

Effects of Corporate Social Responsibility Communication on Sinful Firms and Emerging Economic Factors on Gunmakers

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Abstract

Corporate social responsibility has reoriented the way businesses progress and grow in the 21st century. So-called sinful firms, however, have not embraced CSR practices as fully as other modern business sectors. Makers of alcoholic beverages, tobacco products, and firearms have been slow to confront societal pressures for change. Recent economic and political factors have prompted these businesses to look toward CSR practices and strategic communication focused on social causes. Stakeholder groups have forced the hand of some companies, such as gunmakers, and prompted a shift. This paper reviews if prioritizing CSR and CSR communication makes for better business among sinful firms.

Keywords: Corporate social responsibility, CSR, Philanthropy, Social cause, Sustainable, develop goals, SDGs, Guns, Firearms, Gunmakers, National Rifle Association, NRA, Sturm Ruger, Tobacco, Philip Morris, Nuclear energy, Alcohol, Sinful firms

Introduction

Companies producing alcoholic beverages, tobacco products, and firearms have been dubbed “sinful firms” by some academic researchers (Oh et al., 2017). The lucrative industrial machines behind the products these firms produce created enormous wealth from vice while the companies do little to prevent the exploitation of goods that can be harmful to health and society. More recently, several sinful firms have adopted corporate social responsibility initiatives to demonstrate to stakeholders that they are doing more than simply turning a profit. Whether it be encouraging socially responsible behavior among customers, investing in improving the environment, supporting community initiatives through volunteerism, or developing new products that emphasize safety, these firms have deployed an arsenal of CSR communication tactics designed to warm the icy hearts of activists, naysayers, and prospective customers and investors.

This paper will examine the CSR communication tactics practiced by sinful firms and look at how those initiatives may be affecting public opinion. Additionally, and more specifically, this paper will review the CSR practices of firearm manufacturers and suggest strategies toward adopting CSR policies. With a review of published research in this area and an analysis of published media by these firms, a glimpse will be provided into CSR communication

practices and how they may influence the public. In the case of firearms, it will be necessary to look deeper, beyond the mass media communication, to investigate whether the firm is indeed committed to CSR practices or using them simply to enhance their image (Tata & Prasad, 2014). Due to the limited nature of this project, an empirical study was not feasible, but this paper will suggest a pathway toward future research on the topic and provide a template survey for that purpose. This analysis and critical examination is intent on encouraging further exploration of the topic of CSR communication and its influence on public opinion as it relates to sinful firms. Of specific interest is the public opinion on firearms, and if CSR practices were adopted and communicated would it make an impact on society and business.

The following questions serve as a guide to this research on CSR communication and sinful firms:

Q1: Can sinful firms be socially responsible?

Q2: What role can external stakeholders play in sinful firms' adoption of CSR practices?

Q3: What would be appropriate CSR practices for sinful firms?

Q4: How would the business of sinful firms be affected by adopting CSR practices?

Q5: In what ways could the communication of CSR practices benefit sinful firms?

In the case of firearms manufacturers, recent declines in demand for guns have led to quarter after quarter of revenue drops among the top gunmakers in the United States. Sturm Ruger, which is the country's leading gun manufacturer, according to 2014 data (Harkinson, 2016), has reported sharply declining sales each quarter since the start of 2017 (Appendix 1). Remington Outdoor, the second-leading gun manufacturer in the U.S., filed for bankruptcy in March 2018 (Smith, 2018). American Outdoor, which owns Smith and Wesson, the third largest gunmaker, lost nearly \$300 million at the close of its 2018 fiscal year in April (American Outdoor, 2018). The cause of this dramatic decline in demand has come to be referred to as the "Trump Slump" by some corporate analysts (CBS News, 2018). Though there may be several mitigating factors, the consensus is that without the fear of gun regulation due to a Republican-controlled U.S. government, gun owners are buying fewer guns.

Economic, legal, and cultural pressures have historically led sinful companies to adopt CSR practices. A long stretch of poor business performance among gunmakers may inspire a change in their products, just as tobacco companies have invested billions into tobacco-heating technology and other smoking alternatives to attract business (Chaudhuri, 2018). To that effect, CSR practices have not only been an important focus area to improve business directly but also to improve corporate reputation and impression across stakeholder groups. CSR communication can play a crucial role in managing that impression, although, as Tata and Prasad (2015) found, audiences may not always perceive what the company hopes to portray. That may especially be true among sinful firms, though the body of literature available on the area of CSR communication and impression management remains limited when it comes to sinful firms.

Where CSR and Sinful Firms Collide

To understand how CSR and sinful firms relate to one another, it is important to consider the theoretical foundations of CSR and how it relates to present day practice. In 1970, Milton Friedman wrote in *The New York Times Magazine* that the greatest responsibility for companies is building and sustaining a profitable business. Shareholders, customers, and employees were the most important stakeholders in Friedman's estimation, and so if the company was not turning out a sizeable earning it was not upholding its responsibility to those social groups. This is very

much in line with how sinful firms have historically operated their businesses. It was not in the best interest of sinful firms to consider the environment, surrounding communities, or other non-customer social groups into their business calculus. Far off was the notion espoused decades later by David Vogel (2005), who argued that businesses who opt for the virtue of CSR can be profitable.

