Corporate Social Responsibility

*as strategic Public Relations*

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Marketing and Management Communication

May/June 2010
Summary

Title: Corporate Social Responsibility as strategic Public Relations
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Aarhus School of Business, June 2010

Within public relations, there are several aspects to consider. What all of the existing definitions seem to have in common is the emphasis on managing communication in order to build good relationships and mutual understanding between an organisation and its immediate publics. This characterisation corresponds with Gruing and Hunt’s system theories of two-way communication asymmetric, which should lead to parallel changes in both the minds of the organisation and its publics. In addition, the phenomenon of corporate social responsibility stresses the importance of two-way mutual beneficial relationships and today. The notion of socially responsible is of great importance in organisational life, both in terms of being ethically, socially and environmentally conscious in order to succeed. However, a critical view upon the concept has been articulated by Friedman. He argues that the only responsibility a business can have is to increase its profits, while conforming to the basic rules of society.

The Royal Dutch Shell Group is a multinational petroleum company. Today, Shell’s main businesses are production, processing, transportation, and marketing of hydrocarbons as well as success in the business of petrochemicals and renewable energy, which is determined by opportunities of wind, hydrogen and solar power. Different unfortunate incidences and societal trends, made it necessary for Shell to engage in sustainable business and thus consider the concept of corporate social responsibility in order to enhance their reputation among the consumers. Shell had to demonstrate values of ethical and moral nature to maintain loyal stakeholders. The independent foundation, the Shell Foundation, was official created in year 2000 and presented a six-programme approach to facilitate improved environmental conditions and social settings.

In a discussion of the foundation’s independency, Shell expresses the charity’s total independence, which includes no collaboration or financial profits for Shell. However, due to agreed statements from Shell and the Shell Foundation’s spokespersons and sharing of physical environments, the independence can be questioned. Furthermore, based on perspectives of corporate social responsibility, it is evident that the Shell Foundation produces values from its CSR initiative, and by
sharing the same name and logo these value are distributed to Shell, thus creating competitive advantages for the founder company.

An identification of stakeholders and their power and interest relation with Shell and the Shell Foundation, based on the Power Interest Matrix adapted by Joep Cornelissen, shows similarities in stakeholder groups, on which it is interpreted that the company units collaborate in recognising and satisfying stakeholders.

To communicate its CSR activities, the Shell Foundation, uses the stakeholder information strategy, illustrated by Morsing and Shultz. The information on the website, however, is portrayed without conflicts of interests, which leave the audiences questioning its trustworthiness. Furthermore, the Shell Foundation’s communication strategy is dominated by the stakeholder response strategy. For this reason, the foundation avoids dialogue, which gives the impression of being secretive, thus decreases its credibility and reliability. The website is further analysed, based on a rhetoric analysis by Aristotle’s concepts of ethos, pathos, and logos, which provides an understanding of, if the Shell Foundation communicates its CSR initiatives with a high credibility. The foundation lack information about last updates, however, it succeeds in creating an intimate relationship with its publics by the use of strong ethos and emotional phrases. It can be argued that the foundation only communicates, what is expected from it, and puts no effort in establishing a dynamic website.

Together with a good corporate image come several other advantages including attraction of qualified employees as well as suppliers, which lead to increasing profits for an organisation due to a favourable opinion towards the business. For that matter, it is evident that Shell benefits from the Shell Foundation as they share name and logo. However, based on the analysis of the CSR communication strategies and the rhetoric analysis, the Shell Foundation does not succeed in only communicating with a high credibility and trustworthiness, thus the Shell Foundation generates a less persuasive public relations strategy.

Due to the competitive advantages that come with the establishment of the Shell Foundation, the charity can be interpreted as a strategy of public relations to facilitate and benefit the image-creating process of Shell. However, the communication of the CSR activities is less successful, due to risk of non-current information and some overstatement of CSR initiative. Furthermore, the relationship
with its stakeholders will be interpreted as weak, as the foundation does not invite to any dialog, which could improve the credibility of the website, thus the foundation.

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Introduction

Today, being able to create brand image has become increasingly significant in the society that we live in. An endless amount of alternatives are presented to us as consumers on a daily basis. Persuading consumers to choose a particular brand over the competitors’ and attaching positive connotations to a specific product or a company is thus significant for a business’ success, a process that is facilitated by having a strong and unyielding brand image. A public relations strategy is a tool, which assists the image creating process and nurtures the relations between a company and its publics.¹ These are important factors for a business to thrive in today’s society. One of the elements that can be helpful in getting a competitive advantage is being a socially responsible cooperation due to the ethical and moral nature of this phenomenon.²

Shell comes across as an exceedingly successful, global business, which has been able to take in almost every aspect of the multicoloured facets in the world and target its various publics accordingly. To be able to grasp a conglomerate as Shell and look into its public relations strategy, it has therefore been necessary to look into only a fraction of this versatile image strategy. The chosen focus has been the Shell Foundation, which was created to meet the worldwide movement for organisations to be socially responsible.³ The Shell Foundation facilitates better living standards for the world’s poorest population with a six programme approach, which provides people with advantages such as capital to establish small entrepreneurship and new equipment to avoid indoor pollution while cooking in mud huts.⁴

According to the Shell Foundation, the foundation is a legally independent charity, and subsequently there is no direct financial profit for Shell.⁵ However, critics argue that the Shell Foundation is a public relations tool to benefit Shell’s business interests.⁶ Based on the reflection of public relations and corporate social responsibility an investigation of the relation between Shell Group and the Shell Foundation will be made. Today, being socially responsible is important to attract consumers worldwide, but does the relation between Shell Group and the Shell Foundation facilitate trustworthiness and high credibility? Does the foundation provide continually support or is

³ The Shell Foundation download: Origins and Relationships. www.shellfoundation.org
⁴ The Shell Foundation: Our Approach. www.shellfoundation.org
⁵ The Shell Foundation download: Origins and Relationships. From www.shellfoundation.org
the Shell Foundation used as an argument for high ethical corporate values, when the company is facing hard times? These questions lead to the problem statement of the thesis:

**Problem statement**

*As a strategy of public relations and corporate social responsibility, does the Shell Group use the Shell Foundation in order to benefit the image creating process?*

*How does the Shell Foundation communicate its’ CSR activities via the official website?*

**Method and Structure**

The central point will be on Shell’s use of corporate social responsibility as a public relations strategy in establishing the Shell Foundation. It has been prioritised to create a logical and progressive structure in order to facilitate an overview and understanding. It is important to notify that the Shell Group will be referred to as Shell. Furthermore, Shell and the Shell Foundation will in some cases be referred to as the Shell units, in order to create a more readable flow in throughout the thesis.

