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Espoused and practiced stakeholder engagement in support of corporate social responsibility within the United States healthcare sector

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ESPOUSED AND PRACTICED STAKEHOLDER ENGAGEMENT IN SUPPORT OF CORPORATE SOCIAL RESPONSIBILITY WITHIN THE UNITED STATES HEALTHCARE SECTOR

A dissertation submitted in partial satisfaction

of the requirements for the degree of

Doctor of Education in Organizational Leadership

by

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DEDICATION

I dedicate this study to my mother, Isabelle, and to my aunt, Johanna. Both have now passed away, but are with me each and every day. With encouragement and inspiration, they never doubted that I could achieve anything I set out to do. Because of my mother's resilience and my aunt's courage, I have surpassed my professional and educational goals. But because of my mother's tireless work ethic and my aunt's unwavering compassion, I realize there is a great deal more to do. Promising my mother I would "always try my best" and promising my aunt I would not let "anyone break my spirit," I will give to others what they have given to me.

ACKNOWLEDGMENTS

As a fourteen-year old boy hustled his way through the streets of Camden, New Jersey, he very quickly learned how the world worked. If you worked hard, you could make money. As a fourteen-year old boy raised by a mother of great faith, he also quickly learned how kindness and generosity could pay back ten fold. If you gave to others, you won't need money. As an eighty-year old man still working and still giving, his greatest possession has become his word.

As a young man, he took care of his immediate family, the first generation. As a middle-aged man, he took care of the second generation. As an elderly man, he now takes care of the third generation. As the patriarch of his family, generations have learned from his successes and failures, his victories and defeats.

Now as an eighty-year old man, he will tell you the older he gets, the better he was. But I believe he keeps getting better with time. His name is Louis Thomas Laviano and he is my uncle, who reminds me each and every day that, "If you have integrity, nothing else matters. If you don't have integrity, nothing else matters." Thank you…

As a fourteen-year old boy passed through the security line at Rancho Boyeros Airport (now Jose Marti International Airport), yet another oppressive act took place…the corrupt guard demanded the boy's watch for passage. With an expression of panic on the boy's face, he turned to his mother and father, who stood on the other side of the glass wall. They motioned for him to give the guard his watch, his only personal possession besides his clothing. He did as he was told and tearfully boarded the plane.

The plane ride was his first, and he knew his father paid a great deal for it, as that was the only way out of Cuba. Many at the time "paid off" officials for the right of passage, as Castro had decreed a moratorium on allowing boys from the ages of 15 to 28 to leave the country in fear of depleting intellectual resources. Tired and afraid, he sat with the other passengers as they breathed a sigh of relief. Shortly after takeoff, a resounding rendition of Feliz Cumpleanos filled the plane. The boy turned 15 at midnight, March 31, 1967.

Now a man, he claims that his story is the story of many others coming to the United States unable to speak the language and having no place to live. But it is his story, and one of great success. His name is Jose Manuel Macias Caballero and he is my husband, who reminds me each and every day that, “Nothing splendid has every been achieved except by those who dared to believe they were superior to circumstance.” Thank you…

It is with great appreciation and humility that I acknowledge Pepperdine University, Graduate School of Education and Psychology, and especially Drs. Davis, McManus, and Armstrong. As dissertation chair, Dr. Davis encouraged me to “let go” and open my mind to curious inquiry, even if at times it was uncomfortable. Her guidance was invaluable and her confidence was inspiring. As committee members, Dr. McManus and Dr. Armstrong challenged my thinking and offered keen insights essential to my study. After completing my course work and embarking on my dissertation, I quickly recognized that the Organizational Leadership program had changed my life and prepared me for a journey I did not dare take before. Thank you…

VITA

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ABSTRACT

This qualitative study provides a snapshot into what corporations say and what they do with regard to stakeholder engagement in the context of Corporate Social Responsibility (CSR) and considers the difference in the promises made and the actions taken by corporations in the minds of stakeholders. As the research of CSR questions what a corporation is responsible for and Stakeholder Theory (ST) questions whom the corporation is responsible to, CSR and ST provide conceptual frameworks for the study. A genuine commitment to CSR and stakeholder engagement contributes to sustainability, impacting the Triple Bottom Line (TBL) of an organization. According to the National Research Council, there is an urgent need for corporations within the U.S. Healthcare sector to make such a commitment. As large corporations are established organizations with greater resources to engage stakeholders in support of CSR, many believe they should take the lead. Consequently, this study identified six large-capitalization (large-cap) corporations within the U.S. Healthcare sector, representing six different industries within the sector that complied with Global Reporting Initiative (GRI) guidelines, the study's sampling criteria. Content analysis of Annual Reports to Shareholders, CSR Reports, and RepRisk Reports of the corporations selected for study allowed the researcher to formulate several conclusions. A corporation's commitment to ESG issues evolves over time, while their level of engagement with stakeholders fluctuates. Further, the communication style of a corporation can influence perceived commitment to ESG issues and stakeholder engagement. Finally, corporations committed to ESG issues and stakeholder engagement are not immune to incidents of ESG risk, which in turn, negatively impacts a corporation's reputation and impairs sustainability. A critical management approach to improve our nation's healthcare system is the adoption of a stakeholder orientation in support of CSR efforts. This study reveals a path that corporations within the sector can take to adopt such approaches. The importance of this study lies in the observations shared to further understand if corporations *walk the talk* with regard to stakeholder engagement in support of CSR and the recommendations offered that hopefully inspire more healthcare corporations to contribute to the transformation required.

Keywords:

stakeholder engagement, corporate social responsibility, stakeholder theory, triple bottom line, United States healthcare sector, Global Reporting Initiative, annual reports to shareholders, RepRisk, sustainability

Chapter One: Study Introduction

As people see their predicament clearly – that our fates are inextricably tied together, that life is a mutually interdependent web of relations – the universal responsibility becomes the only sane choice for thinking people.

–The Dalai Lama

It has been more than several years since the concept of sustainability took root with the World Commission on Environment and Development (Brundtland Commission) report, Our Common Future, in 1987 and the Earth Summit in Rio de Janeiro in 1992, enlightening organizations from across the world to the mounting array of universal economic, social and environmental issues and spawning a flurry of Corporate Social Responsibility (CSR) initiatives. In this context, the attributes of sustainability included recognition of the need for collaborative resolution of global problems, growth and prosperity without environmental harm, and social and economic progress in emergent geographies, all with a focus on future generations (Rogers & Hudson, 2011). According to Savitz and Weber (2014), the term sustainability has become a catch-all for an assortment of business concerns such as consumer protection, workers' rights, education, healthcare, depletion of the earth's resources, etc., but simply stated, "Sustainability means operating a business so as to grow and earn profit while recognizing and supporting the economic and noneconomic aspirations of people both inside and outside the organization on whom the corporation depends" (pp. 3-4).

It has also been more then several years since John Elkington introduced the notion of TBL in 1994, defining the three pillars of sustainability as social (people), environmental (planet), and financial (profit). The concept broadened accountability and reporting of an organization beyond financial performance to include social and environmental performance. Savitz and Weber (2014) posit "A sustainable business ought to be able to measure, document and report a positive ROI on all three bottom lines-economic, environmental, and social" (p. 5). The concept was formalized with the Global Reporting Initiative (GRI) in 1997, prescribing guidelines for measuring, monitoring, and reporting sustainability efforts and currently the leading scorecard, with 80% of the 250 largest global corporations reporting.

It is important to recognize that the terms sustainability, CSR, and TBL are often used interchangeably when referring to the pillars of people, planet and profit (English & Schooley, 2014). Regardless of the terminology, one might assume that the developments in CSR and TBL would help corporations focus their sustainability efforts and/or shame them into making advancements to keep pace with the competition or combat bad press. Despite the efforts, Deutsch (2005) pointedly remarked, "majority of the public…believes that executives are bent on destroying the environment, cooking the books and lining their own pockets" (p. 1). More recently, Beer, Eisenstat, Foote, Fredberg and Norrgren (2011) questioned, "if leading to create both economic and social value is so powerful, why do so few current CEOs pursue this path" (p. 7). Applying insights from 36 CEOs, the authors contended that the lack of progress was not due to lack of want, but the pressure between short-term financial outcomes and long-term social impact. In their analysis of CEO social responsibility statements of Fortune's magazine's America's Most Admired Companies, Beauchamp and O'Connor (2012) found that 87% of the CEOs described their CSR efforts as economic accountability to shareholders as opposed to voluntary initiatives for the greater good. Elkington and Zeitz (2014) contend "Business has not accounted for the true cost of its activities when it comes to negative impacts on individuals, society, and the environment" (p. 9), arguing that the past century has seen most corporations intensify their focus on profit maximization. If the United Nations Secretary-General is correct, "We cannot achieve a more equitable, prosperous and sustainable future without business engagement and solutions" (United Nations Global Compact Global Corporate Sustainability Report, 2013, p. 2), the aforementioned assertions are very alarming.

Debate will undoubtedly continue with regard to how much progress is being made in the caring of people, planet, and profit by corporations. There will also continue to be plenty of experts, academics and practitioners alike, hypothesizing the reasons. However, one aspect of sustainability that appears to be less debatable is the notion that stakeholders are key to identifying and executing CSR activities and successfully managing the TBL (Savitz & Weber, 2014). The stakeholder concept was first used in 1963, referenced in a Stanford Research Institute memorandum and defining a stakeholder as one that without whose support the organization would fold (Freeman & Reed, 1983). Suggesting that the shareholder is only one of an organization's stakeholders, R. Edward Freeman (1984) championed the theory throughout the 1980s and is credited with using stakeholder theory in the context of CSR, asserting that economic and social issues are inseparable and separating them "misses the mark both managerially and intellectually" (p. 40).

Fourteen years ago, Wheeler and Elkington (2001) claimed "It is becoming clear that communicating effectively with stakeholders on progress towards economic prosperity, environmental quality and social justice…will become a defining characteristic of corporate responsibility in the 21st century" (p. 1). However, others indicated that there was little evidence of collaborative communication (Cumming, 2001), with research findings revealing that corporations had little dialog with stakeholders and when they did, it was generally one-way (Habisch, Patelli, Pedrini, & Schwartz, 2011). A sample of 100 companies studied within the first decade of the new century by Bartkus and Glassman (2008) suggested "that the inclusion of specific stakeholder groups in missions is likely the result of institutional pressures, while specifying social issues in missions is related to policy decisions" (p. 207). Additionally, studying 174 sustainability reports issued by the GRI, Manetti (2011) concluded most corporations are a long way from implementing a true stakeholder management or engagement process that includes two-way conversation and contends that when two-way communication does occur, it is reactive, not proactive.

Given the increasing number of corporations making social and environmental commitments, setting goals, and crafting policies (United Nations Global Compact Global Corporate Sustainability Report, 2013) and disclosure requirements becoming mandatory by both regulators and stakeholders (English & Schooley, 2014), the aforementioned findings are disappointing, although according to Fassin and Buelens (2011), not surprising. "On many occasions, the idealism of corporation communication contrasts sharply with the reality of day-to-day business life" (pp. 586-587). Self-assessments reveal the same, with 1,712 respondents from 113 countries indicating, "a clear gap between say and do" (United Nations Global Compact Global Corporate Sustainability Report, 2013, p. 12). With 65% of companies committed to develop sustainability policies, only 35% actually reported integrating the policies into their operations. The report sums up by recognizing that there has been significant progress made in the expressed commitment to CSR activities. However, "From there, there's a drop-off – sometimes fairly steep – in the number of companies that are following through with actions to implement, measure and communicate sustainability" (p. 12). Further, Savitz and Weber (2014) recognize that companies still "maintain a distant, if not outright antagonistic, relationship with non-business stakeholder groups, such as environmentalists, community organizers, social justice advocates and shareholder activists seeking changes in corporate governance" (p. 191).

To further complicate the debate on how much progress is being made by corporations with regard to CSR, TBL, and stakeholder engagement, variations in practice based on the type of industry, size of organization, management philosophy, economic conditions, etc. were noted more than 20 years ago (Carroll, 1991). However, healthcare was one industry sector that was viewed as morally responsible to a growing number of stakeholders operating in an extremely complicated environment; one where mission and values are critically important and cannot conflict with actual practices and behaviors that serve society (Gallagher & Goodstein, 2002). Today, the sector has never had more challenges, with massive pressure on governments, hospitals, doctors, insurers, consumers, etc. across the globe to deal with an aging population, pervasiveness of chronic diseases, rising costs, inconsistent quality, and unbalanced access to care as a result of scarce clinical resources, patient and system geography, and erupting technologies (Deloitte, 2014). According to The Economist Intelligence Unit, 2014 global healthcare spending will average 10.5% of Gross Domestic Produce (GDP), and 17.4% in North America, including Canada and Mexico. Following public safety, healthcare is the second-largest spending category in North America, and much like other economic/social crises, governments are turning to reform in an effort to sustain the industry.

Leaders have grappled with the sustainability of healthcare in the U.S. for decades, as witnessed by key reforms: Medicare in 1965, Medicaid in 1965 and 1997, the Consolidated Omnibus Budget Reconciliation Act (COBRA) in 1985, the Health Insurance Portability and Accountability Act (HIPAA) in 1996 and most recently, the Patient Protection and Affordable Care Act (PPACA). Driven by the aging population, limited resources, subpar facilities and equipment, soaring costs, and a plea for increased access and healthier outcomes, PPACA is designed to advance the sustainability of healthcare in the U.S. (Calayag, 2013). Savitz and

Weber (2014) highlight sustainability issues within the U.S. Healthcare sector provisioning of accessible and affordable services; transitioning to patient-centric and community-based care; and incentivizing system participants. With the need to create and deliver new and comprehensive solutions to serve the growing disenfranchised populations, the sector must overcome the challenges of increasing costs, decreasing revenues and finite resources, while battling a legacy of bureaucracy and the public's dissatisfaction with both access to and quality of care.

Problem Statement

The burden of healthcare is perhaps the most momentous threat to the economic security of a nation, and U.S. Healthcare is no exception. It is imperative that both the efficiency and efficacy of the U.S. Healthcare system be improved to ensure sustainability and it is this researcher's belief that corporations within the sector are well equipped to do just that. As intended, PPACA is forcing rapid transformation of U.S. Healthcare, pushing corporations to mobilize for change and evolve their business, operating, and management models. PPACA is also pushing those within the sector to partner in new ways, encouraging collaboration and integration among key constituents (Pizzo, Bohorquez, Cohen, Riley, & Ryan, 2013; Porter & Lee, 2015). This collaboration and integration requires corporations within the sector to recognize their social responsibility and embrace a stakeholder orientation. Importantly, the commitment to social responsibility and stakeholder orientation must not be a mere response to PPACA. The current U.S. Healthcare system inextricably links many stakeholders beyond the patient. Corporations within the sector must be able to not only articulate their obligations to stakeholders but also engage in substantive stakeholder dialog to transform the sector. It is also important for those corporations responsible for this transformation to do what they say they are doing, as socially responsible efforts are declarations made by corporations to their stakeholders and if not followed by action, true commitment will be questioned (Christensen, Morsing, & Thyssen, 2013).

Historically, government agencies have served as the safety net for economic, social, and environmental concerns, but now the government's ability is limited with rising costs, economic recessions, and jurisdictional constraints (Albareda, 2010; Googins, Mirvis, & Rochlin, 2007). Further, nationalistic agendas and the *push-pull* nature of the free market and regulation/legislation render government involvement at times ineffective (Senge, Smith, Kruschwitz, Laur, & Schley, 2010). Many Non-Governmental Organizations (NGOs) have successfully stepped in to compensate for the decreasing contributions of governments. However, with uncoordinated and duplicated efforts, slim budgets, and tapped resources, they too have become less than effective acting alone (Savitz & Weber, 2014; Senge et al., 2010). Although corporations are faced with unrelenting challenges as global competition continues to intensify, "There is a cadre of business leaders, academics, and activists who postulate that business can make a dramatic contribution to positive social change through its socio-commercial know-how and capabilities" (Googins et al., 2007, p. 23). Deutsch (2005) noted "companies were more helpful than government in the wake of the tsunami in Asia and the hurricanes on the Gulf Coast" (p. 1) and Porter and Kramer (2006) remarked, "no social program can rival the business sector when it comes to creating the jobs, wealth, and innovation that improve standards of living and social conditions over time" (p. 7).

According to the United Nations Global Compact Global Corporate Sustainability Report 2013, businesses around the world are making progress in adopting principles related to social justice and environmental preservation and committing to CSR initiatives. However, the intentions of these commitments have always been questioned as mere responses to competitive forces, regulatory compliance or reputational debacles (Senge et al., 2010). Many corporations are also evolving their traditional shareholder orientation to a stakeholder orientation in order to prioritize CSR efforts (Fernandez-Feijoo & Romero, 2014). However, Carroll (1991) reminded us that it was the governmental bodies of the Environmental Protection Agency (EPA), the Equal Employment Opportunity Commission (EEOC), the Occupational Safety and Health Administration (OSHA), and the Consumer Product Safety Commission (CPSC) that "established that national public policy now officially recognized the environment, employees, and consumers to be significant and legitimate stakeholders of business" (p. 39), inferring that stakeholders may equate to those having contentious relationships with the organization. Even today, corporations struggle with what they see as non-productive relationships with their constituencies and keep them at arms-length in fear of controversy (Savitz & Weber, 2014).

Purpose of Research

The purpose of this study was to explore how corporations within the U.S. Healthcare sector both express and demonstrate their focus on stakeholders in the design, implementation, and reporting of CSR efforts. It also explored the difference, if any, between rhetoric and deed according to third parties/stakeholders. As recommended by Cording, Harrison, Hoskisson, and Jonsen (2014), ST was used as the supportive lens to examine the connection between promotion and practice. As with all qualitative inquiry, the process was interpretive and thus influenced by the experience of the researcher. Holding a pragmatic worldview, the researcher reflected on "the what and how to research based on its intended consequences" (Creswell, 2007, p. 23). The researcher's extensive experience with the U.S. Healthcare sector was carefully considered, as the researcher continued to form an opinion about the sustainability of the system.

Research Questions

1. How do corporations communicate their emphasis on stakeholders?
2. In what ways are stakeholders referred to in the corporation's requisite, financial reporting?
3. In what ways are stakeholders referred to in the corporation's voluntary, non-financial reporting?
4. How do corporations demonstrate their emphasis on stakeholders?
    a. How are stakeholders identified and selected?
    b. How are stakeholders engaged in support of CSR efforts?
    c. How are the concerns of stakeholders managed?
5. What do third parties/stakeholders reveal about how corporations attend to people, planet, and profit?

In order to answer the research questions, the researcher used a process of qualitative content analysis (Bryman & Bell, 2011). Websites served as the primary source of data. It was assumed that the website content was representative of the owner's viewpoints and was "not filtered by gatekeepers" (Pollach, 2011, p. 28). Corporate websites and the GRI website were examined to locate information to address research questions one through four. Although terminology and taxonomy differed among the corporations being studied, the documents retrieved and reviewed from the websites included statements on vision, mission, and/or values of the corporations. Specifically, requisite Annual Reports to Shareholders and non-compulsory CSR Reports were reviewed. The Stakeholder Engagement section of the CSR Reports were of most interest to the researcher, intended to disclose the stakeholders engaged by the corporation, the rationale for their identification and selection, outreach approaches, and concerns raised/addressed by stakeholders. The RepRisk website was examined to locate information to address question five, as this third party database exposes social and environmental risks of publicly-traded corporations. Specifically, the RepRisk Index (RRI) of each corporation was reviewed, quantifying risks associated with business conduct. Issues/topics that indicated risk were also reviewed.

Assumptions and Limitations

Given that the terms sustainability, CSR, and TBL are often used interchangeably in the literature, all terms were assumed to be valid constructs. According to its originator, the term TBL did not develop from an “ah ha” moment, but from trying to express the inevitability of expanding social and environmental agenda’s (Elkington, 2006). “The TBL concept basically expresses the fact that companies and other organizations create value in multiple dimensions” (p. 523) and embodies not only the business argument for sustainability, but also the mounting social and environmental agendas to form a rational and all encompassing system of goals (Rogers and Hudson, 2011). Savitz and Weber (2014) assert that TBL is like a balanced scorecard for sustainability made up of numbers and words and assessing “the degree to which any company is or is not creating value for its shareholders and for society” (p. 5).

Based on the assumption that there are groups in addition to shareholders who can impact or be impacted by the corporation (Freeman, 1984) and a stakeholder orientation positively impacts the sustainability of people, plant, and profit (Savitz & Weber, 2014), the researcher explored stakeholder engagement in the context of CSR within the U.S. Healthcare sector by analyzing documents available to the public. The World Health Organization (WHO) argues that mending of health systems is imperative, characterizing health systems “as all organizations, people and actions whose primary intent is to promote, restore or maintain health” (World Health

Organization, 2007, p. 2), with the ultimate goal to provide appropriate services, supplies and information for prevention, care and treatment. With the belief that the U.S. Healthcare sector has both a responsibility and an opportunity to significantly contribute to the goal defined by WHO, 33 U.S. large-capitalization (large-cap) Healthcare corporations listed on the New York Stock Exchange (NYSE) as of May 15, 2015 served as the sample population. As large-cap corporations are "usually large and well-established companies that have a strong market presence" (Equitymaster, 2015, p. 2), the researcher assumed that these corporations have greater resources than small and mid-capitalization (small and mid-cap) corporations to participate and/or take the lead in engaging stakeholders in support of CSR. In addition, large-cap corporations generally disclose more information to the public than small and mid-cap corporations, which reduced the chance of information shortage.

The researcher's exploration of stakeholder engagement by corporations involved in socially responsible activities was not without limitations, including those related to the research design, the content analyzed, and the role of the researcher. Limitations with regard to the research design included single source type and single point-in-time examination, only focusing on publically available information on websites and examining only the most recent Annual Report to Shareholders and CSR Reports of the corporations studied. In addition, the researcher did not consider supplemental reporting at lower levels of the organizations, concentrating solely on the highest level of the corporations.

One can also make the case that there is innate bias in self-reported corporate information, questioning the trustworthiness of the researcher's sources. In addition to including information sourced from an independent third party website (RepRisk) to help mitigate this issue, the researcher found it necessary to pose four questions with regard to inquiry related to authenticity, credibility, representativeness, and meaning (Bryman & Bell, 2011). This issue of trustworthiness is discussed in Chapter Three. In addition to document trustworthiness, document analysis also presented inherent issues, as research is a communal process and the environment in which a researcher operates can be highly influential (Altheide & Schneider, 2013). The researcher attempted to mitigate this influence by triangulating and exhaustively describing and comparing the data using a computer program.

As qualitative research is based on inquiries from which the researcher interprets their understanding, the role of the researcher could not be ignored. By making research bias unambiguous from the start of the study, readers are provided a sense of the impact on interpretation. To ensure bias did not impact interpretation, the researcher was mindful of background and experience that was brought to the study (Creswell, 2007). This reflexivity is also discussed in Chapter Three.

Conceptual and Theoretical Focus

As the research of CSR questions what a corporation is responsible for and ST questions whom the corporation is responsible to, CSR and ST provided foundational frameworks for the study. Research connecting CSR to ST is very robust. It is argued by many that stakeholders are groups to which corporations are responsible and the theory has even been recognized as a legitimate model for helping corporations manage CSR (Carroll, 1991; Donaldson & Preston, 1995; Russo & Perrini, 2010).

The congruency of word or promise and deed or action also provided theoretical context for the study and has been a developing subject of academic research in the area of organizational development, when in 1967 Douglas McGregor (as cited in Simons, 2002) emphasized the significance of executives' "walking the talk" (p. 33). Building on the significance, Simons (2002) used the term Behavioral Integrity (BI) to describe the alignment between word and deed, including the connection between espoused and practiced values. Although acknowledging the need for more empirical research, the author concluded, “As organizations increasingly address diverse constituencies, as they adapt to increasingly turbulent business environments, and as management fads appear and disappear at ever-increasing speeds, the issue of BI is likely to increase in practical importance” (p. 32).

Definitions

For the purpose of this study, sustainability, CSR, and TBL were used interchangeably. As CSR is the idiom most visible on corporate websites (Paul, 2008), this term appears more frequently. The terms provided subsequently were grouped into three sections those that define CSR and associated theory for a corporation having alignment between espoused and enacted practices, those associated with the sources of data, and those associated with the population under study.

Theoretical definitions.

Corporate Social Responsibility (CSR) – Recognizing and minimizing the negative impact of an organization’s footprint in society or “doing no harm” and creating value in the form of economic wealth, social welfare, and care of the environment or “doing good” (Googins, Mirvis, & Rochlin, 2007, p. 19).

Mission – Explains why a firm exists, what is the firm’s purpose and what is the firm trying to accomplish; intended to motivate and inspire while providing context and direction for the strategy of the firm (Bart, Bontis, & Tagger, 2001).

Shareholder – Owners of a corporation; a stakeholder group (Freeman, 1984).

Stakeholder – Individuals or groups who can affect, or be affected by, an organization's activities (Freeman, 1984).

Sustainability – "Operating a business so as to grow and earn profit while recognizing and supporting the economic and noneconomic aspirations of people both inside and outside the organization on whom the corporation depends" (Savitz & Weber, 2014).

Triple Bottom Line (TBL) – Measurement of an organization's impact on the world; a balanced scorecard capturing the degree to which an organization is generating value for its stakeholders in the context of economic, environmental and social capital (Savitz & Weber, 2014).

Values (espoused and/or practiced) – Convictions that a manner of behavior or end-state of existence is more desirable to an opposite manner of behavior or end-state existence (Robbins & Judge, 2011).

Vision – The long-term strategy for goal attainment (Robbins & Judge, 2011).

Data source definitions.

Annual Report to Shareholders – An annual record of the financial situation of a publicly held company; Security and Exchange Commission (SEC) requires distribution to all shareholders (NASDAQ, 2011).

Form 10-K – A report providing a comprehensive overview of a corporation's business and financial condition, including audited financial statements; distinct from an Annual Report to Shareholders (U.S. Securities and Exchange Commission, 2009).

Global Reporting Initiative (GRI) – A self-governing, worldwide nonprofit organization launched in 1997 for the reporting of economic, social, and environmental performance (English & Schooley, 2014).

RepRisk – Leading provider of environmental, social, and governance exposure and negative news related to an unlimited number of corporations (RepRisk, n.d.).

RepRisk Index (RRI) – A proprietary algorithm quantifying reputational risk exposure related to environmental, social, and governance issues (RepRisk Index, n.d.).

Population definitions.

Capitalization – Debt and/or equity that funds the firm's assets; the market value of a corporation; current stock price multiplied by the number of shares outstanding (NASDAQ, 2011).

Healthcare Sector – Includes the following industries/sub-sectors other pharmaceuticals, medical/nursing services, medical/dental instruments, medical specialties, major pharmaceuticals, industrial specialties, hospital/nursing management, biotechnology electromedical and electrotherapeutic apparatus (NASDAQ, n.d.).

Industry – Describes a corporation's primary business activity determined by its greatest portion of revenue (NASDAQ, 2011).

Large-Capitalization (Large-Cap) Corporation – A corporation (stock) with a high level of capitalization; at least $5 billion of market value (NASDAQ, 2011).

NASDAQ – National Association of Securities Dealers Automated Quotations; the first electronic stock market (NASDAQ, 2011).

Sector – A group of corporations (securities) similar with regard to industry (NASDAQ, 2011).

Stock Exchanges – Organizations regulated by the SEC and comprised of members buying and selling common stock; the NYSE is one of two major national stock exchanges (NASDAQ, 2011).

Significance

A 2013 health and longevity study organized by the National Research Council and the Institute of Medicine reveals that the U.S. expends more on healthcare than any other nation across the globe, yet Americans live shorter lives with more illnesses and injuries than those in other high-income geographies: “the U.S. health disadvantage” (Tavernise, 2013, p. 1). Further, the spread of chronic disease continues to grow, almost 100,000 patients die every year as a result of hospital infections, prescription over-prescribing is on the rise, and the rate of childhood obesity has reached new levels (Deloitte, 2014). According to Dr. Steven Woolf, Chair of the Department of Family Medicine at Virginia Commonwealth University, “Something fundamental is going wrong. This is not a product of a particular administration or political party. Something at the core is causing the U.S. to slip behind these other high-income countries. And it’s getting worse” (Tavernise, 2013, p. 2).