To support the quest for profits, a variety of trade groups and lobbying firms came to the aid of sinful firms to bolster the companies' images and, in some cases, overcome proposed legal intervention. These include groups such as the National Beer Wholesalers Association, Wine and Spirits Wholesalers of America, the International Premium Cigar and Pipe Retailers Association, the National Shooting Sports Foundation, and the National Rifle Association. Those last two groups have been more prominent in the news in recent years due to increased pressure on lawmakers to curb the increasing number of mass shootings and growing problem of gun violence in the United States. In some ways, these groups have worked to prevent legal change that could force the gun manufacturers they advocate for to become more socially responsible. The legal dimension of social responsibility is one of the four tradition pillars that make up the CSR framework. The other three foundational pillars of social responsibility are economic, ethical, and philanthropic. Today, however, a shift in how businesses view CSR has taken hold over the last decade. Porter and Kramer (2006) revolutionized the way that companies view CSR practices by developing the shared-value model, which boils down to a company working to improve society as a whole for both to prosper. The trumpeting for sustainability, moral obligation, license to operate, and reputation management among CSR evangelists misses the point and only divides the relationship between business and society, according to Porter and Kramer. The goals and values of business and society should be integrated to be successful. Without that integration and a prosperous society, the long-term business outlook is less rosy:

Ultimately, a healthy society creates expanding demand for business, as more human needs are met and aspirations grow. Any business that pursues its ends at the expense of the society in which it operates will find its success to be illusory and ultimately temporary. (Porter & Kramer, 2006)

This advances the idea that gunmakers could opt for a shared-value model, or SVM, of doing business, as advocated by Porter and Kramer (2006). SVM prioritizes profit, but only as an outcome of healthier society that is better able to be a sustainable business partner. The notion that sinful firms might adopt SVM may seem difficult to fathom, but economic factors are often what causes a pivot toward a more socially responsible model for doing business. At least, the outward CSR communication can indicate a shift which may in effect modify the public impression of a firm.

A review of trends in tobacco industry investments and communications with stakeholders shows that adverse health effects and decades of negative media attention related to those health effects, such as evidence that smoking causes lung cancer, have resulted in a shift from tobacco burning to tobacco "heating" products. These products are thought to be healthier with less tar produced, though they have not yet been approved by the Food and Drug Administration for sale in the U.S. With millions invested in the technology by leading tobacco growers such as Philip Morris (Chaudhuri, 2018), this new product development shows a direct response to both economic and customer feedback. Business interests have pushed at least one tobacco company to consider an SVM. Similarly, economic factors could play a role in propelling gunmakers forward in the development of new products that fit the mold of an SVM.

The Realities Of CSR and Sinful Firms Today

With an average of 93 people killed every day in the United States by firearms (Everytown, n.d.)—and with the rate of gun deaths increasing in recent years (CDC, 2017)—American gun manufacturers remain set on their number one objective: profit for shareholders. Influential lobbying groups such as the National Rifle Association and the lesser-known Safari Club International, have aided manufacturers in earning enormous profits, particularly thanks to a politically contentious 2016 that manufacturers say contributed to brisk sales.

Still, though gun manufacturers profit off the production of deadly weapons, the question remains if these companies can be socially responsible. In a political and social climate that has endured high-profile mass shootings on a regular basis, have gun companies taken it upon themselves to introduce corporate social responsibility practices espoused by Archie Carroll (1991), who defined CSR as a product of moral corporate leadership that focuses on economic, legal, ethical, and philanthropic responsibilities?

Guns have a rich history in the United States, going back to the nation's founding. The right to "keep and bear arms," is embedded in the U.S. Constitution through the Second Amendment, ratified December 15, 1791, as part of the first 10 constitutional amendments that make up the Bill of Rights. The Second Amendment reads, "A well regulated Militia, being necessary to the security of a free State, the right of the people to keep and bear Arms, shall not be infringed." Even since the Constitutional Convention, debate on gun possession and control has persisted to this day, with constitutional law scholars divided on the issue (Lund & Winkler, n.d.). The balance between Second Amendment rights and gun safety controls has created a divisive environment within the U.S., with factions on either side of the debate increasingly polarized and aggressive on either pro- or anti-gun control positions.

In this way, gun manufacturers are set apart from other sinful firms in that tobacco, alcohol, nuclear energy, and military contractors are not cited in the U.S. Constitution. The basis for inducing CSR practices in the legal sense becomes a slippery slope as many cite the founding document of the United States as the unalienable right to possess a firearm. The issue of regulating that possession, as debated by Lund & Winkler, remains central to the debate at hand. Still, pressure from social groups and community advocates have used economical and financial pathways to induce change by manufacturers, as opposed to a legal imposition.