The thesis will take on a philosophical hermeneutic approach, as my analysis and discussion will be influenced by my interpretations and understanding. Hermeneutics can be described as the study of interpretation and the interpretative process. This tradition was among others determined by Hans-Georg Gadamer. He had the idea that understanding and meaning occur when the horizons from both text and receiver are fused. Gadamer argues: “*It is not a matter of forgetting our own horizon of meaning and putting ourselves within theirs (...) it is means merging of fusing our horizons with theirs*”. The reason for the chosen approach is that materials from Shell, the Shell Foundation and articles from newspapers as well as public relations theories have been interpreted, for articulation of my understanding of the correlation between Shell and the Shell Foundation, and the how the foundation communicates its CSR activities. Consequently, my interpretation and conclusive comments on the analysis will be characterised by the paradigm, in which I understand the texts, which is influenced by my personal background, environment and prejudices. I am aware that the conclusions would have been different if the analysis was created within another paradigm.

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8 Ibid. pp 21-39
Firstly, a general idea of the concept of public relations and its history will be presented in order to understand the importance of the concept. Furthermore, the phenomenon of corporate social responsibility and CSR communication will be determined in order to investigate, how the Shell Foundation communicates its CSR activities to its stakeholders. It will further be examined, how it is vital for organisations to establish relationships with their stakeholders. This examination will later be used to analyse Shell’s stakeholders compared with the stakeholders of the Shell Foundation in order to identify the relationship between the two Shell units.

Secondly, an overview of Shell’s past and current situation will create a fundament for the case study chosen for this thesis. Due to the situation from 1995, where Shell was centre for an unfortunate incidence, which damaged its reputation worldwide, the focus will be on the aspect of corporate social responsibility. Furthermore, a presentation of the Shell Foundation and the six programmes that the foundation engages in will be formulated in order to understand, when the foundation was establish and with what intended purpose.

Thirdly, in order to understand if Shell uses the Shell Foundation as a public relations strategy, I will discuss the relationship between the two Shell units. For that reason, a discussion of the relationship, based on statements from Shell and the Shell Foundation as well as critical viewpoints, will be discussed. Furthermore, a stakeholder analysis of Shell’s stakeholders, in addition, to the Shell Foundation’s stakeholders will be illustrated for comparison. Based on CSR communication strategies, it will be investigated how Shell communicates information about the Shell Foundation on its global website www.shell.com, in order to understand the collaboration between the Shell units. In addition, a rhetoric analysis of the Shell Foundation’s website will be made with the purpose to investigate the credibility of the website.

Fourthly, based on the presented theories of corporate social responsibility as strategic approach to public relations and the discussion of the relationship, in which Shell and the Shell Foundation participate, a critical discussion of Shell’s use of the Shell Foundation as a public strategy will be presented. Furthermore, the discussion generates an overview of the successfulness of the communication on the Shell Foundation’s website.
Finally, I aspire to gather up the findings throughout the report and tie them together in a conclusion.

**Theoretical Framework**

A theoretical framework has been provided with the purpose of creating an overview of the theories that will be employed in this paper and on which it is based and justified.

The foundation of public relations has been discussed based on the book; “Exploring Public Relations” by Ralph Tench and Liz Yeomans. It describes different approaches and gives a general understanding of the background and strategies of public relations, and the effort of public relations in practise.\(^9\) Among others it has provided information to put together the development of public relations, and shape an understanding of CSR, which is of high relevance in order to build a foundation for my thesis. Gruing and Hunt’s public relation model on systems theory will be presented to provide an understanding of the development of public relations communication. The concept of CSR has as well been examined on the basis of premises from Milton Friedman, who criticises CSR in the article: “The Social Responsibility of Business is to Increase its Profits” from 1970. He argued that it is impossible for businesses to be responsible, as only human have responsibilities.\(^10\) As the concept of CSR is presented, an overview of Morsing and Shultz’s approach to CSR communication strategies will be introduced.

Information about Shell has been found on its global webpage [www.shell.com](http://www.shell.com). This webpage has been used to formulate Shell’s historical aspect, as it shows the development of Shell worldwide. Furthermore, articles from BBC News will be used in order to evaluate the consequences of the Brent Spar incident, which caused a high pressure on Shell in 1995. Moreover, an understanding of the Shell Foundation has been made, based on information from its webpage [www.shellfoundation.org](http://www.shellfoundation.org).

For the analysis, the discussion of the relationship, in which Shell and the Shell Foundation participate, different statements and aspects from both Shell and the Shell Foundation will be interpreted on. Based on ideas of Tench and Yeoman in “Exploring Public Relations,” it will be

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\(^9\) Tench, Ralph and Yeomans op.sit.

clarified, how a good reputation improve the image-creating process in numerous organisational entities.

A stakeholder analysis will be made to illustrate, if Shell and the Shell Foundation share different stakeholder groups. For this purpose the Power Interest Matrix will be applied on the stakeholder identified in order to understand the power- and interest relations Shell has with its stakeholders.

The CSR communication strategies will be applied on the Shell Foundation website. As already mentioned, these strategies are articulated by Morsing and Shultz. The approach is based on Gruing and Hunt’s public relations models formulated in 1984. The models will facilitate an understanding of, how the Shell Foundation communicates with its stakeholders, and it will be examined if the foundation utilizes all three strategies or if the focus is put on one strategy, when communicating on its website.¹¹

The concepts of ethos, pathos and logos, formulated by Aristotle, have been examined in order to analyse the level of persuasion and credibility in the Shell Foundation’s Public Relations communication. It explains how ethos creates credibility and persuades the audience to accept the statements as valid.¹² By the use of pathos the audience will be moved by the data, which affects the emotional aspect.¹³ Logic and facts appeal to the audiences’ logos. The truth within this concept creates foundation for high credibility.¹⁴ Logos, pathos and ethos work in concert to support the rhetor when persuading the audience.

**Delimitations**

Discussion of the brand identity of Shell would be of high relevance in connection with building a strong CSR strategy and communication with the stakeholders. However, it is too extensive to involve this aspect, and thus the main problem statement has been formulated to include the foundation used as a strategic public relations strategy to facilitate the image-creating processes, and thus leave out a discussion of branding and brand equity.

The stakeholders of Shell and the Shell Foundation are vital to consider for the investigation of the communication on the Shell Foundation’s website. Although, the stakeholders of Shell are numerous, the main focus is on the Non-Governmental Organisations, due to the subject of CSR. Other stakeholders as governments, investors, consumers and employees will play a less central part of the analysis.

Public Relations

In order to base the thesis on theory of public relations, it is important to identify and understand the origins and fundamental history behind it. This section will elaborate on definitions of public relation, taking on the perspective of Tench and Yeoman in “Exploring Public Relations”. Furthermore, the concept of corporate social responsibility will be examined due to image-creation and stakeholder relationships. Moreover, a critical perspective based on ideas from Milton Friedman will be introduced. Finally, CSR communication strategies will be presented, as they become foundation for investigating, how the Shell Foundation communicates its CSR initiatives on its website.