In an effort to explain why the U.S. ranked at the bottom of nearly every health indicator, the panel of the 2013 health and longevity study noted the extremely disjointed healthcare system, inadequate care resources, a sizeable uninsured population, and a high rate of poverty in comparison to other countries (Tavernise, 2013). With the sustainability of healthcare in question, transformation is imperative and requires stakeholders within the system to work together like never before. However, as highlighted in the study, the stakeholders within the system are very fragmented, making the pursuit of innovative solutions all the more difficult. To facilitate the understanding of this complexity, the visual presented in Figure 1 identifies the stakeholders within the U.S. Healthcare sector, with the consumer/patient at the center of the fragmentation.

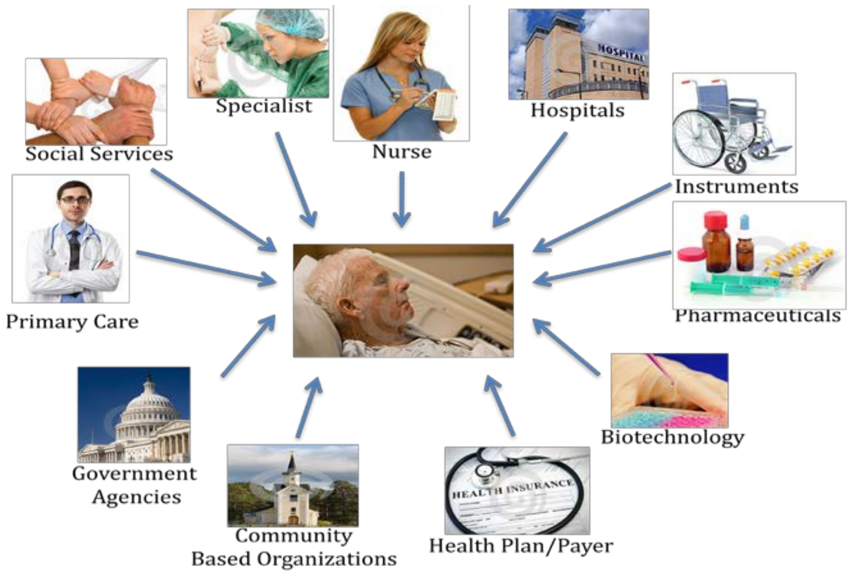

Figure 1. Depiction of stakeholders within the U.S. Healthcare sector. Images captured from http://www.publicdomainpictures.net

As pointed out previously, PPACA is forcing some of these stakeholders to collaborate and work together to transform the system. However, given the dismal condition of U.S. healthcare, it was this researcher's fear that the stakeholder orientation (as opposed to shareholder orientation) of corporations within the sector were not strong enough to support and/or expedite the transformation. Further, although the corporations may espouse a stakeholder orientation, if it is just for the sake of compliance and apathetic in practice, the true engagement and management of stakeholders may be illusive, jeopardizing the transformation. Shapiro and Naughton (2015) agree, "organization's may engage in dramaturgical action to strategically manage the public's perception that the organization's structure, agenda, and activities are consistent with other agents' cherished values and objectives" (p. 79). However, the findings of Peloza, Loock, Cerruti, and Muyot (2012) were more positive, as their study indicated that top companies contributing to the sustainability of their sector/industry "integrated sustainability themes into their corporate stories, mission, vision and values, and, in many cases, directly into their brand and customer value propositions" (p. 94).

The importance of this study lies in the additional observations that have been offered to further understand whether corporations "walk the talk" with regard to their engagement with stakeholders as it relates to CSR efforts. The researcher agreed with several authors that not enough was understood about what a corporation says and what a corporation actually does with regard to stakeholder engagement in pursuit of CSR recognition (Cumming, 2001; Hahn & Kuhnen, 2013; Manetti, 2011). Further, despite increasing CSR practices and stakeholder orientation within corporations, there had been little explanation of the interrelations involved for continuous improvement. This study helps to explain the level of stakeholder engagement as one of the elements in making TBL impact (Manetti, 2011). Notably, the voice of stakeholders with regard to healthcare in our country continues to be heard loud and clear. It was this researcher's hope, that by using the U.S. Healthcare sector as the study population, specific industry observations could inspire others to contribute to the transformation required.

Chapter Summary

This study explored the critical role that corporations can play in solving the world's most pressing sustainability issues by focusing on one of the largest sectors in the U.S. In addition, evidence was offered supporting the essential role of the stakeholder in sustainability efforts. As such, the literature reviewed included relevant studies in the areas of both CSR and ST, as well as the convergence of the two. The literature reviewed is presented in Chapter Two. Study methods are outlined in detail in Chapter Three.

Chapter Two: Conceptual Foundation

According to Cochran (2007), CSR has evolved from a limited and trivial notion into a boundless and crucial concept fundamental to corporate decision-making, with a long history of debate. That long history of debate is outlined subsequently and culminates with prevalent literature supporting the importance and value of CSR. Two additional avenues of research are covered in the area of CSR: implementation and management and communication and reporting. Asif, Searcy, Zutshi, and Fisscher (2011) refer to Smith (2003), “The debate on CSR has recently shifted: it is no longer about whether to make a substantial commitment to CSR but, rather, how to implement, maintain and improve on CSR practices” (as cited in Asif et al., 2011, p. 8), supporting the path chosen for literature review.

ST also has a long history of debate, with much of the deliberation juxtaposing the orientation of the corporation, shareholder orientation and stakeholder orientation. That said, there is now little disagreement that stakeholders, beyond the shareholder, can have an impact on the corporation, be it positive or negative. However, the literature reveals varying opinions with regard to whether the impact is negligible or significant, warrants attention or is even a distraction. From Elaine Sternberg’s harsh criticism that “stakeholder theory is for those who would like to be offered a free lunch, and enjoy the benefits of business without the discipline of business” (as cited in Vinten, 2001, p. 37), to Savitz and Weber’s (2014) claim “The expanding importance of stakeholders is perhaps the single most important element in what we have called the Age of Sustainability” (p. 190), opinions are delineated subsequently and conclude with dominant literature supporting the theory and its practical implications. Stakeholder identification and management is also an avenue of ST research pursued. In closing, the chapter summary abridges the literature and unites CSR and ST, highlighting the reciprocity of the two concepts and their natural fit (Carroll, 1991).

Corporate Social Responsibility (CSR)

In 1932, Professor's E. Merrick Dodd and Adolf A. Berle were some of the first academics to banter about to whom and for what the corporation was responsible. Dodd (1932) argued that the corporation is "permitted and encouraged by the law primarily because it is of service to the community rather than because it is a source of profit to its owners" (p. 1149). Berle disagreed, challenging that the corporation was only responsible to its shareholders as property owners. Fast forwarding to the 1950s and 1960s, irresponsible business practices identified by activist movements again questioned to whom and for what the corporation was responsible. The question was answered in the 1970s with the formation of the Environmental Protection Agency (EPA), the Equal Employment Opportunity Commission (EEOC), the Occupational Safety and Health Administration (OSHA), and the Consumer Product Safety Commission (CPSC). The lawmaking bodies and related regulation/legislation expanded the responsibilities of the corporation beyond the shareholder to the environment, employees, and consumers and transitioned elements of CSR from voluntary to involuntary (Carroll, 1991).

Fast forwarding again to the early 2000s, Arvidsson (2010) used the corporate scandals of the time to revisit the dispute, asking what exactly are the responsibilities of a corporation and how are they addressed and communicated. Disturbing news of corporate behavior was abundant at the time, ranging from child labor exploitation and natural resource abuse to obscene executive bonuses and outright fraud. According to the author, pervasive distrust of the corporation "influenced society to impose new restrictions on companies to prevent them from engaging in inappropriate behavior" (p. 339). Turning again to regulation/legislation, the

Security and Exchange Commission gained additional oversight responsibility and muscle and codes of conduct/behavior were introduced. Unfortunately, corporate mistrust did not ease up in the mid 2000s. With the financial crisis and related bailouts of some of the country's largest corporations, more regulation/legislation made its way to Wall Street. The 848-page Financial Regulatory Reform Bill was passed in 2010, employing the toughest consumer protections in history and creating whistle-blower incentives under federal law and expanding existing whistle-blower protections under the Sarbanes-Oxley Act (Greenwald, 2010).

Sundaram and Inkpen (2004) also focused on the corporate scandals of the early 2000s, but in sharp contrast, developed a set of perspectives for why the corporate objective should first and foremost be to maximize shareholder value, "not because it is law, not because it may be, as some argue, the ethical thing to do, nor because it is expedient but because it is based on an observable and measurable metric" (p. 350). The authors viewed social and environmental considerations as intangible distractions to the corporation and argued the following: (a) management on behalf of the shareholder would positively impact all stakeholders, (b) worrying about stakeholders other than the shareholder would crush innovation, (c) having more than one master would encumber governance, (d) stakeholders could become shareholders over time, and (e) stakeholders would have the ability to use the judicial system if unhappy. In summary, Sundaram and Inkpen (2004) presented a case that shareholder maximization did not alienate other stakeholders of the corporation and that by concentrating on the shareholder, the corporation indirectly serves the stakeholder.

Arguing just the opposite, Werther and Chandler (2004) stressed the importance of integrating stakeholders into corporate decision-making in order to maximize shareholder value. Emphasizing the serious consequences of not considering the perspectives of stakeholders, the authors posited, "Corporate actions that violate societal expectations damage, even destroy, brand image among networked stakeholders who are affluent enough to buy branded products and services" (p. 317). Believing that CSR could be used to substantiate a brand's social awareness and, in turn, strengthen the brand itself, Werther and Chandler concluded that profit and CSR were inseparable. This indivisible link between profit and CSR is now a cornerstone of research in an effort to present the business case for CSR.

McWilliams and Siegel (2011) agreed, "CSR may be a cospecialized asset that makes other assets more valuable than they otherwise would be. The clearest example of this is firm reputation" (p. 1491). The authors provided Tylenol as a case in point, recovering from the calamity of a recall and developing into the poster child for CSR. In their study analyzing the capture of both economic and social value though the use of CSR initiatives, McWilliams and Siegel (2011) combined resourced-based theory and economic modeling to illustrate the contribution made by CSR initiatives to corporate competitive advantage. They too concluded that CSR enhances the brand of a corporation and may result in the ability to increase revenue through volume and/or price. The authors also asserted that expenses might be reduced with increased employee morale and productivity.

Wang and Choi (2010) also took on the challenge of analyzing the connection between CSR and corporate performance, suggesting that the breadth, depth, and consistency of CSR would have an effect on a corporation's social and financial results. With a sample of 622 firms and 2,365 annotations based on the Kinder, Lyndenberg, Domini (KLD) Research and Analytics data (refer to CSR Communication and Reporting), the authors examined both consistency over time with respect to a specific group of constituents/stakeholders, or temporal consistency, and consistency across multiple stakeholders, or interdomain consistency. Empirical results of the study supported the hypotheses offered. The degree of a corporation's social performance positively related to financial performance and there was a positive interface between the degree of social performance and both temporal and interdomain consistency. Wang and Choi (2010) acknowledged that the data examined covered a time of economic growth (1991-2000) and results may differ in years of economic downturn, allowing an avenue for future research. Regardless, the study contributed to advancing the understanding of the connection between CSR and financial performance.

Consistency as a moderating factor between CSR and financial performance was also studied by Tang, Hull and Rothenberg (2012). In addition, the authors studied the moderating effects of pace or speed at which CSR is adapted, relatedness or the connection between CSR initiatives, and path or the sequence of internal or external components of CSR. KLD data was once again used to test four hypotheses, examining the effects of CSR pace, relatedness, consistency, and path on the financial performance of 130 corporations from 1995 through 2007. CSR relatedness, consistency, and path (internal first, then external) had a positive relationship to financial performance, while the speed at which CSR was adapted had an insignificant relationship to financial performance, supporting three of the four hypotheses. Importantly, the authors concluded that pace, relatedness, consistency, and path were foundational to a corporation's CSR engagement strategy, one that matters to stakeholders and where details are noticed (Tang et al., 2012).

Going beyond financial performance, Porter and Kramer (2006, 2011) connected social and environmental considerations, or CSR, not only to financial performance but also to a sustainable competitive advantage for corporations. "Using the same frameworks that guide…core business choices…CSR can be much more than a cost, a constraint, or a charitable deed-it can be a source of opportunity, innovation, and competitive advantage" (p. 2). The authors cited the business cases of DuPont, saving $2 billion in energy expenses, McDonald's, reducing solid waste by 30%, Wal-Mart, reducing 100 million miles of carbon emissions, and Johnson & Johnson, saving $250 million in Healthcare costs with employee wellness programs, to support their position. Porter and Kramer (2011) furthered their thinking with the notion of Creating Shared Value (CSV), suggesting that CSR can go beyond short-term program opportunities and become integral to market position, as CSV "leverages the unique resources and expertise of the company to create economic value by creating social value" (p. 16).

According to Cochran (2007) the most significant scholarly CSR advancement was the recognition that socially responsible activities can improve the bottom line. Porter and Kramer (2011) took Cochran's assertion further, contending that earnings related to social purpose denote elevated capitalism, generating a cycle of corporate and community growth and prosperity. Finally, K. U. Nielson, Reputation Institute Executive Partner, and C. B. Bhattacharya, Corporate Responsibility Professor (as cited in Rogers, 2013) note, "The conclusion is clear. There is a strong business case for CSR" (p. 3). Referencing a 2013 study on Reputation and CSR by Reputation Institute, RepTrak®, researchers found that for every 5 points (on a 100 point scale) of CSR perception improvement, the consumer's recommendation of the brand increased by 9%. Further, the study showed that customers care. Many more customers spread positive messages about corporations seen as good citizens as opposed to those seen as weak, 59% and 23% respectively.

CSR implementation and management. Once a corporation is convinced of the importance and value of CSR, the hard work of implementation and management begins. The literature recognizes that implementation and management of CSR involves both change and learning and offers a variety of approaches for corporations to consider. "For CSR to be accepted by a conscientious business person, it should be framed in such a way that the entire range of business responsibilities are embraced" (Carroll, 1991, p. 40). With what has become known as *The Pyramid of Corporate Social Responsibility*, Carroll (1991) defined economic responsibilities, the base of the Pyramid, as those focused on profit, efficiency, and competitive advantage and legal responsibilities, the next level up on the Pyramid, as those focused on compliance, safety, and contractual obligations. The ethical component of the Pyramid surpassed legal responsibilities, focusing on adopting societal and ethical mores/norms. Finally, philanthropic responsibilities, the top of the Pyramid, focused on charitable giving, volunteerism, and community support. "The CSR firm should strive to make a profit, obey the law, be ethical, and be a good corporate citizen" (p. 43).

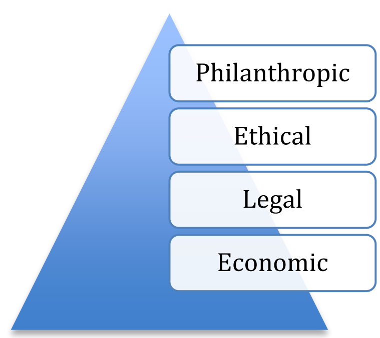

Figure 2. The pyramid of corporate social responsibility. Adapted from "The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders," by A. Carroll, 1991, *Business Horizons*, *34*, p. 40. Copyright 1991 by Elsevier. Adapted with permission.

Further advancing the literature studying the implementation and management of CSR, Mirvis and Googins (2006) contended, "the arc of citizenship within any particular firm is shaped by the socio-economic, environmental, and institutional forces impinging on the enterprise" (p. 107) and provided one of the most recognized models in CSR development. Defining *citizenship* as the totality of a corporation's actions, the authors suggested that by assessing the breadth and depth of seven dimensions of citizenship, the position on the arc or stage of citizenship could be identified. The seven dimensions asked the following related to citizenship actions/activities of the corporation: how comprehensive are they, what is their strategic intent, who within the organization is supportive, who within the organization is responsible, how are issues dealt with, how are stakeholders engaged, and what is the amount of transparency. With each arc/stage, demands on the corporation increased as well as the complexity to manage. The stages of citizenship ranged from episodic and undeveloped to unwavering and well established, defined as elementary, engaged, innovative, integrated, and transforming. The stages are outlined in the Table 1.

Table 1

Stages of Corporate Citizenship

Dimension	Stage 1 (Elementary)	Stage 2 (Engaged)	Stage 3 (Innovative)	Stage 4 (Integrated)	Stage 5 (Transforming)
Citizenship Concept	Jobs, Profits & Taxes	Philanthropy, Environmental Protection	Stakeholder Management	Sustainability or Triple Bottom Line	Change the Game
Strategic Intent	Legal Compliance	License to Operate	Business Case	Value Proposition	Market Creation or Social Change
Leadership	Lip Service, Out of Touch	Supporter, In the Loop	Steward, On Top of It	Champion, In Front of It	Visionary, Ahead of the Pack
Structure	Marginal: Staff Driven	Functional Ownership	Cross-Functional Coordination	Organizational Alignment	Mainstream, Business Driven
Issues Management	Defensive	Reactive, Policies	Responsive, Programs	Pro-Active Systems	Defining
Stakeholder Relationships	Unilateral	Interactive	Mutual Influence	Partnership, Alliances	Multi-Organization
Transparency	Flank Protection	Public Relations	Public Reporting	Assurance	Full Disclosure

Note. Adapted from *Beyond Good Company: Next Generation Corporate Citizenship* (p. 78), by B. K. Googins, P. H. Mirvis, and S. A. Rochlin, 2007, New York, NY: Palgrave Macmillan. Copyright 2007 by Palgrave Macmillan. Adapted with permission.

In support of Carroll (1991) and Mirvis and Googins (2006), research carried out by the Center for Corporate Citizenship at Boston College from 2003 through 2005 indicated that the degree to which CSR was a cohesive part of a corporation depended on the stage of corporate citizenship (Mirvis & Googins, 2006). “Knowing at what stage a company is, and what challenges it faces in advancing citizenship, can clear up an executive’s confusion…frame strategic choices…aid in setting benchmarks and goals, and perhaps speed movement forward” (p. 105). According to the authors, other frameworks attempting to illustrate the stages of corporate citizenship did not consider the progressive nature of internal capabilities of the organization. Hence, they presented a phased framework centering on the organization’s credibility, capability, coherence, and commitment.

Similarly, Laszlo and Laszlo (2011) developed a Sustainability Learning Curve containing five levels of CSR advancement from compliance to evolutionary development. At the lowest level of compliance, the corporation was reacting to regulation. The level beyond compliance was anticipatory, attempting to proactively avoid risk. The next two levels, eco-efficiency and eco-effectiveness were proactive and interactive, respectfully, and represented the corporation’s transition from *doing less harm* to *creating more good*. At the highest level, evolutionary development, the corporation embodied a conscious desire to bring forth a new world. The authors recognized the highest level as a stretch in the world of business, but did not want to lose the potential of “value generating capacity and impacts of an enterprise” (p. 10).

With the fear that CSR implementation and management literature tended to focus on limited aspects of CSR, Maon, Lindgreen, and Swaen (2010) proposed the integration of widespread aspects and developed a single model from case study findings. The authors used theoretical sampling to select IKEA, Philips, and Unilever for the study and employed Lewin’s model of change consisting of three phases, “unfreezing, moving, and refreezing” (p. 76). The phase of sensitizing was added to the recommended model preceding unfreezing to capture the upfront process of the corporation’s recognition of the business case for CSR. The following nine steps were encompassed in the model: (a) increasing awareness in the organization, (b) appraising the organization's social purpose, (c) creating a vision and defining CSR, (d) evaluating current CSR status, (e) building an integrated CSR plan, (f) implementing the CSR plan, (g) messaging CSR commitments and performance, (h) assessing CSR strategies and communication, and (i) institutionalizing CSR. In addition to the recommended model, the case studies allowed the authors to identify critical success factors in the implementation and management of CSR. At the highest level of the organization, core values must be connected to the CSR strategy and the strategy must be formalized. In addition, missteps must be viewed as opportunities to learn and improve on execution and stakeholder engagement throughout the process was imperative (Maon et al., 2010). Finally, organizational development and training that promoted enthusiasm and long-term thinking and establishing systems that rewarded employees in the context of CSR, were critical success factors identified at the organizational/managerial level.

Much like Maon et al. (2010), Asif et al. (2011) use case studies to identify the assimilation of CSR into fundamental business practices as a critical factor to ensure successful CSR implementation and management. “To have a meaningful impact, CSR must be built into every level of a corporation and must be seen as an organizational imperative” (p. 7). Hence, the authors propose a framework incorporating a top-down and a bottom-up approach to CSR implementation and management within the corporation. Using Deming's sequence of Plan-Do-Check-Act (PDCA), Asif et al. (2011) addressed the iterative nature of true CSR integration. In the *planning* phase, stakeholders are identified and their requirements prioritized. In addition, deep interaction with the community is initiated to be certain key issues are addressed. Finally, a formal system is put into place that allows for continuous planning. A robust horizontal and vertical integrated infrastructure is formed during the *do* phase to implement and manage people, processes, and technology. The *check* phase comprises of audit, evaluation, and benchmarking and the *act* phase publically reports performance and takes corrective action and/or makes improvements. Importantly, as opposed to building new management systems for the implementation and management of CSR, the authors believe that corporations need to "capitalize on the existing management systems in order to more successfully introduce CSR practices" (p. 16).

Arjalies and Mundy (2013) further explore the opportunistic approach of utilizing existing management systems for CSR implementation and management. The authors attempt to understand the function of Management Control Systems (MCS) in CSR processes by conducting management interviews with France's largest companies and using publically available corporate and third party documentation as a secondary source. The companies studied use MCS in a variety ways to implement and manage CSR. The same system and process used to report financial and operational metrics and house competitive data is used to generate CSR information relative to performance. In addition, existing managers and Communities of Practice (CoP), as well as standing meetings, are leveraged for CSR execution. Finally, corporate artifacts, vehicles of communication and training, internal policies and standard practice guidelines, and external reports are all enhanced to incorporate CSR. Concluding that it is advantageous for corporations to use their current MCS to support CSR activities regardless of the corporations' original intention for implementing CSR, Arjalies and Mundy (2013) posit, "management of CSR has the potential to facilitate organization change through processes that enable innovation, communication, reporting, and the identification of threats and opportunities" (p. 298).

By focusing on the organizational change necessary for CSR implementation and management, Lozano (2012) analyzed data from three case studies and proposed an iterative model to facilitate CSR institutionalization based on the premise that leaders can break away from the status quo and apply structures for stability during the change process. The author used the term "memework" to describe his amalgamation of a model and a framework with "the aim of helping to transfer ideas or units of imitation through a system, from an individual to another, to and among groups and organizations" (p. 49). Barriers to change identified through interviews were plotted on the "memework" (p. 50), illustrating their intensity relative to the congruence and alignment of informational, emotional, and behavioral attitudes. On an individual, group, and organizational level, lack of knowledge, deficient communication, and resource constraints were consistently identified as barriers, with a narrow understanding of organizational systems and little attention to the attitudes that can affect roadblocks. Interviewees also identified strategies to overcome the barriers, including but not limited to education and training, champion identification, reward programs, and technology. Lozano stressed that the strategies were "entirely focused on how individuals learn and how the corporation behaves" (p. 55), suggesting that the strategies do not fully address the roadblocks and restrain CSR implementation and management. The author recommended that leaders better understand the barriers to change and the appropriate strategies to triumph over them. With disciplined planning and the integration of all systems and functions, corporations will be much more successful in CSR implementation and management.

Agreeing with Lozano's (2012) recommendation with regard to the need to integrate all systems and functions to successfully implement and manage CSR, Martinuzzi and Krumay (2013) associate CSR with project, quality and strategic management, and learning to formulate a stage model. The project stage is the most common and is exemplified with the promotion of good deeds. The quality stage uses the management systems of an organization to avoid social missteps. The strategic stage creates shared value and trust, while the learning stage is transformational, sustaining competitive advantage. Martinuzzi and Krumay perform an extensive literature review and analyze previous case studies to develop their conceptual model. Although they are not the first scholars to associate project, quality, and strategic management to CSR, they are the first to connect organizational learning dynamics that can provide innovation in CSR implementation and management to attain the elevated stage of "transformational" CSR (p. 436). To pressure test the model, two research projects are conducted using the framework for interviews, along with Delphi-like surveys of one construction corporation and one chemical corporation. Results indicate that the construction corporation is aligned with the project-oriented stage and the chemical corporation is aligned with the quality-oriented stage, confirming that the model can be used as a framework for assessing the stage of CSR implementation and management. "The changes in the organizations walking along this path are very different, reaching from being slightly unchanged to a stage where recurring changes and learning are the basis for success" (p. 438).

Another aspect of CSR implementation and management focuses specifically on the role of human resources in organizational development and training. Jabbour and Santos (2008) studied the contributions made by the human resource function in CSR efforts with a literature review and synthesis of empirical studies. The authors then proposed a conceptual model that incorporated the typical practices of human resource management with the objective of providing plausible propositions. Referencing the ground-breaking work of Boudreau and Ramstad (as cited in Jabbour & Santos, 2008), the authors further assumed a systematic and long-term approach designed for “attracting, retaining and developing talents needed for the survival of a company…and search for innovation and constructing human resource management which meets the objectives linked to economic, social and environmental sustainability” (p. 2,137). The model featured human resource management at the cohesive core of the organization to combat these challenges and support innovation, diversity, and ecological management, all being weighed equally. In addition, the authors suggested that human resource management be included in the up-front design of CSR efforts in order to serve the corporation most effectively and operate as the arbiter of priorities in order to promote innovation and improve corporate performance. Jabbour and Santos further suggested a shared relationship between improved corporate performance and increased investment in human resource management, positively effecting social and environmental performance and reputation, while gaining additional investment and resources to continue the cycle. The authors concluded, “The greater the population’s awareness of the need of sustainable organizations is, the more competitive advantages the pioneering companies of this process are going to gain” (p. 2,150).

Crews (2010) also focused on human resources and organizational development and training when conducting interpretative research to identify the challenges inherent in implementing and managing CSR. The author included an intensive review of literature and empirical research, consisting of case studies utilizing questionnaires and interviews, with the hope of building a conceptual framework for sustainable leadership. Crews identified the following challenges with regard to CSR implementation and management: (a) integration of stakeholder interests and continual dialogue; (b) alignment of corporate vision, mission, values, and overall culture; (c) understanding business complexity and the need for holistic approaches; (d) establishment of systems-level thinking and disciplined learning; and (e) proliferation of metrics and reporting. In response to these challenges, the author recommended several interventions in the areas of human resource management, specifically calling for recruitment and selection programs, enterprise wide training initiatives and mentoring and career development processes designed to build consensus and commitment to CSR.

Unlike the aforementioned authors, Basu and Palazzo (2008) decided to avoid pure activity-based models of CSR implementation and management and instead recommended a process of sensemaking for clarifying how corporations think, communicate, and execute CSR. A set of factors that may steer CSR activities was also recommended. The authors believed that studying CSR implementation and management in light of sensemaking "might provide a more robust conceptual basis, rather than simply analyzing the content of its CSR actions within a certain context or over a certain period of time" (p. 123). They also explained what CSR practices are likely to be embraced by the corporation. Basu and Palazzo identified three factors that guide CSR; cognitive, linguistic, and conative or what the corporation thinks and says and how the corporation behaves. A corporation can "think" in terms of its identity and/or legitimacy, "say" in terms of justification and/or transparency, and "behave" in terms of offense, defense, consistency, and commitment (p. 125). The authors argued that this construct goes above and beyond the actual CSR implementation and management activities of the corporation and could help to understand "an organization's future CSR trajectory should specific changes occur in its external and internal environment…and provide more robust differentiation among organizations than that arrived at by a simple comparison of their activities portfolios" (p. 130).

