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CSR Communication on Social Media and MNE's Reputation

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Abstract:

Research on CSR and CSR communication has been a topic of interest for many researchers. However, in this digital era, social media has come to existence as an important means of communication that MNEs can utilize to effectively manage their reputation, which is still relatively unknown on how to maximize this technology. By integrating the Big Seed approach, CSR communication, Social Media, and CSR strategy, this paper develops the underlying mechanisms in which CSR communication on social media will thrive and explain how it affects MNEs reputation. It further incorporates the role of CSR standardization into the relationship. This paper presents three mechanisms that affect the relationship between MNEs' CSR communication on social media and reputation, these are (1) Consistency, (2) Engagement, and (3) Informational Tone. Furthermore, it shows how these mechanisms are affected by the standardization of CSR. The theory presented in this paper has implications for research on CSR communication on social media and an understanding of social media's role for MNEs.

Keywords: Consistency, engagement, global, local, tone

1. Introduction

Communication for a firm is an essential way to get their existence recognized by people. With the rise in CSR (Corporate Social Responsibility) activities, CSR communication becomes important for firms. CSR is defined as the efforts and commitment to improve firms' environmental, social, and governance performance (Whelan & Fink, 2016), and CSR communication is defined as the process of anticipating stakeholders' expectations, articulation of CSR policy, and managing communication tools to communicate a company's CSR activities and interact with stakeholders (Podnar, 2008). PricewaterhouseCoopers found that 64% of global CEOs believe that CSR is a crucial core component of the business (PwC, 2016) and it has been argued that it is a strategic driver of business and should not be overlooked (Werther & Chandler, 2011). It has been found that brands that can communicate their CSR successfully would have customers with positive CSR beliefs, leading to longer-term loyalty and advocacy behaviors (Du et al., 2007). CSR communication seems to be prominent in shaping firms' reputation which is defined as 'the collective representation of a firm's past actions and results that describes the firm's ability to deliver valued outcomes to multiple stakeholders' (Fombrun & Van Riel, 1997). In other words, consistency matters as reputation are built upon the actions that firms are doing.

Yet how to manage CSR communications in the age of social media is anything but clear (Waddock & Googins, 2011), especially for MNEs (Multinational-Enterprises). Social media is defined as 'the online means of communication, conveyance, collaboration, and cultivation among interconnected and interdependent networks of people, communities, and organizations enhanced by technological capabilities and mobility' (Tuten & Solomon, 2018). MNEs are defined as business entities that operate in more than one country through their subsidiaries and affiliates (Gökmen, 2015). A study on fortune 100 companies which includes MNEs has found that they are using social media mainly for conveying their corporate ability (promotion) rather than CSR (Kim, Kim, & Hoon Sung, 2014). Even when firms are found to be using social media to communicate CSR, they tend to use it only as a one-way communication (Cortado & Chalmeta, 2016), limiting its benefit by not engaging with the audience on social media. This might be due to the lack of understanding of how to operate social media effectively.

For MNEs, the decision to adopt a global strategy or local strategy is another major important aspect since communication programs are being influenced by the chosen strategy (Dumitrescu & Vinerean, 2010). A global strategy refers to centralized management and standardized activities while a local strategy refers to decentralized management and localized activities (Ghoshal & Nohria, 1993; Dörrenbächer & Geppert, 2016). Since MNEs operate worldwide, CSR communication on social media poses a particular challenge as it allows multiple individuals from different parts of the world to share and look at others' opinion easily which could cause a 'mob mentality' (Arnaboldi & Coget, 2016). This has somehow shifted the market power to consumers' hands (Berthon et al., 2012). MNEs need to make sure that their tonality in delivering the message does not make them seem boastful about their CSR activities to prevent negative shared perceptions on social media.