Even though the concept of public relations is employed in a large range of industries, defining public relations is a difficult matter. There is no universally agreed definition. Nevertheless, the definition formulated by Cutlip has been chosen for examination. Cutlip defines public relations as; “the management function that establishes and maintains mutually beneficial relationships between an organisation and the public on whom its success or failure depends”.15 This definition recognises the two-way communication aspect as well as the importance of building positive relationships between an organisation and its publics. It is important for an organisation to have good relations with its public and be associated with positive values in the minds of the consumer to be profitable and successful. However, it is vital to remember that the different theorists express different opinions as to the incorporation of manipulative means.16

16 Ibid., p. 5
Background and fundamental Ideas of Public Relations Communications

The practice of using communication to influence the public is more than a hundred years old, and originates from ancient civilizations such as the Greek and Roman Empires. Throughout time, powerful institutions such as the Catholic Church as well as governments and monarchs have used communication and information to encourage the public to support their causes. Public opinion is most often interpreted as the opinion of the majority, and the ability to quantify public opinion has then opened up for new ways to influence them as well. This leads us back to the focal point, namely the phenomenon of public relations.

Systems theory emerged in the second half of the twentieth century and was initially the dominant approach with its emphasis on situations. However, criticism eventually led to major revisions and the focus shifted onto relationship theory with an emphasis on communication as the key to relationship management. Within the concept of systems theory a focus on one-way persuasive communication affected early communication theories, which were comparatively simple. According to Grunig and Hunt there are two kinds of one-way communication, namely press agentry and public information. The purpose of press agentry is propaganda, where complete truth is not essential. Public information is the distribution of information, where the truth is significant. Later, receivers’ responds and the surrounding environment became vital in two-way communication. The purpose of two-way asymmetric communication is scientific persuasion, arguing to persuade the audience to adapt the organisation’s way of thinking. Two-way symmetric communication then emphasises the importance of mutual understanding and dialog between sender and receiver. This public relations process models should lead to changes in both the minds of the organisation and its audience, and it is closest to the public relations phenomenon that we know of today.

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17 Tench, and Yeomans op. sit. p. 7
18 Ibid. p. 7
19 Ibid. p. 156
21 Ibid. p. 8
22 Tench and Yeomans. op.cit., p 146-147
Corporate Social Responsibility
The two-way communication has helped to create a kind of mutual co-dependence and relationship between a corporation and its audience. It is a concept that has only become increasingly significant throughout time and finally, determined the concept of corporate social responsibility. This notion of being socially responsible is of great importance in organisational existence today, both in terms of being ethically, socially and environmentally conscious.23

There are a large number of definitions for CSR. However, the recurrent theme of these definitions regards an organisation’s defined responsibilities to its communities and its environment.24 It is of great importance for organisations to manage and plan relationships with its stakeholders. The stakeholders are the ones with vested interests in the organisation, and those who can influence its way of doing business and thus future opportunities to succeed.25

Being socially responsible also helps to establish a reputation for the company, which is a significant aspect to consider when discussing CSR. A reputation as a socially responsible organisation is in many ways seen as a differentiating strategy, providing competitive advantages by adding value to the organisation’s brand, products, and services. It helps to establish a positive image of the company and therefore facilitates a better communication structure with its publics. CSR is therefore believed to be vital to profitability and will remain a high priority for chief executives around the globe.26

A critical view of corporate social responsibility was articulated by Milton Friedman. He stated that the only responsibility a business can have, is to increase its profits, while conforming to the basic rules of society. Furthermore, he states that a business as such cannot have responsibilities; only people can. Therefore, the term corporate social responsibility is misleading. If the corporate executive then should act only according to these social responsibilities, it would imply that he would act against the business and the interest of the employer, leading to decreasing profits. This results in reducing the returns to shareholders, increasing prices, and decreasing wages.27

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23 Tench and Yeomans. op.cit., p 147
24 Ibid. p. 97
25 Ibid. p.241
26 Ibid., p. 101
27 Friedman (1970) op.sit
Stakeholder and CSR Communication

Stakeholder and CSR communication are among others interpreted by Morsing and Beckmann. They describe stakeholder relations as: “The stakeholder relationship is assumed to consist of interactive, mutually engaged and responsive relationships that create the groundwork for transparency and accountability”. This statement indicates that it is vital for companies to cooperate and provide value to their stakeholders in a sustainable way. As a result, it is no longer satisfactory to distribute money to casual causes. Today, CSR is used as a strategic tool, which should be reflected throughout the entire corporation. Therefore, today’s corporations must construct their fundamental business principles based on creating a sustainable business.

Many companies worldwide communicate with their stakeholders on their websites, which requires an excellent communication strategy. Morsing and Schultz adapted the public relations model of Gruing and Hunt, into a CSR and stakeholder perspective, which includes three CSR communication strategies being; (1) the stakeholder information strategy, which is characterised by always one-way communication from an organisation to its stakeholders with the purpose to distribute information both being persuasive and objective, which corresponds with the public information model by Gruing and Hunt. (2) The stakeholder response strategy has a two-way communication flow, and corresponds with Gruing and Hunt’s two-way asymmetric communication model. It includes sense-making process, which presents relevant information, and feedback is interpreted to advance the communication. This strategy can be interpreted to have an imbalance from the effect of public relations in favour of the company, because public responses are not considered and the company will change accordingly. In contrast, (3) the stakeholder involvement strategy tries to establish dialog with its stakeholders in order to change concurrent with public values. The strategy correlates with the two-way symmetric model. The company and its stakeholders equally persuade each other in the process of change and development. The sense-making process which was relevant in the response strategy is also represented here in a sense-making and sense-giving approach, where both stakeholders and the organisation are interacting in a dialogue, which will give sense to each others.

30 Ibid p. 328
31 Ibid. p. 328
The Shell Corporation

The Royal Dutch Shell Group is a multinational petroleum company. It is a merger between the former companies the Royal Dutch and the Shell Transport.\textsuperscript{32} Today, Shell’s main businesses are production, processing, transportation, and marketing of hydrocarbons as well as success in the business of petrochemicals and renewable energy, which is determined by opportunities of wind, hydrogen and solar power.\textsuperscript{33} Shell has articulated the company’s general business principles as: “The objectives of the Shell Group are to engage efficiently, responsibly and profitably in oil, gas, chemicals and other selected businesses and to participate in the search for and development of other sources of energy to meet evolving customer needs and the world’s growing demand for energy.”\textsuperscript{34} Furthermore, the aim is “to work closely with our customers, partners and policy-makers to advance more efficient and sustainable use of energy and natural resources.”\textsuperscript{35} Based on these statements it is evident that Shell engages in generating sustainable solutions within its fields of petroleum supply as well as establishing long-lasting relationships with its stakeholders.

In 1995, Shell experienced a difficult time, based on a decision to sink their Brent Spar at the North Atlantic, as it would not be useful to the company in the future. This decision was met with indignation from the global campaigning organisation, Greenpeace, which started protesting against this decision. The demonstration was further supported by thousands of people, and a number of governments, who were against the drop of the Spar. The reason for the protest was an ongoing part of a campaign to stop dumping waste into the ocean.\textsuperscript{36} The consequences of this scandal were significant for Shell, as a high number of people in Europe boycotted its products, and as a result the company lost millions of dollars.\textsuperscript{37}

The scandal made it clear that Shell had to engage in the trend of sustainable business and thus consider the concept of corporate social responsibility in order to enhance their reputation among the consumers. Shell had to demonstrate values as being ethical and moral nature to maintain loyal stakeholders.