CSR communication and reporting. Like many other activities of a corporation that require communication to internal and external constituencies, CSR is no exception. However, according to Morsing and Schultz (2006), a corporation's constituencies may look favorably or unfavorably upon the message. With a focus on Stakeholder Theory, Morsing and Schultz (2006) connected stakeholder interaction to three communication strategies. The authors suggested, "communicating CSR introduces a new – and often overlooked – complexity to the relationship between sender and receiver of corporate CSR messages, which entails a managerial commitment to involving stakeholders" (p. 324). The communication strategies are outlined in Table 2.

Table 2

Three CSR Communication Strategies

	Information Strategy	Response Strategy	Involvement Strategy
Communication ideal:	Public information, one-way communication	Two-way asymmetric communication	Two-way symmetric communication
Communication ideal:	Sensegiving	Sensemaking to Sensegiving	Sensemaking to/from Sensegiving in iterative progressive processes
Stakeholders:	Request more information on corporate CSR efforts	Must be reassured that the company is ethical and socially responsible	Co-construct corporate CSR efforts
Stakeholders role:	Stakeholder influence: support or oppose	Stakeholders respond to corporate actions	Stakeholders are involved, participate and suggest corporate actions
Identification of CSR focus:	Decided by top management	Decided by top management; investigated in feedback via opinion polls, dialogue, networks and partnerships	Negotiated concurrently in interaction with stakeholders
Strategic communication task:	Inform stakeholders about favorable corporate CSR decisions and actions	Demonstrate to stakeholders how the company integrates their concerns	Invite and establish frequent, systematic and pro-active dialogue with stakeholders
Corporate communication department's task:	Design appealing concept message	Identify relevant stakeholders	Build relationships
Third-party endorsement of CSR initiatives:	Unnecessary	Integrated element of surveys, rankings and opinion polls	Stakeholders are themselves involved in corporate CSR messages

Note. Adapted from "Corporate Social Responsibility Communication: Stakeholder Information, Response and Involvement Strategies" by M. Morsing and M. Schultz, 2006, *Business Ethics: A European Review*, 15, p. 326. Copyright 2006 by John Wiley and Sons. Adapted with permission.

Although the communication strategies highlighted the necessity of stakeholder involvement at some level, Morsing and Schultz (2006) explored why corporations hesitate to engage in dialog with their stakeholders, compiling empirical data from surveys conducted in Denmark, Norway, and Sweden, illustrative of managerial communication challenges worldwide. The first challenge was to not seem *self-promoting*; the second challenge was to overcome the perception that only the positive gets conveyed; and the third challenge was both to avoid the appearance of stakeholder exploitation while making sure the stakeholder is genuinely trying to help (Morsing & Schultz, 2006). Choosing the right communication strategy at the right time was essential to a corporation because "CSR is a moving target, making it increasingly necessary to adapt and change according to shifting stakeholder expectations, but also to influence those expectations" (p. 336).

Also with a focus on the importance of stakeholder involvement, Korschun and Du (2013) incorporate virtual dialog into their suggested communication model. The authors seek to substantiate value generation from "(a) the extent to which stakeholders identify with the community of dialog participants, and (b) the heightened expectations that stakeholders develop" (p. 1,494). In 2011, the public relations firm Weber Shandwick stated that 72% of Fortune 2000 companies were incorporating social media into their CSR communication strategy (as cited in Korschun & Du, 2013). Assuming a growing trend, Korschun and Du (2013) assert the following: (b) the co-creation of CSR initiatives positively impacts the social identity of both the corporation and its stakeholders, positively effecting company value and cause; (b) media intensity, self-presentation, autonomy, and exclusivity during virtual dialog moderate the relationship between co-creation and social identity; (c) co-creation of CSR initiatives positively effects stakeholder expectations; and (d) company value increases or decreases based on the ability to meet, or not meet, stakeholder expectations. Although the authors' assertions must still be tested empirically, the incorporation of virtual dialog or social media into their communications model provides another instrument for CSR management consideration (Korschun & Du, 2013). "Virtual CSR dialogs offer much promise as a means to foster strong and enduring relationships with and among stakeholders" (p. 1503).

In an effort to understand whether corporations that adopt CSR align their value system to reflect the commitment, Schmeltz (2014) assesses empirical data using "a conceptual model juxtaposing corporate values, CSR values, and implementation to capture how different configurations of these aspects may impact the communication carried out by corporations" (p. 234). Much like Morsing and Schultz (2006), this analysis highlights the challenges that corporations face in communicating CSR. Unlike Morsing and Schultz, Schmeltz uses the stages of caring, strategizing, and transforming to identify the progressive level of CSR adoption and communication, as opposed to suggesting interchangeable strategies to combat the challenges. Despite the nuance, Schmeltz supports the assertions of Morsing and Schultz by using the strategies within his own framework. Convinced that "Consumers and other stakeholders increasingly expect companies to embrace CSR and to be vocal about their engagement…CSR is relevant to consider in relation to corporate communication and corporate identity" (Schmeltz, 2014, p. 240). The author uses website text on mission, vision, and values to conduct the research, then compares the text against data gathered through semi-structured interviews. Not surprisingly, the comparison shows inconsistencies and misalignment between corporate values and CSR values and related communication.

No matter how superior the communication of CSR activity is by the corporation, a well-recognized problem within the literature is the lack of valid and consistent measurement of CSR performance. Chatterji, Levine, and Toffel (2009) posited, "Despite their increasing popularity, social ratings are rarely evaluated and have been criticized for their own lack of transparency"

(p. 127). To substantiate their assertion, the author's evaluated Kinder, Lyndenberg, Domini (KLD) Research & Analytics, providing both retrospective and prospective views of social and environmental performance, and the most widely used CSR reporting system for academic research. With their empirical examination, Chatterji et al. were able to establish the extent to which KLD ratings provided transparency to stakeholders and extend the literature that connects CSR to financial performance. Given the inadequacy of social ratings, the authors feared that the correlation between CSR and financial performance could be over or understated in previous studies. The authors examined 588 large, publically traded U.S. corporations rated by KLD from 1991 through 2003. The authors concluded the following: (a) environmental ratings did not realistically reflect collective past performance, (b) total environmental strength ratings did not forecast future results, although some net ratings did, and (c) environmental ratings in forecasting future results were marginal. Although their research focused on environmental ratings, Chatterji et al. presented a model for a similar assessment of social ratings and hypothesized that the findings would be similar. With their fear unalleviated, the authors highly suggested that the connection between CSR and financial performance be reexamined stating, "if social ratings are not providing adequate transparency, stakeholders may be responding more to measurement error that to actual corporate social responsibility" (p. 163).

Three years previously, Hubbard (2009) came to the same conclusion as Chatterji et al. (2009) and without empirical data concluded, "there is no sign of consensus on a common (sustainability) reporting standard and the competing frameworks are impossibly complex" (Hubbard, 2009, p. 177). The author found six flaws with current reporting: (a) lack of integration with financial reporting, (b) tendency to focus on the positive, (c) no regard for benchmarking, (d) selective attention to certain stakeholders, (e) lack of best practice identification, and (f) overemphasis on environmental issues. In an effort to leverage existing reporting and not *reinvent the wheel*, Hubbard developed a Sustainable Balanced Scorecard (SBSC) that included an all-inclusive stakeholder view and used commonly accepted metrics. Contending that familiarity and simplicity would make any reporting system easier to understand and adopt, the author evolved the SBSC into an Organizational Sustainable Performance Index (OSPI) for practical application. With a rating scale of one to five, categories of performance included financial, market, process, learning and development, social, and environmental, with each category containing metrics likely already measured by the corporation.

Hubbard (2009) was not the only scholar who proposed a structure to devise a measurement system for corporate CSR in an attempt to resolve the reporting issues. Raghubir, Roberts, Lemon, and Winer (2010) argued, “the effort to identify, collect, and calibrate metrics is critical for the diffusion of CSR activities across corporations because metrics allow the goals of different stakeholders to be expressed in terms of a single common denominator” (p. 66). The authors offered what they coined The AGREE Framework: Audience, Goals, Resource, Effectiveness, and Efficiency, designed as a way for corporations to systematically engage in CSR and distinguish themselves from those “going through the motions” (p. 74). With audience and goal placed in a hierarchal frame and stakeholders prioritized as classic, other internal, and external, the authors weighed resource, effectiveness, and efficiency to direct CSR activities and ultimately balance stakeholder objectives.

Although early reporting of CSR activities by corporations tended to be narrative, selective, and voluntarily incorporated into traditional reporting, as indicated previously, most reporting evolved to be stand-alone, with a mix of voluntary and involuntary information (Milne & Gray, 2013). In spite of the growing magnitude of reporting, little has improved and according to Milne and Gray (2013), "with few notable exceptions, the reports cover few stakeholders, cherry pick elements of news and generally ignore the major social issues that arise from corporate activity" (p. 17). In an attempt to distinguish real CSR activity from green washing or window-dressing and combat the skepticism related to reporting methodology and outcomes, many institutions have emerged to persuade corporations to communicate more frequently and effectively concerning their CSR activity. In addition, many institutions offer resources, including technology, to support corporate reporting. The most prominent of these institutions is the GRI.

> GRI has entered the fabric of organizational non-financial reporting and become almost ubiquitous as the basis on which organizations should seek to report and as the intellectual framework through which both TBL and sustainability should be articulated at the organizational level. (p. 19)

Although the authors commend the GRI for both increasing and improving reporting, especially with regard to stakeholder management, they also contend that given the voluntary nature of the initiative, GRI reporting is often incomplete and inconsistent.

Understanding that CSR reporting is an evolutionary process, English and Schooley (2014) outline the latest guidelines of GRI, Generation 4 (G4), designed to replace third generation 2006 guidelines and improve on what both Hubbard (2009) and Milne and Gray (2013) defined as inconsistent and incoherent. The revised guidelines incorporate both materiality thresholds and weighting factors to help corporations steam-line and prioritize information (English & Schooley, 2014). Further, the revised guidelines provide for a compliance factor, distinguishing those corporations reporting as *core* or *comprehensive* to help identify where they rank on the spectrum of reporting thoroughness. Finally, with enhancements to the GRI reporting website and an initiative to reduce redundant reporting, the revised guidelines are also designed to reduce the costs of reporting for corporations. According to the author's assessment, "The G4 guidelines foreshadow the next phase in sustainability reporting: integrated reporting" (p. 33), where financial and sustainability reporting will be one-in-the-same. Although not a requirement of GRI, the use of external assurance by corporations is also expected to gain momentum as reporting becomes more integrated, further improving the accuracy of reporting and satisfying the skeptics. According to Ernst Ligteringen, CEO of GRI, "In the end, GRI's work isn't just about reforming reporting, but more fundamentally about changing mind-sets – the mind-sets of directors, managers, and every worker in companies and mind-sets among investors, customers, and analysts" (as cited in Elkington & Zeitz, 2014, p. 129).

Another institution endeavoring to advance CSR/sustainability reporting is RobecoSAM. Since 1999, RobecoSAM has been carrying out the Annual Corporate Sustainability Assessment, shaping the Dow Jones Sustainability Indices (DJSI). Two thousand five hundred of the world's largest publically traded corporations are asked to participate and subsequently evaluated on economic, environmental, and social long-term value creation sustainability. Scored between 0 and 100 and ranked against each other, the top 10% of corporations within each industry are included in DJSI World (Dow Jones Sustainability Indices, 2014). Although much like GRI in its voluntary/self-reporting nature, RobecoSAM goes a step further by incorporating Media and Stakeholder Analysis (MSA), a continuous examination of all publically available information. MSA scrutinizes a corporation's involvement in economic, environmental, and social crisis situations, resulting in score reduction. The process is widely recognized for its vigor and data generated from the assessment is often used to conduct empirical academic research connecting CSR to financial performance.

Supporting the trajectory of GRI and DJSI and attempting to identify the most optimal CSR reporting platform, Gjolberg (2008) addressed reporting variation by segregating CSR initiatives into two dimensions. The author segregated CSR initiatives in the dimensions of results-oriented and process-oriented and provided insight on which reporting platforms would serve each dimension best. Suggesting that results-oriented initiatives required validated outcomes, or *hard* evidence, and process-oriented initiatives required methodology and collaboration, or *soft* requirements, Gjolberg (2008) identified DJSI and GRI, respectively.

Stakeholder Theory (ST)

It was in 1919 when the Michigan State Supreme Court ruled on the *Dodge vs. Ford Motor Company* case, highlighting the dominance of shareholder value maximization *Dodge v. Ford Motor Co* (1919). With Henry Ford wanting to reinvest company money and the Dodge family wanting the money to be distributed to shareholders, the Court came down on the side of the Dodge family stating "The business corporation is organized and carried on the primarily for the profit of stockholders. The powers of the directors are to be employed for that end" (as cited in Sundaram & Inkpen, 2004, p. 351). From that point on, the priority of the shareholder over other constituents of the corporation was memorialized.

The word *stakeholder* first emerged in 1963 in an internal memo at the Stanford Research Institute and meant to simplify the idea that employees, customers, vendors, creditors, and society were groups to whom management needed to attend to, as the organization would not survive without their support (Freeman, 1984). Freeman (1984) evolved the theory of the stakeholder and connected the theory to strategic management, describing both as processes in developing constituent awareness, social needs, and corporate expansion. The author suggested that government, competition, environmentalists, advocates, media, etc. needed to be added to the list, as presented subsequently.

Figure 3. Stakeholder map of a very large organization. Adapted from *Strategic Management: A Stakeholder Approach* (p. 55), by R. E. Freeman, 1984, Cambridge, MA: Cambridge University Press. Copyright 1984 by Cambridge University Press. Adapted with permission.

Freeman (1984) also argued that although some literature on CSR incorporated stakeholder theory, the stakeholders identified were those thought of as having antagonist relations with corporations and failed to "indicate ways of integrating these concerns into the strategic systems of the corporation in a non-ad hoc fashion" (p. 40). According to Freeman, it was just as important to understand what ST was not and with that objective in mind, Phillips, Freeman, and Wicks (2003) cleared up misinterpretations and narrowed the theory for greater consumption and ease of use by corporations. The authors identified and segregated ST misinterpretations into hostile delusions and false impressions. ST being an excuse for opportunism, lacking specific objectives, concerned only with financials, and requiring equal treatment of all were among the hostile delusions. Among the false impressions were that ST required changes to law, referred to the entire economy, was a comprehensive moral doctrine, and applied only to corporations. Recognizing that the misinterpretations had some basis, Phillips et al. believed that the theory suffered from “the hands of the well-meaning, but perhaps overzealous advocates” (p. 482). Reiterating that ST was one of ethics and management and considered more than the shareholder, the authors hoped to advance and strengthen the theory.

Referred to as the principal source of ST, growing support for Freeman’s (1984) work was evidenced with several scholars furthering his research. According to Donaldson and Preston (1995), ST had become instrumental in offering a model for linking firm performance/outcomes to management processes. The authors presented evidence justifying the theory from several aspects: descriptive, instrumental, normative, and managerial. From the descriptive aspect, or explanation of a corporation’s character and conduct, the authors turned to several empirical studies supporting both the explicit and implicit management of stakeholders. From the instrumental aspect, or identification of the linkage between stakeholder and corporate performance, the authors turned to analytical arguments as opposed to empirical studies. Focusing on stakeholder collaboration and considering the corporate-stakeholder relationship a contract, analytical studies supported the connection between stakeholder and performance. From the normative aspect, or interpretation of a corporation’s managerial principles and processes, the authors turned to the court. Arguing that a shareholder model, as opposed to a stakeholder model, flies in the face of modern legal positions, Donaldson and Preston (1995) concluded, “the most prominent alternative to the stakeholder theory . . . [shareholder theory] is morally untenable” (p. 88). Further supporting their theses, the authors found evidence of descriptive, instrumental, and normative aspects in the work of Freeman, as Freeman explained the meaning of the firm/corporation, identified the internal and external environment, and interpreted managerial practice.

Advancing the research of Donaldson and Preston (1995), Jones and Wicks (1999) described the combination of normative and instrumental as convergent stakeholder theory. Defining normative as the core of the theory and instrumental as the support of the theory, the authors contended that their combination demonstrated practicality. The normative core was characterized by desirable relationships of reciprocated trust and cooperation. The instrumental support was characterized by competitive advantage gained from managing those desirable relationships, suggesting that corporations with trustworthy reputations would be in high demand and beat the competition. The authors concluded "the shared values and shared understanding driving stakeholder research render fundamentally incomplete any theory that is either exclusively normative or exclusively instrumental . . . a hybrid form . . . is conceptually superior" (p. 210).

In an effort not only to highlight the importance of stakeholders to the corporation, Friedman and Miles (2002) emphasized the importance of distinguishing between them. Believing that "extremely negative and highly conflicting relations between organization and stakeholders have been ignored or under-analyzed" (p. 3), the authors presented a model to fill the gap and strengthen ST. Friedman and Miles (2002) used Archer's Model that determined if relationships were compatible or incompatible and necessary or contingent in terms of interest. Using Archer's Model, the authors placed stakeholders in quadrants of Defensive (compatible and necessary), Opportunistic (compatible and contingent), Elimination (incompatible and contingent), or Compromise (incompatible and necessary), as presented subsequently.

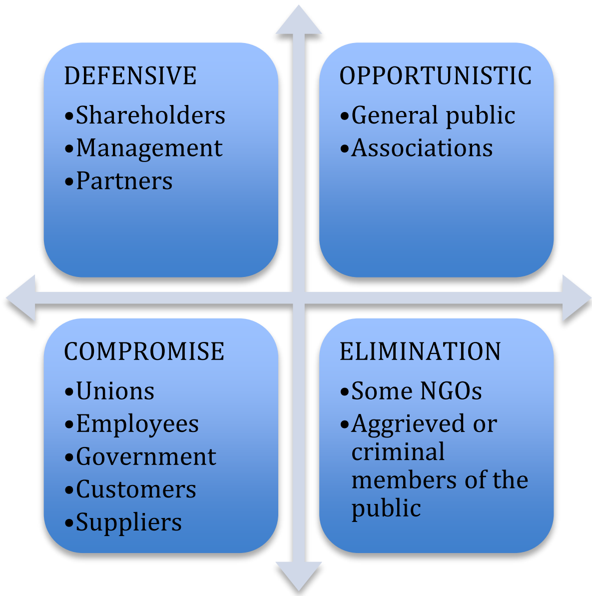

Figure 4. Stakeholder configurations and associated stakeholder types. Adapted from "Developing Stakeholder Theory" by A. L. Friedman & S. Miles, 2002, *Journal of Management Studies*, p. 8. Copyright 2002 by John Wiley and Sons. Adapted with permission.

Importantly, Friedman and Miles (2002) stressed the effect of change on quadrant placement. Internal organizational and external environmental changes, along with stakeholder perception or interest changes, could dramatically alter the quadrants and related engagement strategies. Arguing that weakness in ST lied in the lack of specification of the stakeholder, the authors asserted that their model "predicts strategic logics associated with particular configurations . . . that lead to reinforcement of the interests and ideas that situate relationships within these configurations" (p. 17). In addition, the authors contended that their model provided a superior understanding of the descriptive, instrumental, and normative relationship within ST, as posited in 1995 by Donaldson and Preston.

Similarly, a year earlier, Jawahar and McLaughlin (2001) used the descriptive relationship within ST to stress the importance of distinguishing between stakeholders and employed the life cycle of the organization to demonstrate how stakeholders can change over time. Specifically, the authors attempted to confirm: (a) some stakeholders would be more important than others based on what they can contribute during the corporation’s life cycle, (b) important stakeholders could be identified as the corporation evolves, and (c) engagement strategies would depend on the relative importance of the stakeholder. The life cycles defined by Jawahar and McLaughlin (2001) were the start-up stage, growth stage, mature stage, and the decline/transition stage. At each stage, the authors described stakeholder management as proactive or accommodating and increasing or decreasing in importance. During the start-up stage, the authors suggested that shareholders, creditors, and customers would be the most important, as the primary suppliers of start-up funding. During the emerging growth stage, the shareholder would be reduced in importance and *accommodated*, while focus would shift to employees and suppliers to build operations and produce product. During the mature stage, creditors would be accommodated, while most other stakeholders would be proactively managed. Finally, during the decline/transition stage, employees and suppliers would be accommodated, while customers would be given the most attention, as the primary target for new market share. According to Jawahar and McLaughlin (2001), “Identifying the relative importance of stakeholders and describing strategies an organization might use to deal with those stakeholders is or should be the essence of any viable descriptive stakeholder theory” (p. 411).

Although a significant amount of ST research focuses on the responsibilities of the corporation in consideration of the stakeholder, there is also research highlighting the reciprocal relationship, the responsibilities of the stakeholder to the corporation. Goodstein and Wicks (2007) argued that stakeholders matter and should be a focal point of both academics and practitioners to significantly improve company performance. Asserting, “Without some vibrant notion of stakeholder responsibility, business doesn’t work” (p. 395), the authors presented arguments for stakeholder accountability and ideas on how stakeholders can demonstrate that accountability to the corporation and other stakeholders. According to Goodstein and Wicks (2007), stakeholder responsibility provided a platform to the corporation for discussions related to business ethics and moral failures, innovation to avoid such failures, operational excellence and sustainability, and emerging business issues. In return, stakeholders must: (a) be resourceful and informed, (b) contribute skills and knowledge, (c) work to enhance goals of the corporation and other stakeholders, (d) avoid opportunistic behavior and choices, and (e) respect all others.

Much like the literature supporting CSR, the literature supporting ST also considers the linkage to financial performance. Berman, Wicks, Kotha, and Jones (1999) questioned whether an orientation towards the stakeholder really mattered. The authors outlined two approaches that corporations can take when dealing with their stakeholders and applied the instrumental and normative approaches represented in previous research. Using an instrumental approach, the corporation viewed their stakeholders as those needing to be managed to guarantee shareholder return. With the assumption that “modes of dealing with stakeholders that prove upon adoption to be unproductive will be discontinued” (p. 492), the concerns of the stakeholder were only considered if they had value. Unlike the instrumental approach, the normative approach did not use stakeholders purely for profit maximization. Relationships with stakeholders were based instead on moral commitments. The hypotheses tested centered around strategic and stakeholder relationship variables and the direct, separate and/or moderating role of the variables on financial performance of the corporation. The Kinder, Lyndenberg, Domini (KLD) Research & Analytics database, as described previously in the CSR Communication and Reporting section of this chapter, was used for identifying stakeholder posture with regard to five KLD variables of product safety, community, employees, diversity, and the environment. The authors found that only the variables of product safety and employees mattered, having a significant effect on financial performance. Although it was surprising that the variables of community, diversity and the environment did not provide evidence of significant effect on financial performance, the authors believed the results were due to the fact that their sample contained many types of industries, each with fluctuating degrees of variable influence. Berman et al. (1999) concluded, "Results support the idea that managerial attention to multiple stakeholder interests can affect firm financial performance" (p. 503).

Zink (2005) also questioned the relevance of stakeholder orientation, expanding the linkage between stakeholder orientation and financial performance by broadening the connection with the inclusion of CSR as a precondition for sustainability. The author contended that stakeholder orientation needed to be considered in the broader context of sustainability because success was dependent on more than the shareholder alone. By evaluating 10 years of corporate data compiled by the Dow Jones Sustainability Index (DJSI), as described previously in the CSR Communication and Reporting section of this chapter, the author highlighted the increasing volume, improving transparency, and growing payoff of stakeholder orientation. "Because companies have a growing interest to become listed in these indexes, and more and more institutional investors are showing their interest in sustainability investing" (p. 1,051), Zink concluded that a sustainability approach to business is worth the investment and the approaches must focus primarily on stakeholders beyond the shareholder, such as customers, employees and communities.

Harrison and Wicks (2013) seek to connect ST to a broader definition of financial performance, creating a four-pronged perspective of value that goes beyond the economic value required by stakeholders. The authors define value "broadly as anything that has the potential to be of worth to stakeholders" (p. 100) and utility "value a stakeholder receives that actually has merit in the eyes of the stakeholder" (p. 101). The four prongs of value and stakeholder utility are products and services, organizational fairness, affiliation, and opportunity costs. Harrison and Wicks compare their four-pronged perspective to three other well-known viewpoints, the shareholder perspective, the Balanced Scorecard perspective, and the TBL perspective. In contrasting the more limited shareholder perspective, Harrison and Wicks posit, "If an organization is using performance metrics that track utility created across multiple stakeholders, it is in a much better position to pinpoint potential sources of problems within the system that are reducing the amount of total value created" (p. 109). The authors view the Balanced Scorecard perspective as an extension of the shareholder perspective, claiming that it merely tracks additional metrics while retaining the goal of profit maximization. Referring to Elkington, the authors assert that the TBL perspective is the most comprehensive in serving society directly. However, the TBL perspective is also contrasted from the author's four-pronged perspective in that it is not "shaped by society or environmental activists, but by what stakeholders seek as utility through their interactions with the firm" (p. 111). Showcasing the differences between the perspectives and claiming "Firms that provide more utility to their stakeholders are better able to retain their participation and support" (p. 116), Harrison and Wicks contend that their four-pronged perspective is the most comprehensive and further strengthens the connection between ST, value, and financial performance.

Adding to the empirical studies demonstrating the connection between stakeholder orientation and corporate social performance, Mallin, Michelon, and Raggi (2013) consider the impact of corporate governance on social and environmental divulgence. The authors propose that a stakeholder orientation of corporate governance is positively related to CSR performance and hypothesize: (a) intensity of governance negatively impacts social performance,

(b) stakeholder orientation of governance positively impacts social performance, (c) social performance is negatively impacted to the degree of CSR disclosure, and (d) social performance is positively impacted by the quality of CSR disclosure. The study consists of companies listed in the Business Ethics 100 Best Corporate Citizens for 2005-2007, with ranking based on the KLD social performance rating elements of: Community, Corporate Governance, Diversity, Employee Relations, Environment, Human Rights and Product Quality and Safety. Using structural equation modeling to spot variable relationships and controlling for corporate size, profitability, and industry attributes, results of the study suggest that having a greater stakeholder orientation encourages the corporation to undertake CSR activities. Further, the authors show a link to corporate governance, implying "There is a new emphasis on the role of board of directors in setting social and environmental objectives which meet the evolving expectation of the firm's stakeholders" (p. 41).

Elkington (1998) recognized that in order to realize TBL performance, new partnerships were needed and underscored traditional enemies must evolve into unconventional affiliations. "No company, industrial sector, or national economy will succeed in defining and meeting its triple bottom line responsibilities and targets without developing much more extensive stakeholder relationships" (p. 51). Featuring an emergent number of CEOs accepting the fact that their opponents need to not only be taken seriously but brought into the fold of decision-making and strategy building, Elkington presented three elements defining a 21st century sustainability revolution. Government, industry, and non-government organization (NGO) symbioses, corporate thick skin and ability to earn loyalty, and trust as a fundamental investment were the keys to developing a sustainable corporation (p. 51). In his later work with Jochen Zeitz, Elkington introduces *The B Team*, whose purpose is to formulate a *Plan B*, flanking planet and people next to profit (Elkington & Zeitz, 2014). Again featuring an emergent number of CEOs, the authors conclude, “That in the absence of effective government action, business has no option but to take the lead” (p. 3), with a vital element of the strategy being stakeholder engagement, education, and management.

It is obvious that ST has gotten a great deal of academic and practical attention, being tested, clarified, and refined over the years. Some of the practical attention has come directly from those business leaders that have incorporated ST and approach into their strategic planning process (Clement, 2005). Based upon a review of the literature, Clement (2005) summarized five lessons for leaders: (a) the number of stakeholders and the interests of those stakeholders continues to increase, (b) court decisions resulting in regulation continues to favor non-shareholder stakeholders, (c) executives continue to be more influenced by social factors than by their expertise and experience, (d) stakeholder characteristics of power and pressure continue to be used to prioritize response, and (e) responding to stakeholder issues continues to improve financial performance. With these lessons in mind, Clement provides a good transition into the avenue of research pertaining to stakeholder identification and management.