A Sturm Ruger shareholders meeting in May 2018 included a shareholder proposition to require the gunmaker to produce a report on "the Company's activities related to safety measures and mitigation of harm association with Company products" (Appendix 2). The resolution was passed by shareholders with 7.1 million in favor and 3.2 million against. Though the executive leadership of Ruger had been resistant to having to create the report, a wave of activist investors prompted the change. The majority of the comments in favor of the resolution were from members of a group called the Interfaith Center on Corporate Responsibility. This group, which consists of a group of more than 300 global institution investors who manage \$400 billion in corporate assets (ICCR, n.d.), used their economic power to move at least one sinful firm toward social responsibility. The report will help shareholders understand just how the guns producer by Ruger affect safety and what role they might play in gun violence. The report is due out February 2019.

The ICCR is one example of an economic force for good that is working to change the way that firearms manufacturers are doing business. The retailer Dick's Sporting Good and the investment firm BlackRock have both taken stands on gun violence following a series of mass shootings in recent years. Dick's banned the sale of assault-style rifles, high-capacity magazines,

and bump stocks in all its stores, and no longer sell firearms or ammunition to anyone under 21 years of age (Dick's, 2018). BlackRock pledged to use its \$1.6 trillion of leverage in actively managed funds to “engage and vote.” (BlackRock, 2018). These activist groups are acting as a foil to the groups that have long propped up gun manufacturers and other sinful firms.

The reality of CSR and sinful firms is that legal and ethical pressures are not enough to convince firms such as gunmakers to change. It is the economic and financial impacts that will sway them to change.

The NRA and CSR

The wealthy and powerful gun lobby groups, including the National Rifle Association (NRA), the National Shooting Sports Foundation, and Safari Club International, have driven the anti-gun control debate to favor looser restrictions on gun ownership. The NRA, which is the most well-known of the gun lobby groups, was founded in New York City in 1871 to promote marksmanship among Union troops following the Civil War (NRA, n.d.). Since then, the organization has developed into “a major political force and as America’s foremost defender of Second Amendment rights,” according to the NRA website.

In 2013, the NRA fought hard in opposition to the Assault Weapons Ban of 2013 (Congress.gov, 2013), which was a response to the Sandy Hook Elementary School shooting in December 2012 that killed 20 children and six adults. The primary gun weapon used in that attack was a .223 semiautomatic rifle produced by Bushmaster (Barron, 2012), a subsidiary of Remington Outdoor, which filed for bankruptcy in March 2018 (Smith, 2018). The Assault Weapons Ban sought to ban semiautomatic assault rifles, in addition to high-capacity magazines, high-capacity magazine or revolving shotguns, and modifications that make weapons semiautomatic. The bill failed in the U.S. Senate by a 40-60 vote. The NRA’s public position was “the only thing that stops a bad guy with a gun is a good guy with a gun” (Washington Post, 2012).

While gun manufacturers are legally bound to comply within the framework of laws set by Congress, the NRA operates as the political action committee while gun manufacturers stay largely silent on political issues. In the first half of the 20th century, the NRA was not as averse to gun control as they appear to be in the early 21st century.

Between 1920 and 1933, the manufacture and sale of alcohol was banned in the United States following the passage of the Eighteenth Amendment to the U.S. Constitution and the Volstead Act. Brewers of alcohol were deemed as sinful by temperance advocates and religious communities, who contributed the ills of society to alcoholism, alcohol-fueled domestic violence, and saloon-based criminal activity. But the debate over whether it was a sound public health innovation continues to rage nearly two hundred years later (Blocker, 2006). Still, Blocker advocates that Prohibition did result in fewer deaths from liver cirrhosis, until the socializing effect of speakeasies through the 1920s. Prohibition also brought organized crime and the illegal distribution of alcohol became a lucrative endeavor. To protect that illicit enterprise, gangs needed weapons—and powerful ones.

During Prohibition, the use of shotguns and fully automatic Thompson, or Tommy, guns, sparked a public outcry to better control the use of these gangster weapons of choice. President Franklin Roosevelt’s New Deal included the National Firearms Act of 1934 and the Gun Control Act of 1938, which instituted regulations on automatic weapons, banned some buyers who were convicts or mentally ill, and created a gun dealer registry (Elving, 2017). The NRA worked closely with Congress and the White House to get those deals passed and supported enforcement

of those laws. The NRA acted similarly on gun legislation passed following the assassinations of President John F. Kennedy, Martin Luther King, Jr., and Robert Kennedy in the 1960s. It wasn't until the 1970s when the NRA began to focus on gun ownership as a right and worked to stop instances of confiscation.

Those actions by the NRA indicated a desire to be socially responsible. But instead of gun manufacturers acting on their own to discontinue making the most dangerous of weapons, it took the passage of law to prompt a change. This is supportive of Robert Reich's (2008) argument that "pressuring companies to be more virtuous is an unaccountable mechanism for deciding complex social issues better left to legislators."

An ethical review of business practices by gunmakers by George Brenkert (2000) shows that gunmakers alone, without the NRA, are "not sharing the burdens that are created by their products, though they are enjoying the benefits." Brenkert points to advertising campaigns that appeal to "violent aims." One example was R.G. Industries emphasizing that a gun's finish provides "excellent resistance to fingerprints," while another manufacturer, S. W. Daniels Corp. marketed a 9-millimeter semiautomatic pistol as the weapon of "choice of the drug lords of the 80s." These kinds of messages add to a stigma many people in the U.S. have of gunmakers and similarly controversial sinful firms.