To address this issue, I develop a conceptual framework based on the 'Big Seed' framework of Watts, Peretti, & Frumin (2007). In this framework, CSR communication is most effective at managing reputation when 1) the content is communicated to a high number of people at the beginning (initial seeding) and 2) the content is in a platform where it enables people to share the message. Social media brings new ways for MNEs to create content and features to explore to

present themselves. With the rise in CSR significance, communicating it on social media seems inevitable and necessary for MNEs. What is unclear, however, is how this framework translates to the context of the MNE, given the large and diverse body of stakeholders they face at home and abroad. Therefore, the research question is as follows:

In what ways does consistency, engagement, and informational tone in MNEs' use of social media enhance their reputation in host countries, and how might these relationships be affected by standardization of MNEs' CSR strategy?

The framework presented in this paper explains the key mechanism of CSR communication on social media and the relationship with reputation. MNEs must focus on consistency, engagement, and informational tone on social media when communicating CSR to effectively manage reputation. It adds nuance to the big seed approach as it expands our thinking on the importance of understanding a diverse audience from around the world where MNEs operate, and choosing the most suitable strategy for their audience when communicating on social media whether global or local to gain the most out of CSR communication on social media.

2. Literature Review

In this digital era, the way we communicate has changed. Social media has become a tool to communicate with people worldwide. In 2015, 65% of adults used social networking sites, which is almost ten times compared to the past decade (Perrin, 2015). Optimizing social media's capability could be vital for firms to sustain in the ever-growing competitive business environment. As CSR and social media grow in their importance, firms' CSR communication through social media could be crucial for them to stay competitive. Thus, this paper aims to produce a model to explain how MNEs can communicate their CSR activities on social media while ensuring that they are effectively managing their reputation. In order to lay the foundations for such a model, I begin by reviewing the literature on Reputation, CSR, CSR Communication, CSR communication on Social Media, and CSR Strategy.

2.1. Reputation

Before the existence of social media, firms' information to the public was mainly disseminated by the news media after receiving it through corporate communication (Kioussis, Popescu, & Mitrook, 2007) and they tend not to publish negative information about the firms because it could harm their relationship with the management team (Shani & Westphal, 2016). News media do still inform negative information about a firm when things like a criminal case happen, but they normally wait for the comment of the firm's spokespersons before creating the news (Etter, Ravasi, & Colleoni, 2019). However, with the existence of social media, communications have become more of a challenge for firms as individuals are now able to share their thoughts through social media rapidly.

Examples of how social media plays a crucial role in reputation can be seen through the case of Malaysia Airlines and Digiorno in 2014. Malaysia Airlines launched a bucket lists contest where people are encouraged to send their bucket list to win prizes. The problem is that during that time, they are still dealing with two recent flight disasters and bucket list are something that is associated with when someone is going to die. This created a backlash on social media and criticism towards the firm went viral (Braiker, 2014). Digiorno, a frozen pizza brand showed a lack of understanding of the usage of hashtags on Twitter. Digiorno used a popular hashtag #WhyIStayed in one of their tweets to relate it to their pizza. However, little do they know that the particular hashtag is related to domestic abuse victims and because of this, Digiorno quickly delete the tweet and apologize by saying 'A million apologies. Did not read what the hashtag was about before posting.'. However, people have taken screenshots and the news about Digiorno being ignorant of what a particular hashtag means has spread around social media (Wasserman, 2014). These events damaged the reputation of both firms.

Social media allows different actors to be involved in content creation and to communicate it; now, what matters for firms is what to do with this ability in relation to CSR activities to benefit from the existence of social media.