Stakeholder identification and management. “Management’s challenge is to decide which stakeholders merit and receive consideration in the decision-making process” (Carroll, 1991, p. 43). According to Carroll (1991), most corporations recognized shareowners, employees, customers, communities and society as stakeholders. Carroll (1991) also defined legitimacy and power as the criteria for prioritizing which stakeholders get heard first. Legitimacy is the right to have a claim and power is the might to have a claim. In addition to legitimacy and power, Mitchell, Agle, and Wood (1997) added urgency to the mix. By combining the three attributes, the authors categorized stakeholders and suggested management techniques based on the categorization.

In order to explain the complex nature of stakeholder identification and management, Mitchell et al. (1997) first examined the difference between the narrow and broad view of the stakeholder. The narrow view was based on the premise of limited resources and low tolerance of managers for addressing external issues. “In general, narrow views of stakeholders attempt to define relevant groups in terms of their direct relevance to the firm’s core economic interests” (p. 857). The broad view was based on the premise of unlimited resources and high tolerance of managers for addressing external issues. “The idea of comprehensively identifying stakeholder types, then, is to equip managers with the ability to recognize and respond effectively to a disparate, yet systematically comprehensible, set of entities” (p. 857). Recognizing the overwhelming reality of the broad view of the stakeholder, Mitchell et al. (1997) suggested, “The broad concept of stakeholder management must be better defined in order to serve the narrower interests of legitimate stakeholders” (p. 862) and used the attributes of legitimacy, power, and urgency to accomplish the distinction. The authors defined legitimacy by referencing Suchman (as cited in Mitchell et al., 1997), “A generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system or norms, values, beliefs, and definitions” (p. 866). Power was defined by referencing Weber (as cited in Mitchell et al., 1997), “The probability that one actor within a social relationship would be in a position to carry out his own will despite resistance” (p. 865). The authors defined urgency by referencing Jones (as cited in Mitchell et al., 1997), based on “the degree to which managerial delay in attending to the claim or relationship is unacceptable to the stakeholder . . . and . . . the importance of the claim or the relationship to the stakeholder” (p. 867). Assuming legitimacy, power, and urgency are variable and socially constructed, Mitchell et al. (1997) proposed that the prominence or salience of a stakeholder would be associated with the cumulative number of the characteristics of legitimacy, power, and urgency. Mitchell et al. (1997) examined literature and case studies to measure stakeholder salience, support their proposition, and make “a critical difference in managers’ ability to meet legitimate claims and protect legitimate interests” (p. 882).

Mitchell et al. (1997) were not alone in their desire to help corporations effectively identify and manage stakeholders. Frooman (1999) sought to answer: (a) who the stakeholders were, (b) what they wanted, and (c) how they were going to try to get it, in order to identify strategies to influence and manage stakeholders. The author used the conflict between EII, an environmental organization, and StarKist to evaluate several propositions based on the extent of the interdependence between the corporation and the stakeholder. When corporate-stakeholder interdependence was low, Frooman contended that management strategies would be more indirect. In contrast, when corporate-stakeholder interdependence was high, management strategies would be more direct. Further, when the stakeholder was more dependent on the corporation, management strategies would be more indirect but deliberate, and when the corporation was more dependent on the stakeholder, management strategies would be both direct and deliberate. By focusing on the influence stakeholders have on the corporation, as opposed to the stakeholder response by the corporation, the author argued that knowing the stakeholder’s degree of dependence would allow for better management. “For managers to act strategically and plan the actions they intend their firm to take presupposes that they have some idea of how others in their environment will act” (p. 203).

According to Svendsen and Laberge (2005), “A growing number of companies are convening stakeholder networks to address complex sustainability and corporate responsibility issues” (p. 91). The authors examined corporations that have established successful networks to understand the expertise and practices required to identify, cultivate, manage, and maintain stakeholder relationships. GlaxoSmithKline, MacMillan Bloedel, and Nike were the corporations examined. Making a distinction between a mechanistic view and a systems view, the authors highlighted different ways of thinking about the stakeholder to better identify and manage their expectations. The mechanistic view endorsed the push factor, where compliance with regulation, solution to operational dilemmas, and public pressure were the drivers for stakeholder identification and management. In contrast, the systems view endorsed the pull factor, where corporations exist in a “symbiotic, interdependent relationship with its external operating environment” (p. 97). Contending that the systems view was imperative, Svendsen and Laberge described the processes needed to not only manage stakeholders, but to convene them in a way that promotes accountability and ownership. Outreach, collective learning, and innovative joint action were recommended to build such a relationship. During the outreach phase, the authors stressed the objectives of framing key issues and providing background, including key members and identifying roles, defining key goals and principles, and communicating effectively. The objectives of the collective learning phase were to develop new knowledge and scenarios, gain common ground and shared meaning, and build trust and commitment. The innovation phase focused on problem resolution and collaborative action. In an effort to identify and manage stakeholders, Svendsen and Laberge believed “network convening taps the collective intelligence and capacity of multi-stakeholder systems to evolve and transform for survival and success” (p. 103).

Like other authors, Onkila (2011) identified the attributes of stakeholders and contended that professionals should be able to handle variations in stakeholder relationships. The author categorized stakeholders as control-based, collaborative, conflicting, or biased. "No universal stakeholder management tools can be created for this purpose, rather stakeholder interaction…requires analysis of the actors involved, the attributes of relationships, and the attributes of stakeholder interests and identification of differences in those" (p. 380). Onkila interpreted statements of 25 Finnish corporations and interviewed 10 of their executives in an effort to analyze corporate-stakeholder relationships. Much like Frooman (1999), the author made a distinction between corporate power and stakeholder power, arguing that management approaches must be distinctly different. Further, "Business managers should be able to manage differences in stakeholders relationships, instead of aiming at tools to manage each and every stakeholders relations in a similar manner" (p. 391). Also in 2010, Garvare and Johansson made the distinction between the stakeholder and other interested parties, with stakeholders having the power or mechanism to shape the state of the corporation. "An organization can fail if an actor who is actually a stakeholder is identified as a mere 'interested party' and if corporate activities oppose this stakeholder's interest" (p. 742). Conversely, the diversion of resources can result from mistakenly identifying an *interested party* as a stakeholder. Ferrell, Gonzalez-Padron, Hult, and Maignan (2010) warned, "The failure to embrace SO (stakeholder orientation) could result in a failure to address a critical stakeholder issue that improves the bonds of identification" (p. 95). Specifically addressing the discipline of marketing, the authors contended that organizations striving to increase the public's attachment to corporate identity required a broadened view of the stakeholder. Further, the disciplined identification and management of the stakeholder may avert management decisions that could inadvertently diminish strategies that impact customers and the competition.

Asserting that studies to date lacked an explanation of how CSR action comes about, and how responsibility is shared between the corporation and the stakeholder, Waligo, Clarke, and Hawkins (2014) assert, “stakeholder involvement (how stakeholders become active or inactive) is a complex process influenced by a range of interlinked personal and externally driven factors” (p. 1,342). The authors categorize stakeholders by type of demonstrated participation, from manipulative/passive to self-mobilized/connectedness, and use a case study to investigate how stakeholder identification and management effects the implementation of CSR corporate strategy. Seven corporate competencies are underscored: quality of leadership, quality and accessibility of information, stakeholder discernment, stakeholder aptitude, stakeholder relations, situational awareness, and prioritized implementation, all having a direct impact on stakeholder involvement, hence an impact on how to manage them. In addition, the authors stress the importance of secondary stakeholders, or those stakeholders that are not identified as primary through recommended processes, as they can yield different but important concerns that need to be managed as well. Waligo et al. (2014) conclude that the strength or weakness of the seven corporate competencies influence the participation of stakeholders and, in turn, influence CSR action and believe that the study:

> Sheds light on our understanding of the complex issues that underpin the lack of, or ineffective, stakeholder participation in developmental initiatives. As a framework, it offers a logical approach to tackling some of the deterrents of stakeholder involvement in organizational activities (p. 1350).

CSR and ST Convergence

The literature allows for major themes within the bodies of research for CSR and ST to be integrated, advocating for corporate stakeholder orientation, as opposed to shareholder orientation, to advance sustainability. Arguing that CSR frameworks to date did not explicitly demonstrate that a stakeholder orientation was compulsory, Munilla and Miles (2005) expanded the concepts, placing stakeholders on a CSR continuum based on the perspectives of compliance, strategic, and forced. Table 3 illustrates the framework.

Table 3

Stakeholder Perspectives Along the CSR Continuum

Stakeholder Group	Compliance CSR	Strategic CSR	Forced CSR
Owners	Perceived as a cost of doing business	Perceived to enhance economic value	Results in lower returns with damage to reputation and higher costs
Creditors	No impact	Reduces cost of capital; credit rating based on risk	Increases cost of capital; credit ratting based on risk
Customers	No impact	Increases market share and financial returns	Alienates customers and reduces brand equity
Employees	No impact	Positively impacts morale and innovation	Negatively impacts morale and innovation
Suppliers	No impact	May result in supplier process improvements	No impact
NGOs	Tends to result in weak reputation	May result in strong alliances with positive economic outcomes	May result in stressed relationship with increased decision-making input
Regional/National Community	No impact	May become a corporate citizen role model	May increase regulatory scrutiny
Local Community	No impact	Tends to result in positive reputation with positive consequences	Tends to result in negative reputation with negative consequences

Note. Adapted from “The Corporate Social Responsibility Continuum as a Component of Stakeholder Theory” by L. S. Munilla and M. P. Miles, 2005, *Business and Society Review*, 110, pp. 382-384. Copyright 2005 by John Wiley and Sons. Adapted with permission.

The authors blended CSR and ST in an effort to highlight not only the ineffectiveness of the compliance and forced perspectives, but their potential detriment to the corporation. Although less expensive, the compliance-based stakeholder perspective of CSR is not sustainable for corporations given current social and legislative environments. Munilla and Miles (2005) further asserted that the forced CSR perspective is the most dangerous, “where the firm is pressured into making expenditures that go beyond compliance or strategic, and that the firm perceives are not in the best interest of the majority of its stakeholders" (p. 385). Finally, the authors recommended the union of CSR and ST to evolve toward a strategic perspective and capture renewed competitive advantage.

Also in an effort to join CSR and ST in conventional business management, Katsoulakos and Katsoulacos (2007) used a top-down and bottom-up approach to develop their framework. The top-down approach examined management theory to design a topology and the bottom-up approach was based on empirical investigation and review of case studies. Asserting, "CSR and corporate sustainability as business practices remain isolated from mainstream strategy" (p. 356) and "stakeholder approaches . . . do not attempt to define a single strategic management framework" (p. 356), the authors established a framework that they believed plotted the course for CSR, ST, and strategic management integration. Katsoulakos and Katsoulacos first identified six strategic management theories, with CSR and ST strategies/approaches separate threads of strategic management. CSR strategies included sustainability issues and governance, while the ST strategies were viewed on the dimensions of value, responsiveness, and responsibility capabilities. Coined the "stakeholder-oriented integrative strategic management framework" (p. 362), environmental, resource, organizational, networking, and CSR strategies informed knowledge management and stakeholder strategies. The principles of the framework assumed CSR strategies determine stakeholder management strategies and stakeholder management strategies determine advantage-creating stakeholder relations. "The approach allows instrumental elements of corporate responsibility to be fully integrated in the competitive strategy (value and responsiveness dimensions) and therefore to contribute to sustainable competitive advantage" (p. 367).

Maon et al. (2010) took on the challenge of uniting CSR and ST as well, relating models of CSR progression with stakeholder culture to provide a consolidated seven-stage framework employing three cultural phases of CSR: reluctance, grasp, and embedment. The cultural phases of CSR were then connected to stakeholder culture type: self-regarding and shareholder focused, fairly self-regarding and functional stakeholder focused, and other-regarding and expansive stakeholder focused. Aligning the seven stages of CSR development with stakeholder relationship type, the authors identified: contractual, punctual, unilateral, interactive, reciprocal, collaborative, and innovative. According to the authors, “the organization is a constellation of converging, competing interests, each with intrinsic value and a place of mediation at which these varying interests of different stakeholders and society can interact” (Maon et al., 2010, p. 23). The integrative framework offered a characterization of CSR as a stakeholder concept, highlighting commitments made by a corporation in acceptance of its moral accountability to society. “Only when companies pursue CSR activities with support from stakeholders can there be a market for virtue and a true business case for CSR” (Lindgreen & Swaen, 2010, p. 5). Articulated another way, but saying the same thing, Gibson (2012) asserted “the emphasis on sustainability implies that moral managers should adopt a broad stakeholder approach that takes a leadership stance in face of the pressing and universal demands that economic activity places on our limited common resources” (p. 24).

Chapter Summary

The literature reveals that the history of both CSR and ST evolved with the instigation of economic, environmental, and social events, some inconspicuous but many more infamous. Regardless of the history, it is now commonplace to think that a corporation exists to both maximize shareholder value and serve the greater good. There are narrow and broad views of both CSR and ST. A narrow view of CSR directly links initiatives to some form of financial return and a broad view of CSR links initiatives to many forms of return, including but not limited to financial (Lindgreen & Swaen, 2010). Similarly, a narrow view of ST is characterized by economic interest and a broad view of ST is characterized by many forms of interest, including but not limited to economic (Mitchell, Agle, & Wood, 1997). Whether taking a narrow or broad view, there is a business case for CSR, one that depends upon the broad view of ST. This study will consider all of these views and is intended to gain an understanding how corporations within the U.S. Healthcare sector both express and demonstrate their focus on stakeholders in the design, implementation and reporting of CSR efforts.

Chapter Three: Methodology and Procedures

The purpose of this study was to explore how corporations within the U.S. Healthcare sector both express and demonstrate their focus on stakeholders in the design, implementation, and reporting of CSR efforts. It also explored the difference, if any, between rhetoric and deed according to third parties/stakeholders. The study was qualitative in nature, using published documents for analysis (Bryman & Bell, 2011) to explore how corporations engage their stakeholders in word and action. As recommended by Cording, Harrison, Hoskisson, and Jonsen (2014), ST was used as a supportive lens to examine the connection between promotion and practice and answer the following research questions:

1. How do corporations communicate their emphasis on stakeholders?
2. In what ways are stakeholders referred to in the corporation's requisite, financial reporting?
3. In what ways are stakeholders referred to in the corporation's voluntary, non-financial reporting?
4. How do corporations demonstrate their emphasis on stakeholders?
    a. How are stakeholders identified and selected?
    b. How are stakeholders engaged in support of CSR efforts?
    c. How are the concerns of stakeholders managed?
5. What do third parties/stakeholders reveal about how corporations attend to people, planet, and profit?

Research Design

This qualitative research was one of exploration, based on content analysis of stakeholder related disclosures in the context of CSR. The research was emergent in its design, as the process was altered as the researcher began to collect data (Creswell, 2007, 2009). Corporate and other institutional websites served as the sources of data. As the researcher was the “key instrument” (Creswell, 2009, p. 175), collecting information from document examination, instruments developed by other researchers were not used.

As the research was one of qualitative inquiry, the researchers’ interpretations could not be separated from experience and prior knowledge (Creswell, 2007). Involved in “sustained and intensive experience with the population” (Creswell, 2009, p. 177), the researcher had a deep understanding of the healthcare sector lending to biases and a personal background shaping interpretation of data collected during the study. With over 18 years of experience, the researcher had formed an opinion about the sustainability of the U.S. healthcare system. Working directly for health plans/payers and consulting with academic hospital systems and other healthcare providers, stakeholders within the sector were very familiar to the researcher. As committed, if working in the past for/with any of the corporations selected for study, the researcher would specifically note the bias. Results of the purposeful sampling process did not yield any corporation that the researcher worked for/with. In addition, the researcher carefully selected data collection types to increase validity and decrease limitations of potential biases of interpretations.

Sources of Data

The population under study was U.S. corporations on the NYSE within the healthcare sector, representing eight industries within the sector and classified as large-cap (at least $5 billion in market value) according to the NASDAQ. Industries represented within the healthcare sector included: other pharmaceuticals, medical/nursing services, medical/dental instruments, medical specialties, major pharmaceuticals, industrial specialties, hospital/nursing management, and biotechnology electromedical and electrotherapeutic apparatus (NASDAQ, 2011). This population seldom changes, with the exception of changes in corporate domicile or an Initial Price Offering (IPO), corporations entering the exchange for the first time. The researcher observed the population over several months during 2015, with the number of corporations listed ranging from 29 to 33, a change of less than 15%. As of May 15, 2015, 33 corporations were listed (see Table 4).

Table 4

NYSE Healthcare Companies

Name	MarketCap	Sector	Industry
3M Company	$103,492,730,071.25	Health Care	Medical/Dental Instruments
Abbott Laboratories	$72,457,818,667.06	Health Care	Major Pharmaceuticals
AbbVie Inc.	$105,095,230,119.09	Health Care	Major Pharmaceuticals
Actavis, Inc.	$116,736,582,019.48	Health Care	Major Pharmaceuticals
Aetna Inc.	$38,928,816,000.00	Health Care	Medical Specialities
AmerisourceBergen Corporation (Holding Co)	$25,189,144,933.68	Health Care	Other Pharmaceuticals
Anthem, Inc.	$42,325,803,360.00	Health Care	Medical Specialities
Baxter International Inc.	$37,575,310,727.44	Health Care	Medical/Dental Instruments
Becton, Dickinson and Company	$29,531,749,114.16	Health Care	Medical/Dental Instruments
Boston Scientific Corporation	$24,011,505,404.82	Health Care	Medical/Dental Instruments
Bristol-Myers Squibb Company	$112,437,433,060.25	Health Care	Major Pharmaceuticals
C.R. Bard, Inc.	$12,779,176,080.32	Health Care	Medical/Dental Instruments
Cardinal Health, Inc.	$29,113,349,408.00	Health Care	Other Pharmaceuticals
Cigna Corporation	$33,933,847,915.80	Health Care	Medical Specialities
CVS Health Corporation	$115,044,605,717.04	Health Care	Medical/Nursing Services
DaVita healthCare Partners Inc.	$17,599,900,000.00	Health Care	Hospital/Nursing Management
Edwards Lifesciences Corporation	$14,042,738,403.84	Health Care	Industrial Specialties
Eli Lilly and Company	$81,077,687,688.40	Health Care	Major Pharmaceuticals
HCA Holdings, Inc.	$32,760,321,935.00	Health Care	Hospital/Nursing Management
Hospira Inc	$15,235,638,993.00	Health Care	Major Pharmaceuticals
Humana Inc.	$26,099,386,646.00	Health Care	Medical Specialities
Laboratory Corporation of America Holdings	$11,816,076,000.00	Health Care	Medical Specialities
McKesson Corporation	$55,452,439,603.88	Health Care	Other Pharmaceuticals
Medtronic, Inc.	$108,681,696,798.24	Health Care	Biotechnology: Electromedical & Electrotherapeutic Apparatus
Merck & Company, Inc.	$168,891,756,155.22	Health Care	Major Pharmaceuticals
Perrigo Company	$28,396,958,149.45	Health Care	Major Pharmaceuticals
Quest Diagnostics Incorporated	$10,298,722,351.50	Health Care	Medical Specialities
St. Jude Medical, Inc.	$20,944,898,194.35	Health Care	Biotechnology: Electromedical & Electrotherapeutic Apparatus
Stryker Corporation	$36,047,255,057.44	Health Care	Medical/Dental Instruments
UnitedHealth Group Incorporated	$112,829,212,056.33	Health Care	Medical Specialities
Universal Health Services, Inc.	$12,098,869,195.53	Health Care	Hospital/Nursing Management
Zimmer Holdings, Inc.	$19,352,570,812.66	Health Care	Industrial Specialties
Zoetis Inc.	$23,138,348,544.48	Health Care	Major Pharmaceuticals

Qualitative research allows for purposeful selection to assist the researcher in answering the research questions (Creswell, 2009). The researcher used purposeful sampling, as opposed to random, to select which of the 33 corporations within the population would be studied, “because they can purposefully inform an understanding of the research problem" (Creswell, 2007, p. 125). As the corporations are similar in business focus, criterion sampling worked well. Each corporation was put through a multistage sampling process. Corporate websites were used to determine if the criteria in the first stage was met and the GRI website was used to determine if the criteria in the second stage were met. An illustration of the process is shown in Figure 5.

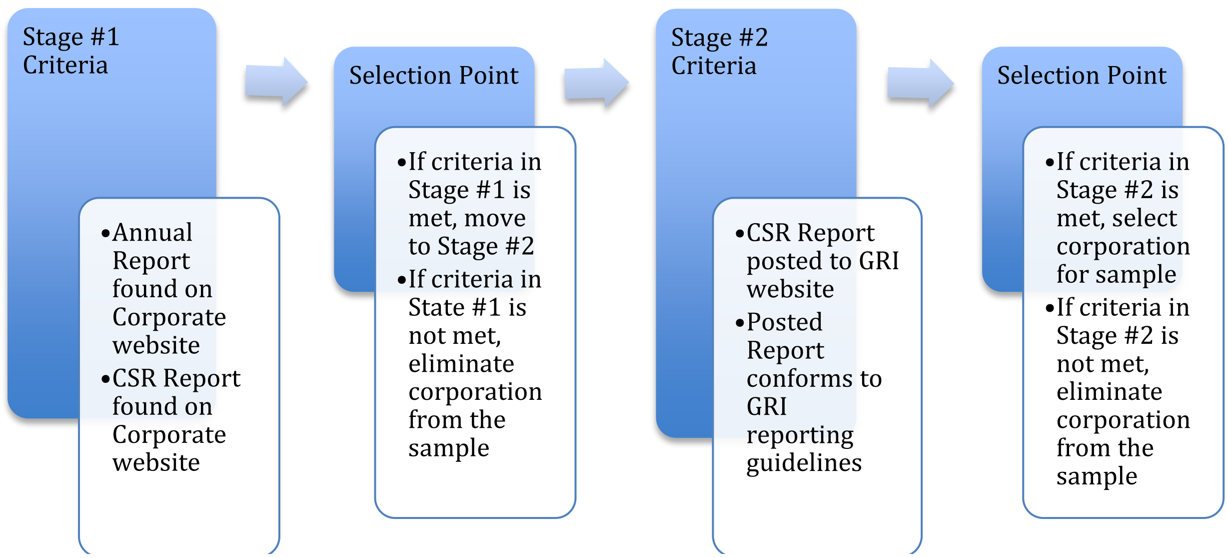

Figure 5. Depiction of multistage sampling process.

The researcher's desired sample included one corporation from each of the industries within the sector. If more than one corporation from an industry had been selected through the criterion sampling process, the researcher planned to choose the corporation with the highest market value for the study. The researcher believed that this cross-section was valuable to examine given that the industries represented within the sector could be considered stakeholders of each other and to the ultimate consumer of healthcare products/services, or the patient.

The extent of the data examined for content analysis was quite vast. "As firms increasingly use their websites to deliver information to a wide audience, the amount of voluntary discloser will continue to increase" (Matherly & Burton, 2005, p. 33). The large amount of information available on corporate websites frequently includes vision, mission, and/or value statements along with compulsory and non-compulsory reporting, including Annual Reports to Shareholders and CSR reports. “Voluntary social disclosure reduces the informational asymmetries between the firm and external stakeholders . . . regarding corporate policies and performance” (Brammer & Pavelin, 2004, p. 87). As a result, websites offered the researcher an appropriate source for examining stakeholder disclosures relative to CSR by corporations.

Corporate websites and the GRI website were examined to locate information to address research questions one through four. Although terminology and taxonomy differed among the corporations being studied and the volume and content of disclosed information varied, the documents retrieved and reviewed from the websites included statements on vision, mission, and/or values of the corporations. Specifically, requisite Annual Reports to Shareholders and non-compulsory CSR Reports were reviewed. The Stakeholder Engagement section of the CSR Reports were of most interest to the researcher, intended to disclose the stakeholders engaged by the corporation, the rationale for their identification and selection, outreach approaches, and concerns raised/addressed by stakeholders. The RepRisk website was examined to locate information to address question five, as this third party database exposes social and environmental risks of publicly-traded corporations. Specifically, the RRI of each corporation was reviewed, quantifying risks associated with business conduct. Issues/topics that indicated risk were also reviewed.

Data Collection Strategies and Procedures

Recognizing that the structure of the websites differed among corporations, the researcher was required to interact with the corporate websites in various ways to locate the content for examination. In order to address the dynamic nature of the websites, the most recent Annual

Reports to Shareholders and CSR Reports were located, downloaded, and electronically filed within a 30-day period. Within the same 30-day period, the most recent CSR Reports posted to the GRI website were located, downloaded, and electronically filed. Information located on the RepRisk website allowed for data element query and report building. Reports were generated, downloaded, and electronically filed. Data retention supported continual analysis and verification during the study.

Instruments and Tools Used

The recording of documents was based on the researcher's field notes, which reflected the information about the documents examined (Creswell, 2009). The researcher developed a worksheet to inventory the documents and direct the selection of corporations to be studied, compiling the results of the purposeful sampling process. The worksheet was not pre-coded/pre-determined and was further refined after data collection (Altheide & Schneider, 2013).

The Annual Reports to Shareholders and CSR Reports electronically filed by the researcher were converted to file formats compatible with HyperRESEARCH (http://www.researchware.com), the tool used to enable the coding, retrieval, and analysis of data. Being an easy-to-use software package and a "solid code-and-retrieve data analysis program" (Creswell, 2007, p. 167) the tool facilitated the following: (a) data storage and organization; (b) text location; (c) code comparisons; (d) extraction conceptualization; (e) visual mapping; and (f) memo, report, and template creation. The researcher created a Case for each corporation selected for study and attached each converted file related to each Case as a Source within HyperRESEARCH (see Appendix A).

The RepRisk website provided the instruments and tools for collection of data within the RepRisk database. For each corporation, data elements were retrieved using the website's query tool and recorded using the website's report writing tool. Three reports for each corporation were generated, RRI, RepRisk Issues, and RepRisk Topics.

Data analysis. A content/textual analysis process was followed to handle the data. According to Creswell (2009), the process of data analysis is similar to "peeling an onion" (p. 183) and although documents obtained from corporations are considered to be valid and consequential, issues of representation require even greater analytic thoroughness (Bryman & Bell, 2011). Using the data analysis spiral suggested by Creswell (2007), the researcher organized the data as described previously. The researcher then reviewed the data required to perform the purposeful sampling process, noting the corporation's name and industry, the latest Annual Reports to Shareholders and CSR Reports found on their websites, the latest CSR Reports found on the GRI website, and GRI report type, if applicable. After identifying the corporations that met the study criteria, the researcher extensively searched for relevant content of the Annual Reports to Shareholders and CSR Reports, the Sources uploaded to HyperRESEARCH, to answer the research questions.

During the process of reading and describing the content, the researcher built codes and categories to arrange the text (Creswell, 2007). Coding and categorizing the content of the Sources involved noting the type of content and the topic covered, establishing if the content represented stakeholder engagement in the context of ordinary course of business or in the context of CSR. Employing a constant comparative approach, the researcher took several passes through the content and revised codes and categories to ensure consistency and to determine if any new information would augment the researcher's comprehension. This "saturation" (p. 160) allowed the researcher to fine-tune and reduce the coded and categorized data set considerably (see Appendix B). For the process of interpretation, the researcher stepped back from the detail and formed higher-level generalizations, "tentative, inconclusive, and questioning" (p. 154).

Accessing the RepRisk website and database, the researcher generated three reports for each corporation selected for study, RRI, RepRisk Issues, and RepRisk Topics. The RRI reports were downloaded in Excel file format to facilitate the plotting of the RRIs of the corporations over a 36-month period and to sort the environmental, social, and governance percentages, identifying the lowest and highest percentages over a 36-month period. The RepRisk Issues and RepRisk Topics reports were downloaded in PDF format. The researcher used printed versions of the reports to spot risk incidents and note severity and reach scores related to each incident, recording the information in table format. The researcher took several passes through the content to ensure accuracy of the recorded data.

Human subjects considerations. Any activity that is research and involves human subjects requires steps to be taken to meet Institutional Review Board (IRB) requirements to protect the rights of participants and mitigate any risks. This research was a methodical examination designed to contribute to general knowledge, as defined in section 45 CFR 46.102(d); however, this research did not involve human subjects and no other Federal, State, or Local laws applied to the activity, as defined in section 45 CFR 46.102(d). Given this assessment, the study met the criteria of the University's Graduate & Professional Schools IRB (GPS-IRB) to be considered Non-Human Subjects Research (see Appendix C).