Mass Shootings and The Politics of Guns

Current events, including a number of recent mass casualty shootings, strong political rhetoric, and controversial gun laws being weighed by Congress, have created an intense business environment for gunmakers. Politics has a proud effect on the gun business as shown in the robust 2016 revenue versus declining sales in 2017. Whenever a mass shooting occurs in the U.S., such as the Stoneman Douglas High School shooting on February 14, 2018, in Parkland, Florida, that resulted in 17 deaths or the Las Vegas attack that killed 59 people in 2017 (Crosby et al., 2017), elected officials ponder new restrictions on guns to protect citizens from such attacks in the future. This movement by elected officials energizes the NRA and its legislative arm the NRA-ILA, or the Institute for Legislative Action. The case to pass semiautomatic gun restrictions in 2013 following the Sandy Hook Elementary School shooting that killed 26 people, including 20 elementary school children, is an example of how much leverage the NRA can have over Congress.

To better understand the power gunmakers and the NRA have over legislation, all one needs to do is follow the money. The Center for Responsive Politics maintains a comprehensive database that tracks the amount of money in contributions by gun lobbyists to political parties, groups, and individuals. Guns rights groups, like the NRA, Safari Club International, the National Shooting Sports Foundation, Gun Owners of America, and the National Association for Gun Rights, contribute overwhelmingly to Republican candidates and political action committees, or PACs. Figures from the 2016 election cycle (Figure 1) show that with a total of \$6.1 million in political contributions from gun rights groups, 98 percent, or \$5.8 million, went to Republican candidates. The NRA itself gave 99 percent of its \$1 million in total contributions to Republicans. For contrast, groups in favor of gun control, such as the Americans for Responsible Solutions and Pride Fund to End Gun Violence, gave a total of \$1.7 million in contributions in 2016 (Figure 2). The largest contributor, the Americans for Responsible Solutions, gave a total of \$131,624. Nearly all the gun control contributors gave to Democrats. Among the top recipients of contributions from gun rights groups in 2016 were Donald Trump, who was running for president at the time; House Speaker Paul Ryan; Chairman of the Senate

Judiciary Committee Chuck Grassley; Senators Ted Cruz, Marco Rubio, Ron Johnson, Rand Paul, and Pat Toomey; and Ben Carson, another presidential candidate who ended up not being nominated for the Republican Party. The top recipient was Trump, with more than \$800,000 in contributions, according to the Center for Responsive Politics (Figure 3).

These contributions, and to who and where they are going, are significant since many of the new gun laws proposed by lawmakers following mass shootings are opposed by Republicans. Spending on lobbyists by gun rights groups also plays a significant role on opposing new legislation to restrict unsafe guns or gun modifications. In 2013, gun rights groups spent a record \$15.29 million, more than the previous two years combined (Figure 4). The Sandy Hook Elementary School shooting was December 20, 2012, and the months following led to intense debate over gun laws to ban semiautomatic rifles and expand background checks. Lobbying spending has been on the decline since then—until, presumably, the next big legislative battle.

Getting Over the Trump Slump

Since Donald Trump was elected in 2016, gun sales have been on the decline, according to financial reports from the three largest gunmakers (Appendix 1, Appendix 3, Appendix 4), and it is largely thanks to a lack of pressure to impose restrictions on guns with a majority Republican Congress and a Republican president. The so-called Trump Slump for gunmakers creates financial strain on the companies and their futures.

When it comes to CSR, gunmakers have not shown priority for much more than profit. Given the slide in gun sales and few fears of firearm restrictions on the horizon with a Republican government, it may be time for gunmakers to evolve in order to overcome the slump. As Vogel (2005) puts it:

Proponents of CSR tend to view the dynamics of responsible business in evolutionary terms. Since they assume that only the most responsible firms can or will survive in the long run, they believe that over time there will be more responsible firms and fewer irresponsible ones—a kind of survival of the virtuous.

Gun executives may be mulling an evolutionary pivot at this point, particularly with losses so severe one of the top gun companies, Remington, has filed for bankruptcy. Those decision points are becoming even more pressing as losses mount quarter after quarter, and financial pressure from stakeholders, and more specifically, shareholders continue to build.

Sinful Reputation and Stakeholders

The reputation of being a sinful firm is tricky to overcome. It can take a corporate policy and culture change, in addition to a strong communication plan in order to influence public opinion. Some evidence of these communication tactics has presented itself via social media and digital platforms, which are accessible by an audience not limited by geographic region. Tobacco-maker Philip Morris has used social media to communicate its plans to develop to go beyond smoking (Figure 5). Nuclear energy Indian Point, based along the Hudson River in New York, has shown how the company contributes to the local community through volunteer service and charitable contributions (Figure 6).

While there is a limited pool of research that reviews the CSR of firearms industries, some researchers of the military weapons contractors have found notable compliance in two of four areas of CSR. Halpern and Snider (2012) found that defense firms, including firearms

manufacturers, excel in legal and ethical responsibilities, while lacking behind other Fortune 500 companies surveyed in discretionary and economic areas. This is an indication that gunmakers and other defense contractors do not attempt to go outside the law or what would be considered ethical within industry guidelines. Meanwhile, Edmund Byrne (2007), concluded, "I have found that the US arms industry is in violation of CSR standards regarding the environment, social equity, profitability, and use of political power." Byrne also says that "some liability for the harm caused by US-produced weapons that are used abroad should be assigned to their manufacturers." To explore the CSR capabilities of firearms manufacturers in particular, let's review the stakeholders involved.