\textsuperscript{32} Shell global website: http://www.shell.com/home/content/aboutshell/who_we_are/our_history/dir_our_history_14112006.html
\textsuperscript{33} Ibid.
\textsuperscript{34} Royal Dutch Shell plc (August 2005): Shell General Business Principles.
\textsuperscript{35} Ibid.
\textsuperscript{36} Kirby, Alex: Brent Spar’s long saga. BBC news, Wednesday, November 25, 1998
\textsuperscript{37} Ibid.
The Shell Foundation

The first ideas of the Shell Foundation were created in 1997. The purpose was to launch a new global, social investment initiative with concentration to benefit the sustainable development worldwide in co-operation with external relationships and business partners. This decision led to the establishment of the Shell Foundation, which was decided to be independent from Shell.\textsuperscript{38} The establishment was officially a UK registered charity in June 2000 with a mission to bring down poverty and environmental challenges.\textsuperscript{39} In 2000, Shell donated $250 million to The Shell Foundation to ensure the fond long-term financial security and independence.\textsuperscript{40}

In practise the Shell Foundation has different purposes to facilitate better living standards and quality among the world’s poorest people. This is realised by a six programme approach. The programme of ASPIRE funds African entrepreneurs. EMBARQ tries to reduce congestion and pollution in cities, which are experiencing fast-growing developments. The programme of Breathing Space brings down the number of people dying from indoor air pollution in the third world by selling improved cooking stoves. Trading Up establishes relationships between small producers and large retailers to secure capital, mentoring, and strategic partnerships. The programme, Excelerate, has the purpose to invest in small producers of modern energy, which should be distributed to poor settings. Finally, the Foundation is developing a series of climate change initiatives, which are added to have a positive impact on several of the existing programmes.\textsuperscript{41}

The link between Shell and the Shell foundation is expressed to be; “\textit{a legally independent charity}” that has “\textit{no direct financial benefit for Shell companies or associated companies in which Shell has an interest}”.\textsuperscript{42} However, the integrity of this statement will be investigated in the following analysis.

\textsuperscript{38} Shell Foundation website: \textit{About us - Origins}
\textsuperscript{39} The Shell Foundation download: \textit{‘Origins and Relationships’}
\textsuperscript{40} Shell Sustainability Report 2008
\textsuperscript{41} Ibid.
\textsuperscript{42} The Shell Foundation download: \textit{‘Origins and Relationships’}
**Introduction to Analysis**

In the 1990s, an international concern for environmental conditions, human rights and living standards increased and thus the creation of the concept of corporate social responsibility. Although companies are private and does not make governmental decisions, companies must consider the impact on societies as they are, however, a part of the infrastructure.\(^\text{43}\) According to the Shell Foundation, it was created as an approach to incorporate the principles of sustainable development in order to survive. It is said to be an independent charity, which do not facilitate any financial benefits for Shell.\(^\text{44}\) However, critiques argue that the Shell Foundation is just an attempt by Shell to portray the organisation as being environmentally concerned and socially responsible without any genuine interest.\(^\text{45}\)

In the following, a discussion of the relation between Shell Group and the Shell Foundation will be made in order to investigate, if the Shell Foundation distributes values to Shell, and how it influences Shell’s reputation and affects the public behaviour towards the organisation. For the analysis, information from Shell’s and the Shell Foundation’s websites will be vital. Furthermore, the article: “Campaigners attack Shell’s charity arm over Sakhalin talks” from the Guardian will be used. This article criticizes the Shell Foundation for being a model of CSR with the purpose to generate public relations and thus strengthen Shell’s business relations.\(^\text{46}\)

In addition, to investigate the relation between Shell and the Shell Foundation, a stakeholder analysis will be made with the purpose to clarify, if the same group of stakeholder identities are presented in both’ stakeholder maps. For this purpose, the Power Interest Matrix will be used to divide the stakeholders into groups depending on their interest and power relations.

In correlations with the stakeholder analysis, it will be analysed how the Shell Foundation communicates its CSR activities and how they facilitate to the image-creating process. The CSR communication strategies illustrated by Morsing and Shultz will be used. Furthermore, a rhetoric analysis will be embarked of the Shell Foundation website to examine the level of credibility of the

\(^{43}\) Tench and Yeomans: p. 97
\(^{44}\) The Shell Foundation download: “Origins and Relationships”
\(^{45}\) Evans et al. op sit. (appendix 1)
\(^{46}\) Ibid.
website using Aristotle’ rhetorical analysis of logos, ethos, and pathos. All relevant elements for analysis can be found in the appendices.

**Determining the relationship between Shell and the Shell Foundation**

The Shell Foundation states: “We are a legally independent charity, distinct from the Shell Group’s commercial operations and, as such, our work can have no direct financial benefit for Shell companies or associated companies in which Shell as an interest”.\(^{47}\) This statement clarifies that the Shell Foundation dissociates themselves from Shell. The foundation clearly brings down the impression that Shell and the Shell Foundation do not have any interest in each other’s businesses. Different perspectives and arguments have been expressed from both adherents and critics, and based on Shell’s as well as societal opinions; a discussion of the relationship will be examined.

Simultaneously, Shell gives the same notion of the independence of the foundation to its stakeholders. On its website, Shell states the programmes that they invest in. The information about the programmes is only brief descriptions, which indicates that Shell prefers to separate the programmes and foundations from its corporation. Of the Shell Foundation, Shell explains: “The Shell Foundation is an independent charity, established in 2000 with an endowment of $ 250 million from Shell. Unlike traditional foundations, it is more an investor than a donor focusing on global development and environmental challenges linked to the impact of energy and globalisation”.\(^{48}\) This description is followed by a link to the Shell Foundation’s website, where further information is available. From this observation, it is evident that Shell does not enhance the Shell Foundation, but desires to keep a distance to the foundation as well as to other social investment programmes.

To enlighten the lack of notion of the Shell Foundation, the mentioning of the foundation in Shell’s sustainability report from 2008 can be an argument. The foundation only has a short paragraph with approximately 1200 characters in an almost fifty pages long report,\(^ {49}\) which indicates that Shell attempts to attract attention to the foundation without presenting a further relationship, and instead Shell’s focus is put on to other corporate sustainable investments in the sustainability report.

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\(^{47}\) The Shell Foundation download: *Origins and Relationships.* From [www.shellfoundation.org](http://www.shellfoundation.org)

\(^{48}\) Shell’s website: *Environment and Society – Shell in society – Our neighbours – Social Investments - Programmes* (appendix 2)

\(^{49}\) Shell Sustainability Report 2008, p. 28 (appendix 3)
Even though Shell tries to administrate a distance to the Shell Foundation, there are several evidences that Shell and the Shell Foundation have a close relationship. During a discussion about the Sakhalin-2 scheme, which is one of Shell’s main-money projects, Shell was criticised for using spokespersons to comment on the situation from both Shell and the Shell Foundation. The reaction was among others: “What is a guy from the supposedly independent foundation doing arguing Shell’s case side by side with someone from the commercial side? These documents show that the Shell Foundation is a con and a charade. It’s a PR vehicle to further Shell’s business interest.”50 If Shell and the Shell Foundation engage in the same discussions, it can be interpreted as shared opinions between the corporation and foundation, which will make the stakeholders question the independence of the Shell Foundation, and thus its credibility.

