect and Dignity

The deontological philosophical tradition believes that preferential treatment of consequences would bias the decision making process, leading to a loss of impartial rationality (Sullivan, 1989). Deontology was created in the late 1800’s through the work of philosopher Immanuel Kant. Using a basis of the ancient Greek ethics based on character and virtue, Kant sought to provide a means for the analysis of moral dilemmas that could be applied equally by all people (Guyer, 2004). Again this approach is based on a rational decision making process, equally considering all moral principles involved in the decision and equally considering all stakeholders, including the organization. Deontology is non-consequential in that the consequences are understood to be a part of the decision but are not the basis from which an alternative is judge to be ethical or not (Kant, 1793/1974). Kant did not, as a cursory reading may lead one to believe, avow all consideration of the consequences of an action. In fact, he wrote, “there can be no will without an end in view” (Sullivan, 1989, p. 25). However, Kant argued that an action’s morality cannot be based on the ends or goals of that action or it would destroy the possibility of a moral decision (Sullivan, 1989). Rather, deontology uses duty to

uphold moral principles as the 'yardstick' by which the ethical worth of a decision is evaluated.

Deontology seeks to make decisions based on the underlying moral principle to be upheld (Kant, 1785/1964). Moral principles are 'maxims' which are thought to be *universal*, meaning that they apply to all people equally, in all like situations, across time, and space, with exclusions for children and the mentally incapacitated. To ascertain what universal moral principle applies in a given situation, one must rationally consider the three tenets of this philosophical approach:

1. Duty, responsibility, or obligation
2. Intention
3. Dignity and respect

Kant's philosophy advises that one consider the dignity and respect of others through treating them never as means to an end, but ends in and of themselves. This understanding holds that all people have intrinsic worth and value equal to that of others. No special consideration is given to the self or the organization making the decision, contrasted to utilitarianism in which the organization is seen as an agent for promoting aggregate good. In deontology, the organization is considered equally with other stakeholders, and its interests are no more or less important than those of key stakeholders involved in an ethical issue. The above terms will be coded as indicators of a deontological ethics system in organizations studied for this research. Other deontological terms that are similar such as "principles" will also be coded as deontological ethics. For example, the term "respect" appears on many of the sample organization's websites and policy documents, and was coded as an indicator of deontological ethical values in those organizations.

Revealing Organizational Ethics in Corporate Practice

Whether a utilitarian or a deontological paradigm of ethical analysis is used, or even if both are evident in some organizations, there are still many factors that must be considered for an organization to make ethics a priority in relating to its stakeholders. Based on the excellence research (Grunig & Huang, 2000; Grunig et al., 2002) and following studies (Berger, 2007; Berger & Reber, 2006; Bowen, 2006), public relations professionals know they need the implicit, if not explicit, support of their dominant coalition to engage in ethical advising and decision making. They need an organizational culture supportive of ethical decision making to facilitate trust and relationship building among stakeholders.

Bowen's (2004b) research on these very issues in ethics found that organizational culture is a primary factor influencing the identification and analysis of ethical dilemmas. Across several studies (Bowen, 2002, 2004a, 2005; Bowen & Heath, 2006; Bowen et al., 2006), it was clear that organizational commitment to ethics is a necessary condition for ethical analyses and responsibility to flourish. Being ethical individually is not enough, and a website featuring ethics prominently with ethics codes or statements will not be enough if the values are not acted out in management

decisions. Rather, what is needed is an organizational culture that encourages ethical decision making (Bowen, 2006), a dominant coalition that allows public relations managers the autonomy necessary to engage in ethical analysis (Berger, 2005), and a commitment of resources and focus to training managers to engage in ethical analysis – and a willingness to listen to their conclusions (Grunig, 1992).

If issues are not identified as ethical dilemmas, they will never reach the stages of a utilitarian or deontological analysis. Only through valuing ethical concepts and defining issues in as ethical issues for stakeholders gives public relations managers the power necessary to engage in ethical analyses. Defining an issue as an ethical one is often the key to preventing problems or crises later. The identification, analysis, and resolution of ethical issues allows public relations managers to contribute to the ethical responsibility and effectiveness of their organizations at the highest level, building trusting relationships with stakeholders, and a reputation based on consistently responsible ethical behavior. Based on these summations of the conceptual literature and the support provided for these arguments in theory and prior research findings, this research poses the following Research Questions:

RQ1: How do organizations relate to their stakeholders via their corporate website?

RQ2: How are ethical values systems portrayed by the organizations on the Fortune® 500 list?

RQ3: Do they operationalize ethics and related concepts (such as honesty) to build relationships based on trust?