Gunmakers have a broad coalition of stakeholders that occupy the financial, regulatory, military, industrial, governmental, and public realms. While the primary stakeholders are shareholders, employees, and customers, there is also a critically important, complex regulatory framework that dictates the relationships gunmakers have with all other stakeholders. The Bureau of Alcohol, Tobacco, and Firearms, or ATF, is the regulatory body that enforces gun restrictions and legislation that bans certain weapons, modifications, or accessories. The ATF enforces rules set down in the National Firearms Act of 1934, which banned machine guns; the Gun Control Act of 1968, which barred criminals and mentally ill from buying guns; and the Arms Export Control Act of 1976, which gives the president authority to control the import and export of defense weapons. These acts were passed due to public pressure and continue to define gun laws today. Lobbying groups, however, have prevented new gun laws even in the wake of epidemic violence.

In addition to the ATF, gunmakers also consider politicians a key stakeholder group, to which they rely on lobby groups like the NRA and the Safari Club International to help persuade on alleviating gun restrictions so they can sell more products. Campbell (2006), however, would argue that "astute members of industry realize that it is better to control the regulatory process themselves than to be forced by the state to succumb to a process and a set of standards over which they would have little control." This advances the idea that gunmakers could opt for a shared-value model (SVM) of doing business, as advocated by Porter and Kramer. The SVM prioritizes profit, but as an outcome of making society better and a more viable business partner.

Another important stakeholder group for gunmakers is its customers: the military and private gunowners. While military defense contracts are lucrative for gunmakers, there is a strict bidding process and the market opportunity is limited. Private sales, however, is a diverse marketplace and quite competitive. With more than 300 million privately owned firearms, there are more guns held by private citizens in the United States than in any other country around the world (Alpers et al., 2016). That is nearly one for every U.S. citizen, though only one-third of Americans own a gun (Parker et al., 2017). Another startling figure is that about 3 percent of Americans own half of all the guns in the U.S. (Zhou, 2017), suggesting that some owners stockpile these weapons.

Contributing to the proliferation of firearms in the U.S. is another key stakeholder for gunmakers: gun dealers. Gun dealers are responsible for purchasing firearms from manufacturers in bulk then selling them to customers. Gun dealers are also responsible for ensuring potential gun owners are properly licensed and clear a background check. While these background check requirements are mandated by individual states, there has been a push for a federal, universal background check requirement in recent years. But in the eyes of the NRA, universal background checks are a slippery slope to gun confiscation (Pfau, 2017). Wayne LaPierre, executive vice president of the NRA, claims universal background checks would create a national database of

gun owners that could then be used to confiscate guns if such laws are pushed through by gun control organizations. LaPierre references steps other English-speaking nations have taken following similar registries, writing:

Whenever the creation of a national, computerized database of gun owners is proposed, the advocates pushing it insist that people have nothing to fear because politicians will not abuse the enormous power inherent in such a database. Then, history proves, shortly after records of law-abiding gun owners are compiled, gun bans are put in place and firearms are confiscated. (LaPierre, 2015)

Additional stakeholder group with vested interest in the success of gunmakers are industry supplies and partners. Like the automobile industry, the manufacturing of guns involves a network of component makers and raw material suppliers that contribute individual parts for the complete weapon. These stakeholders, and the employees they hire, depend on a viable gun industry to conduct business.

Evolving to a CSR Model

To better sustain invested stakeholders, such as shareholders, employees, customers, and business partners, profits cannot continue to decline. Considering Vogel and the value of being virtuous is only the first step toward repairing the financial strain. Adopting the SVM of Porter and Kramer would be the next logical step to developing a business that supports viable, thriving communities that produce more business opportunities. Shared value for the gun industry would first start with investing in safety measures that protect lives and dispel fears of gun ownership. While guns are inherently deadly weapons, they are made deadlier by not incorporating technology that would make them safer. Other sinful firms have similarly introduced safety features over the years, including tobacco cigarette filters, health risk warnings, and added safety protocols and technologies in the case of nuclear energy.

In a review of gun safety technologies commissioned by the U.S. Department of Justice, Dr. Mark Greene (2013) reviewed several technologies for gun user authorization that have been under development. The intent of the technology is only allowing an authorized user to fire the gun, as to prevent guns from falling into the hands of unlicensed users, such as thieves, gangsters, or even children. To date, however, no guns with these technologies have become available commercially. Some of the safety technologies included:

- **Token-based technologies** – Using a device such as a wristwatch, ring, bracelet, or card to activate the operation of a gun system. These technologies have been developed using radio frequency identification, ultrasonic technologies, and magnetic technologies.
- **Biometric technologies** – Using the unique features of an individual to unlock system access, such as a fingerprint, palm print, voice or face recognition, and even vein patterns.