Study Validity

In qualitative research, Creswell (2007) defined validation as the endeavor to evaluate the accuracy and credibility of findings, as explained by the researcher and study participants. Validation techniques can include extended observation, exhaustive descriptions, triangulation, external audit, bias identification, etc. Rigor means that the researcher will use at least one validation procedure and as such, the researcher used exhaustive descriptions with constant comparisons, triangulation, and computer programming to provide internal textual reliability.

Limitations of the study included those related to the research design, the content analyzed, and the role of the researcher. Limitations with regard to the research design included single source type examination, as the researcher only used public information available on websites; and single point-in-time examination, as the researcher analyzed only the most recent Annual Reports to Shareholders and CSR Reports found at the time the websites were searched.

Although websites are a predominant vehicle used for CSR communication by corporations (Van de Ven, 2008), reporting methods among the corporations differed. Some corporations provided a single down-loadable report and others chose to report their CSR activities interactively on their websites, requiring considerable navigation. Further, there was a time lag in posting CSR information by the corporations. Finally, many large-cap corporations are structured with reporting divisions, segments, and/or geographic based operations that possess varying degrees of autonomy. The researcher focused on CSR reporting at the highest level of the corporation and did not consider supplemental reporting at lower levels of the organization.

With regard to the content analyzed, limitations were associated with trustworthiness. Although the data collected represented a compilation of what corporations present as evidence of their actions, limitations of the study included the differences of presented intentions and actual actions. Further, corporate documents, such as Annual Reports to Shareholders and CSR Reports, may not be a precise account of how those within the organization perceive the situation (Bryman & Bell, 2011). "An issue that has attracted attention only relatively recently and that has implications for the interpretation of documents is that of their status as a source of knowledge about reality" (p. 559). As enticing as it was to assume that the corporate documents disclosed real representations, the researcher turned to John Scott (s cited in Bryman & Bell, 2011) for resolution and posed questions with regard to inquiry centering on authenticity, credibility, representativeness, and meaning. "This is an extremely rigorous set of criteria against which documents might be gauged" (p. 545). Authenticity requires evidence of origin, credibility requires evidence of precision, representativeness requires evidence of conventionality, and meaning requires evidence of clarity. Given that the documents analyzed were authored by corporations and available to the public, the criteria of authenticity was met, allowing the researcher to take what was said by the corporations at face value without the need to read into the language. As the Annual Reports to Shareholders conformed to Security and Exchange Commission (SEC) standards and the content of the CSR Reports was somewhat predictable, the criteria of representativeness was also met. The clearness of the documents and the ability of the researcher to comprehend their content supported the meaning criteria. Finally, although more difficult, the researcher resolved the credibility criteria through the data analysis process. By extensively and continually defining and comparing document content between multiple sources, the researcher gained internal confidence in the accuracy of the information.

According to Altheide and Schneider (2013),

> Qualitative document data are very individualistic in the sense that the main investigator is "involved" with the concepts, relevance, development of the protocol, and internal logic of the categories, or the way in which the items have been collected for purposed later analysis. (p. 62)

The implication of this *individualism* is that it took considerably more time and interaction with the data for the researcher to ensure validity and reliability. Also, as qualitative research is based on inquiries from which the researcher interprets their understanding, the role of the researcher could not be ignored, including background and prior understandings. An important first step to improve validity was to clarify bias by reflecting on past experiences, preconceptions, etc. that have infringed on the study. “Clarifying researcher bias from the outset of the study is an important step so that readers understand the impact on inquiry” (Creswell, 2007, p. 208).

The researcher has over 18 years of experience working directly for health plans/payers and consulting with academic hospital systems and other healthcare providers, remaining very familiar with the stakeholders within the sector. Although results of the purposeful sampling process did not yield any corporation in which the researcher worked for/with in the past, it was necessary to take precautionary steps to earn reader confidence in the precision of findings. First, the researcher carefully selected data collection types to increase validity and decrease limitations of potential biases of interpretation. By using public information available on websites, the researcher allowed readers to assess and opine upon the information analyzed if so desired. In addition, reliability was enhanced, as the researcher compiled field notes consistently across corporations within the sample and used a computer program to assist in recording and analyzing the data of selected corporations. Further, the researcher has enhanced validity by triangulating data sources to corroborate support and drive out themes (Creswell, 2007).

Reporting of Findings

“Rigor is seen when extensive data collection in the field occurs, or when the researcher conducts multiple levels of data analysis, from the narrow codes or themes to broader inter-related themes to more abstract dimensions” (Creswell, 2007, p. 46). After extensive data collection and multiple levels of data analysis, the researcher used both narrative and figures/tables to present research findings (Creswell, 2009). Findings of the content analysis regarding stakeholder engagement in the context of CSR activities are presented in Chapter Four. Conclusions of the study are presented in Chapter Five.

Chapter Four: Presentation of Findings

The researcher structured the findings in sequence of the study design; first describing the findings related to the purposeful sampling process which identified the population that met the study criteria (Sampling Findings) and second describing the findings related to the documents used for content analysis (Artifact Findings). Artifact Findings were categorized by document/artifact: Annual Reports to Shareholders, CSR Reports, Medtronic, Inc. An Integrated Report, and RepRisk Reports. Within the categories, the researcher used sub-categories to align Artifact Findings to the research questions. Figure 6 illustrates the alignment.

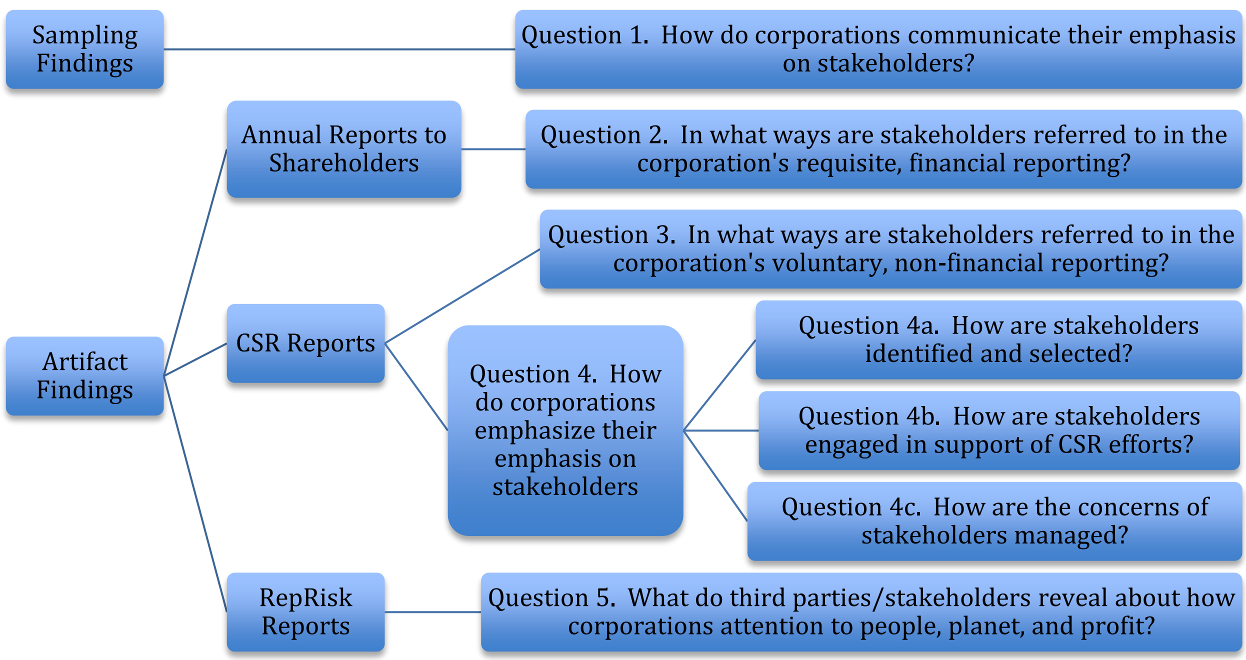

Figure 6. Structure of findings/research question alignment.

Sampling Findings

The purposeful sampling process involved using the sources and documents/artifacts anticipated. Although the researcher noted differences among the corporations being studied in both terminology (e.g., CSR Report versus Sustainability Report versus Citizenship Report, etc.) and taxonomy (e.g., placement of information within corporate Websites, downloadable reports versus on-line interactive reporting, etc.), all information/criteria required to perform the purposeful sampling exercise was found. Results were sorted by industry within the healthcare sector, as presented subsequently. The year of the most recent Annual Report to Shareholders, CSR Report, or Integrated Report found at the time the researcher searched the corporate websites was recorded on the worksheet and the most recent report posted by the corporation on the GRI website was identified, if applicable. For those corporations conforming to GRI reporting guidelines, the GRI Report Type was also identified. The Report Type designates the version of GRI reporting guidelines followed by the corporation, from the earliest version G1 though the latest version G4.

Table 5

Sampling Results

Corporation Name	Industry	Annual Report (Corp Website)	CSR Report (Corp Website)	Posted Report (GRI Website)	GRI Report Type
Medtronic, Inc.	Biotechnology	2014 Integrated Report	2014 Integrated Report	2014 Integrated Report	GRI-G3.1
St. Jude Medical, Inc.	Biotechnology	2014	2014	2012 CSR Report	n/a
HCA Holdings, Inc.	Hospital/Nursing Management	2014	2014/2015	n/a	n/a
DaVita HealthCare Partners Inc.	Hospital/Nursing Management	2014	2014	2013 CSR Report	n/a
Universal Health Services, Inc.	Hospital/Nursing Management	2014	On-Line Interactive	n/a	n/a
Zimmer Holdings, Inc.	Industrial Specialties	2014	On-Line Interactive	n/a	n/a
Edwards Lifesciences Corporation	Industrial Specialties	2014	2013	2013 CSR Report	n/a
Merck & Company, Inc.	Major Pharmaceuticals	2014	2013	2013 CSR Report	GRI-G4
Actavis, Inc.	Major Pharmaceuticals	2014	On-Line Interactive	n/a	n/a
Bristol-Myers Squibb Company	Major Pharmaceuticals	2014	2014	2015 CSR Report	n/a
AbbVie Inc.	Major Pharmaceuticals	2014	On-Line Interactive	2014 CSR Report	n/a
Eli Lilly and Company	Major Pharmaceuticals	2014	2014	2014 CSR Report	n/a
Abbott Laboratories	Major Pharmaceuticals	2014	2014	2013 CSR Report	GRI-G3

(continued)

Corporation Name	Industry	Annual Report (Corp Website)	CSR Report (Corp Website)	Posted Report (GRI Website)	GRI Report Type
Perrigo Company	Major Pharmaceuticals	2014	2014	2013 CSR Report	n/a
Zoetis Inc.	Major Pharmaceuticals	2014	On-Line Interactive	n/a	n/a
Hospira Inc.	Major Pharmaceuticals	2014	2013	2012 CSR Report	n/a
UnitedHealth Group Incorporated	Medical Specialties	2014	2014	2012 CSR Report	n/a
Anthem, Inc.	Medical Specialties	2014	On-Line Interactive	n/a	n/a
Aetna Inc.	Medical Specialties	2014	2014	2014 CSR Report	n/a
Cigna Corporation	Medical Specialties	2014	2013	2013 CSR Report	GRI-G4
Humana Inc.	Medical Specialties	2014	2012/2013	2012/2013 CSR Report	GRI-G3.1
Laboratory Corporation of America Holdings	Medical Specialties	2014	On-Line Interactive	n/a	n/a
Quest Diagnostics Incorporated	Medical Specialties	2014	2014	2013 CSR Report	n/a
3M Company	Medical/Dental Instruments	2014	2014	2015 CSR Report	GRI-G4
Baxter International Inc.	Medical/Dental Instruments	2014	2014	2014 CSR Report	GRI-G3
Stryker Corporation	Medical/Dental Instruments	2014	2013	2013 CSR Report	n/a
Becton, Dickinson and Company	Medical/Dental Instruments	2014	2014	n/a	n/a
Boston Scientific Corporation	Medical/Dental Instruments	2014	2014	2013 CSR Report	n/a
C.R. Bard, Inc.	Medical/Dental Instruments	2014	On-Line Interactive	n/a	n/a
CVS Health Corporation	Medical/Nursing Services	2014	2014	2014 CSR Report	GRI-G4
McKesson Corporation	Other Pharmaceuticals	2015 (fiscal)	2014	2014 CSR Report	GRI-G3
Cardinal Health, Inc.	Other Pharmaceuticals	2015 (fiscal)	On-Line Interactive	2013 CSR Report	n/a
AmerisourceBergen Corporation (Holding Co)	Other Pharmaceuticals	2014	On-Line Interactive	2014 CSR Report	n/a

Nine of the 33 corporations met the criteria of the purposeful sampling process. As three of the nine corporations were in the same industry within the healthcare sector, six of the nine corporations were selected for study based on those with the highest market value: Medtronic, Inc. (Biotechnology), Merck & Company, Inc. (Major Pharmaceuticals), Cigna Corporation (Medical Specialities), 3M Company (Medical/Dental Instruments), CVS Health Corporation

(Medical/Nursing Services), and McKesson Corporation (Other Pharmaceuticals). Although the researcher's desired sample included one corporation from each of the eight industries within the sector, only six of the industries had representative corporations that met the study criteria. The two industries that did not have representative corporations within the sector were hospital/nursing management and industrial specialties.

The researcher noted the first two sentences of the business descriptions presented on the Form 10-K, SEC Annual Report Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934, for each of the six corporations selected for study:

> Medtronic, Inc. is a global leader in medical technology – alleviating pain, restoring health, and extending life for millions of people around the world. Medtronic was founded in 1949 and today serves hospitals, physicians, clinicians, and patients in approximately 160 countries worldwide. (Medtronic, Inc., 2014a, p. 1)
>
> Merck & Company, Inc. is a global health care company that delivers innovative health solutions through its prescription medicines, vaccines, biologic therapies and animal health products, which it markets directly through its joint ventures. The Company's operations are principally managed on a products basis and are comprised of three operating segments, which are the Pharmaceutical, Animal Health and Alliances segments, and one reportable segment, which is the Pharmaceutical segment. (Merck & Company, Inc., 2014b, p. 1)
>
> Cigna Corporation, together with its subsidiaries, is a global health services organization dedicated to a mission of helping individuals improve their health, well-being and sense of security. To execute on our mission, Cigna's strategy is to "Go Deep", "Go Global" and "Go Individual" with a differentiated set of medical, dental, disability, life and accident insurance and related products and serviced offered by our subsidiaries. (Cigna Corporation, 2014b, p. 1)
>
> 3M is a diversified technology company with global presence in the following businesses: Industrial; Safety and Graphics; Electronics and Energy; Health Care; and Consumer. 3M is among the leading manufacturers of products for many of the markets it serves. (3M Company, 2014b, p. 3)
>
> CVS Health Corporation, together with its subsidiaries, is a pharmacy innovation company helping people on their path to better health. At the forefront of a changing health care landscape, the Company has an unmatched suite of capabilities and the expertise needed to drive innovations that will help shape the future of health. (CVS Health Corporation, 2014b, p. 3)

> McKesson Corporation, currently ranked 15th on the Fortune 500, delivers pharmaceuticals, medical supplies and healthcare information technology that make healthcare safer while reducing costs. The Company's fiscal year begins on April 1 and ends on March 31. (McKesson Corporation, 2014, p. 3)

Artifact Findings

Annual Reports to Shareholders. Annual Reports to Shareholders are documents used by public corporations to communicate information to shareholders. They are mandatory and financial in nature. In addition to the Annual Report to Shareholders, federal securities law requires Form 10-K, SEC Annual Report Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934. Some corporations elect to simply use Form 10-K as their Annual Report to Shareholders, while others elect to include additional information and messaging. Further, some corporations elect to incorporate highlights of Form 10-K as opposed to including in its entirety (U.S. Securities and Exchange Commission, 1993 - 2016) in their Annual Report to Shareholders. Of the six corporations studied, Merck & Company, Inc. elected to use only Form 10-K. Cigna Corporation, 3M Company, and McKesson Corporation included Form 10-K in its entirety, while CVS Health Corporation incorporated highlights from Form 10-K into their Annual Report to Shareholders. Additional information and messaging provided by these corporations included a letter from the Chief Executive Officer (CEO) and, to varying degrees, a company and/or subsidiary overview, financial and operational data, and other select current and future activities.

Medtronic, Inc. took a different approach, combining their Annual Report to Shareholders with their CSR Report, creating an Integrated Performance Report and incorporating highlights from their Form 10-K. Given the approach, the researcher considered Medtronic, Inc. "ahead of the pack" and segregated the findings regarding the corporation.

Supporting this decision, the researcher referred to Schmeltz (2014) and the stages of caring, strategizing, and transforming to identify the progressive level of CSR adoption and communication. “In the last stage, the transforming stage, where CSR is institutionalized and cannot be separated from the core corporate activities of the company, the aim of communication is to build relationships with stakeholders” (p. 242). Further supporting the decision, Elkington and Wheeler and Elkington (as cited in Milne & Gray, 2013) reminded us that effective stakeholder engagement requires communication relative to the TBL, integrating “progress towards economic prosperity, environmental quality and social justice . . . a defining characteristic of corporate responsibility in the 21st century” (p. 14).

Stakeholders and Annual Reports to Shareholders. The researcher found a significant amount of references to and emphasis on stakeholders within the Annual Reports to Shareholders, although predominately in the context of the ordinary course of business. Specific stakeholders were referenced when describing the corporation’s participation in the industry: product/service offerings, marketable capabilities, customer segments, distribution channels, competitive landscapes, and operating models. Further, specific stakeholders were identified by name and emphasized if the corporation held financial interest in the stakeholder (e.g., Cigna Corporation’s ownership of a pharmacy and CVS Health Corporation’s ownership of clinics). Specific stakeholders were also identified by name if the corporation conducted a significant amount of business with the stakeholder (e.g., CVS Health Corporation as a customer of McKesson Corporation and McKesson Corporation as a customer of Merck & Company, Inc.). Assorted stakeholders were also referenced within Form 10-K information, including notes to financial statements when describing potential business risks and material adverse impacts of the changing marketplace, contractual arrangements, investments in strategic initiatives, employee compensation and benefits, regulatory requirements and compliance, conflicts and litigation, and audit disclaimers.

References to and emphasis on stakeholders within the Annual Reports to Shareholders in the context of CSR were found in descriptions of programs/partnerships and examples of CSR activity implementation (e.g., “Merck for Mothers” in the case of Merck & Company, Inc., Cigna Foundation in the case of Cigna Corporation, and CommonWell Health Alliance in the case of McKesson Corporation). The researcher noted that Cigna Corporation discussed CSR at length as a way to introduce their first issue of CSR reporting, 2013 Cigna Connects Corporate Responsibility Report.

Specifically with regard to the mission, vision, and/or value statements found in the Annual Reports to Shareholders, the researcher found few references or connections to stakeholders. Cigna Corporation and 3M Company incorporated their mission and vision, respectively, into their Annual Reports to Shareholders. Cigna Corporation (2014a) highlighted the importance of their employees’ commitment to live the mission of “helping the people we serve improve their health, well-being and sense of security” (p. 12). Further, when underscoring dedication to the mission, Cigna Corporation described their strategy for execution, “Go Deep,” “Go Global,” and “Go Individual” (p. 2) with differentiated product and service offerings, emphasizing the consumer of healthcare or the patient as a focal point. Much like Cigna Corporation, 3M Company (2014a) emphasized the consumer of healthcare or the patient within their vision, “We use science to solve impossible challenges with our customers, and to stretch toward our vision of advancing every company, enhancing every home and improving every life” (p. 2). McKesson Corporation (2014a) connected their values to both employees and patients, remarking "United by our strong company values, our global team of nearly 77,000 associates is working to create a healthier future for patients worldwide" (p. 2).

The researcher also noted that both Cigna Corporation (2014a) and CVS Health Corporation (2014a) recognized the importance of healthcare sustainability in their Annual Reports to Shareholders. The dialogues of the two corporations emphasized customers, governments, suppliers, consumers of healthcare or patients, communities, employees, and investors as stakeholders, with CVS Health Corporation communicating the launch of their new CSR roadmap and activity design, *Prescription for a Better World*. The following are excerpts from their Annual Reports to Shareholders.

> It is clear that, as a society, we are long past due for a reasoned dialogue on health care in the United States, exploring how employer groups, government and health care suppliers can work together to build a sustainable system better equipped to provide quality, affordable care over the long term – a system which transcends its historic focus on sick care and addressing existing illness, to one more adequately focused on the preventive care, and lifestyle and behavior improvements, that help people avoid getting sick in the first place. (Cigna Corporation, 2014a, p. 7)

> Health in Action Building healthier communities. . . . Planet in Balance Protecting our planet. . . . Leader in Growth Creating economic opportunities . . . we leverage the power and scale of our business to create economic opportunities and value for our employees, customers, suppliers, and investors. (CVS Health Corporation, 2014a, p. 20)

CSR Reports. Unlike the demands of Annual Reports to Shareholders, CSR Reports convey voluntary and non-financial information. Further, although the GRI recommends third party external assurance, no assurance or attestation is required. Of the six corporations selected for study, only 3M Company (2014c) provided external assurance of their CSR Report.

All six corporations conformed to GRI reporting guidelines for CSR Reporting, as required by the purposeful sampling process. The corporations used one of three versions of GRI reporting guidelines, G3, G3.1 or G4. All versions provide for two categories of Standard Disclosures, General and Specific, as follows:

Table 6

GRI Reporting Guidelines Overview

Standard Disclosures	G3/G3.1 Index	G4 Index	Abbreviated Description
GENERAL			
Strategy and Analysis	1.1 – 1.2	1 - 2	Senior decision-maker statement, key risks and opportunities
Organizational Profile	2.1 – 2.10, 4.11 – 4.13	14 - 16	Brands, products, organizational structure, locations, markets, significant changes to prior periods, awards
Identified Material Aspects and Boundaries	3.5 – 3.11	17 - 23	Financial statements, content development process, issues of materiality, impact on internal/external stakeholders, restatements
Stakeholder Engagement	4.14 – 4.17	24 - 27	Stakeholder list, basis for identification/selection, engagement approaches/frequency, concerns raised/addressed
Report Profile	3.1 – 3.4, 3.12	28 - 32	Reporting period, contact information, content development process, scope, basis of measurement, restatements
Governance	3.13, 4.1 – 4.10	3 – 13, 33 - 55	Structure, committees, members, qualifications, compensation, communication mechanisms, code of conduct, conflicts
Ethics and Integrity	n/a	56 - 58	Values, principles, behavioral norms, internal/external advisement, help/hot lines, whistle blower protection
SPECIFIC			
Disclosures on Management Approach	EC1 – EC9, EN1 – EN30, LA1 – LA14, HR1 – HR9, SO1 – SO8, PR1 – PR9	EC1 – EC8, EN1 – EN34, LA1 – LA16, HR1 – HR12, SO1 – SO11, PR1 – PR9	Economic, Environmental, Social, Human Rights, Society, Product Responsibility
Indicators and Aspect-specific Disclosures on Management Approach	Same as above	Same as above	Economic, Environmental, Social, Human Rights, Society, Product Responsibility

Note. Adapted from “What Is GRI?” by the Global Reporting Initiative, n.d., retrieved from https://www.globalreporting.org/information/about-gri/what-is-GRI/Pages/default.aspx. Copyright 2016 by the author. Adapted with permission.

Although all GRI reporting guideline versions provide for the two categories of Standard Disclosures, specific disclosures within the two categories, or sub-categories, have undergone considerable change. In addition to changes in numerical indexing, modifications from version G3 to G4 included the following: 31 Standard Disclosures added, two Standard Disclosures removed, 56 data points added to Standard Disclosures, four data points removed from Standard Disclosures, and 39 Standard Disclosures moved within sub-categories. As the researcher’s study focused on Stakeholder Engagement disclosures (G3/G3.1 4.14-4.17 and G4 24-27), it was noted that the only change from version G3 to G4 was the addition of one data point to Standard Disclosures (Global Reporting Initiative, n.d.).

As reasoned earlier, the researcher considered Medtronic, Inc. ahead of the pack and segregated the findings regarding the corporation.

Stakeholders and CSR Reports. In comparison to the Annual Reports to Shareholders of Merck & Company, Inc., Cigna Corporation, 3M Company, CVS Health Corporation, and McKesson Corporation, the researcher found that the CSR Reports of these corporations contained many more references to and placed much more emphasis on stakeholders in the context of CSR. Specifically with regard to mission, vision, and/or value statements found in the CSR Reports, all of the corporations referenced and/or emphasized various stakeholders, as shown Table 7.

Table 7

Stakeholders Referenced/Emphasized

Corporation	Mission	Vision	Values
Merck & Company, Inc.	Customers Employees Investors Partners Patients (Consumers) Providers Shareholders Stakeholders	Communities Customers Employees Partners Patients (Consumers) Payers Providers Shareholders Stakeholders	Communities Customers Employees Governments Partners Patients (Consumer) Shareholder Stakeholders Suppliers
Cigna Corporation	Communities Customers Employees Patients (Consumers) Providers Stakeholders	Communities Customers Employees Governments Patients (Consumers) Providers Stakeholders	

(continued)

Corporation	Mission	Vision	Values
3M Company		Communities Customers Employees Governments Patients (Consumers)	Communities Customers Employees Governments Investor Patients (Consumers)
CVS Health Corporation		Partners	Employees Stakeholders Suppliers
McKesson Corporation	Customers Suppliers	Patients (Consumers)	Employees Patients (Consumers)

All of the corporations conveyed the desire to solve pressing healthcare issues across the globe, including increasing access to healthcare products and services, improving quality of healthcare outcomes and literacy, and decreasing cost of healthcare treatment and delivery. Striving to improve the lives of those they serve, the corporations connected their mission, vision, and/or value statements to customers and consumers of healthcare, or patients. Connections were also made to employees, underscoring the commitment of the workforce to carry out the mission and/or vision of the corporation, guided by Codes of Conduct aligned to values and principles. Employee surveys and recognition awards were items showcased as evidence of “living the values” in support of missions/visions. Respecting the communities in which they do business, employee volunteerism, charitable giving, and local health initiatives were featured.

Mission, vision, and/or value statements connected to governments acknowledged the collaboration necessary to drive effective healthcare policy, while connections made to providers, payers, suppliers, and partners in general highlighted the importance of strong alliances to overcome barriers to healthcare and create a healthier world. Investor and shareholder expectations were also recognized, linking mission, vision, and/or value statements to profitable growth, positive returns, and persistent value.

Turning the focus of the study to Stakeholder Engagement disclosers within the CSR Reports of corporations, GRI reporting guideline indices/sections G3/3.1 4.14-4.17 and G4 24-27 served to structure the findings presented subsequently. The sections requested the following disclosures be made:

1. Provide a list of stakeholder groups engaged by the organization.
2. Report the basis for identification and selection of stakeholders with whom to engage.
3. Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation.
4. Report key topics and concerns that have been raised through stakeholder engagement and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns (Global Reporting Initiative, n.d.).

All corporations provided a table cross-referencing the GRI reporting guideline indices/sections to CSR Report sections and/or pages, making it easier for the researcher to locate the aforementioned disclosures. However, as pointed out in Chapter Three, examination of the entire CSR Report for each corporation was required to find if any of the aforementioned disclosures were made in any other sections or pages of the report.

Stakeholder lists. The corporations listed their stakeholders in a variety of ways. Merck & Company, Inc. listed stakeholder groups and included an explanation of why the group was important and examples of the work they accomplished together. Cigna Corporation listed stakeholder groups and included examples of engagement and how they created value and/or provided transparency. 3M Company listed their stakeholder groups and highlighted goals and key actions taken to support them. CVS Health Corporation, much like Cigna Corporation, listed stakeholder groups and included examples of engagement and transparency. As opposed to a single list, McKesson Corporation created dedicated sections to stakeholder groups within their CSR Report and referenced additional stakeholder groups in the company overview section. Table 8 illustrates the stakeholders listed/referenced by each corporation. The researcher noted that although a corporation may not have listed/referenced a stakeholder, that stakeholder was within another group, depending on the corporation's business model. For instance, although Cigna Corporation and 3M Company did not list "patients, families (consumers)," they considered them "customers/clients."