METHOD

This research intended to explore the “how” questions that Yin (1993) contended are best suited to qualitative research. A content analysis was conducted using a qualitative coding instrument examining 26 variables related to organizational ethics, stakeholders, corporate social responsibility, engagement and dialogue with public and so on. The instrument included space for qualitative observations and was coded by 2 coders with an intercoder reliability of 86% and resolution of discordant items of 95%. The coding sheet was pretested and refined through examination of two corporate websites topping the Fortune® 500 list in prior years (neither of whom ended up being included in this study’s random sample). Although the study is qualitative, the researcher wanted to make sure that each corporation on the Fortune® 500 list for 2008 had an equal chance of being randomly selected for the content analysis. A random numbers table (Wimmer & Dominick, 1991) was used to generate an interval of 7, and every seventh organization was studied; therefore, a total of 72 corporations listed on the Fortune® 500 list were analyzed. An annual report of the highest-worth corporations in the United States is conducted by Fortune® magazine and is commonly known as a measure of organizational success to be listed on the Fortune® 500 list. The newest Fortune® 500 list was chosen as a sampling frame because it was reasoned that that

most successful organizations should also be those engaged at the highest levels with stakeholders and corporate ethics.

The values and communications of these organizations were quantified along the lines of analyzing their websites for ethics and related concepts, if stakeholders were discussed, CSR reports, community relations and other concepts related to public relations ethics. SPSS data analysis was conducted along the lines of simple frequencies and measures of central tendency to allow the researcher to make some limited statements about the sample, realizing that this research is primarily qualitative in nature due to the research questions. More sophisticated statistical tests are not appropriate for an exploratory study with a sample of 72 organizations, but are recommended for future studies with large sample sizes. These organizations are seen as leaders in their industries and offer valuable guidance for other corporations in how the corporate website is used to relate with stakeholder publics. Finding here can be used to generate an overview of whether stakeholder and relationship theory are being applied in the public relations profession in the most successful organizations, and recommendations for others are made accordingly.

FINDINGS

This research examined applied ethics in the websites of 72 leading corporations, and looked at the extent to which those organizations employ stakeholder management as a way of building relationships with publics. Based on a review of public relations ethics, moral philosophy, and stakeholder management theory, the research questions were addressed through exploring corporate websites and the policy documents posted therein (often in Adobe PDF format) such as codes of ethics, CSR reports, and statements or principles, conduct, and governance.

Findings Related to Stakeholders - RQ1

Research question 1 was a “grand tour” question (Spradley, 1979) designed to determine if and to what extent the organization participated in stakeholder management, stakeholder segmentation, or other means of stakeholder engagement. These terms were searched and coded, though it is possible that some organizations conduct stakeholder relations without noting that fact on a corporate website. However, the common use of corporate websites as tools for their publics to provide dialogue and feedback, it is most likely that if stakeholders were not mentioned on the website the organization was not engaged in stakeholder relations to any important extent. It is important to note that two-thirds (66.7%) of the organizations studied had a website section or significant space devoted to “investors” but the concept employed in this research of stakeholders extends beyond investors to include the other internal and external publics of the organization.

RQ1: How do organizations relate to their stakeholders via their corporate website?

Only 29.2% (n=21) of the study organizations mentioned groups of stakeholders on their websites, and another 9.7% (n=7) discussed stakeholder management,

stakeholder engagement, or stakeholder relations, for a total of 38.8% (n=28) of the study participants discussing stakeholders in some way.

The 70.8% 9 (n=51) of organizations who did not use the term “stakeholder” appeared in qualitative observation to be more common among the lower ranked organizations on the Fortune[®] 500 list, meaning the larger and more developed corporations appeared perhaps more likely to engage in stakeholder management. Industry also appeared to play a role, with those organizations drawing higher levels of activist concern also more likely to mention stakeholder engagement on their corporate website. Industries such as energy, oil, gas, and chemicals, were more commonly observed to include stakeholder management and related concepts such as open communication and dialogue than their counterparts in the financial/banking or health care industries. The finance and banking organizations appeared to be heavily compliance-oriented, and mentioned only investors and the US Securities and Exchange Commission as publics.

An active “stakeholder management” approach was mentioned by 9.7% or 7 organizations, yet certain stakeholder groups were named more frequently than others, such as “consumers” or “employees.” Data were not coded unless the terms “stakeholders” or “stakeholder management” “stakeholder engagement” or “stakeholder relations” were mentioned once or more on the website in order to distinguish stakeholder management from more ‘seat of the pants’ or intuitive segmentation of publics often found in public relations. Organizations discussed stakeholders most often in terms of government regulators, mass media, consumer publics, business publics, employees, and communities.

Using the term community or community relations without connection to the stakeholder concept raises the number to 68% (n=49) of the sample. Many of the sample organizations held well-conceptualized community relations programs and offered significant amounts of philanthropy to their communities as part of their programs. These organizations know the value of community relations, but it seemed that they failed to realize other stakeholder groups could be just as important for relationship building purposes and just as vital to their success.