2.2. CSR

The importance of CSR has been recognized more and more. The idea that a corporation's goal is to maximize shareholder values planted by Milton Friedman in 1970 has become obsolete as top CEOs claimed that this should not be the main goal. Putting this as the primary goal means short-term thinking and prevents businesses from building long-term value (Denning, 2019; McGregor, 2019). Although, not everybody agrees that the notion of 'maximizing shareholder's value' is obsolete. Some still believe that it is the government's job and not the company to focus on society. The council of institutional investors argues that removing it from the primary goal results in weaker managerial accountability to shareholders (McGregor, 2019). Regardless of opposing views on a company's stand on CSR, many companies are now known to be adapting CSR and see CSR programs as integral to their business operation. CSR on its own has been proven as one of the predictors of a firm's reputation (Hsu, 2012) and firms are found to be engaging in CSR activities to establish good corporate reputation (Porter & Kramer, 2006) as CSR could be regarded as an investment (McWilliams et al., 2006). This has been shown through the substantial amount of money that firms have invested in developing and maintaining their CSR programs. In 2013, Fortune 500 companies invested almost 20 Billion USD a year in CSR activities (Dattani et al, 2015). It is reasonable to say that CSR programs are not a one-off program but rather a continuous program, which companies have to do to ensure that their business continuously creates a positive impact on a broader community. However, just doing CSR activities without making people aware of it would limit its benefit to a firm. This is where the importance of CSR communication comes in.

2.3. CSR Communication

Communicating CSR is not a simple task and there are challenges to it. Nevertheless, with effective communication, it would yield satisfactory results (Ali, Bicho, & Jiménez-Zarco, 2015). Having CSR is recognized as a

virtuous act since firms positively impact the community, but miscommunicating it might suggest otherwise. Firms who are not successful in communicating their CSR could make the public perceive it negatively and be skeptical towards firms' CSR as they think that firms are acting in self-interest and not for the good of society (e.g., greenwashing) (Elving, 2012). It is said that consumers look out more into the firm's CSR motives rather than its actual activities (Ellen, Webb, & Mohr, 2006). Despite this risk, a study has found that with effective CSR communication, it could overcome the public distrust or any skepticism that occurs (Kim & Rim, 2019). When firms are successful in communicating their CSR, this means that people receive their message with full conviction that it is true and can be trusted.

CSR Communication could influence certain stakeholders on their action, such as investors on making investment decisions, customers on making purchase decisions, and even employees' commitment (EY, 2020; Ghazzawi et al., 2016; Brammer, Millington, & Rayton, 2007). With that in mind, firms have to find various ways to communicate their CSR programs to keep their stakeholders informed and engaged. CSR communication is important, but in this digital era, the lack of understanding of new technology would affect CSR communication effectiveness as it remains uncertain how firms need to keep up with social media.

2.4. Social Media

Social media provides firms with a new way to communicate with stakeholders. Firms are provided with the options to choose and use various social media platforms such as YouTube, Facebook, and Twitter. According to Sprout Social (2018), the top two reasons for using social media by social marketers have been found to increase brand awareness (80%) and community engagement (65%). This is well-thought-out since there are 3.8 billion active social media users worldwide (Hootsuite, 2020). Different social media platforms have different characteristics as well as features, thus, firms have to make sure that what they are posting on the chosen platform is appropriate, relevant, and suits the nature of the platform. A study of brand-related user-generated content on YouTube, Facebook, and Twitter has shown that YouTube's nature is more about broadcasting one-self (self-promotion), while Facebook and Twitter are used for people to engage in a discussion and open opportunities for brands to circulate positive sentiment and brand awareness (Smith, Fischer, & Yogjian, 2012).

Furthermore, scholars have found that media richness, which is something that social media platforms provide, helps increase brand loyalty. And, by being responsive on social media, it helps the audience gain more knowledge about the firm and create a higher sense of membership for the audience (Huang et al., 2018.). Posting on social media is vital for firms to stay on top of their communication game as new stakeholders' expectations must be met. Their effort on just posting content alone would not suffice, as interacting and engaging with the audience on social media will be necessary. Social media is not a one-way communication platform, therefore, engaging by using the features available would mean that firms are maximizing this means of communication to its fullest potential. However, it requires further understanding of how to navigate social media for CSR communication to exploit its maximum capabilities.