Additionally, a relationship between Shell and the Shell Foundation can be interpreted as existing due to the fact that the Shell Foundation moved its physical environment and facilities into Shell’s headquarter in Hague.51 The Shell Foundation held a reception for 150 people to the opening, where the New Deputy Director of the Foundation Jeroen Blum, said: “We are delighted we have done this. Wherever appropriate we reach back into the company and leverage its brand, knowledge and infrastructure to help us fulfill our charitable objectives; having an office in the Group’s global headquarters is therefore common sense.”52 The moving of the foundation’s facilities, gives Shell and the Shell Foundation opportunities to communicate and co-operate internally, in which it can be assumed that a closer relationship is established.

When discussing the relationship between Shell and the Shell Foundation, it would be appropriate to discuss the benefits and drawbacks, which come with the fact that the Shell Foundation uses the name and logo of Shell. Table 1 illustrates my interpretations of the benefits and drawbacks for both Shell and the Shell Foundation.

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50 Evans, Rob and Macalister, Terry op. sit.
51 The Shell Foundation website: Influencing the debate – Events
52 Ibid.
Table 1 – Benefits and drawback of sharing name and logo

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<tr>
<th>Benefits</th>
<th>Shell Group</th>
<th>The Shell Foundation</th>
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<tbody>
<tr>
<td></td>
<td>• Public Relations</td>
<td>• Well-known brand gives more attention and accept, thus immediate success</td>
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<tr>
<td></td>
<td>• Values of CSR</td>
<td>• Immediate large group of stakeholders and business relations to co-operate with</td>
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<tr>
<td></td>
<td>• Increase the reputation as being socially responsible</td>
<td></td>
</tr>
<tr>
<td>Drawbacks</td>
<td>• The interpretation that Shell uses the foundation as a public relations strategy creates a negative image, thus its credibility</td>
<td>• Shell’s products (oil and petroleum) have a negative influence on the environment, which will send negative connotations towards the Shell Foundation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Lower credibility of CSR initiatives</td>
</tr>
</tbody>
</table>

From the table it is evident that there are both benefits and drawbacks by using the name and logo. The main benefit for Shell is a strong image and reputation, which co-exist with positive public relations attention, when the foundation distributes ethical and moral values of CSR. Ralph Tench and Liz Yeoman also reflect on the idea that performing CSR initiatives provide an organisation with a competitive advantage. They argue that CSR contributes to the corporate image and reputation of a business. Furthermore, they present four reasons of why a good reputation is vital for businesses to survive today. These are presented below:

- Publics are more willing to acknowledge the organisation’s point of view.
- It benefits the organisation’s information structure with its stakeholders and society, which will improve resources in all areas.

53 Tench and Yeomans op sit. p. 101
- It will make it easier for the organisation to attract and motivate important qualified employees.
- A good reputation will add value to product and services from the organisation.\textsuperscript{54}

Taking these perspectives into account, it becomes clear that Shell will benefit from the Shell Foundation’s moral and ethical image. Even though, Shell states that the foundation is financially independent, it is evident that several other values are distributed to the organisation. The main benefit is acknowledgement, which will improve the communication structure and motivate qualified employees, which are not directly financial. However, it will facilitate opportunities for Shell to gain competitive advantages on the market, which will have positive consequences on the income statement, and thus Shell’s financial situation.

To briefly summarise the relationship between Shell and the Shell Foundation, based on the findings from both websites, it is noteworthy that Shell tries to increase the distance to the Shell Foundation by being persistent that the foundation is an independent charity and that it by no means distribute financial benefits for the company. Furthermore, Shell is carefully mentioning the foundation on its website and in the yearly sustainability report. The reason for Shell to maintain distance is mainly to increase trustworthiness and credibility, which is necessary for Shell to attract interest and loyal stakeholders towards the foundation.

\textsuperscript{54} Tench and Yeomans op sit. p. 101
Stakeholder Analysis

From the discussion above, it is evident that Shell and the Shell Foundation engage in some collaboration. To further investigate the relationship and be able to analyse how the Shell Foundation communicates its CSR initiatives, a stakeholder analysis will be made.

The identification of stakeholders will be implied for both Shell and the Shell Foundation. The analysis will be based on statements from the sustainability report and both Shell units’ official websites. Furthermore, the analysis will divide stakeholders in terms of their power and interest using the Power Interest Matrix articulated by Joep Cornelissen.

Stakeholder identification

According to Edward Freeman, a stakeholder is defined as: "Any group or individual who can affect or is affected by the achievement of the firm’s objectives". Thus, it can be argued that an organisation’s success is dependent on, how it manages to create well-established relationships with stakeholders as customers, employees, suppliers, communities, politicians, owners, and others who are able to affect the organisation’s everyday work-procedures.

Based on the definition of the stakeholders, it will be relevant to understand how Shell and the Shell Foundation position their respectively stakeholders, depending on their importance and power of the organisation. Positioning the stakeholders into different groups can support Shell and the Shell Foundation in realising the scope of its stakeholders, and thus formulate appropriate communication strategies. Subsequently, stakeholders can be positioned through the Power Interest Matrix, a mapping tool in which stakeholders are categorised depending on the power they possess and the extent, to which they have an interest in the organisation’s activities. The two categories are illustrated in the matrix, where the stakeholders’ level of interest ranges from low to high on the horizontal axis, while their level of power towards the organisation ranges from high to low on the vertical axis. As a result, the stakeholders are placed in four different areas within the matrix based on their level of interest and power. The matrix can be found in the appendix 4.

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58 Ibid. p 53
Focusing on the Shell Group, it is evident from “Shell General Business Strategies” that the organisation recognises the importance of its stakeholders, considering the fact that it specifically acknowledges its responsibilities towards shareholders, customers, employees, to whom Shell does business with, and to society.\(^{59}\) Furthermore, the principle, number seven: “Communication and Engagement” states: “Shell companies recognise that regular dialogue and engagement with our stakeholder is essential. We are committed to reporting of our performance by providing full relevant information to legitimately interested parties, subject to any overriding considerations of business confidentiality”.\(^{60}\) This statement clarifies that the organisation recognises the importance of creating loyal and committed relationships with its stakeholders.

**Stakeholders of the Shell**

Based on these statements from the report; “Shell General Business Strategies,” the majority of Shell’s stakeholders will be placed in the quadrant D in the matrix, as they have a high influence on the decision-making processes in the organisation, thus high power, and they are assumed to have a high interest in Shell.