These technologies create what are known as “smart guns” in the industry. While not yet commercially available, some laws have been considered to require that guns sold in particular states be equipped with smart gun technologies. While the NRA does not oppose smart guns, it does oppose legislative mandates for the technology, saying, “The NRA doesn’t oppose the development of “smart” guns, nor the ability of Americans to voluntarily acquire them. However, NRA opposes any law prohibiting Americans from acquiring or possessing firearms that don’t possess “smart” gun technology” (NRA-ILA, n.d.). Organizations, such as ICCR, have pressured gun manufacturers into reviewing the smart gun technology that is available and the

feasibility of adding those features to their guns. Sturm Ruger has been tasked with reviewing this in their report demanded by the shareholders.

While smart gun technology could increase safety and save lives, the reliability of guns equipped with advance electronics has been called into question. Stokes (2016) argues that just like iPhones or Blu-ray players, smart guns could be “jailbroken” and used by “anyone with a little time and access to YouTube” regardless of how sophisticated the technology may be. Even though the possibility of jailbreaking is real, like with iPhones there are ways to make it difficult for those who are not trained professionals. Smart gun technology could still be a deterrent for children and prevent the death of nearly 1,300 children each year (Fowler et al., 2017).

Smart guns may also help dispel safety fears, which might convert some of the people who may not own a gun but have considered owning one into owners themselves. According to Pew Research Center (Parker et al., 2017), a third Americans fall into that category. That is 100 million potential customers that gunmakers could be enjoying business from. Vogel would argue there is quite the business case for being virtuous and prioritizing safety.

Enhancing CSR Communication

One stakeholder overlooked by gunmakers is *potential* gun owners. Much of the existing communication pathways employed by gunmakers, including social media (Appendix 5), are geared toward existing gun owners. While there are some attempts at targeting special interests, for example a Pinterest board (Figure 7), most social media content and advertising seeks to target people already familiar with guns and gun ownership. To enhance business, particularly with CSR-friendly strategies, gunmakers need to look at introducing a higher level of specificity in collaborations with stakeholders and design communication around those partnerships.

Such partnerships could adopt Husted’s (2003) collaboration model of low centrality and high specificity, which would essentially be philanthropic giving from the gunmaker to a cause that would benefit a CSR goal, such as one of the United Nations Sustainable Development Goals, or SDGs (U.N., n.d.). The next step would be to evaluate the most effective method of communicating that partnership. With social media, and the algorithmic filtering of big data, the rules of the game for how businesses and society communicate relations have changed (Aakhus & Bzdak, 2013). There may therefore be cause for study and care before diving into a new communication design.

Oh et al. (2017) studied how sinful firms have fared with the use of CSR advertising, evaluating whether the effects have been largely positive or had a negative effect on the already poor reputation or stigma associated with sinful brands. CSR advertising by sinful firms was a mixed bag. In some cases, it improved relationships and brought awareness to the CSR work, but there was also increased ambivalence toward the CSR effort that may not fit the alignment of the sinful firm. While this should not prevent CSR work, the communication design before the effort should be considered carefully.

With communication platforms such as Facebook, Instagram, and YouTube, gunmakers have already been working to attract audiences online. Political attention on the issue of guns also helps build a narrative, though it is not one that can help appeal to potential owners. Particularly amid the Trump slump, in which Republicans, who make up most gun owners, are not fearful that guns will be restricted by new legislation, the industry needs to branch out to new customers. CSR, and prioritizing the SDGs, is one way of doing that.

Opportunities for Good: Going Above and Beyond

Several of the topics covered in this paper so far represent ways gunmakers can move beyond being solely a sinful firm. Even the firearms industry is in the business of making deadly weapons, it is also in the business of defending people, maintaining sovereignty, and protecting the freedoms that Americans and other people around the world can enjoy. Still, there is very little evidence of CSR practice by the three industry leaders being reviewed here. While Ruger publicly shows a policy on not using conflict minerals in obtaining its raw materials for its product (Appendix 6), there is little else known about these companies in the CSR space.

The first step then would be to develop a CSR infrastructure within the company. Appoint officers to direct philanthropic efforts or structure nondiscretionary CSR initiatives such as ethical, legal, social, political, or environmental social responsibility efforts. One specific goal to focus on immediately is Goal 16 of the SDGs: peace, justice, and strong institutions. This presents an opportunity to work closely with the international community and working to enforce and implement the Arms Trade Treaty, monitored by the Centre for Armed Violence Reduction (CAVR, n.d.). This global effort would reduce violence around the world and increase safety and peace.

Gunmakers could set themselves on the CSR path by going above and beyond legislation and impose self-mandates on its products to make them safer and harder for irresponsible parties to obtain them. The ideas and technology to do that are already available. Gun companies should support universal background checks across the country and encourage the implementation of viable smart gun technology. Both moves would prevent transient actors from having easier access to guns while making them safer in households with children. It may take investment and political capital for gunmakers, but there may be a bump in customers who appreciate the effort and increased safety.