2.5. CSR Communication on Social Media

Social media are platforms where public communication and personal communication converge (Meikle, 2016), and also where communication is not unidirectional like traditional media. Marketing through social media has been widely adopted by firms, showing their products and promotional messages, which are essential in this digital age. CSR communication is also becoming critical to any firms that are doing CSR activities. It is found that firms with higher CSR ratings have higher social media adoption than firms with lower CSR ratings (Lee, Oh, & Kim, 2013). In addition, social media provides opportunities for firms to spread more awareness to the public about their activities (Kaplan & Haenlein, 2010). Communicating CSR activities is needed to ensure that stakeholders know what is going on in the firm.

With the existence of social media, it is important to see how it matters for CSR communication. Firms cannot control what is being said by other accounts on social media, they could only control what they want to publish and advertise to the public. Even though a lack of control might cause concern, it is suggested that there is an upside to it. The inability to control social media messages makes firms do not appear to be active promoters, increasing CSR credibility as it is transmitted by third parties (Coombs & Holladay, 2012). However, this benefit comes with a challenge, a big obvious challenge is for firms to make sure that what is being disseminated about their CSR on social media are positive, in other words, managing social media communication to ensure that its benefits firms in terms of its reputation considering the elements that social media brings.

One approach that has gained traction over the years is the Big Seed approach proposed by Watts & Peretti (2007). This approach integrates the concept of both mass media and viral marketing to help messages created by firms get received and shared with as many people as possible. The idea is that firms have to start by sharing the message to as many people as possible (huge initial audience) through any means available (TV, Radio, Internet) and then encourage people to share it by having a platform that allows them to share the message. This approach is the opposite of the two-step flow communication by Katz & Lazarsfeld (1955), where it relies on opinion leaders (e.g., Influencers), it argues that people act on the message because of the personal influence that opinion leaders have. In contrast, the Big Seed approach does not require working with opinion leaders, it could be done directly by firms. While traditional mass media helps in the Big Seed approach to get the message across to many people, using the internet, especially social media, will be much more efficient. This is because social media platforms allow messages to be communicated to a large number of people as well as engage with other users within the platform. Thus, it is appropriate to look at managing CSR communication on social media from the lens of the Big Seed approach. Although, it remains unclear exactly how the characteristics of social media affect the ability of companies to manage their reputation through their CSR communication.

2.6. CSR Strategy

Moreover, these effects might vary depending on the company's approach to its CSR. Specifically, MNEs may choose either a global, standardized CSR approach or a more local, responsive CSR approach. Operating with a global strategy or local strategy has been a popular topic for MNEs because they operate in different parts of the world and they need to decide how they would strategize their CSR communication. From business literature, the theory of integration responsiveness states the importance of considering global integration and local responsiveness forces for MNEs as it is widely known that these pressures will affect the strategy of MNEs in running their operations (Prahalad & Doz, 1987). Other scholars have (Bartlett & Ghoshal, 1989; Peng, 2011) also later came up with a similar type of model to help MNEs manage their international ventures, emphasizing the pressure of global integration and local responsiveness forces.

A firm that adopts a Global CSR strategy uses CSR practices that are similar worldwide (standardized) while a firm that adopts a Local CSR strategy uses CSR practices that are customized according to the host country location. A study has found, in regards to the theory of integration responsiveness, that there is a consistency in the strategy applied by firms in the product market with their CSR strategy, and in addition to that, firms that adopt multi-domestic and transnational strategy has the tendency to adopt Local CSR strategy (Allen & Husted, 2006). However, adopting a Local CSR strategy might pose risks and challenges for MNEs, as a scholar has theorized that global brands should not adopt local CSR strategies as this distorts their brand image since in the digital era stakeholders evaluate a company on how it operates in the global stage (Popoli, 2011). Moreover, for MNEs to have diverse CSR practices across different countries, it could create a fragmented strategy accompanied by lower CSR standards as the host-country might have lower CSR practices requirements (Muller, 2006).