The first stakeholder group, which can be identified in the quadrant D, is Shell’s shareholders. From “Shell General Business Strategies” it is evident that this relationship has great value to the organisation. Shell recognises the responsibility to its shareholders as high, as its states: “To protect shareholders’ investment, and provide a long-term return competitive with those of other leading companies in the industry”.\(^{61}\) As in every organisation on the stock exchange, it can be concluded that the Shell Foundation are dependent on its shareholders.

Business relations, such as suppliers and regulators, are a key stakeholder group, as these stakeholders affect the business processes, which consequently might result in an increase on the price of supplies. In addition, customers are important stakeholders with a high influence, as there are many suppliers of oil, and as oil cannot be directly differentiated from competitors, customers

\(^{59}\) Royal Dutch Shell plc (August 2005): Shell General Business Principles

\(^{60}\) Ibid. - Communication and Engagement

\(^{61}\) Ibid. – Responsibilities
can easily switch between brands. These stakeholders are divided into quadrant D and B depending on the level of power of the individual relation.

Looking at society, this stakeholder group is represented by the media and different Non Governmental Organisations (NGO’s). Shell acknowledge the responsibility: “To conduct business as responsible corporate members of society, to comply with applicable laws and regulations, to support fundamental human rights in line with the legitimate role of business, and to give proper regard to health, safety, security and the environment”. Shell’s product portfolio is of high risk to the environment and as such these stakeholders are highly interested in Shell’s activities and development in sustainable business. Greenpeace is a relevant example of this. In 1995, Greenpeace was responsible for the massive critique of Shell’s decision to bring down Brent Spar, which had substantial consequences for the organisation.

Employees provide high value for Shell. The organisation states: “We recognise that commercial success depends on the full commitment of all employees”. It is clear that Shell tries to establish a strong and committed work force, which places them in quadrant D as well. They can create competitive advantages for Shell, as the employees are the best representatives for the organisation, and if they feel valued, other qualified people will show interest in the organisation.

Stakeholders of the Shell Foundation

For comparison, the stakeholders of the Shell Foundation have been examined based on the formulated “Business Principles” of the Shell Foundation.

As for Shell, society and especially Non-Governmental Organisations (NGOs) are vital stakeholders to the Shell Foundation. The NGOs are the watchdog of the foundation and its opinion can have a substantial impact on the future activities for the Shell Foundation, thus place the society in the quadrant D as well.

The business relations of the Shell Foundation are placed in quadrant D. They are vital for the Shell Foundation to exits, as they provide the foundation with specialised knowledge within the different

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63 Ibid.
areas in which the Shell Foundation tries to improve circumstances. According to the Shell Foundation; “we undertake to responsibly invest and deploy all charitable funding and all other resources made available to us in pursuit of our mission and vision”. These organisations and institutions also have a high interest in Shell, as Shell holds the financial contribution to the foundation, thus has an influence on the scope of the activities it engages in, which will affect business relations’ time and resources with diverse projects.

In the report, Business Principles, The Shell Foundation states; “we undertake to respect the human rights of our staff; to promote the best use of their talents; to create an inclusive work environment where every staff member has an equal opportunity to develop his or her skills and talents; to encourage the involvement of staff in the planning and direction of their work; and to provide them with channels to report concerns. We recognise that Shell Foundation’s success depends on the full commitment of all staff”. This statement indicates that the foundation recognises the importance of their employees in order to maintain a strong image. Especially, for the Shell Foundation it is vital to have loyal and motivated employees, who are good representatives for the foundation, as negativity in the work environment will create mistrust to the otherwise balanced charity. As a result, it can be concluded that employees are placed in quadrant D, as it is necessary for the Shell Foundation to create loyal and committed relationships with this stakeholder group.

Conclusively, it is evident that Shell and the Shell Foundation share several stakeholders, thus responsibilities to these groups. Especially, the Non-Governmental Organisations are pressuring both Shell units. Consequently, it can be assumed that Shell and the Shell Foundation engage in a closer relationship to create higher stakeholder satisfaction. The consequences otherwise might result in a negative development in the image-creating process as well as in financial matters.

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64 The Shell Foundation (2009): Business Principles- Who we are responsible to.
65 Ibid.
The Stakeholder and CSR Communication Strategies

In order to analyse, how the Shell Foundation communicate its CSR activities, Gruing and Hunt’s approach of systems theory will be taken into account. These theories create foundation for Morsing & Shultz’s CSR communication strategies in “Corporate Social Responsibility Communication: stakeholder information, response and involvement strategy”.

The three strategies, stakeholder information strategy, the response strategy and the involvement strategy, will be used to investigate how the Shell Foundation communicates and interacts with its stakeholders on the website. Furthermore, it will be investigated, if the Shell Foundation is pursuing one specific communication strategy or integrating all three, which is recommended by Morsing and Beckman.

Stakeholder information strategy

The information flow is one-way communication from the Shell Foundation to its stakeholders. Clicking through the website of Shell, it is evident that the division of information structure is carefully considered. Under every headline six sub sites with information are available, which is consistent which the six-programmed approach of the foundation. However, the amount of information is low on each sub site. The website is covering many aspects from origins to people to the six-programme approach. Having a diverse group of stakeholders to consider, the Shell Foundation is trying to cover all aspect of the charity on the website through the sub sites. For specific analysis, the sub site Breathing Space will exemplify the use of the stakeholder information strategy. The sub site can be found in the appendix 5. When entering the sub site Breathing Space, two boxes are noticeable, namely The Challenge and The Solution, where information about the scope and solution to the problem is accessible to the stakeholders. This design is consistent with the presentation of the other initiatives and thus it creates overview of information. Especially, for the Non-Governmental Organisations, the programme sites are relevant; as they acknowledge the initiatives the foundation engage in to improve the well-being of some of the world’s poorest populations as well as concerning for the environment.

The stakeholder information strategy also becomes clear, as several documents and reports are available for downloading. For example the Down to Business report about the Shell Foundation’s activities and the Origins and Relationships download, about how the foundation was established

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66 Morsing and Shultz op. sit.
68 Morsing and Shultz op. sit.
69 The Shell Foundation website
are available. This invites to further reading. Additionally, the high number of reports makes it clear that the website is the main medium of communication.

In sum, the stakeholders can find a lot of information of the CSR activities, in which the Shell Foundation engage. The information is presented in a well-structured and clear way.

**Stakeholder response and involvement strategy**

From the previous section, it is evident that the information given to the stakeholders range from very different categories, explaining the CSR initiatives of the Shell Foundation.

Looking at the dialogue between the Shell Foundation and its stakeholders, it is possible for all stakeholders to send questions to the Shell Foundation. However, the foundation states that not all questions will be personally answered.\(^{70}\) The text box is specifically centred on short questions, and do not invite to long dialogues, which relates to system theories’ two-way asymmetric communication.\(^{71}\) Furthermore, there is no information on, how stakeholders can contribute to the future sustainability of the Shell Foundation and how the foundation can improve their six-programme approach with help from stakeholders. For that reason, the sense-giving is limited and explicitly determined by the Shell Foundation, which indicates that long discussions of the foundation’s activities are not favoured. However, it is possible for stakeholders to phone the Shell Foundation, which invites to some dialogue and conversation.