Only 44.4% (n=32) of the organizations studied mentioned “relationships” on their corporate websites or in the contained policy documents, with 55.6% (n=40) not mentioning “relationships” or any similar term. A very small number of the organizations discussed the importance of either “satisfaction” among any of their publics, consumer, or investors at 15.3% (n=11). An even smaller number of corporations discussed any terms related to control mutuality, at 9.7% (n=7). Those who did mention the term did so in a thoughtful manner, discussing their desire for “mutual feedback” and “control of decisions” from publics. Related to the “control mutuality” concept, the idea of “dialogue” with publics was represented in only 18% of the organizations (n=13). The importance of dialogue and understanding of stakeholders with many of the organizations, therefore, went unrecognized or undervalued.

“Commitment” was present on about half of the websites (48.6%), but this idea was usually applied in terms of commitment to quality or to industry leadership rather than in terms of commitment to ongoing relationships, as commonly used in the public relations literature. A use of emphasis of the term “communication” (other than as a department title but in a substantive sense) was found on 29.2% of the sample sites, meaning that at least 21 organizations realized the importance of communication with publics, many using the terms “open communication,” “forthright,” “honest,” or “accurate communication.” However, much of this communication appeared to be one-way in nature due to the low numbers of mentions of two-way terms, such as “dialogue,” as described above.

Findings Related to Portrayal and Type of Ethics – RQ2

This research question was designed to provide a brief overview of the type of ethical values and decision making process an organization holds. Ethical values can be assessed through examining the values statements, principles, codes of ethics, and the extent of the use of language which is primarily deontological (duty-based) or utilitarian (consequences and greater-good based). Key words were coded representing each of these factors, and were found on portions of websites as disparate as “company history” and “employment with us.”

RQ2: How is ethics portrayed by the organizations on the Fortune® 500 list?

The random interval sample of 72 organizations included 70.8% who directly mentioned or discussed the term “ethics” on their websites, and about half had a posted code of ethics or ethics statement. However, many of the organizations mentioning ethics were compliance based, meaning that they equated a code of ethics with a code of conduct or legal responsibilities to comply with laws and regulatory bodies as opposed to using an ethical or values based framework for decision making.

A full 29.2% (n=21) of the organizations made statements which could be determined to be deontological, based on their duty or elements of dignity and respect with regard to ethical values. Only 4.2% or 3 organizations were determined to be primarily utilitarian, and those were in the health care and life insurance industries that one might expect to be more service-oriented. The distinctions among types of ethics proved to be less easy to discern than did general ethical values, and thus add up to only 33.4% of the sample as either deontological or utilitarian. Ethical values, principles, and personal character traits were listed more commonly as part of the studied corporate websites. These ethical concepts were integrity, honesty, principles, governance, responsibility, CSR, and environmental concerns.

The concept “integrity” was frequently discussed, with 59.7% (n=43) of the studied organizations stating beliefs about integrity as part of an ethics statement, code of ethics, corporate stewardship or citizenship belief, or stand-alone ethical principle on their site. A promise of honesty or a stated value of honesty was present on 48.6% (n=35) of the corporate websites studied. The term principles was often used in naming the values of the organization, such as “guiding principles” and was present in the

documents of 33.3% (n=24) of the sample. Corporate governance was an extremely common portion of a corporate website at 75% (n=54), describing the election of board members, mandating standards of anti-trust compliance, conflicts of interest, and so on. The corporate standards or governance documents mentioned ethics extremely infrequently, and held the overall appearance of legalistic documents.

In contrast to the often dispassionate and legalistic approach to corporate governance, the term “responsibility” was used with conviction in many organizations, and was mentioned on almost half of the sample sites, at 47.2% (n=34). It was common for the term responsibility to be mentioned in conjunction with an ethical value term, such as “accountability” in numerous organizations. It was also common for “responsibility” to be mentioned in relation to corporate stewardship. The term stewardship was not part of the coding sheet in this study, but was mentioned and written in open-ended responses so frequently that it warrants mention in this report as an important concept.

Corporate social responsibility, CSR reports (often downloadable files), and mentions of corporate citizenship were prevalent in 38.9% (n=28) of the organizations, usually those with an environmental impact or in industries heavily regulated by the government. Likewise, environmental discussions, “Green reports” and carbon footprint or impact statements were common in regulated industries, particularly energy, oil, and manufacturing. Environmental impact reports were more common than CSR reports, with 58.3% (n=42) of the organizations having some kind of environmental report as a part of their website and documentation. Many of these reports used the ethical terms responsibility, stewardship, and citizenship, as part of those statements.