Communicating CSR in a host country requires MNEs to understand the values that the host country upheld as this could result in organizational legitimacy, which oftentimes regarded as one of the goals of CSR (Suchman, 1995; Duff, 2017). By operating in different countries, MNEs face different challenges across different locations, and local stakeholders will have their expectations of a firm's CSR due to their own cultural and economic conditions (Bustamante, 2011). While different MNEs have different strategies, it cannot be denied that these global and local pressures play an essential role in MNEs' operations, including in their communication. MNEs need to understand how these forces affect their communication strategy. Thus, with CSR communication being the topic of interest, it is important to consider how these pressures play a role in moderating the effect of CSR communication through social media on the reputation of MNEs.

2.7. Development of a Conceptual Model

The conceptual model presented in this paper shows the different social media mechanisms relevant to CSR communication and how it affects MNEs' reputation while taking into account global and local CSR strategy. The mechanisms of CSR communication on Social Media are the level of consistency, level of engagement and informational tone. These mechanisms explain how it influences MNEs reputation. The model looks at how MNEs with different CSR strategies affect the relationship of CSR communication on social media with MNEs reputation.

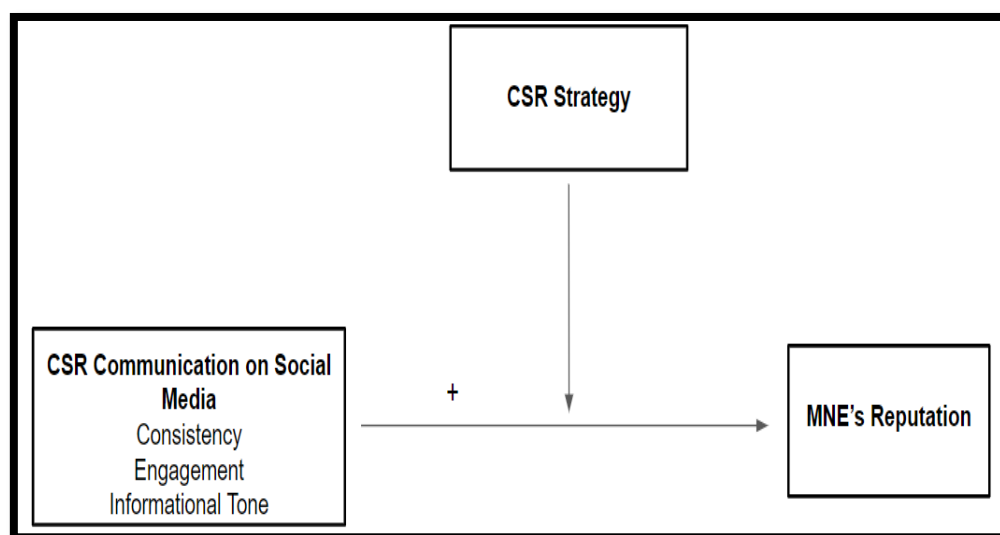


Figure 1: CSR Communication on Social Media Relationship with MNE's Reputation Moderated by CSR Strategy

2.8. Social Media, Consistent CSR Communication, and MNE Reputation

Navigating social media to communicate CSR activities requires MNEs' understanding of the power of consistency as communication without consistency would confuse as to what MNEs is trying to communicate. Conflicting ideas would harm MNEs' reputation rather than strengthen it and could change people's perception of the company, thus damaging the brand (Kim, 2016); the message must be continuously reinforced and maintained effectively (Cornelissen, 2004). When it comes to social media, consistency means being consistent in aspects such as voice, posting, and aesthetics (Payne, 2017). Voice refers to the words used in the caption or/and in the content, posting refers to the frequency of posting the content,

while aesthetics refers to the way the content is designed. A research on MNEs' tweets found that frequently posted CSR messages help increase endorsement (Araujo & Kollat, 2018).

For instance, Nestle's Instagram (@nestle) posted many CSR-related contents. As of December 2020, in that year, Nestle has posted 49 CSR-related contents out of 147 posts, one-third of their post are about CSR. From their content, it can be inferred that they are frequently posting CSR-related content and consistent in their voice by using simple and concise voices as seen in their caption, such as 'Climate change is one of the most important global issues of our time. That's why we're: Reducing our greenhouse gas emissions; Switching to renewable electricity; Tackling plastic waste; Visit the link in our bio to learn more...' and simple words in their picture 'Net zero emissions by 2050. We're accelerating our actions'. Moreover, they have aesthetically pleasing posts by consistently incorporating mainly the color green and white in their posts. These three aspects need to work together to create well-rounded, consistent social media content.