Searching through the entire website, it is not possible otherwise to contact the Shell Foundation. Consequently, it can be concluded that the Shell Foundation does not engage in mutually beneficial communication with its stakeholders. The amount of information accessible is very informative statements about how the Shell Foundation engages in decreasing poverty and environmental threats in order to increase living standards and prevent global warming, but the foundation do not invite to debate and is not open for criticism of its activities.

From the examination of the website, it can be concluded that the communication strategy is dominated by the stakeholder response strategy. The Shell Foundation is responding to the trends

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\(^{70}\) The Shell Foundation website: *Term and Conditions*

\(^{71}\) Grunig, James E op. sit. p. 18
and stakeholder opinions of which the foundation recognises as necessary for the charity to exist.\textsuperscript{72} However, as it was evident in the stakeholder analysis, the Shell Foundation spends resources on mapping their stakeholders, and thus acknowledges its responsibilities to the identified groups, which means that some interaction must take place, but clearly it is not accessible or communicated on the website.

One reason for not engaging in dialogue can be interpreted as a way to avoid the opinions of the critical NGO’s, which might depict the Shell Foundation as a charity, which will not be preferred by the management. The question remains; is the stakeholder response strategy in the long run a credible strategy for the foundation to build strong stakeholder relations.

\textsuperscript{72} The Shell Foundation website: About us - Origins
Rhetorical Analysis of the Shell Foundation website

On the basis of theories of rhetorical tools, an analysis of different sub sites from the website; www.shellfoundation.org will be made, to understand, if Shell communicates persuasively and thus effectively with its publics.

Rhetorical analysis

The rhetoric analysis includes a discussion of different sub sites from the Shell Foundations’s website according to Aristotle’s rhetorical proofs of logos, ethos, and pathos with the purpose to investigate if the foundation communicates its CSR initiatives with a high level of credibility to create strong values and image.

Logos

Logos appeals to the logic of the audience. In the bottom of the website, it is stated that the website was created in 2008. However, it is not stated, when it was last up-dated, and therefore the information can be found outdated. The Shell Foundation states: “We try to ensure that all information provided as part of this web site is correct at the time of inclusion on the web site but do not guarantee the accuracy of such information”. This could generate problems for the Shell Foundation, as it is vital for stakeholder to be able to find correct and current information on the website. Furthermore, it was assumed that the website is the foundation’s primary channel to communicate its values, activities, and news, and thus accuracy and correctness are of great importance. Consequently, the Shell Foundation will decrease not only its credibility in this respect, but also trustworthiness of the foundation’s logos appeals in general, and for the exemplary and intertextual ethos.

74 The Shell Foundation website: “Terms and Conditions”
75 Ibid.
Ethos

Ethos creates credibility and persuades the audience to accept the statements as valid. On the frontpage of the website there are obvious uses of ethos, since several statements reflect the views of the Shell Foundation. This is among others evident from the statements that switch in the middle of the frontpage. Here the foundation uses the ‘we’-form, for example: “We were established by the Shell Group in 2000 as an independent, UK registered charity operating with a global mandate”. Furthermore, the headlines, which link to other sub sites, support the personalisation of the Shell Foundation, as it states: “About us,” “Our approach,” and “Our programmes”. The result of personalising the Shell Foundation makes the relationship more reliable and gives the website a higher credibility, as it is presented as an intimate and personal flow of speech towards the audience. It should be notified that the informal tone and intimate relationship appeals to the audience’s pathos as well, which will be commented on in its paragraph.

Furthermore, the Shell Foundation draws advantages authority on the market, as the organisation states: “The Foundation gets its business DNA from its staff who all have extensive business experience. We also get it from our unique relationship with the Shell Group – reaching back into the company to leverage its brand, infrastructure and knowledge – to fulfil our charitable objectives”. The Shell Foundation explicates that the audience can trust the organisation, because of Shell’s strong position and ethos on the market. Due to the strong position, this statement generates trust, as a result of the financial security that Shell offers. Simultaneously, in this statement, the Shell Foundation acknowledges its relationship with Shell, as it admits to use the good name and position of the mother company, which possibly draws to some confusion among the audience. In addition, it is worth noticing that by overstating a high authority and a strong market position, ethos might decrease and lower credibility, because people also seek humility.

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77 The Shell Foundation website: Home (appendix 6)
78 Ibid.
79 Ibid. Our Approach – Business DNA
Pathos

By the use of pathos the audience will be moved by the data, which affects the emotional aspect.\(^\text{81}\) Statements like "extensive business experience" and "unique relationship," which can be found in the above statement of ethos, give the impression of a great business, in which the audience can feel protected by. The wish to make the audience feel secure and thus create a relationship can also be interpreted from the fact that the Shell Foundation uses several powerful statements; "More than Money" and "Down to Business"\(^\text{82}\). These statements generate united emotional feelings in the mind of the audiences, and indicate that we must battle the unfairness of the world together, which appeal to the audience’s pathos and motivate to endorsement. Finally, the level of formality has an influence of how pathos affects the reader and both statements decrease the level of formality, and thus the Shell Foundation and the audience interrelate on the same level.\(^\text{83}\)

In general, the Shell Foundation’s online communication of its CSR activities appears well-considered, and the personal approach of referring to the foundation as “we” facilitates an intimate relationship its stakeholders appealing to their ethos and pathos. However, overstating the CSR engagement, with several statements of how the foundation saves the world, creates some suspicion to whether or not, the foundation publish all relevant information on the website. Furthermore, the foundation admits that not all information will be current, which is strongly decreasing its credibility.

\(^{82}\) The Shell Foundation website: Home (appendix 7)
\(^{83}\) Kies, Daniel: Emotional Appeal
Discussion

Today, consumers are presented with numerous alternatives in almost every product and service category worldwide, and therefore the need for businesses to create attractive brands through image-creating processes has increased. Engaging in activities of CSR is one way to provide brands and products with values, which will make them more attractive for consumers. As businesses accept this new position in society, they develop values trying to meet the requirement of society, which has gained importance along with the process of democratisation. In the following, the relationship between Shell and the Shell Foundation will be discussed, as there is no clear division between the two company units. Furthermore, it will be discussed, if the Shell Foundation communicates its CSR activities effectively in order to appear as credible and facilitate a successful public relations strategy.

The relationship of Shell and the Shell Foundation

Shell has a strong global brand, however, with a product portfolio, which does not correlate with the public requirements of a sustainable business, thus it is difficult for the organisation to show interest for the environmental concerns with a high credibility. The Shell Foundation was presented as an independent foundation, which produces activities of CSR with a direct purpose to improve living standards for the world’s poorest population and benefit environmental conditions. However, the question remains; is the Shell Foundation just a strategy of CSR established by Shell in order to please the critical stakeholders and presents the organisation as being protective of the environment and improving social settings?

