

## Using the Web by Finnish SMEs for corporate social responsibility activities

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**Abstract.** The growing interest regarding online responsible communication of the corporation indicates that it becomes a necessity, in order to remain competitive, and at the same time to be ethical in their actions that they undertake. The Web is evolving, so the Internet is the cheapest mean of communication, is essential in today's world, for all these reasons the article discusses its implications, more interesting for Finnish SMEs that still do not use or ignore the Internet. Facing more and more acute challenges, worldwide, such as vulnerability of the internet network, the moral side of knowledge management or the relationship between human and artificial intelligence involves the individual and collective actors, animated features not only from intellectual aspiration to new discoveries, but what we might call "the ethics of the responsible legitimacy."

Therefore, this study has analyzed the availability of these companies' websites and the manner they communicate their corporate social responsibility (CSR) activities, in order to have a full picture of CSR online communication of SMEs in Finland.

**Keywords:** Web, SEM, Finland, CSR, Internet, artificial intelligence.

### 1. Introduction

Evolution of the information society to knowledge based one is not reduced to a simple linear-sequential transition, but is represented as a complex process of becoming a social system (Draganescu, 2003).

The acceptance of knowledge-based economy is where the performances of the organizations flow from systematic innovation and learning and from competitive management of intangible assets. In the same context, one can say that sustainable economic development is necessarily one based on knowledge.

Reaching towards a knowledge society is a priority for the near future, and achieving the objectives of the information society are still in progress; according to "merge theories", if the solutions of the informational society are applied in organizational and social systems with firm mature trends, one can reach – through a jump - directly to the emergence of some features of knowledge society. We consider it useful to study in Finland and its internet development due to the fact that we talk about a developed country, that considers important social responsibility and protection of the environment, and besides this is the first country in the world where broadband internet access has become a privilege, ensuring that all Finns have access to such a connection

The Internet is evolving, technologies are changing every day, the web sites are becoming more and more interactive, the way one can access the Internet are proliferating, it is clear that we are doomed to change.

In the early '90s, Web 1.0 was offering the channel to access and transmit in a rapid manner some static information. The web sites were built by people with solid knowledge; visitors were only able to leave suggestions, without being able to edit the original content ( Anghel, 2009).

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The term of Web 2.0 has officially appeared in 2004 at a brainstorming session between the o'Reilly Media and MediaLive International, the concepts were based on Tim O'Reilly's article, "What Is Web 2.0 - Design Patterns and Business Models for the Next Generation of Software"(Tim O'Reilly, 2005).

Web 2.0 covers a lot of web sites that, through a friendly interface, help the users to participate in shapping their content. Web 2.0 can not be fully defined but may be seen as a sum of concepts. They say that Web 2.0 is an attitude, not a technology, is what makes you stand out.

The main feature is the interactivity of Web 2.0 sites, that led to Web 2.0 and the perpetuated dynamism and communication with the user is the cornerstone of the functioning of these sites.

Beyond this, the results of the current search technologies are beginning to show its limits, especially the lack of relevance of the results returned.

The next generation of the web, primarily aims to overcome these limitations.

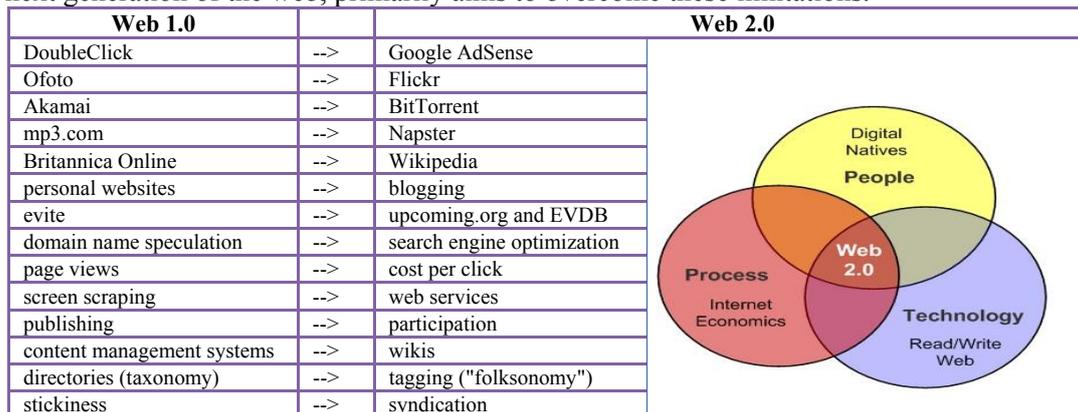


Fig.1.Comparison between Web 1.0 and Web 2.0 (Tim O'Reilly, 2005)

Engineers of the IT industry are already thinking about Web 3.0. They say that the step forward in comparison with Web 2.0, will be constituted by semantic Internet, which means that the new programs will "understand" the meaning of words, in the context of the phrases, as does the human brain.