Knowing the connection between consistency and the big seed approach is essential as this helps us understand the value of consistency. MNEs have to understand that when a message reaches other people who were not the initial seed, they will have an expectation that the activities are still ongoing, if not, improved, as CSR is regarded as a responsibility that either meets or exceeds society's expectations (Sweeney, 1972). Consistency in past actions creates trust (Dunn, 2000), and failure to continue this effort will result in losing the reputation that has been built. It is essential to keep CSR activities as an ongoing and iterative process to keep the CSR activities deliver outcomes that are valued by stakeholders. Consistent CSR activities need to be followed-through by consistent CSR communication, keeping them updated about any new progress or initiatives. Social media has brought a new perspective in looking at consistency and further emphasize the importance of consistency in communication, especially for MNEs as they are exposed to diverse stakeholder pressures and perception due to their worldwide operations. Therefore, this paper proposes:

- Proposition 1: The higher the consistency of the CSR communication on social media, the more positive the effect on the MNE's reputation

2.9. Social Media, Engaging CSR Communication, and MNE Reputation

While CSR communication has been widely recognized through firms' annual reports and separate CSR reports (Sweeney & Coughlan, 2008), it is imperative to think about the technology that serves to communicate and relevant in this day and age. With social media, it is important for firms to actually be social and active in using the features provided by social media platforms to engage or interact with the audience. For instance, Facebook has features such as story, polling, and live stream that firms can use to engage with their followers and potential followers. Optimizing the use of features on social media platforms is essential to show interest in interacting with customers.

Taking into account the big seed approach, the approach does not stop in the seeding process, but it also looks at how many people are sharing the message. Thus, firms must create content and an environment that encourages people to share the message. A study of the usage of Twitter by Fortune 500 firms has shown that '60.2% replied to the comments of other users, 30.1% tried to trigger a discussion, while 26.9% came up with follow-up questions' (Rybalko & Seltzer, 2010). This shows that having a dialogue to show engagement is necessary for this digital age as top firms have performed this to keep their audience engaged.

To establish a good reputation through CSR communication on social media, firms need to maintain and nurture their relationship with stakeholders. This would be recognized as online stakeholder engagement, involving online audiences to participate in things such as discussion, surveys, or feedback through social media platforms. By continuously using social media platforms to interact with the audience, this creates a high-quality relationship filled with trust (Saffer et al., 2013; Kent & Taylor, 2015) and can help the message stick in the minds of the audience. Hence, this paper proposes:

- Proposition 2: The higher the engagement activity of the CSR communication on social media, the more positive the effect on the MNE's reputation

2.10. Social Media, Informational Tone of CSR Communication, and MNE Reputation

Humans transmit messages from words, tonality, and body language (Mehrabian, 1967). With the absence of non-verbal cues, communicating through text-based mediated communication like social media emphasizes a greater importance on the words and tonality used in the communication. Hancock (2004) has found that words that come through text-based mediated communication lack emotional tone and using the right words are crucial as it has the power to influence people's brains to build trust (Newberg & Waldman, 2012). Choosing the right word itself would not be enough, it also needs to be structured in a way it enhances a firm's reputation by avoiding it from sounding skeptical.