Based on the discussion of the statements from Shell and the Shell Foundation, it is evident that both company units try to create a distance in order to present the foundation from a high level of independence. The purpose is to reject that Shell benefits from the establishment of the foundation, thus increase the foundation’s credibility and trustworthiness in the minds of its stakeholders.

By sharing the same name and logo, Shell and the Shell Foundation are able to benefit from each other’s competitive advantages. Shell has a strong brand, but as a distributor of petroleum, it is

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84 Tench and Yeoman op.sit. 101
difficult to maintain the good name and reputation in times, where environmental concerns are of high focus worldwide. James Quilter, journalist at Marketing, explains in his article “Contradictions in terms” that Shell used 1.5% of the research and development budget on renewable energy and 75% on finding new sources of oil in 2007.\(^{86}\) To continue a successful business, Shell has to consider ways to move this focus onto something, which will facilitate a good image. The Shell Foundation’s activities of CSR generates values of ethical and moral character due to the nature of this phenomenon, and by sharing name and logo, these values are distributed to the image of Shell. As a result, the Shell Foundation can be interpreted as a strategic public relations strategy for Shell, to give the impression of a sustainable and responsible organisation to its stakeholders. This will facilitate the image-creating process and an opportunity to sustain a successful global business.

It is important to notice that with the image of being an ethical and sustainable business comes several other advantages. A good image and reputation makes it easier for Shell to interact with its publics due to a favourable opinion towards the business.\(^{87}\) In addition, it also makes it easier for the company to attract employees and engage with suppliers, which all lead to increasing profits for an organisation.\(^ {88}\) This is also the case for Shell, and as a result, the organisation realises indirectly financial profits from the Shell Foundation, and once again generates competitive advantages that come with the establishment of the Shell Foundation, and thus facilitate and benefit the image-creating process of Shell.

**Trustworthiness of the Shell Foundation website**

The Shell Foundation communicates its CSR activities on its official website. The fact, that the Shell Foundation mostly uses the stakeholder information strategy, gives the first impression that the foundation has no secrets and illustrates openness and transparency. However, it was interpreted from the analysis that due to carefully considered information on the website, it gives stakeholders the intuition that the foundation is hiding some otherwise interesting information.

The Shell Foundation does not invite to any dialogue. The opportunities for feedback are dominated by the two-way asymmetric communication model, as Shell uses the stakeholder response strategy.

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\(^{87}\) Tench and Yeoman p. 101

\(^{88}\) Ibid. p. 101
It can thus be interpreted that Shell does not wish to engage in any debate of the foundation or its activities. The foundation does not want any external involvement in decision-making processes. This choice, however, sends negative impressions to the stakeholders, as it would be appropriate to listen and consider the public opinion being a charity with a purpose to improve the environment and social settings. Furthermore, the acknowledgement that the website might lack current and accurate information decreases the credibility. However, the credibility increases due to the strong ethos. Shell is a strong player on the market of petroleum, and the organisation has many loyal relationships, which strengthen the image of the Shell Foundation, and provide the foundation with a higher number of opportunities.

According to Richard Coope, overstating the corporate social responsibility can damage an organisation’s reputation, as humility is also a key point, when engaging in CSR. The foundation’s ability to communicate is continuously being evaluated by journalists, non-governmental organisations and other stakeholders, and as a result, the foundation’s website has to deliver current and accurate information as well as present an open and transparent courtesy on their website. The website communicates several information about the charity, however, it leaves the impression that the information is carefully considered before published, which might give the notion of the foundation trying to illustrate a plaster saint picture. In addition, the fact, that the foundation leaves no possibility to engage in a dialogue, points to the fact that the foundation avoids public ideas and opinions.

In sum, the website’s credibility can be discussed, as the strong ethos and credibility leans against the Shell’s strong name, and several statements from the Shell Foundation website indicate that the Shell Foundation do not publish all relevant information. It can be argued that the Shell Foundation has certain oppose to create dialogue with the stakeholders of the foundation, which otherwise would be interpreted as a high priority, as it is a charity, benefitting the environments and social settings. Conclusively, the website is tolerable; however, the Shell Foundation does not succeed in being a strong and effective public relations strategy for Shell.

Conclusion

The thesis has examined and discussed the phenomenon of corporate social responsibility as a strategy of public relations as well as from a communicative viewpoint. The focus point has been on Shell, which, as it has been interpret, established the Shell Foundation to generate values of ethical and moral nature to facilitate the image-creating process of the organisation. Furthermore, the CSR communication strategies of the Shell Foundation’s website have been investigated to understand, if the public relations strategy has been successful.

Even though, it is evident that Shell tries to create a distance to the Shell Foundation, in order to indicate independence, thus increase the foundation’s credibility, the relationship is proven to exist. This conclusion is based on the discussion of, how the relationship can be interpreted. The fact that the Shell Foundation moves its facilities into Shell’s headquarter in Hague and the spokespersons from both company units express agreement on money-projects.

Based on findings from the analysis, it is given that companies must strive to gain a strong reputation and image in order to stay successful in today’s society. A good reputation facilitates acknowledgement, strong relationships with stakeholders, attract qualified employees and add further value to the corporate image. It has been proven that the Shell Foundation distributes values of being socially and environmentally responsible to Shell by sharing name and logo, which facilitate the image-creating process. Therefore, the establishment of the foundation can be interpreted as a strategy of public relation in order to benefit the mother company. Consequently, Shell’s presentation of the relationship with the Shell Foundation can be questioned, because Shell, nevertheless, gains financial profits, due to increased and improved image.

When considering the relationship between the Shell units, it is also noteworthy that they share the same stakeholder group. Therefore, Shell and the Shell Foundation also share responsibilities, and it is assumed that the company units collaborate in satisfying the similar stakeholders, as it can save the company time and resources.

In order to exemplify if the Shell Foundation succeeds as being a public relations strategy and generate values to create competitive advantages for Shell, elements of the Shell Foundation’s website was analysed due to Morsing and Shultz’s CSR communication strategies. In general, the
Shell Foundation’s communication was found to be tolerable, as it states whatever necessary to keep stakeholders satisfied. However, the foundation leaves the stakeholders with an impression of not being included. For that reason, a number of aspects may be improved.

The Shell Foundation dominantly uses the stakeholder response strategy, in which the foundation can be interpreted as being secretive, thus incredible and opaque. The lack of interaction between the Shell Foundation and its stakeholders gives a negative impression, as it is thought-provoking that the foundation avoids dialogue with society, whom it tries to benefit.

Persuasively, the Shell Foundation’s website does not fully live up to its purpose of leaving positive connotations towards the name and logo of Shell in general. The website succeeds in creating a strong relation with its stakeholders by the use of Shell’s ethos and several emotional phrases. However, the lack of information on, when the website was last updated, raises doubt about the general trustworthiness, thus usefulness to the public.

Conclusively, the website has been interpreted as being satisfactory. However, the Shell Foundation does not fully succeed in being a strong and effective public relations strategy for Shell.
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Shell Global Website: [www.shell.com](http://www.shell.com)


Shell Foundation website: [www.shellfoundation.org](http://www.shellfoundation.org)