People working in Cognition Technologies say that the next Internet generation, Web 3.0 is a set of technologies that will use the intuitive artificial intelligence applications; they have already made the first step in the research and development of Web 3.0 (Kotkar, 2010).

The new technology will allow the user to find the exact meaning of the word and not just keyword search that may have a variety of ways. This web that will know each one because of the profiles obtained by analyzing the information accessed online. Interactivity reaches at a new stage of evolution.

Among Web 3.0 features worth mentioned: connecting wireless and mobile services, geographic localization, virtual reality etc.

If Web 2.0 is rudimentary, we can say that we have already entered the Web 3.0 era, (see Wolfram Alpha search engine). Experts are already talking about a Web 4.0, but is still something almost close to "unreal".

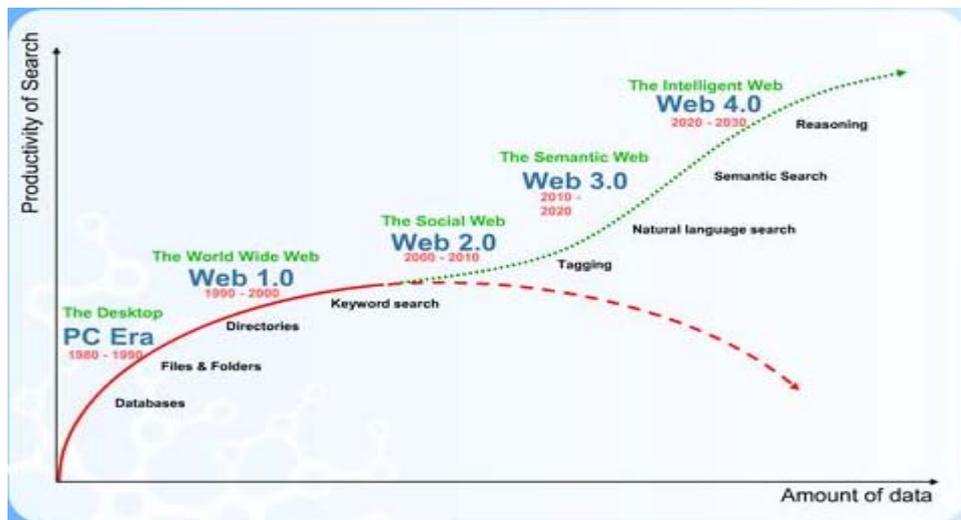


Fig. 2. Beyond the Limits of Keyword Search (Kotkar, A., 2010)

Web 4.0 is in beta first search engine capable of responding to an interpellation voice, and his name is AskWiki, toady is still in a testing phase, but is wanted for the engine to be able to recognize the caller.

The future can not be screened anywhere in the world without taking into account the spectacular evolutions made in the development of informatics. In this context, artificial intelligence and expert systems play an important role. Artificial Intelligence is an area of computer science designed in order to set emulation of intelligent behavior in machines, more exactly in computers.

The willingness to have and use intelligent machines is an old man's goal, perfectly justifiable, given the fact that such machines can in principle be easier to use and more productive, so the companies are very receptive to these opportunities.

## 2. Finish SMEs using the Web

### 2.1. Methodology

The objective of the study was to analyze the availability of Finnish SMEs, communication of their CSR activities on their sites and the size of the site used by the companies subjected to this article. Thus, the article presents a full picture regarding the web use by SMEs in Finland.

In order to investigate how SMEs in Finland use the web, the study uses the following questions when defining the research:

1. How obvious is communication regarding CSR activities on the companies' web sites?
2. To what extent, SMSs in Finland, communicate their commitment to CSR activities?
3. How is CSR communication presented of the web sites?

This study is exploratory and descriptive. The study includes 1.564 companies with Web pages, from a total of 87.008 companies registered in the database provided by the University of Oulu.

As Waddock (2004) said, the concept of CSR covers many types of projects that contribute to the development of the society through corporate citizenship, stakeholders' commitment, community development, social contributions, philanthropy, and so on. So, we searched the websites of SMEs for any information or projects that contribute to business responsibility to customers, employees and other stakeholders, or the environment. We also sought information about community development activities (Besser, 1998) and philanthropic activities.