While the communication tone in an annual or sustainability report is straightforward due to its informational nature, the communication tone in social media is not so straightforward. However, research has found that to avoid skepticism from the public, it is best for CSR content on social media to adopt an informational tone rather than a promotional tone (Kim, 2019). Furthermore, their voice in an informational tone needs to be accompanied by the use of first-person pronouns. This has been found to increase the perceptions of social presence and encourage people to share CSR messages (Short, Williams, & Christie, 1976) as having a conversational human voice humanizes the MNEs' social media communication (Oh & Ki, 2019). Here, I propose the following:

- Proposition 3: The higher the informational tone of the CSR communication on social media, the more positive the effect on the MNE's reputation

2.11. Social Media, Consistent CSR Communication, and CSR Strategy

In the effort to be consistent with CSR communication on social media, a consistent message across social media platforms or accounts would help MNEs deliver their CSR message as it minimizes the risk for the content to be distorted

or misinterpreted. MNEs that adopt a Global CSR strategy are at an advantage when delivering consistent CSR content. This is because a Global CSR strategy demands standardization and with standardization, it helps MNEs to have a consistent message worldwide about the CSR issue that they are tackling. For example, Apple has chosen YouTube as the social media platform to publish their CSR content. On YouTube, Apple created a video on how it tackles climate change. This video has been published in the main channel and in regional channels (e.g., Apple Russia and Japan) with only a minor modification, which is adding a subtitle to the video. This shows that Apple is adopting a Global CSR strategy, as its main content is standardized to simplify its effort in being consistent with their CSR communication. Here, I propose that:

- Proposition 4: The effects of CSR communication consistency on social media on MNE reputation are more positive when the firm pursues a Global CSR strategy

2.12. Social Media, Engaging CSR Communication, and CSR Strategy

Creating an online environment to encourage people to engage in a conversation online is a challenge of its own. Social media presents many features to help its users interact with each other. To optimize their features, it comes with challenges such as the dilemma of whether to publish content that is similar worldwide or localized. While global content helps maintain consistency, tailored content could help MNEs gain a positive reputation through high engagement.

A study has shown that geo-targeted posts are six times more successful than global posts (Athas & Gorman, 2012). Kemp (2011) further noted that by localizing social media content it shows that brands are being responsive to the locals and thus drive higher average engagement rate basing it on the fact that Starbucks' Facebook average engagement was higher in country accounts compared to the global account (Socialbakers, 2010). Having local pages makes them more relevant to the people in the country and make people feel more connected. I predict that this is similar for MNEs with their CSR strategy, those with a Local CSR strategy will be easier in gaining engagement from their CSR communication on social media. Therefore, I propose that:

- Proposition 5: The effects of CSR communication engagement on social media on MNE reputation are more positive when the firm pursues a local CSR strategy

2.13. Social Media, Informational CSR Communication, and CSR Strategy

People on social media come from different parts of the world and it is accessible by anyone with an internet connection. Communicating CSR to an international audience requires an understanding of the global population to create content that would fit globally or create different types of content tailored to a specific audience. CSR communication on social media needs to be interpreted correctly to ensure that its reputation remains intact the way MNEs intended to be through its CSR communication.

MNEs in the past have made mistakes in delivering their message to the public when it comes to different parts of the world. For instance, Pepsi's slogan 'Pepsi brings you back to life' when entering the Chinese market was translated literally to 'Pepsi brings dead ancestors back from the grave' which is a huge error, creates confusion and most importantly does not represent the actual message that Pepsi wants the Chinese market to see (Curtin, 2019). This shows that localizing communication might increase the chance of misinterpretation and hence affect reputation. I argue that the informational tone of CSR communication on social media does well when a global CSR strategy is adopted due to its standardized way of communicating worldwide. Essentially, this is now similar to a CSR report where it does not come out with different versions tailored to a specific region. By adopting Global CSR strategy, MNEs can focus on delivering the message with an informational tone that is accepted worldwide instead of having to customize it, as translation can change the meaning and emotional association of a word (Jackson et al., 2019). It is best to communicate with the original words according to the main audience to effectively manage reputation. Here, I propose that:

- Proposition 6: The effects of informational tone of CSR communication on social media on MNE reputation are more positive when the firm pursues a global CSR strategy

4. Discussion

The purpose of this paper is to find what mechanisms drive CSR communication on social media to enhance MNEs' reputation and what roles CSR strategy plays in moderating this relationship. This paper proposed that consistency, engagement, and informational tone are what matters in delivering CSR content on social media. Being able to do well in those three elements increase the chance for MNEs to effectively manage their reputation and be perceived by the public as they intended to. Furthermore, this paper found that standardization of CSR strategy (Global) helps increase the effects of consistency and informational tone on enhancing reputation. On the other hand, tailoring the content (Local) helps increase the impact of engagement on reputation. CSR strategy as the moderator shows that there's a trade-off between standardization and localization. When an MNE pursues a Global CSR strategy, consistency and informational tone need to be highlighted and when a Local CSR strategy is adopted, engagement needs to be highlighted.