Table 8

Stakeholder Lists

Stakeholder	Merck & Company, Inc.	Cigna Corporation	3M Company	CVS Health Corporation	McKesson Corporation
Academic/scientific organizations	X		X		
Communities, civic organizations	X	X	X	X	X
Customers/clients		X	X	X	X
Doctors, healthcare professionals	X	X			X
Employees	X	X	X	X	X
Environments	X				X
Governments, regulators	X	X	X	X	X
Industry/trade associations	X		X	X	X
Issue experts	X				X
Media outlets		X	X	X	
NGOs	X	X	X	X	
Patients, families (consumers)	X			X	
Payers	X				X
Pharmacies					X
Shareholders, investors	X	X	X	X	
Suppliers, business partners	X	X	X	X	X

Bases of stakeholder identification and selection. All of the corporations identified and selected stakeholders based on desired goals and/or relevant issues within their industry. With ambitions of expanding access to care, improving maternal health, expediting distribution of vaccines, promoting family planning, and eradicating infectious disease, Merck & Company, Inc.

(2013) selected and partnered with those stakeholders that could help them execute and move the needle. As 2013 was the first year Cigna Corporation (2013) published a CSR Report, a third-party organization was engaged to develop a framework, conduct a materiality assessment, and create a matrix of stakeholder issues. By aligning business goals and resources with stakeholder interests, the four areas of children's wellness, senior care, women's health, and health equity became Cigna Corporation's new CSR platform.

Although not their first year publishing a CSR Report, 3M Company (2014c) also engaged a third-party organization to improve their understanding of stakeholder perspectives with regard to environmental and social issues. A materiality assessment and a matrix of stakeholder issues was also an output of their engagement. Mapping the degree of stakeholder importance, ability to create change, and level of impact on reputation, 3M Company was able to align business goals, resources, and stakeholders. To further align business goals and drive CSR initiatives deeper into the corporation, 3M Company's 2015 sustainability goals included a stakeholder engagement planning pilot program with 115 facilities around the world. The corporation believed the resulting framework would enhance stakeholder identification and mapping, materiality assessment, alliance formation, engagement and communication effectiveness, and reporting at the local level. 3M Company intended to implement the program globally.

CVS Health Corporation (2014c) selected and partnered with stakeholders aligned with their goals of "increasing access to health care, improving health outcomes and lowering overall health care costs" (p. 23). Issue-specific stakeholders were also selected for partnership, including those involved with product safety and prescription drug disposal. Similarly, McKesson Corporation (2014) selected and partnered with stakeholders across the continuum of care, with the goal of evolving the organization to be able to facilitate safe and effective care in all patient settings, ultimately reducing cost. Issue-specific stakeholders were also selected for partnership, including those involved with patient safety and healthcare information operability.

Stakeholder engagement approaches. In addition to engagement in the ordinary course of business, such as contractual arrangements, dedicated clinical and transactional resources (e.g., caseworkers and call centers), business development and marketing activities (e.g., sales calls and advertising), ombudsman and assistance hotlines, and associate training and development, each corporation highlighted channels used to communicate and engage stakeholders in the context of CSR. The researcher noted that although a corporation may not have highlighted a specific stakeholder engagement approach/channel, all corporations emphasized general collaborative relationships with all stakeholders identified and selected. In addition, the corporations selected for study had varying levels of decentralization and acknowledged that additional stakeholder engagement was taking place at lower levels of the organization. Table 9 indicates approaches to stakeholder engagement found by the researcher. In most instances, the corporation did not disclose frequency of engagement.

Table 9

Stakeholder Engagement Approaches

Stakeholder	Surveys	Filings, Publications, Websites, Social Media	Community Projects, Programs	Focus Groups, Round Tables, Interviews, Conferences, Meetings, Briefings, Speeches	Screening, Compliance Programs, Training	Membership
Communities, civic organizations			X	X		X
Customers (clients)	X	X		X		
Doctors, healthcare professionals		X		X	X	
Employees	X	X	X	X		
Governments, regulators		X		X		X
Industry/trade associations		X		X		X
Media outlets		X		X		
Non-governmental organizations			X	X		X

(continued)

Stakeholder	Surveys	Filings, Publications, Websites, Social Media	Community Projects, Programs	Focus Groups, Round Tables, Interviews, Conferences, Meetings, Briefings, Speeches	Screening, Compliance Programs, Training	Membership
Patients, families (consumers)	X	X		X		
Shareholders, investors		X		X		
Suppliers, business partners		X		X	X	

As recommended by GRI reporting guidelines, all corporations disclosed the role that their stakeholders played in the preparation of CSR Reports. Merck & Company, Inc. (2013) conducted a materiality assessment in 2010 to understand stakeholder expectations and develop a framework for corporate responsibility. In 2013, the assessment was refreshed to confirm that corporate responsibility priorities were still valid, aligning to core business goals and tackling relevant industry issues. The exercise allowed Merck & Company, Inc. to reengage their stakeholders and obtain their perspectives on the corporation's environmental and social performance to date. Using input from interviews, workshops, and socialization sessions, the corporation launched a new approach to stakeholder engagement. Merck & Company, Inc. now had a representative accountable for designing and leading a plan for productive stakeholder interaction, committing to the integration of stakeholder viewpoints into a revised comprehensive materiality map that served as an outline for their CSR Report.

As noted previously, Cigna Corporation (2013) engaged a third-party organization to conduct an assessment and develop a materiality matrix with the goal of enhancing relationships with stakeholders. The organization facilitated interviews with both internal and external stakeholders of Cigna Corporation, exposing an array of environmental and social issues that they believed the corporation could positively impact with applied resources. All stakeholders agreed on numerous health topics and a platform to serve as the foundation of the corporation's first CSR Report, *Cigna Connects*.

3M Company (2014c) also engaged a third-party organization to conduct an assessment and develop a materiality matrix, supporting the development of CSR strategy, the definition of reporting requirements, and the design of stakeholder engagement approaches. Interviewing both internal and external stakeholders having knowledge of the corporation's sustainability issues, a wide range of environmental and social concerns were revealed. As previously highlighted, three dimensions were plotted on the matrix. Internal stakeholders were asked to rate the corporation's capacity to make an impact with regard to the concerns and external stakeholders were asked to rate the importance of the concerns. In addition, both stakeholder groups were asked to rate the corporation's track record in addressing prior concerns. The impact on 3M Company's reputation was derived through regression analysis. According to the corporation, this methodology provided for advancement of sustainability objectives and supported the composition of a robust and transparent CSR Report.

In 2013, CVS Health Corporation (2014c) also conducted a materiality assessment, gathering input from both internal and external stakeholders, while reviewing prior evaluations. First turning to internal stakeholders, input gathered uncovered an assortment of topics, from the sustainability of operations and supply chain management, to consumer safety and healthcare accessibility. Each topic was weighted based on perceived stakeholder influence. The impact on core business and brand reputation was also considered. Turning their attention to external stakeholders for feedback, CVS Health Corporation pressure tested their strategic priorities and identified additional CSR efforts that could be undertaken. The corporation then initiated a validation process to ensure inclusiveness of stakeholders and accuracy of material. External stakeholders were invited to review the CSR Report, a new roadmap and activity design, *Prescription for a Better World*.

Much like CVS Health Corporation, McKesson Corporation (2014) prepared their CSR Report by first turning to internal stakeholders. Business leaders were engaged to identify topics and related content important to external stakeholders and other internal stakeholders. If the topic would help to engage stakeholders and “better understand McKesson’s role as a strong corporate citizen both internal and external to McKesson” (p. 93), the content was included in the CSR Report. The corporation also solicited observations and recommendations for future CSR Reports in an effort to cultivate ongoing discourse with stakeholders.

Stakeholder topics/concerns and responses. Also recommended by GRI reporting guidelines is the disclosure of issues raised through stakeholder engagement activity and actions taken by the corporation in response. Merck & Company, Inc. (2013) sought feedback on corporate responsibility performance and reporting using several engagement mechanisms. Stakeholder surveys, website solicitation, and one-on-one discussions, including those with the Interfaith Center for Corporate Responsibility, the Access to Medicine Foundation, and the Center for Political Accountability, allowed the corporation to better understand if their disclosures with regard to CSR were meeting stakeholder expectations. In addition, for the first time, the corporation facilitated a one-week virtual dialogue with sustainability experts from across the globe, enabling stakeholders to conveniently share points of view, raise issues and concerns, and make suggestions for improvement. The dialogue revealed impressions of Merck & Company, Inc.’s corporate responsibility key performance indicators and how their reporting could be made more useful. “Our goal during these discussions is to listen to our stakeholders’ perspectives and recommendations and to use the insights gained through these and ongoing discussions to inform future reporting” (p. 21).

For Cigna Corporation, 2013 was the first year they published a CSR Report and a third-party organization was engaged to develop a framework, conduct a materiality assessment, and create a matrix of stakeholder issues. The four areas of most concern to their stakeholders were children's wellness, senior care, women's health, and health equity. The issues became Cigna Corporation's new CSR platform, driving strategic initiatives and tactical execution plans.

3M Company's (2014c) quantitative approach to identifying and prioritizing sustainability goals uncovered several issues/concerns of their stakeholders. Water quality, energy consumption, and waste and toxic substances were the environmental issues highest on their list. Recognizing the significant link between environmental issues and corporate reputation, water shortage, climate change, and air quality were added to the list. With regard to social issues, ethical business practices, safe working conditions, and health and human rights were identified. In response, 3M Company dedicated sections of their CSR Report to disclose policies and standard practices related to the issues and communicate current and future initiatives to combat them. The Key Global Sustainability Challenges of Raw Material Scarcity, Water, and Energy & Climate sections of the CSR Report covered the environmental concerns and the Code of Conduct, Human Rights and Key Global Sustainability Challenges of Education & Employment, and Health and Safety sections covered the social concerns. Given the corporation's reputation for innovation and their sphere of influence, both internal and external stakeholders believed that 3M Company could make significant headway in combating the issues working collaboratively with consumers, suppliers, communities, etc. "Through understanding the critical sustainability issues from both internal and external perspectives, 3M can deepen its social license to operate and develop corporate strategy, goals, targets, programs, initiatives and a stakeholder engagement strategy to advance sustainability globally" (p. 18).

As noted previously, CVS Health Corporation (2014c) engaged stakeholders directly on an issue specific basis. The corporation provided several examples of issues/concerns raised by stakeholders and their responses. One shareholder group questioned how CVS Health Corporation guaranteed privacy protection. Policies and standard practices were reviewed with the group and the corporation committed to include the progress of privacy program development in future CSR Reports. The use of chemicals in personal care products was raised as a concern by advocates for safe cosmetics. The stakeholder group encouraged CVS Health Corporation to adopt a restricted substances list and to disclose those being phased out of their products. Restricted substance information was included in the corporation's CSR Report. To address the issue of prescription drug disposal, CVS Health Corporation worked with law enforcement to provide locations and receptacles in support of Drug Take Back days for individuals to dispose of controlled substances and expired medications. Feedback from investment groups included recommendations to improve the corporation's CSR Report by providing more data on employee safety and diversity. The corporation committed to enhancing their CSR Reports by including additional data, related goals and initiatives, and progress made to date. "One thing we all agreed on is that the role of CSR is more that just 'doing the right thing.' CSR must deliver value to the business and to society, while meeting the expectations stakeholders have of us" (p. 5).

Also as noted previously, McKesson Corporation (2014) engaged stakeholders directly on an issue specific basis. Recognizing patient safety as one of the highest priorities for stakeholders, the corporation worked with policymakers to promote technology solutions to minimize medical errors and omissions. McKesson Corporation's advocacy for patient safety and work with the Bipartisan Policy Center resulted in the adoption of a regulatory framework for health information technology as a provision in the Food and Drug Administration Safety and Innovation Act of 2012 and the Drug Quality and Security Act of 2013. Recognizing healthcare data as a prerequisite to patient safety, McKesson Corporation led a coalition with their stakeholders to exchange healthcare data between systems/organizations. “CommonWell” has become a comprehensive not-for-profit organization providing real-time access to health data across all locations and all care settings.

Medtronic, Inc.: An integrated report. By combining their Annual Report to Shareholders with their CSR Report for the first time in 2014, Medtronic, Inc. took one step further than the other corporations selected for study, communicating the inseparability of people, planet, and profit performance, the TBL. However, the researcher noted that the findings from Medtronic’s, Inc.’s Integrated Performance Report were not unlike those found from the non-integrated reports of the other corporations.

Medtronic, Inc. also provided a table cross-referencing the GRI reporting guideline indices/sections to their Integrated Performance Report sections and/or pages, making it easier for the researcher to locate the recommended disclosures. However, as pointed out in Chapter Three, examination of the entire Integrated Report was required to find if any of the disclosures were made in any other sections or pages of the report.

Stakeholders and an integrated report. Specific stakeholders were referenced in Medtronic, Inc.’s (2014b) Integrated Performance Report when describing the corporation’s participation in the industry, contractual arrangements, financial holdings, and notes to financial statements. With regard to the mission, vision, and value statements of the corporation, connections were made to several stakeholders. With the mission “to alleviate pain, restore health, and extend life" (p. 4), Medtronic, Inc. underscored stakeholder engagement and collaboration as an essential ingredient.

> We work with a variety of stakeholders who play a role in the healthcare ecosystem, including physicians, hospital administrators, patients and patient advocacy groups, public health organizations, employees, suppliers, shareholders and institutional investors, government regulators and policy makers, nongovernmental organizations, and local communities. (p. 41)

Envisioning a world where every person suffering with a disease would benefit from the corporation's products and services, Medtronic, Inc. highlighted numerous global partnerships and alliances. Upholding nine corporate values/traits, "Compliance and Integrity, External Focus, Clear Thinking, Drive to Win, Inspires Others, Executes, Boundaryless, and Global" (p. 45), significant emphasis was placed on Medtronic, Inc. employees and their commitment to manage responsibly when carrying out the mission and vision of the corporation and to serve as ambassadors of the corporation's values within their communities.

Stakeholder list. Medtronic, Inc. (2014b) listed their stakeholder groups and provided a representative sample of those with whom they engage, including but not limited to, Business for Social Responsibility, Interfaith Center on Corporate Responsibility, International Association of Privacy Professionals, Partners in Health, World Bank, and World Health Organization.

Basis of stakeholder identification and selection. Medtronic, Inc. (2014b) identified and selected stakeholders based on relevant issues within their industry. In 2013, the corporation conducted a materiality assessment to identify current and emerging issues critical to sustainability. Both internal and external stakeholders were interviewed, including customers, industry associations, policy makers, investors, nongovernmental organizations, etc. Medtronic, Inc.'s capacity for revenue generation, operational excellence, and brand enrichment were also considered. By aligning business goals and resources with stakeholder interests, the following priorities emerged: access to products and services, product and service quality, ethical sales and marketing, and responsible procurement and supply chain management.

Stakeholder engagement approaches. Much like the other corporations selected for study, Medtronic, Inc. (2014b) may not have highlighted a specific stakeholder engagement approach/channel, but broad reciprocal interactions with all stakeholders were emphasized. Medtronic, Inc. also had varying levels of decentralization, acknowledging additional stakeholder engagement at lower levels of the organization. In most instances, frequency of engagement was not disclosed.

In addition to engagement in the ordinary course of business, public filings, and social media outlets, Medtronic, Inc. (2014b) highlighted the following channels used to communicate and engage stakeholders:

Table 10

Stakeholder Engagement Approaches: Medtronic, Inc.

Stakeholder	Surveys	Community Projects, Programs	Focus Groups, Round Tables, Interviews, Conferences, Meetings, Briefings, Speeches	Screening, Compliance Programs, Training	Membership
Communities, civic organizations		X	X		X
Doctors, healthcare professionals			X	X	
Employees	X	X	X		
Governments, regulators			X		X
Industry/trade associations			X		X
Non-governmental organizations		X	X		X
Patients, families (consumers)			X		
Shareholders, investors			X		
Suppliers, business partners			X	X	

Medtronic, Inc. (2014b) also disclosed the role of their stakeholders in the preparation of their Integrated Performance Report. Working with a nonprofit organization, Business for Social Responsibility, a materiality assessment was carried out to better understand sustainability issues most critical to the corporation and to prioritize stakeholder expectations related to those issues. Conducting formal sessions with a broad spectrum of stakeholders, Medtronic, Inc. obtained feedback that informed the development of a materiality map, shaping the outline of their Integrated Performance Report. Simultaneously, the corporation launched a management unit for citizenship and sustainability, driving accountability for stakeholder engagement to lower levels of the organization. In recognition of the changing environment, Medtronic, Inc. committed to continually refresh sustainability assessments and related mapping in collaboration with their stakeholders.

Stakeholder topics/concerns and responses. Much like the other corporations selected for study, Medtronic, Inc. (2014b) engaged stakeholders directly on an issue specific basis and provided examples of concerns raised and their responses with regard to healthcare policy. "Focused on healthcare system changes that promote therapy innovation, drive economic value, and support globalization" (p. 42), the corporation gathered policymakers and elected officials to better understand the government's plan for reducing healthcare costs and to confirm the corporation's prioritization of their initiatives. Key initiatives focused on technology products and services in support of care coordination and management in post-acute settings. As a result, Medtronic, Inc. entered into partnerships with several other stakeholders, including providers and payers. Assembling physician and patient groups, the corporation recognized the need to educate the Centers for Medicare and Medicaid Services (CMS) with regard to restorative therapies in order to expand coverage. As a result, legislation was introduced to expand coverage for diabetic therapy and a commitment was made by Medtronic, Inc. to continue to pursue legislative action with these stakeholders. Pulling together diverse stakeholders concerned about free market access to U.S. goods, Medtronic, Inc. gained insight into the trade agreement process. As a result, the corporation led the collaboration with the President and congress that shaped a trade plan for medical technology, identified objectives for trade negotiations, and streamlined the trade agreement process.

RepRisk reports. All of the corporations selected for study were found in the RepRisk database with associated RepRisk identification numbers. Company Identifiers, RepRisk Index, Issue Data, Topic Data, and Location Data categorized the data elements within the database. Given the focus of the study, data elements within the categories of RepRisk Index, Issue Data, and Topic Data were examined by the researcher. The three categories are described subsequently and findings within each of the categories are presented in figure, table, and narrative format. As the Annual Reports to Shareholders and CSR Reports examined by the researcher were published in 2013 and 2014 covering 2012 and 2013 performance, the date range from January 2012 to December 2014 was used for inquiry and report output, providing 36 months of data for each corporation.

The RRI is a proprietary algorithm that quantifies reputational risk exposure related to the environment, society, and corporate governance. The RRI ranges from 0 to 100; with 0 to 25 indicating low risk exposure, 26 to 50 indicating medium risk exposure, 51 to 75 indicating high risk exposure, and 76 to 100 indicating very high risk exposure. Also captured within the category are the percentages of environmental, social, and governance (ESG) links, or mentions, in proportion to the total number of links, or mentions that make up the RRI. Links, or mentions, do not indicate incidents of risk (Wharton Research Data Services, n.d.b).

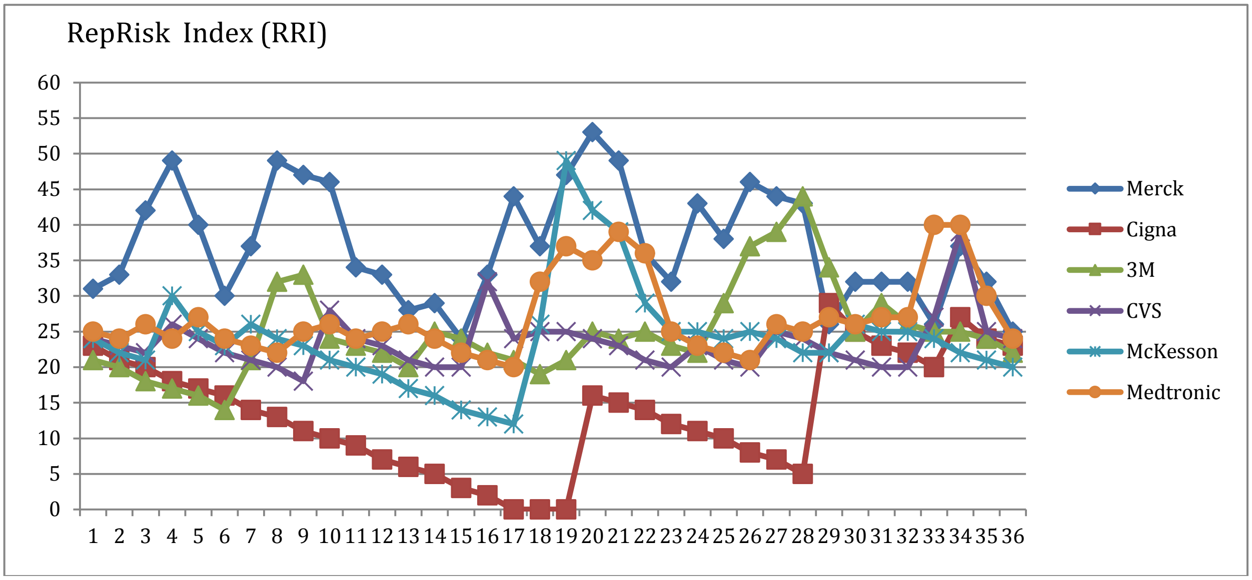

Figure 7. RRIs over 36 months.

The corporations selected for study had RRIs between 0 and 53 over a 36-month period and, according to the institution, it is not unusual for large international businesses to have a RRI between 26 and 50 given their vast geography and media coverage. Merck & Company, Inc. had one RRI above 50 in one instance. Cigna Corporation had three RRIs at 0 and their highest RRI registered 29. All corporations had peak RRIs in the months of July, August, September, and October 2013.

Table 11

RepRisk Index Findings

Corporation	RepRisk ID	Lowest/Highest Environmental % Over 36 Months	Lowest/Highest Social % Over 36 Months	Lowest/Highest Governance % Over 36 Months
Merck & Company, Inc.	288	9%/20%	11%/20%	64%/79%
Cigna Corporation	6973	0%/0%	0%/67%	0%/100%
3M Company	1403	26%/50%	36%/46%	12%/35%
CVS Health Corporation	4453	0%/18%	0%/50%	43%/87%
McKesson Corporation	6608	0%/0%	6%/67%	33%/94%
Medtronic, Inc.	2481	0%/0%	0%/14%	86%/100%

The corporations selected for study had RepRisk environmental link percentages ranging from 0 to 50; social link percentages ranging from 0 to 67; and governance link percentages ranging from 0 to 100 over a 36-month period.

Data elements that indicated incidents of risk were found in the Issue Data and Topic Data categories. Both of the categories provided the number of links, or mentions related to 28 ESG issues (see Appendix D) and 38 ESG topics (see Appendix E), within RepRisk's scope of research. On a scale from 1 (*low*) to 3 (*high*), severity, or harshness of the risk incident was determined, weighing the consequences of the incident (e.g., safety, death, etc.), the extent of the incident (e.g., one person, group, etc.), and the cause of the incident (e.g., accident, negligence, etc.). The degree of influence imposed by the risk incident was determined by readership, or source reach, and also placed on a scale. Low influence (1) was assigned when the incident was publicized locally, medium influence (2) was assigned when the incident was publicized regionally or nationally, and high influence (3) was assigned when the incident was publicized internationally (Wharton Research Data Services, n.d.b). Results of the findings from the Issue Data and Topic Data categories have been summarized subsequently, with detail included in the Appendices (see Appendices F and G).

Table 12

RepRisk Issues and Topics Data Findings Summary

Corporation	RepRisk ID	Links to ESG Issues/Incidents	Links to ESG Topics/Incidents
Merck & Company, Inc.	288	147	2
Cigna Corporation	6973	13	0
3M Company	1403	74	13
CVS Health Corporation	4453	42	1
McKesson Corporation	6608	35	0
Medtronic, Inc.	2481	76	4

The corporations selected for study had significantly more risk incidents related to the 28 ESG issues, as compared to risk incidents related to the 38 ESG topics. The researcher noted those incidents that were assigned a 3, highest severity and/or highest readership.

Merck & Company, Inc. had severity scores of 3 (*high*) related to six issues/incidents: anti-competitive practices (1), fraud (1), misleading communication (1), products – health and environmental issues (2), and violation of national legislation (1). In addition, Merck & Company, Inc. had reach scores of 3 (*high*) related to 35 issues/incidents: corruption, bribery, extortion, and money laundering (5), violation of national legislation (11), impacts on communities (1), products – health and environmental issues (8), fraud (5), anti-competitive practices (4), and discrimination in employment (1).

Cigna Corporation had reach scores of 3 (*high*) related to four issues/incidents: social discrimination (2) and violation of international standards (2). 3M Company had reach scores of 3 (high) related to 2 issues/incidents: anti-competitive practices (1) and violation of national legislation (1). CVS Health Corporation had reach scores of 3 (*high*) related to eight issues/incidents: fraud (2), violation of national legislation (4), products – health and environmental issues (1), and human rights abuses and corporate complicity (1). McKesson Corporation had reach scores of 3 (*high*) related to seven issues/incidents: fraud (2), violation of national legislation (2), executive compensation issues (1), corruption, bribery, extortion, and money laundering (1), and misleading communication (1). Medtronic, Inc. had reach scores of 3 (*high*) related to six issues/incidents: products – health and environmental issues (2), corruption, bribery, extortion, and money laundering (1), fraud (1), violation of national legislation (1), and anti-competitive practices (1). With regard to topics/incidents, no corporation had a severity score greater than 2 (*medium*). CVS Health Corporation and Medtronic, Inc. had a reach score of 3 (*high*) related to one topic/incident, privacy violations and negligence, respectively.

To gather more insight with regard to what third parties/stakeholders revealed about how the corporations selected for study attended to people, planet, and profit, the researcher referred to the CSR Reports of Merck & Company, Inc., Cigna Corporation, 3M Company, CVS Health Corporation, and McKesson Corporation and the Integrated Performance Report of Medtronic, Inc., noting numerous awards and recognition. The following are just a few of the honors highlighted by the corporations. Girls, Inc. recognized Merck & Company, Inc. for their contributions to the Science, Technology, Engineering, and Mathematics (STEM) fields with their Corporate Vision Award. As a member of the FTSE4Good Index Series, the corporation was praised for meeting and/or exceeding international citizen responsibility standards. In addition, AmeriCares presented its Power of Partnership Award to Merck & Company, Inc. (2013) in acknowledgment of outstanding commitment to disaster recovery and health improvement in developing nations. Cigna Corporation (2013) was named the "Best Places to Work for LGBT Equality" and to the "Top 100 Companies" list (p. 39), providing life changing opportunities for Latinos. The corporation also received the U.S. Surgeon General's Medallion of Honor for their achievements in advancing public health and medicine.

3M Company (2014c) was the only industrial corporation recognized by the Environmental Protection Agency (EPA) for over 10 years of international energy management accomplishments. The corporation also earned United Way's highest national honor, their Spirit of America Award. 3M Company was once again included in the Dow Jones Sustainability Index (DJSI), as every year since its inception. CVS Health Corporation (2014c) was named one of Diversity Inc.'s Noteworthy Companies and one of the "Top 10 Companies" for both

Veterans and Employee Resource Groups. The corporation was also recognized by the U.S. Chamber of Commerce as an employer of choice for diversity.

McKesson Corporation (2014) received the Points of Light Corporate Engagement Award of Excellence and was acknowledged as one of The Civic 50's most community-minded companies in America. In recognition of their employee wellness program, the corporation received the Best Employers for Healthy Lifestyles Platinum Award by the Nation Business Group on Health. In addition, McKesson Corporation achieved Global High Performing Company status by Towers Watson, recognizing companies for simultaneously achieving exceptional financial performance and employee engagement scores. Medtronic, Inc. (2014b) was named to the DJSI and named as a member of the FTSE4Good Index Series. The corporation was also ranked 81st on Corporate Responsibility Magazine's 100 Best Corporate Citizens list.