Findings Related to Building Relationships through Applying Ethics – RQ3

The third research question was intended to synthesize much of the literature reviewed in the conceptual phase of this research. This question was designed to allow the coders to look for linkages between stakeholder management or the identification of groups of publics with attempts to build relationships through the ethical concepts asserted and comprising the relationship variables studied by public relations researchers. The ethical concepts coded were those reported in RQ1, as well as trust, and cross-tabulated to examine to prevalence or organizations conducting stakeholder management and also discussing ethical values.

RQ3: Do they use ethics and related concepts such as honesty to build relationships based on trust?

Many organizations did not have a concerted approach to stakeholder management (90.3%) or did not name their stakeholders (70.8%). Organizations also seemed to place more emphasis on ethics and having an ethics statement or statement of principles and values if they were listed nearer the more affluent end of the list. Near the rank of 300 and higher, both coders noticed a growing scarcity of information related to corporate ethics and values, and only one case of stakeholder management was recorded at the lower ranks of the list. Does this finding mean that the more successful

organizations can afford to put more time, effort and resources into both ethics and forming relationships with stakeholder publics? Or perhaps that these investments were part of a corporate strategy eventually led to greater levels of success? These findings in relation to ethics support the conclusion of research linking corporate ethics to financial success (Verschoor, 1998).

Of the organizations espousing a principle or value of honesty (48.6%), only 19% (n=14) concurrently held a program of stakeholder management or discussed their stakeholders on their website or policy documents. It was more common for honesty to be related to stakeholders and stakeholder management than for the term "trust." Only 6 organizations in the sample (8.3%) held both the key relationship building factors of a program in stakeholder management or knowing their stakeholders and concurrently mentioned trust as a value, principle, or goal.

Although these findings cannot be generalized, the results show substantial room for improvement. If ethics does support trust and trust does in fact build relationships with stakeholders, then public relations professionals should devote more time and energy to fostering these factors of long-term relationships between organizations and stakeholders.

IMPLICATIONS AND CONCLUSIONS

In theory, relationships with stakeholders should be of foremost importance in business communication. These relationships can be fostered by the variables that public relations researchers found influence relationships, such as control mutuality, commitment, satisfaction, and trust. Research in moral philosophy underscores that trust is the most important of these factors, as without trust as a foundation no other factors can be expanded upon. Theory also hold that for an organization to win the trust of its stakeholders, it must behave in an ethical manner and espouse values considered to be ethical, such as honesty, fairness, respect, and so on. The rationale of this theory is solid, and numerous studies from diverse disciplines have found empirical support for their claims.

However, the reality of today's corporate public relations falls short of theory. Few organizations engage in enough stakeholder management to generate knowing and meaningful relationships with most of their key stakeholder groups. Some organizations in this study were guilty of never bothering to identify or forgetting all of their stakeholders except those with a financial impact on the organization – investors and consumers. The organizations engaging in stakeholder management often did so with what appeared to be good intentions of generating "dialogue" and control mutuality, but they usually failed to attempt to instill trust in the organization with those stakeholder groups. A preference for legalistic codes of ethics and governance documents seemed to pervade all but the most exemplary organizations in this sample.

Oddly enough, some organizations studied here had obviously devoted significant space and resources to developing a thorough ethical perspective. It was

obvious that several had been written by experts in moral philosophy and that the management of the organization at least supported the idea of ethics enough to devote a considerable amount of time, space, and attention to it. These were oftentimes not the same organizations who excelled in stakeholder management.

As confounding as these findings appear to be, they lead to useful implications for the public relations practice. Some public relations professionals realize the connections between stakeholders and public relations. Even though publics were not described in segmented terms or named as stakeholders, almost 30% of the sample thought that “communication” with them was important enough to be emphasized on the corporate website or in policy. Including ethical principles in communications with stakeholders and working to build their trust over time results in several positive outcomes for communication management. One of these benefits is a level of confidence for the organization in times of crisis or uncertainty (Heath & Millar, 2004; Palenchar & Heath, 2002) that it would not have earned otherwise.

If the public relations practice follows the recommendations of the theory discussed in this paper then it could become both more ethical and more effective. Public relations professionals should emphasize the relationships building variable of trust through a commitment to organizational values and ethical behaviors, and also implement a stakeholder management program in order to know these publics with whom a reputation is being built. Research has linked stakeholder management with an improved reputation for the organization (Scott & Lane, 2000), ethical commitment to greater financial success, and the relational factor of trust to improved stakeholder relations (Coombs, 1998; Palenchar & Heath, 2002). Combining stakeholder and ethics initiatives could benefit both the organizations like those in this study and the stakeholders with whom they interact, share responsibility and power, and create policy. By conducting both stakeholder management and ethical initiatives, trust could be generated, and organizations could be more dialogical with stakeholder groups. Reputations for ethical and open business practices could begin to repair the tarnished reputation of the corporation, and the long-term, mutually beneficial relationships public relations seeks to build could become a reality rather than, in most cases, an aspiration.

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