With these practical, concrete policy changes, gunmakers could set themselves apart from other sinful firms, who have only recently been prompted to adopt CSR practice as a response to legal and economic restraint. In the case of tobacco, public opinion of cigarette smoking has waned due to the evidence-based health risk that smoking can cause cancer. Government-imposed health warning labels have contributed to the decline in smoking. In other areas of the world, tobacco has used political and public relations strategies to thwart control measures (Yoon et al., 2013). The public health community has also put pressure on alcohol manufactures to discourage irresponsible drinking and contributions to groups that support responsible consumption. Yoon et. al (2013), however, cautions that CSR has been used by the alcohol industry to “appear as a responsible actor while shaping and reinforcing the industry’s firmly established positions on key alcohol policy issues” around the world. Embracing sensible reforms and communicating efforts to make guns safer could be an effective CSR tactic.

Conclusion

Gunmakers and other sinful firms are known to be bad actors in the corporate world. It is a challenge to go from peddling harmful products to being socially responsible. Gunmakers are the epitome of Friedman’s principle that the responsibility of business is to make a profit. But as profits sag for gunmakers, discovering the virtue in CSR may present an opportunity to recharge the business model. To date, the leading gunmakers do not show any trace of social responsibility on their public websites. This either speaks to the need for better communication methods related to their CSR efforts, or a complete lack of any CSR effort.

With firearms killing an average of 93 people a day in the U.S., including 1,300 children every year, there is good cause for gunmakers to embrace CSR concepts and give a hard look at the United Nations SDGs, including the goal for peace. Philanthropic donations may further erode profits, but many firms have reaped benefits from CSR initiatives and gunmakers just may be able to enjoy the same benefits.

Further research could be done to answer the research questions posed here. To determine if CSR practices would influence gunowners or prospective gunowners, a survey could be developed to determine if safer guns would prompt better sales. The counter argument that better sales would mean more guns prompts a valid debate. There will always be guns, but for a chance to make them safer, CSR would be the path forward.

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Appendix

Gun Rights: Top Contributors to Federal Candidates, Parties, and Outside Groups

Election cycle: 2016

Breakdown to display: Dem vs. Repub

Total contributions: **\$6,116,145**

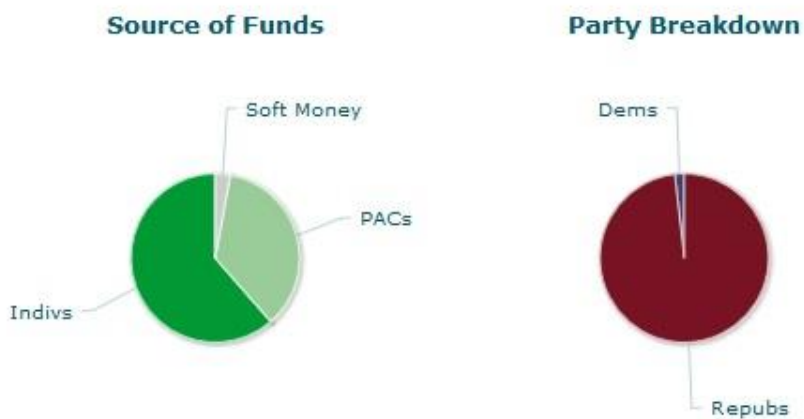


Figure 1. Pie charts showing political contributions of gun rights groups during 2016 political election cycle. (OpenSecrets.org. (2017). Gun rights. Center for Responsive Politics. Retrieved from: <https://www.opensecrets.org/industries/indus.php?ind=Q13>.)

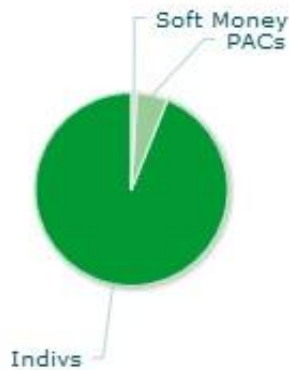
Gun Control: Top Contributors to Federal Candidates, Parties, and Outside Groups

Election cycle: 2016

Breakdown to display: Dem vs. Repub

Total contributions: **\$1,732,296**

Source of Funds



Party Breakdown

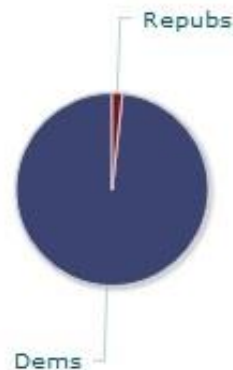


Figure 2. Pie charts showing political contributions of gun control groups during 2016 political election cycle. (OpenSecrets.org. (2017). Gun rights. Center for Responsive Politics. Retrieved from: <https://www.opensecrets.org/industries/indus.php?ind=Q13>.)