4.1. Theoretical Implications

Firstly, this paper extends our understanding of the role of CSR communication on reputation in the age of social media. The strategy for CSR communication on social media is not so straightforward, rather it has mechanisms that need to be considered. While high initial seeding for communication on social media is necessary, having the right approach with the underlying mechanisms found through this paper is also important. Since not having them in the right place would hinder the effectiveness of the message being communicated. Furthermore, this paper further emphasizes that the two-way communication suggested by Katz & Lazarsfeld (1955) is outdated. The framework in this paper suggested that communication in social media is more effective when done directly instead of through key opinion leaders. This explains

how powerful the individuals are in social media, especially when they are united, it helps create the image of the MNE, hence, affecting reputation.

Secondly, it extends the big seed approach to the MNE context. By offering nuances related to MNE strategy, it shows that standardized or tailored approaches that MNEs have to choose will create trade-offs to the CSR communication outcome. Since MNEs are firms that operate worldwide in various countries, MNEs must understand that people in different places have a different perception to certain things, understanding what works better in the large scale will help MNEs to pick the right strategy for their CSR communication, thus, a better chance at getting the initial seeding to accept and perceive MNEs' message positively.

4.2. Managerial Implications

The model in this paper serves practical implications that managers can apply in their company. The model shows that managers need to be mindful and careful when communicating CSR on social media as the power is now in the public's hand. Managers need to understand how their audience wants to be engaged, how often, and what social media platforms they are using, knowing that they are diverse since MNE operates in different locations. Managers must engage within a platform that is familiar to the audience, whether that is globally or locally. Moreover, communicating CSR content also needs to be maintained through consistency in various aspects to show MNEs' commitment towards CSR activity by using the right tone to combat skepticism. It is a big issue in CSR communication and can affect MNEs' reputation, but the right approach will help overcome it.

4.3. Limitations and Future Research

The first limitation of this paper is that it does not look at social media as an individual platform but rather a collection of platforms. Social media platforms differ from one another, each of them has its uniqueness and characteristics. For example, YouTube is dominant in video-content, however, content creators can also use the story features, Twitter is dominant in their text-content with a maximum of 280 characters in each tweet, however, users can have posts containing video and images. Knowing the nature of each platform would help our understanding in maximizing the capabilities that each platform offers.

The second limitation is that this paper assumes MNEs operation to be similar. This paper does not consider the B2B, B2C, or B2G aspects of MNEs. The nature of different MNE would undoubtedly have an impact on their social media usage. Perhaps, those who do B2G would not necessarily need to be on social media as much as those who do B2C since the knowledge about the company is most likely to be limited to those individuals who interact with the MNE. Understanding the difference in social media usage for different industries would create a benchmark for MNEs on whether they have been doing enough or not in their CSR communication on social media. The role of each social media platform in CSR communication and how different industries perceive CSR's social media usage would be interesting topics for further research.

5. Conclusion

Social media is a powerful tool that requires understanding to maximize its potential. This study has given the framework on how MNEs can manage their reputation effectively through CSR communication on social media. The consistency, engagement, and tonality of the message are important aspects when navigating social media. Also, the chosen CSR strategy, whether global or local, plays a role in affecting the relationship between CSR communication on social media and reputation. As such, this study enhances our understanding of the mechanisms of CSR communication on social media that leads to effective reputation management and offers excellent opportunities to conduct future research on CSR communication and social media.

6. References

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