Summary of Key Findings

The researcher's analysis of the sampling and artifact data produced several key findings. These findings are summarized subsequently in order of the research questions.

Question 1: How do corporations communicate their emphasis on stakeholders? The researcher found that corporations communicated their emphasis on stakeholders in various ways and to varying degrees. All 33 corporations within the sample population produced requisite Annual Reports to Shareholders and non-requisite CSR Reports. Medtronic, Inc. was the only corporation to combine their Annual Report to Shareholders with their CSR Report, creating an Integrated Performance Report. Twenty-four of the 33 corporations posted their CSR Report to the GRI website. Nine of the 24 corporations complied with GRI reporting guidelines. The nine corporations represented six of the eight industries within the healthcare sector:

biotechnology, major pharmaceuticals, medical specialties, medical/dental instruments, medical/nursing services, and other pharmaceuticals. The hospital/nursing management and industrial specialties industries were not represented. Three of the nine corporations were in the same industry within the healthcare sector. Six of the nine corporations were selected for study based on those with the highest market value: Medtronic, Inc., Merck & Company, Inc., Cigna Corporation, 3M Company, CVS Health Corporation, and McKesson Corporation. 3M Company was the only corporation of the six that provided external assurance of their CSR Report.

Question 2: In what ways are stakeholders referred to in the corporation's requisite, financial reporting? The requisite Annual Reports to Shareholders of the corporations selected for study contained a significant amount of references to and emphasis on stakeholders in the context of ordinary course of business, but not in the context of CSR. In addition, the Annual Reports to Shareholders contained few connections to stakeholders when referring to mission, vision, and/or value statements. The connections that were made were predominantly to consumers of healthcare, or patients, and employees.

Question 3: In what ways are stakeholders referred to in the corporation's voluntary, non-financial reporting? The non-requisite CSR Reports of the corporations selected for study contained many more references to and emphasis on stakeholders in the context of CSR, as well as many connections to stakeholders when referring to mission, vision, and/or value statements. All corporations complied with GRI reporting guidelines G3, G3.1, or G4, although to varying degrees (e.g., amount of detail, location in report, etc.). Medtronic, Inc.'s Integrated Performance Report also contained many references to stakeholders and emphasized their collaborative role, much like the non-integrated reports of the other corporations.

Question 4: How do corporations demonstrate their emphasis on stakeholders? The researcher found that the corporations selected for study demonstrated their emphasis on stakeholders in various ways and to varying degrees. Their emphasis on stakeholders was exhibited by identifying them by category or by name, explaining the rational for their selection, describing engagement approaches, and highlighting examples of concerns raised by stakeholders and addressed by the corporation. All of the corporations identified and selected stakeholders based on desired goals and/or relevant issues within their industry. Each of the corporations also identified channels used to communicate and engage stakeholders, ranging from face-to-face interactions to social media. Further, all of the corporations disclosed the role that their stakeholders played in the preparation of CSR Reports, including but not limited to the engagement of third-party organizations to conduct materiality assessments and create materiality maps to understand stakeholder perspectives with regard to environmental and social issues. Finally, all of the corporations provided examples of concerns raised by their stakeholders and actions taken in response. Responses comprised of an array of commitments by the corporations including enhancement to social responsibility reporting, development of standard practices, and commencement of improvement initiatives. Importantly, some responses/actions resulted in changes to health care policy and amendments to regulation/legislation.

Question 5: What do third parties/stakeholders reveal about how corporations attend to people, planet, and profit? When examining what third parties/stakeholders revealed about how corporations attend to people, planet, and profit, the researcher noted numerous awards and recognition highlighted within the CSR Reports of the corporations selected for study. When turning to the RepRisk reports, the researcher found that the corporations selected for study had RepRisk Indices (RRIs) between 0 and 53 over a 36-month period. Merck & Company, Inc. was the only corporation that had one RRI above 50. Cigna Corporation had three RRI's at 0, with their highest RRI at 29. All corporations selected for study had peak RRIs in the months of July, August, September, and October 2013. In addition, the corporations had RepRisk environmental link percentages ranging from 0% to 50%, social link percentages ranging from 0% to 67%, and governance link percentages ranging from 0% to 100% over a 36-month period.

There were 387 links to corporate risk incidents related to the 28 ESG issues and 20 links to corporate risk incidents related to the 38 ESG topics within the RepRisk scope of research. With regard to the risk incidents related to the 28 ESG issues, Merck & Company, Inc. was the only corporation selected for study that had a severity score of 3 (high) related to six incidents: anti-competitive practices (1), fraud (1), misleading communication (1), products – health and environmental issues (2), and violation of national legislation (1). All of the corporations selected for study had reach scores of 3 (high) related to 62 incidents: corruption, bribery, extortion, and money laundering (7), violation of national legislation (19), impacts on communities (1), products – health and environmental issues (11), fraud (10), anti-competitive practices (6), discrimination in employment (1), social discrimination (2), violation of international standards (2), human rights abuses and corporate complicity (1), executive compensation issues (1), and misleading communication (1). With regard to the corporate risk incidents related to the 38 ESG topics, none of the corporations had severity scores greater than 2 (medium). Medtronic, Inc. and CVS Health Corporation had reach scores of 3 (high) related to two incidents, negligence and privacy violations, respectively.

In Chapter Five, the researcher discusses the key findings in more detail and references the literature and theoretical frameworks outlined in Chapter Two. The researcher also formulates inferences based on synthesis of the findings and provides both scholarly and practical implications. Recommendations for further academic research and functional consideration are also provided. Final thoughts of the researcher bring the chapter to a close.

Chapter Five: Conclusion

A 2013 health and longevity study organized by the National Research Council and the Institute of Medicine reveals that the U.S. expends more on healthcare than any other nation across the globe, yet Americans live shorter lives with more illnesses and injuries than those in other high-income geographies: “the U.S. health disadvantage” (Tavernise, 2013, p. 1). Further, the spread of chronic disease continues to grow, almost 100,000 patients die every year as a result of hospital infections, prescription over-prescribing is on the rise, and the rate of childhood obesity has reached new levels (Deloitte, 2014). In an effort to explain why the U.S. ranked at the bottom of nearly every health indicator, the panel of the 2013 health and longevity study noted the extremely disjointed healthcare system, inadequate care resources, a sizeable uninsured population, and a high rate of poverty in comparison to other countries (Tavernise, 2013). With the sustainability of healthcare in question, transformation is imperative and requires stakeholders within the system to work together like never before. However, as highlighted in the study, the stakeholders within the system are very fragmented, making the pursuit of innovative solutions all the more difficult.

The Patient Protection and Affordable Care Act (PPACA) is forcing some of these stakeholders to collaborate and work together to transform the system. However, given the dismal condition of U.S. healthcare, it was this researcher’s fear that the stakeholder orientation (as opposed to shareholder orientation) of corporations within the sector were not strong enough to support and/or expedite the transformation. Further, although the corporations may espouse a stakeholder orientation, if it is just for the sake of compliance and apathetic in practice, the true engagement and management of stakeholders may be illusive, jeopardizing the transformation.

The purpose of this study was to explore how corporations within the U.S. Healthcare sector both express and demonstrate their focus on stakeholders in the design, implementation, and reporting of CSR efforts. It also explored the difference, if any, between rhetoric and deed according to third parties/stakeholders. The researcher agreed with several authors that not enough was understood about what a corporation says and what a corporation actually does with regard to stakeholder engagement in pursuit of CSR recognition (Cumming, 2001; Hahn & Kuhnen, 2013; Manetti, 2011).

Conceptual Foundation

As the research of CSR questions what a corporation is responsible for and ST questions whom the corporation is responsible to, CSR and ST provided foundational frameworks for the study. It has been argued by many that stakeholders are groups to which corporations are responsible and the theory has been recognized as a legitimate model for helping corporations manage CSR (Carroll, 1991; Donaldson & Preston, 1995; Russo & Perrini, 2010).

The literature reveals that the history of both CSR and ST evolved with the instigation of economic, environmental, and social events, but it is now commonplace to think that a corporation exists to both maximize shareholder value and to serve the greater good. The literature also allows for major themes within the bodies of research for CSR and ST to be integrated, advocating for corporate stakeholder orientation, as opposed to shareholder orientation, to advance sustainability. Specifically, Munilla and Miles (2005) recommended the union of CSR and ST to evolve toward a strategic perspective and capture renewed competitive advantage. The authors blended CSR and ST in an effort to highlight not only the ineffectiveness of a compliant and/or forced perspective, but also the potential detriment of these perspectives to the corporation. Maon et al. (2010) also united CSR and ST, relating models of

CSR progression with stakeholder culture to provide a seven-stage framework. Aligning CSR development with stakeholder relationship type, the authors identified the following seven stages: contractual, punctual, unilateral, interactive, reciprocal, collaborative, and innovative. The framework offered a characterization of CSR as a stakeholder concept, highlighting commitments made by a corporation in acceptance of its moral accountability to society.

Methodology

This qualitative research was one of exploration, based on content analysis of stakeholder related disclosures in the context of CSR. Corporate and other institutional websites served as the sources of data. The population under study was U.S. corporations on the NYSE within the healthcare sector, representing eight industries within the sector and classified as large-cap (at least $5 billion in market value) according to the NASDAQ. Industries represented within the healthcare sector included: other pharmaceuticals, medical/nursing services, medical/dental instruments, medical specialties, major pharmaceuticals, industrial specialties, hospital/nursing management, and biotechnology electromedical and electrotherapeutic apparatus (NASDAQ, 2011).

Corporate websites and the GRI website were examined to locate compulsory Annual Reports to Shareholders and non-compulsory CSR Reports. The RepRisk website was examined to locate exposure to social, environmental, and governance risk of the corporations selected for study. A content/textual analysis process was followed to handle the documents. Using the data analysis spiral suggested by Creswell (2007), the researcher organized the data, reviewed the data required to perform the purposeful sampling process, searched for relevant content of the Annual Reports to Shareholders, CSR Reports, and RepRisk Reports, and built codes and categories to arrange text employing a constant comparative approach. For the process of interpretation, the researcher stepped back from the detail and formed higher-level generalizations, resulting in key findings and conclusions.

Discussion of Key Findings

As summarized in Chapter Four, the researcher uncovered several key findings from the study. A discussion of each key finding includes references to relevant literature and theoretical frameworks.

Communicating emphasis on stakeholders. The researcher found that corporations communicated their emphasis on stakeholders in various ways and to varying degrees. Concurring with the findings of Milne and Gray (2013), the researcher found that communication ranged from anecdotal narrative in traditional reporting to impartial illustration in stand-alone reporting. In addition, the researcher concurred with the findings of Arjalies and Mundy (2013), finding that corporate artifacts, vehicles of communication, and external reports were enhanced to incorporate CSR. According to Asif et al. (2011) and Savitz and Weber (2014), investing in socially responsible activity is no longer optional and collaborating with stakeholders is a critical element of that activity. Supporting the authors, the researcher found that corporations are evolving their communication to convey their obligations to stakeholders in the context of CSR.

One indication of this evolution is a corporation's commitment to the GRI. Compliance with GRI reporting guidelines by a corporation indicates greater commitment to social and environmental issues and related stakeholder engagement. Further, external assurance of a CSR Report by a corporation also indicates greater commitment to social and environmental issues and related stakeholder engagement. However, a corporation not complying with GRI reporting guidelines or providing external assurance of their CSR Report does not necessarily indicate apathy with regard to social and environmental issues and related stakeholder engagement. The researcher believes that the decision to follow GRI reporting guidelines and/or provide external assurance of CSR Reports is a matter of resources and returns (e.g., the expense of transition and maintenance versus tangible/intangible advantages) or a matter of where a corporation is positioned on the "arc of citizenship" (Mirvis & Googins, 2006, p. 107).

Defining *citizenship* as the totality of a corporation's actions, Mirvis and Googins (2006) suggested that by assessing the breadth and depth of dimensions of citizenship, the position on the arc or evolution of citizenship could be identified. The five positions on the arc, or stages of citizenship, ranged from episodic and undeveloped to unwavering and well established, defined as elementary, engaged, innovative, integrated, and transforming. Importantly, with each arc/stage, demands on the corporation increased as well as the complexity to manage, supporting the researcher's belief that the decision to follow GRI reporting guidelines and/or provide external assurance of CSR Reports may be a matter of cost versus benefit.

Referring to stakeholders in Annual Reports to Shareholders. As Annual Reports to Shareholders are mandatory and financial, the researcher was not surprised that references to/emphasis on stakeholders were predominately in the context of ordinary course of business. Further, as all of the corporations conveyed the desire to solve healthcare issues across the globe and improve the lives of those they served, the researcher was not surprised that consumers of healthcare, or patients, and employees were the stakeholders most connected to mission, vision, and/or value statements of the corporations. The researcher believes that, by their very nature, Annual Report to Shareholders and Form 10-K, SEC Annual Report Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934, are not focused on stakeholders beyond the shareholder in the context of CSR and are not conducive to stakeholder collaboration in their preparation.

Referring to stakeholders in CSR Reports. CSR Reports convey voluntary, non-financial information and allow corporations to showcase their passion for social and environmental issues in addition to supplying evidence of compliance. Further, unlike Annual Reports to Shareholders, CSR Reports do not have to conform to rigorous and inflexible SEC reporting standards. As such, the researcher was not surprised that references to/emphasis on stakeholders beyond the shareholder were in the context of CSR and not in the context of ordinary course of business. Also not surprising, several stakeholders were connected to mission, vision, and/or value statements of the corporations. Given their focus and flexibility, the researcher believes that CSR Reports are more conducive to stakeholder collaboration in their preparation than Annual Reports to Shareholders.

Demonstrating emphasis on stakeholders. Similar to how corporations communicated their emphasis on stakeholders, the researcher found that the corporations selected for study demonstrated their emphasis on stakeholders in various ways and to varying degrees. The researcher's findings were compatible with Jawahar and McLaughlin (2001): (a) some stakeholders would be more important than others based on what they could contribute during the corporation's life cycle, (b) important stakeholders could be identified as the corporation evolved, and (c) engagement strategies would depend on the relative importance of the stakeholder. The researcher's findings were also compatible with Frooman (1999) who sought to answer: (a) who the stakeholders were, (b) what they wanted, and (c) how they were going to try to get it, in order to identify strategies to influence and manage stakeholders.

As all of the corporations identified and selected stakeholders based on desired goals and/or relevant issues within their industry, the researcher believes that stakeholders change over time. Further, as each of the corporations used a full spectrum of communication vehicles to engage stakeholders and respond to their concerns, the researcher believes the vehicle chosen depends on how important the stakeholder is to the corporation at any given time. Concurring with the aforementioned authors, the researcher believes that when corporate-stakeholder dependence is low, communication vehicles tend to be less frequent and indirect and when corporate-stakeholder dependence is high, communication vehicles tend to be more frequent and direct.

Third party/stakeholder revelations. When examining what third parties/stakeholders revealed about how corporations attend to people, planet, and profit, the researcher noted numerous awards and recognition highlighted within the CSR Reports of the corporations selected for study, providing evidence of practiced stakeholder engagement in support of CSR and closing the gap between rhetoric and deed. The researcher then turned to RepRisk Reports to assess the exposure to ESG risk of each of the corporations.

According to RepRisk, corporations with vast geography and media coverage tend to have RepRisk Indices (RRIs) between 26 and 50. The corporations selected for study had RRIs between 0 and 53, all peaking in the months of July, August, September, and October 2013. The researcher believes that the peak RRIs are reflective of the Patient Protection and Affordable Care Act (PPACA), as major provisions of the Act were taking effect at the beginning of 2014. With Medicaid expanding, individual/small group employee exchanges launching, and the individual mandate tax beginning, industries within the healthcare sector were in the spotlight, as both the constitutionality of the Act and state rights were in serious question.

The congruency of word or promise and deed or action has been a developing subject of academic research and in 1967 Douglas McGregor emphasized the significance of executives' "walking the talk" (as cited in Simons, 2002, p. 33). Building on the significance, Simons (2002) used the term Behavioral Integrity (BI) to describe the alignment between word and deed. Although the number, severity, and readership of the ESG incidents of risk of the corporations selected for study may indicate a difference between word/espoused and deed/practiced stakeholder engagement in support of CSR, the researcher believes it is more likely reflective of the global reach of the corporations, the complexity of their business and operating models, and their expansive coverage by multiple media outlets.

Conclusions

The researcher arrived at five conclusions based on the research findings. A discussion for each conclusion includes implications for both practice and scholarship.

1. A corporation's commitment to ESG issues evolves over time across a continuum.
2. A corporation's level of engagement with stakeholders can fluctuate.
3. The communication style of a corporation can influence perceived commitment to ESG issues and stakeholder engagement.
4. Those corporations committed to ESG issues and stakeholder engagement are not immune to incidents of ESG risk.
5. Incidents of ESG risk can negatively impact a corporation's reputation and impair sustainability.

Conclusion 1: A corporation's commitment to ESG issues evolves over time across a continuum. Given the findings related to research questions one through three regarding how corporations communicate their emphasis on stakeholders and refer to stakeholders in their compulsory and non-compulsory reporting, the researcher concluded that a corporation's commitment to ESG issues evolves over time across a continuum. This conclusion aligns to Mirvis and Googins (2006) and their "arc of citizenship" (p. 107). The authors suggested that by assessing seven dimensions of citizenship, position on the arc or stages of citizenship could be identified. The seven dimensions asked the following related to citizenship actions/activities of the corporation: how comprehensive are they, what is their strategic intent, who within the organization is supportive, who within the organization is responsible, how are issues dealt with, how are stakeholders engaged, and what is the amount of transparency. The stages of citizenship were defined as elementary, engaged, innovative, integrated, and transforming. The researcher believes that the stages of innovative and/or integrated are the most representative of the corporations selected for study. As their concept and intent of CSR is beyond one of compliance or business licensing, their ESG issue management is not merely defensive or reactive, and their stakeholder management is more than unilateral or functionally interactive, the corporations have surpassed the elementary and engaged stages. Complying with GRI reporting guidelines, considering stakeholders in the preparation of CSR reporting, and providing external assurance of CSR Reports are examples of stewardship/championship, responsiveness/pro-activeness, and mutual influence/partnership, the required characteristics of the innovative and integrated stages. With regard to the transforming stage, necessitating the vision and leadership for revolutionary social change, further study is required to support placing any of the corporations selected for study on this position on the arc. In addition, as reporting over time was not considered, further study is required to determine how long the corporations remained on any one position on the arc.

Conclusion 2: A corporation's level of engagement with stakeholders can fluctuate. Given the findings related to research question four regarding how corporations demonstrate their emphasis on stakeholders specifically addressing their identification, selection, and management, the researcher concluded that a corporation's level of stakeholder engagement can fluctuate. This conclusion aligns to Jawahar and McLaughlin (2001) employing the life cycle of the organization to demonstrate how stakeholders and related engagement can change over time. At each stage, the authors described stakeholder management as proactive or accommodating and increasing or decreasing in importance. This conclusion also aligns to Frooman (1999), asking a series of questions to determine the most effective strategies to influence and manage stakeholders. Both authors blended CSR and ST in an effort to highlight the changing requirements of stakeholders and the need for corporations to manage them accordingly. The researcher believes that there is an interdependence between the corporations selected for study and their stakeholders, as the identification and selection of stakeholders was based on the corporation's desired goals/relevant issues and stakeholder management and engagement approaches varied. Further study is required to support the researcher's suspicion that when corporate-stakeholder dependence is low, corporations are, at a minimum, compliant with stakeholder requirements and when corporate-stakeholder dependence is high, corporations are more strategic with regard to stakeholder engagement and management.

Conclusion 3: The communication style of a corporation can influence perceived commitment to ESG issues and stakeholder engagement. The findings related to research questions one through four also led the researcher to conclude that the communication style of a corporation can influence perceived commitment to ESG issues and stakeholder engagement. This conclusion aligns to Morsing and Schultz (2006) connecting stakeholder interaction to three communication strategies (p. 324). The authors suggested, "communicating CSR introduces a new – and often overlooked – complexity to the relationship between sender and receiver of corporate CSR messages" (p. 324). Choosing the right communication strategy at the right time was essential to a corporation because "CSR is a moving target, making it increasingly necessary to adapt and change according to shifting stakeholder expectations, but also to influence those expectations" (p. 336). The three communication strategies identified by Morsing and Schultz (2006) were information, response and involvement, with information being on-way and scripted, response being irregular and reactive, and involvement being two-way and proactive. As communication of the corporations selected for study included two-way dialogue, co-constructed initiatives, group problem solving, and collaborative messaging, the researcher believes that they employed an involvement strategy, having the greatest potential to influence the perceptions of stakeholders.

Conclusion 4: Those corporations committed to ESG issues and stakeholder engagement are not immune to incidents of ESG risk. Given the findings related to research question five regarding what third parties reveal about how corporations attend to people, planet, and profit, the researcher concluded that those corporations committed to ESG issues and stakeholder engagement are not immune to incidents of ESG risk. This conclusion is supported by the fact that the corporations selected for study, although committed to ESG issues, had reported and measured incidents of ESG risk. Criticisms and/or allegations related to ESG issues, such as corruption, human rights abuses, pollution, etc. have advanced from marginal to material significance to corporate stakeholders. With increased awareness and transparency of ESG issues, stakeholders can interpret incidents of ESG risk as inherent fiscal and reputational vulnerability of an organization.

Conclusion 5: Incidents of ESG risk can negatively impact a corporation's reputation and impair sustainability. The findings related to research question five also led the researcher to conclude that incidents of ESG risk can negatively impact a corporation's reputation and impair sustainability. This conclusion aligns to Werther and Chandler (2004), "Corporate actions that violate societal expectations damage, even destroy, brand image among networked stakeholders who are affluent enough to buy branded products and services" (p. 317). Believing that CSR could be used to substantiate a brand's social awareness and, in turn, strengthen the brand itself, the authors concluded that profit and CSR were inseparable. This conclusion also aligns to McWilliams and Siegel (2011), "CSR may be a cospecialized asset that makes other assets more valuable than they otherwise would be. The clearest example of this is firm reputation" (p. 1491). This conclusion is also supported by a 2013 study on Reputation and CSR by Reputation Institute, RepTrak®. For every 5 points (on a 100 point scale) of CSR perception improvement, the consumer's recommendation of the brand increased by 9%. Further, more customers spread positive messages about corporations seen as good citizens as opposed to those seen as weak, 59% and 23% respectively (Rogers, 2013). The researcher believes that incidents of ESG risk can erode the brand and jeopardize the sustainability of a corporation even though the corporation may be committed to stakeholders in the context of CSR. As the reporting of the corporations selected for study was not examined over time, further research is required to determine the impact on brand and sustainability resulting from the incidents of ESG risk.

Recommendations for Future Research

Several threads of additional research are recommended stemming from the sampling and artifact findings of the researcher. With regard to the study's sample population, expanding beyond the 33 large-cap corporations within the U.S. Healthcare sector to include a cross section of market value (small and mid-cap corporations) may provide additional findings and further inform conclusions with regard to organizational size. With regard to the artifacts examined, the researcher focused on the latest Annual Reports to Shareholders and CSR Reports found at the time of website search. Examining the reports over several years will provide a longitudinal view and may uncover insights into a corporation's evolution in the realm of stakeholder engagement in support of socially responsible efforts. In addition, the researcher focused on reporting at the highest level of the corporation and did not consider supplemental reporting at lower levels of the organization. Broadening the scope of the study to include supplementary levels and/or locations may result in additional findings and conclusions. Finally, in addition to the GRI, other institutions are endeavoring to advance CSR/sustainability reporting, such as RobecoSAM. Expanding the study to include the reporting of this institution will provide auxiliary documentation for triangulation to support findings and conclusions.

Study Limitations

In qualitative research, Creswell (2007) defined validation as the endeavor to evaluate the accuracy and credibility of findings, as explained by the researcher and study participants. Validation techniques can include extended observation, exhaustive descriptions, triangulation, external audit, bias identification, etc. Rigor means that the researcher will use at least one validation procedure and as such, the researcher used exhaustive descriptions with constant comparisons, triangulation, and computer programming to provide internal textual reliability.

Limitations of the study included those related to the research design, the content analyzed, and the role of the researcher. Limitations with regard to the research design included single source type examination, as the researcher only used public information available on websites; and single point-in-time examination, as the researcher analyzed only the most recent Annual Reports to Shareholders and CSR Reports found at the time the websites were searched. As such, changes in reporting over time were not considered. In addition, many large-cap corporations are structured with reporting divisions, segments, and/or geographic based operations that possess varying degrees of autonomy. The researcher focused on CSR reporting at the highest level of the corporation and did not consider supplemental reporting at lower levels of the organization.

With regard to the content analyzed, limitations were associated with trustworthiness. Although the data collected represented a compilation of what corporations present as evidence of their actions, limitations of the study included the differences of presented intentions and actual actions. The researcher turned to John Scott (as cited in Bryman & Bell, 2011) for resolution and posed questions with regard to inquiry using the criteria of authenticity, credibility, representativeness, and meaning. Given that the documents analyzed were authored by corporations and available to the public, the criteria of authenticity was met, allowing the researcher to take what was said by the corporations at face value without the need to read into the language. As the Annual Reports to Shareholders conformed to Security and Exchange Commission (SEC) standards and the content of the CSR Reports was somewhat predictable, the criteria of representativeness was also met. The clarity of the documents and the ability for the researcher to comprehend their content supported the meaning criteria. Finally, although more difficult, the researcher resolved the credibility criteria through the data analysis process. By extensively and continually defining and comparing document content between multiple sources, the researcher gained internal confidence in the trustworthiness of the information.

According to Altheide and Schneider (2013),

> Qualitative document data are very individualistic in the sense that the main investigator is “involved” with the concepts, relevance, development of the protocol, and internal logic of the categories, or the way in which the items have been collected for purposed later analysis. (p. 62)

Also, as qualitative research is based on inquiries from which the researcher interprets their understanding, the researcher could not ignore over 18 years of experience working directly for and/or with many of the stakeholders within the healthcare sector. The researcher took precautionary steps to earn reader confidence in the precision of findings by first carefully selecting data collection types. By using public information available on websites, the researcher allowed readers to assess and opine upon the information analyzed if so desired. By compiling field notes consistently across corporations within the sample, using a computer program to assist in recording and analyzing the data of the corporations selected, and triangulating the data sources to corroborate support and drive out themes (Creswell, 2007), readers can have confidence in the accuracy of the findings.

Closing Comments

From the onset, the researcher hoped that this study would not only contribute to the literature contemplating CSR and stakeholder engagement, but also encourage U.S. corporations within the healthcare sector to recognize their social responsibility and embrace a stakeholder orientation in support of our nation’s healthcare system. The researcher’s final thoughts are for those corporations that have not yet made the commitment to stakeholder engagement in support of CSR efforts, offering steps that can be taken to embark on the journey.

The facts speak for themselves when arguing for the transformation of our nation’s healthcare system. In June 2014, The Commonwealth Fund reported that, among eleven countries, U.S. healthcare professions were more engaged in the care of their patients and healthcare corporations were quickly adopting management approaches that "should be able to make significant strides in improving the delivery, coordination, and equity of the health care system in coming years" (Davis, Stremikis, Squires, & Schoen, 2014, p. 5). However, in October 2015, The Commonwealth Fund reported that among 13 countries, the U.S. spent the most money on healthcare despite covering fewer residents and having fewer medical visits. And, notwithstanding, the U.S. had the worst health outcomes (Squires & Anderson, 2015). The researcher believes that one of the most critical management approaches to improve our nation's healthcare system is the adoption of a stakeholder orientation in support of CSR efforts by healthcare corporations.