Of the 1,564 SMEs used in our analysis, 1,012 had a section dedicated to CSR and were subjected to further analysis. Prior to exclude other companies from our analysis, we filtered the websites using keywords such as CSR, corporate citizenship, philanthropy, and community or social involvement and development. The final sample of 1,012 companies is operating in various sectors of the economy.

The following aspects of CSR online communication were assessed: placing CSR information on the company website (home page from other pages), indicating the importance of communication; the amount of

information, determined by the number of pages dedicated to CSR and related documents regarding CSR activities, available on web site (Chambers et al., 2003; Pollach, 2003); and the format CSR problems are presented (textual, visual, multimedia and interactive features; Aikat, 2000). A coding system was developed. The analysis of relevant websites was conducted between November 2010 and January 2011. This analysis was conducted using Internet Explorer 7.0 and a completed form according to information available on websites. This form has been prepared in accordance with previous works, such as Chambers et al. (2003), Pollach (2003), and Aikat (2000), Esrock and Leichty (2000), Coop (2004) and Thompson and Zakaria (2004).

## **2.2. Results**

In our analysis, we looked on the sites, for links dedicated to CSR issues. Of the 1.564 sites, more than 48% had such a link on their web page, and the rest of the companies had mentioned the above problems in a subsection as “About us” or “Who are we?”. Websites should have a separate section about social and environmental information, to which consumers can reach with minimal effort. It can be seen that these 1.564 companies understand the need and importance of presenting their social and environmental commitments in a prominent position on their website. In this way, the number of pages, which is an indicator of the effort invested by a company in communicating its commitment to CSR issues, in accordance with Chambers et al. (2003), shows that the degree of CSR online communication is also important for these firms. More than half of the sample firms have their operations presented in more than three pages, and most of them added some photos. The number of pages presenting the problem is open to criticism, but is a very simple and useful measure, so we used this method proposed by Chambers et al. (2003).

In order to examine the use of Web by SMEs, we also search, through web sites more CSR information, such as awards and annual reports and press clippings. Although most projects can be considered charity events or philanthropic projects, we noticed that about half of companies reported the results of their projects and announced the visit or a greeting from a local authority, in their website. Other companies have added clippings from newspapers or reports on their CSR section that show the results of their work, some companies have also added information about their participation to charitable foundations, 235 SMEs had an annual report, in .Pdf format providing detailed information about CSR projects and about the future expectations of these projects. We should add that 98 companies had a question and answer section regarding CSR activities.

The Internet is the fastest growing communication module of all time and continues to take an increasing share of the marketing budget because of the consumers moving towards the Internet. So, the design of the websites and advertising becomes crucial (Drèze and Zufryden, 1998). Therefore, we studied the format and presentation style of CSR documents.

To classify the presentation of CSR, we had three options: text, images and text accompanied by visuals. We didn't take into account the characteristics or features of interactive multimedia section, since only 8% of companies have used multimedia in their CSR section in the form of streaming video. In terms of interactivity and features that facilitate two-way communication, only 52 companies had a feedback section, but most of the firms in the sample had contact information where, by e-mail, one could address questions about general information and about CSR projects.

A third of the companies have used text accompanied by visuals when presented their CSR information. Although the visual effects were excluded from the detailed analysis in this study, some examples include pictures of the ongoing initiatives, or previous initiatives such as reforestation campaigns, campaigns to help local schools and so on. A higher percentage of the companies have primarily used text to communicate their social responsibility and only two companies have used a visual format.

## **3. Conclusions**

In particular, we focus on three areas of strategic importance for managers dealing with CSR social media. First, it challenged the general assumption that managers need to improve “how to inform the interested parties” to better inform the general public on CSR initiatives in order to gain legitimacy and good

reputation. Such a way is concentrated on making sense and is exposed to the risk of “paradox of self-promoter”. Secondly, the annual reports and websites as a means of presenting the preferred CSR activities to stakeholders at the expense of advertising and press release. However, it does not mean that “the way to inform the interested parties” or “stakeholder’s response strategy” should be underestimated. The companies need both to “make sense” and to ‘create meaning’. There was a time when companies have gotten used to escape unnoticed by almost anything, due to the fact they could control most part of the communication about their activities, good or bad. In the “prehistoric” days before the *World Wide Web*, the press officers could “push” written press release, anytime they thought they have something that will impress the audience. The bad things or even the ones that were not as positive ever crossed the guards of the corporate reputation.

Finnish SMEs are more aware of the importance of their relationship with stakeholders, awareness that is raised from the increasing affinity regarding the web use. Maybe this happens because SMEs in Finland have access to timely information. Because of the economic development degree, in most fields, the Internet has been imposed as a mean of communication in order to respond in a timely manner and to create a comprehensive and transparent database.

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