The circumstances also speak for themselves when arguing for the transition from a shareholder orientation to a stakeholder orientation by healthcare corporations. It is unlikely that the number of stakeholders within the U.S. Healthcare sector will decline or that the interests of those stakeholders will subside. It is also unlikely that healthcare regulation will decrease or current regulation will be curtailed. A corporation can either choose to be reactive and have the power of stakeholders drive corporate priorities, as in the case of the Patient Protection and Affordable Care Act (PPACA), or they can be proactive and have the power of stakeholders inform corporate priorities in such a way that benefits both parties, and more importantly, the ultimate consumers of healthcare, the patient and their caregivers. Given the research shows that having substantive dialog with stakeholders in support of CSR efforts improves both financial and market performance, the choice seems obvious.

Although healthcare corporations may find the obligations to stakeholders in support of CSR efforts daunting, the researcher believes this study reveals a path to assimilate management approaches to fulfill the promise. If a corporation wants to demonstrate their commitment to

CSR and stakeholder engagement, the researcher recommends implementing the GRI reporting guidelines and providing external assurance of their reporting. If a corporation wants to influence stakeholder perceptions, the researcher recommends implementing an involvement communication strategy that is two-way, participatory, and proactive. Finally, if a corporation wants to protect their reputation and secure their sustainability while pursuing CSR recognition from stakeholders, the researcher recommends monitoring RepRisk data and similar data of like institutions.

At the beginning of this study, the researcher feared that the stakeholder orientation of corporations within the U.S. Healthcare sector was not strong enough to support and/or expedite the transformation required to repair our nation's healthcare system. By the end of this study, the researcher's fear has abated, but has not entirely faded away. The researcher assumed that large-capitalization (large-cap) healthcare corporations would have greater resources to participate and/or take the lead in engaging stakeholders in support of CSR and greater capacity to disclose more information related to the topic. The researcher's findings supported this assumption. However, the researcher's remaining fear is that healthcare corporations of all sizes will not transition from a shareholder orientation to a stakeholder orientation in support of CSR efforts quickly enough to contribute to healthcare sustainability, and when they do, it will merely be in response to healthcare regulation. True commitment to CSR and stakeholder engagement will not come from forced obedience and according to Munilla and Miles (2005), forced compliance is at its worst dangerous and at its best simply not enough in light of our current environment.

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APPENDIX A

HyperRESEARCH Source List

3M 2014 Annual Report.txt
3M 2014 Sustainability Report.txt
Cigna 2013 Corporate Responsibility Report.txt
Cigna 2014 Annual Report.txt
CVS 2014 Annual Report.txt
CVS 2014 Corporate Social Responsibility Report 1.rtf
CVS 2014 Corporate Social Responsibility Report 2.rtf
McKesson 2014 Corporate Citizenship Report.txt
McKesson 2015 Fiscal Annual Report.rtf
Medtronic 2014 Integrated Report.txt
Merck 2013 Corporate Responsibility Report.txt
Merck 2014 Annual Report.txt

APPENDIX B

HyperRESEARCH Code Book

ALL CODES	DESCRIPTION
Awards	Third party awards and recognition in CSR Report
CVS	CVS identified as customer and/or supplier in Annual Report
Engagement Approach	In CSR Report
Engagement Approach - Association	Specific association communication vehicle identified in CSR Report
Engagement Approach - Community	Specific community communication vehicle identified in CSR Report
Engagement Approach - CSR Report	Stakeholder engagement in support of CSR Report preparation
Engagement Approach - Customers	Specific customer communication vehicle identified in CSR Report
Engagement Approach - Employee	Specific employee communication vehicle identified in CSR Report
Engagement Approach - Government	Specific government communication vehicle identified in CSR Report
Engagement Approach - Investor	Specific investor communication vehicle identified in CSR Report
Engagement Approach - Media	Specific media communication vehicle identified in CSR Report
Engagement Approach - NGO	Specific NGO communication vehicle identified in CSR Report
Engagement Approach - Patient	Specific patient communication vehicle identified in CSR Report
Engagement Approach - Provider	Specific care provider communication vehicle identified in CSR Report
Engagement Approach - Supplier	Specific supplier communication vehicle identified in CSR Report
Independent Assurance	Independent assurance of CSR Report provided by third party
McKesson	McKesson identified as customer and/or supplier in Annual Report
Mission	Mission in the context of CSR
Mission and Community	Connects mission to community (stakeholder)
Mission and Customer	Connects mission to customer (stakeholder)
Mission and Employee	Connects mission to employee (stakeholder)
Mission and Government	Connects mission to government (stakeholder)
Mission and Investor	Connects mission to investor (stakeholder)
Mission and NGO	Connects mission to NGO (stakeholder)
Mission and Partnerships	Connects mission to partners (stakeholder)
Mission and Patient	Connects mission to patient (stakeholder)
Mission and Provider	Connects mission to care provider (stakeholder)
Mission and Shareholder	Connects mission to shareholder (stakeholder)
Mission and Stakeholder	Connects mission to stakeholders in general
Mission and Supplier	Connects mission to supplier (stakeholder)
Partnerships	In the context of CSR in Annual Report
Stakeholder	In CSR Report
Issues/Resolutions	Stakeholder concerns and corporate responses
Stakeholder Identification	Stakeholders identified (process) in CSR Report
Stakeholder Selection	Stakeholder selected (process) in CSR Report
Sustainability	In Annual Report
Sustainability and Community	Connects sustainability to community in Annual Report (stakeholder)
Sustainability and Customer	Connects sustainability to customer in Annual Report (stakeholder)
Sustainability and Employee	Connects sustainability to employee in Annual Report (stakeholder)

ALL CODES	DESCRIPTION
Sustainability and Government	Connects sustainability to government in Annual Report (stakeholder)
Sustainability and Investor	Connects sustainability to investor in Annual Report (stakeholder)
Sustainability and Patient	Connects sustainability to patient in Annual Report (stakeholder)
Sustainability and Supplier	Connects sustainability to supplier in Annual Report (stakeholder)
Values	Values in the context of CSR
Values and Community	Connects values to community (stakeholder)
Values and Customer	Connects values to customer (stakeholder)
Values and Employee	Connects values to employee (stakeholder)
Values and Government	Connects values to government (stakeholder)
Values and Investor	Connects values to investor (stakeholder)
Values and Partnerships	Connects values to partners (stakeholder)
Values and Patient	Connects values to patient (stakeholder)
Values and Shareholder	Connects values to shareholder (stakeholder)
Values and Stakeholder	Connects values to stakeholders in general
Values and Supplier	Connects values to supplier (stakeholder)
Vision	Vision in the context of CSR
Vision and Community	Connects vision to community (stakeholder)
Vision and Customer	Connects vision to customer (stakeholder)
Vision and Employee	Connects vision to employee (stakeholder)
Vision and Government	Connects vision to government (stakeholder)
Vision and Partnerships	Connects vision to partners (stakeholder)
Vision and Patient	Connects vision to patient (stakeholder)
Vision and Payer	Connects vision to payer (stakeholder)
Vision and Provider	Connects vision to care provider (stakeholder)
Vision and Shareholder	Connects vision to shareholder (stakeholder)
Vision and Stakeholder	Connects vision to stakeholders in general

APPENDIX C

Non-Human Subjects Notification Form

PEPPERDINE UNIVERSITY

Graduate & Professional Schools Institutional Review Board

June 19, 2015

Jacqueline Macias

Protocol #: N0615D02
Project Title: Espoused and Practiced Stakeholder, Engagement in Support of Corporate Social Responsibility with the U.S. Healthcare Sector

Dear Ms. Macias,

Thank you for submitting the Non-Human Subjects Verification Form and supporting documents for your above referenced project. As required by the Code of Federal Regulations for the Protect for Human Subjects (Title 45 Part 46) any activity that is research and involves human subjects requires review by the Graduate and Professional Schools IRB (GPS-IRB).

After review of the Non-Human Subjects Verification Form and supporting documents, GPS IRB has determined that your proposed research[1] activity does not involve human subjects. Human subject is defined as a living individual about whom an investigator (whether professional or student) conducting research obtains (1) data through intervention or interaction with the individual, or (2) identifiable private information. (45 CFR 46102(f))

As you are not obtaining either data through intervention or interaction with living individuals, or identifiable private information, then the research activity does not involve human subjects, therefore GPS IRB review and approval is not required of your above reference research.

We wish you success on your non-human subject research.

Sincerely,

Thema Bryant Davis

Dr. Thema Bryant-Davis
Chair, Graduate and Professional Schools IRB
Pepperdine University

cc: Dr. Lee Kats, Vice Provost for Research and Strategic Initiatives
Mr. Brett Leech, Compliance Attorney
Dr. Kay Davis, Faculty Chair

[1] *Research m*eans a systematic investigation, including research development, testing and evaluation, designed to develop or contribute to generalizable knowledge. Activities which meet this definition constitute research for purposes of this policy, whether or not they are conducted or supported un-der a program which is considered research for other purposes. (45 CFR 46.102(d)).

APPENDIX D

RepRisk Issue List

Environmental Footprint
Global pollution
Local pollution
Impacts on ecosystems and landscapes
Overuse and wasting of resources
Waste issues
Animal mistreatment

Community Relations
Human rights abuses, corporate complicity
Impacts on communities
Local participation issues
Social discrimination

Employee Relations
Forced labor
Child labor
Freedom of association and collective bargaining
Discrimination in employment
Health and safety issues
Poor employment conditions

Corporate Governance
Corruption, bribery, extortion, money laundering
Executive compensation
Misleading communication
Fraud
Tax evasion
Tax optimization
Anti-competitive practices

Cross-cutting Issues
Products and services
Product related health and environmental issues
Violation of international standards
Violation of national legislation
Supply chain

https://www.reprisk.com/our-approach

APPENDIX E

RepRisk Topic List

Abusive/illegal fishing
Agricultural commodity speculation
Alcohol
Animal transportation
Arctic drilling
Asbestos
Automatic weapons
Cluster munitions
Coal-fired power plants
Conflict minerals
Deep sea drilling
Depleted uranium munitions
Diamonds
Endangered species
Forest burning
Fracking
Gambling
Genetically modified organisms (GMO)
Genocide/ethnic cleansing
High conservation value forests
Hydropower
Illegal logging
Indigenous people
Land grabbing
Land mines
Migrant labor
Monocultures
Mountaintop removal mining
Negligence
Nuclear power
Oil sands
Palm oil
Pornography
Predatory lending
Privacy violations
Protected areas
Sea-bed mining
Tobacco

https://www.reprisk.com/our-approach

APPENDIX F

RepRisk Issues Data Findings Detail

Corporation	Date	Issue/Incident (issue count if > 1)	Severity	Reach
Merck & Company, Inc.	1/12	Executive Compensation Issues	1	1
	1/12	Fraud	2	1
	1/12	Violation of National Legislation	2	1
	2/12	Corruption Bribery Extortion/$ Laundering	1	2
	3/12	Corruption Bribery Extortion/$ Laundering	1	2
	3/12	Misleading Communication	1	2
	3/12	Products – health and environmental issues (2)	2/1	2/2
	3/12	Violation of National Legislation (2)	2/1	2/2
	4/12	Animal Mistreatment	2	1
	4/12	Corruption Bribery Extortion/$ Laundering	1	3
	4/12	Fraud	2	2
	4/12	Violation of National Legislation (2)	2/1	3/2
	6/12	Anti-competitive Practices	2	2
	6/12	Fraud	2	2
	6/12	Impacts on Communities	1	3
	6/12	Products – health and environmental issues	1	3
	6/12	Violation of National Legislation	2	2
	7/12	Corruption Bribery Extortion/$ Laundering	1	2
	7/12	Impacts to Communities	1	1
	8/12	Corruption Bribery Extort/$ Laundering (3)	1/1/1	3/3/3
	8/12	Executive Compensation Issues	1	2
	8/12	Fraud	2	3
	8/12	Violation of Nation Legislation (3)	2/1/1	3/3/3
	9/12	Executive Compensation Issues	1	2
	9/12	Fraud (2)	1/1	3/3
	9/12	Violation of National Legislation (2)	1/1	3/3
	10/12	Anti-competitive Practices (2)	1/1	1/1
	10/12	Violation of National Legislation (2)	1/1	1/1
	11/12	Fraud	1	2
	11/12	Products – health and environmental issues	1	2
	11/12	Violation of National Legislation	1	2
	12/12	Animal Mistreatment	1	2
	12/12	Anti-competitive Practices	1	1
	12/12	Discrimination in Employment	1	2
	12/12	Violation of National Legislation (2)	1/1	2/2
	1/13	Corruption Bribery Extortion/$ Laundering	1	2
	1/13	Violation of National Legislation	1	2
	2/13	Fraud (2)	2/1	2/2
	2/13	Violation of National Legislation (2)	2/1	2/2
	4/13	Animal Mistreatment	1	2
	4/13	Products – health and environmental issues (2)	2/1	2/2
	4/13	Violation of National Legislation (2)	1/1	2/2
	5/13	Discrimination in Employment	2	1
	5/13	Products – health and environmental issues (3)	2/1/1	3/3/1
	5/13	Violation of National Legislation	1	1
	6/13	Products – health and environmental issues (3)	2/1/1	3/1/3
	7/13	Anti-competitive Practices (4)	1/1/1/1	3/3/3/3
	7/13	Fraud	1	1
	7/13	Products – health and environmental issues	1	1
	7/13	Violation of National Legislation (4)	1/1/1/1	3/3/3/3

Corporation	Date	Issue/Incident (issue count if > 1)	Severity	Reach
	8/13	Executive Compensation Issues	1	1
	8/13	Fraud	1	1
	8/13	Impacts on Communities	1	1
	8/13	Impacts on Ecosystems/Landscapes	1	1
	8/13	Local Pollution	1	1
	8/13	Products – health and environmental issues (2)	1/1	3/1
	9/13	Violation of National Legislation	1	1
	9/13	Fraud (2)	2/1	2/2
	9/13	Impacts on Communities	2	2
	9/13	Products – health and environmental issues	1	2
	9/13	Violation of National Legislation (2)	1/1	2/2
	10/13	Fraud	2	2
	10/13	Products – health and environmental issues	2	2
	11/13	Fraud	2	3
	11/13	Products – health and environmental issues (2)	2/1	3/1
	12/13	Anti-competitive Practices	1	2
	12/13	Corruption Bribery Extortion/$ Laundering	2	2
	12/13	General Pollution	1	1
	12/13	Impacts on Communities	2	2
	12/13	Products – health and environmental issues	2	2
	12/13	Violation of National Legislation	1	2
	1/14	Misleading Communication	2	2
	1/14	Products – health and environmental issues	2	2
	1/14	Violation of National Legislation	2	2
	2/14	Corruption Bribery Extortion/$ Laundering	2	2
	2/14	Fraud	2	2
	2/14	Human Rights Abuses/Corp Complicity	1	1
	2/14	Misleading Communication (2)	2/2	2/1
	2/14	Projects – health and environmental issues (4)	2/2/2/2	2/2/2/1
	2/14	Violation of National Legislation (2)	2/1	1/1
	3/14	Anti-competitive Practices	3	1
	3/14	Fraud	3	1
	3/14	Misleading Communication	3	1
	3/14	Products – health and environmental issues (2)	3/1	1/1
	3/14	Violation of National Legislation	3	1
	4/14	Corruption Bribery Extortion/$ Laundering	2	2
	4/14	Fraud	2	2
	4/14	Products – health and environmental issues	3	2
	5/14	Corruption Bribery Extortion/$ Laundering	1	2
	5/14	Violation of National Legislation	1	2
	6/14	Fraud (2)	1/1	1/1
	6/14	Violation of National Legislation (2)	1/1	1/1
	8/14	Anti-competitive Practices	1	1
	8/14	Products – health and environmental issues (2)	2/1	2/2
	8/14	Violation of National Legislation	1	1
	9/14	Anti-competitive Practices	2	1
	9/14	Fraud	2	1
	9/14	Impacts on Communities	2	1
	10/14	Corruption Bribery Extortion/$ Laundering	2	3
	10/14	Discrimination in Employment	2	3
	10/14	Fraud	2	3
	10/14	Products – health and environmental issues	1	2
	10/14	Violation of National Legislation	2	3
	11/14	Products – health and environmental issues	1	3
	12/14	Impacts on Communities	1	1

Corporation	Date	Issue/Incident (issue count if > 1)	Severity	Reach
	12/14	Impacts on Ecosystems/Landscapes	1	1
	12/14	Local Pollution	1	1
	12/14	Violation of National Legislation	1	1
Cigna Corporation	8/13	Executive Compensation Issues	1	1
	8/13	Fraud	1	1
	5/14	Social Discrimination (2)	1	3/3
	5/14	Violation of International Standards (2)	1	3/3
	10/14	Fraud (2)	1	2/1
	10/14	Poor Employment Conditions (2)	1	2/1
	10/14	Products – health and environmental issues	1	2
	10/14	Violation of National Legislation (2)	1	2/1
3M Company	7/12	Corruption Bribery Extortion/$ Laundering	1	2
	8/12	Discrimination in Employment	2	2
	8/12	Impacts on Communities	1	1
	8/12	Impacts on Ecosystems/Landscapes (2)	1/1	2/1
	8/12	Local Pollution (2)	1/1	2/1
	8/12	Violation of National Legislation (2)	2/1	2/2
	9/12	Anti-competitive Practices	1	3
	9/12	Violation of National Legislation	1	3
	1/13	Corruption Bribery Extortion/$ Laundering	1	2
	1/13	Violation of National Legislation	1	2
	2/13	Corruption Bribery Extortion/$ Laundering	1	2
	2/13	Human Rights Abuses/Corp Complicity	1	2
	2/13	Poor Employment Conditions	1	2
	8/13	Global Pollution	1	1
	8/13	Impacts on Communities	1	1
	8/13	Local Pollution	1	1
	10/13	Impacts on Communities	2	1
	10/13	Impacts on Ecosystems/Landscapes	2	1
	10/13	Local Participation Issues	2	1
	10/13	Local Pollution	2	1
	10/13	Misleading Communication	2	1
	10/13	Occupational Health and Safety Issues	2	1
	1/14	Human Rights Abuses/Corp Complicity (2)	1/1	2/1
	1/14	Impacts on Communities	1	1
	1/14	Impacts on Ecosystems/Landscapes	1	1
	1/14	Local Pollution	1	1
	1/14	Misleading Communication	1	1
	1/14	Supply Chain	1	1
	1/14	Violation of International Standards	1	1
	2/14	Impacts on Ecosystems/Landscapes (2)	2/1	2/1
	2/14	Local Pollution	1	2
	2/14	Misleading Communication	1	1
	2/14	Supply Chain	1	1
	3/14	Freedom of Assoc/Collective Bargaining	1	1
	3/14	Impacts on Communities	1	1
	3/14	Impacts on Ecosystems/Landscapes	1	1
	3/14	Misleading Communication	1	1
	3/14	Poor Employment Conditions	1	1
	3/14	Products – health and environmental issues	1	2
	4/14	Anti-competitive Practices (2)	2/1	2/1
	4/14	Controversial Products and Services	2	1
	4/14	Fraud	2	1
	4/14	Human Rights Abuses/Corp Complicity	1	1
	4/14	Impacts on Communities	1	1

Corporation	Date	Issue/Incident (issue count if > 1)	Severity	Reach
	4/14	Impacts on Ecosystems/Landscapes	1	1
	4/14	Local Participation Issues	1	1
	4/14	Local Pollution	1	1
	4/14	Misleading Communication	1	1
	4/14	Poor Employment Conditions (2)	2/1	1/1
	4/14	Supply Chain	2	1
	4/14	Violation of National Legislation	2/2	1/1
	7/14	Controversial Products and Services	1	1
	7/14	Global Pollution	1	2
	7/14	Impacts on Ecosystems/Landscapes	1	1
	7/14	Misleading Communication	1	1
	7/14	Occupational Health and Safety Issues	1	1
	7/14	Supply Chain	1	1
	7/14	Waste Issues	1	2
	8/14	Global Pollution	2	1
	8/14	Impacts on Communities	2	1
	8/14	Impacts on Ecosystems/Landscapes	2	1
	8/14	Local Pollution	2	1
	8/14	Violation of National Legislation	2	1
	8/14	Waste Issues	2	1
	10/14	Impacts on Ecosystems/Landscapes	1	2
	10/14	Local Pollution	1	2
	10/14	Occupational Health and Safety Issues	1	2
CVS Health Corporation	3/12	Misleading Communication	1	1
	3/12	Products – health and environmental issues	1	1
	4/12	Fraud	1	1
	4/12	Violation of Nation Legislation	1	1
	4/12	Waste Issues	1	1
	10/12	Fraud (3)	1/1/1	2/2/1
	10/12	Violation of National Legislation (2)	1/1	2/1
	3/13	Discrimination in Employment	1	2
	3/13	Poor Employment Conditions	1	2
	4/13	Fraud	1	3
	4/13	Products – health and environmental issues	1	2
	4/13	Social Discrimination	1	2
	4/13	Violation of National Legislation	1	3
	6/13	Products – health and environmental issues	1	3
	6/13	Violation of National Legislation	1	3
	8/13	Violation of National Legislation	1	1
	8/13	Waste Issues	1	1
	11/13	Social Discrimination	1	2
	11/13	Violation of National Legislation	1	2
	12/13	Fraud	1	2
	3/14	Human Rights Abuses/Corporate Complicity	1	3
	3/14	Poor Employment Conditions	1	2
	3/14	Violation of National Legislation (2)	1/1	3/2
	6/14	Misleading Communication	1	1
	6/14	Products – health and environmental issues	1	1
	6/14	Supply Chain	1	1
	8/14	Fraud	1	2
	8/14	Violation of National Legislation	1	2
	9/14	Fraud	1	3
	9/14	Products – health and environmental issues	1	2
	9/14	Supply Chain	1	2
	9/14	Violation of National Legislation (2)	1/1	3/2

Corporation	Date	Issue/Incident (issue count if > 1)	Severity	Reach
	10/14	Fraud	1	2
	10/14	Impacts on Communities	1	1
	10/14	Poor Employment Conditions	1	2
	10/14	Products – health and environmental issues	1	1
	10/14	Violation of National Legislation	1	2
McKesson Corporation	4/12	Executive Compensation Issues	1	1
	4/12	Fraud	2	2
	4/12	Violation of National Legislation	2	2
	7/12	Fraud	2	3
	7/12	Violation of National Legislation	2	3
	6/13	Anti-competitive Practices	1	2
	6/13	Executive Compensation Issues	1	2
	6/13	Violation of National Legislation	1	2
	7/13	Executive Compensation Issues (2)	1	3/2
	8/13	Anti-competitive Practices (2)	2/1	2/2
	8/13	Executive Compensation Issues (3)	2/1/1	2/2/1
	8/13	Fraud	1	1
	8/13	Freedom of Assoc and Collective Bargaining	1	2
	8/13	Poor Employment Conditions	1	2
	8/13	Violation of National Legislation (2)	2/1	2/2
	9/13	Fraud	1	2
	9/13	Violation of National Legislation	1	2
	11/13	Fraud	1	2
	11/13	Violation of National Legislation	1	2
	12/13	Fraud	2	2
	12/13	Violation of National Legislation	2	2
	2/14	Fraud	1	2
	2/14	Products – health and environmental issues	1	2
	5/14	Products – health and environmental issues	1	1
	6/14	Misleading Communication	1	1
	6/14	Products – health and environmental issues	1	1
	7/14	Corruption Bribery Extortion/$ Laundering	1	3
	7/14	Misleading Communication	1	3
	8/14	Fraud	1	3
	8/14	Violation of National Legislation	1	3
Medtronic, Inc.	1/12	Fraud	2	1
	1/12	Violation of National Legislation	2	1
	3/12	Fraud	1	2
	3/12	Products – health and environmental issues	1	2
	4/12	Fraud	1	2
	4/12	Products –health and environmental	1	2
	5/12	Corruption Bribery Extort/$ Laundering (2)	1/1	1/1
	5/12	Fraud	1	1
	5/12	Violation of National Legislation (2)	1/1	1/1
	6/12	Corruption Bribery Extortion/$ Laundering	1	1
	6/12	Violation of National Legislation	1	1
	8/12	Fraud	1	1
	8/12	Products – health and environmental issues	1	1
	9/12	Products – health and environmental issues	1	2
	9/12	Violation of National Legislation	1	2
	10/12	Fraud	2	2
	10/12	Products – health and environmental issues	2	2
	12/12	Corruption Bribery Extortion/$ Laundering	1	2
	12/12	Fraud	1	2
	12/12	Products – health and environmental issues	1	2

Corporation	Date	Issue/Incident (issue count if > 1)	Severity	Reach
	12/12	Violation of National Legislation	1	2
	1/13	Corruption Bribery Extortion/$ Laundering	1	2
	1/13	Products – health and environmental issues	1	2
	1/13	Violation of National Legislation (2)	1/1	2/2
	5/13	Fraud	2	1
	5/13	Products – health and environmental issues	2	1
	5/13	Violation of National Legislation	2	1
	6/13	Fraud	2	2
	6/13	Products – health and environmental issues (3)	2/2/1	2/2/1
	6/13	Violation of National Legislation (3)	2/2/1	2/2/1
	7/13	Fraud	1	1
	7/13	Products – health and environmental issues	1	2
	7/13	Violation of National Legislation	1	1
	8/13	Executive Compensation Issues	1	1
	8/13	Fraud (2)	1/1	2/1
	8/13	Products – health and environmental issues	1	1
	8/13	Violation of National Legislation (2)	1/1	2/1
	9/13	Discrimination in Employment	1	2
	9/13	Fraud	1	1
	9/13	Products – health and environmental issues	1	2
	9/13	Violation of National Legislation	1	2
	10/13	Corruption Bribery Extortion /$ Laundering	1	1
	10/13	Fraud	1	1
	10/13	Products – health and environmental issues	1	1
	10/13	Violation of National Legislation	1	1
	2/14	Fraud	2	2
	2/14	Products – health and environmental issues	2	2
	2/14	Violation of National Legislation	2	2
	3/14	Misleading Communication	2	1
	3/14	Products – health and environmental issues (2)	2/1	3/1
	4/14	Products – health and environmental issues	1	3
	5/14	Corruption Bribery Extortion/$ Laundering	1	2
	5/14	Misleading Communication	2	1
	5/14	Products – health and environmental issues	2	1
	5/14	Violation of National Legislation	2/1	2/1
	6/14	Corruption Bribery Extortion/$ Laundering	2	3
	6/14	Fraud	2	3
	6/14	Violation of National Legislation	2	3
	7/14	Corruption Bribery Extortion/$ Laundering	1	2
	7/14	Fraud	1	2
	7/14	Violation of National Legislation	1	2
	8/14	Anti-competitive Practices	1	1
	8/14	Tax Evasion	1	2
	8/14	Violation of National Legislation	1	1
	9/14	Anti-competitive Practices	1	3
	9/14	Corruption Bribery Extortion/$ Laundering	2	2
	9/14	Executive Compensation Issues	2	2
	9/14	Fraud	1	1
	9/14	Impact on Communities	2	2
	9/14	Misleading Communication	1	1
	9/14	Products – health and environmental issues	1	1
	9/14	Violation of National Legislation (2)	2/1	2/1
	10/14	Human Rights Abuses/Corp Complicity	1	2
	10/14	Products – health and environmental issues	1	2

APPENDIX G

RepRisk Topics Data Findings Detail

Corporation	Date	Topic/Incident (topic count if > 1)	Severity	Reach
Merck & Company, Inc.	12/12	Negligence	1	2
	12/13	Genetically Modified Organisms	2	2
Cigna Corporation		No Topics Found		
3M Company	10/13	Indigenous People	2	1
	1/14	Endangered Species	1	1
	1/14	Privacy Violations	1	2
	2/14	Endangered Species	2	1
	4/14	Endangered Species	2	1
	4/14	Genetically Modified Organisms	2	1
	4/14	High Conservation Value Forests	2	1
	4/14	Illegal Logging	2	1
	4/14	Indigenous People	2	1
	4/14	Monocultures	2	1
	7/14	Asbestos	1	1
	7/14	Forest Burning	1	1
	7/14	High Conservation Value Forests	1	1
CVS Health Corporation	3/14	Privacy Violations	1	3
McKesson Corporation		No Topics Found		
Medtronic, Inc.	9/12	Negligence	1	2
	1/13	Negligence	1	2
	6/14	Negligence	2	3
	10/14	Privacy Violations	1	2