| Rank | Candidate | Office | Amount |
|------|------------------------|--------|-----------|
| 1 | Trump, Donald (R) | | \$814,236 |
| 2 | Cruz, Ted (R-TX) | Senate | \$362,103 |
| 3 | Rubio, Marco (R-FL) | Senate | \$176,030 |
| 4 | Ryan, Paul (R-WI) | House | \$171,977 |
| 5 | Johnson, Ron (R-WI) | Senate | \$165,498 |
| 6 | Paul, Rand (R-KY) | Senate | \$143,690 |
| 7 | Carson, Ben (R) | | \$119,566 |
| 8 | Toomey, Pat (R-PA) | Senate | \$79,908 |
| 9 | Zinke, Ryan K (R-MT) | House | \$79,068 |
| 10 | McSally, Martha (R-AZ) | House | \$77,063 |
| 11 | Young, Todd (R-IN) | House | \$73,785 |
| 12 | Heck, Joe (R-NV) | House | \$69,020 |
| 13 | Portman, Rob (R-OH) | Senate | \$64,877 |
| 14 | Ayotte, Kelly (R-NH) | Senate | \$64,796 |
| 15 | Love, Mia (R-UT) | House | \$61,900 |
| 16 | Grassley, Chuck (R-IA) | Senate | \$52,380 |
| 17 | Blunt, Roy (R-MO) | Senate | \$49,430 |
| 18 | Burr, Richard (R-NC) | Senate | \$47,300 |
| 19 | McCarthy, Kevin (R-CA) | House | \$42,000 |
| 20 | Isakson, Johnny (R-GA) | Senate | \$41,050 |

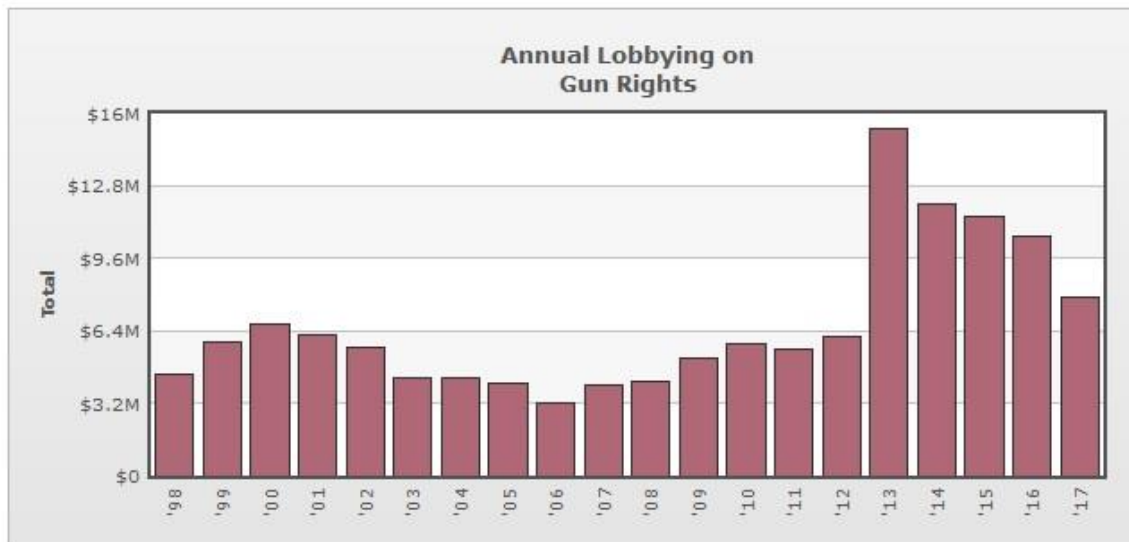
Figure 3. List showing the top recipients of political contributions by gun control groups during 2016 political election cycle. (OpenSecrets.org. (2017). Gun rights. Center for Responsive Politics. Retrieved from: <https://www.opensecrets.org/industries/indus.php?ind=Q13>.)

Gun Rights

Summary Lobbyists Background

Industry Profile: Summary, 2016

Year: 2016



Total for Gun Rights: \$10,571,025
Total Number of Clients Reported: 9
Total Number of Lobbyists Reported: 58
Total Number of Revolvers: 28 (48.3%)

Figure 4. Chart showing the spending on lobbyists by gun rights groups from 1998 to 2017. (OpenSecrets.org. (2017). Gun rights. Center for Responsive Politics. Retrieved from: <https://www.opensecrets.org/industries/indus.php?ind=Q13>.)



Figure 5. Philip Morris International routinely uses Twitter and other social media to promote smoking alternatives. (Twitter).



Figure 6. Indian Point Energy uses social media to show how it contributes to the local community. (Twitter).

For the Ladies

Guns, accessories, and anything special for our firearm loving women.

66 Pins 3.87k Followers

- Guns
- Conceal carry
- Firearms
- Knives
- 2nd amendment
- Concealed carry
- Pistols
- Weapons
- Bang bang

The Women's Gun Show
Ruger Co9 Designing Women Women >
Episode Carrie Lightfoot and Barbara

Concealed Carry Women Bang Bang >
Ruger Women's Old Favorite V-neck - Crimson
See More

Homesick Texan Concealed Carry Women >
The Women's Gun Show - Episode 20 - Most Popular Concealed Carry
See More

Concealed Carry Purse Conceal Carry >
The Women's Gun Show
"To Purse, or Not to Purse, That is the Question!" On this week's
See More

Pri

Figure 7. For the Ladies pin board on Ruger's Pinterest page. (Pinterest).

Sources for Appendices

Appendix Figure 1

Sturm, Ruger, and Company Fourth Quarter and Year End 2017 Financial Report

<https://ruger.com/corporate/PDF/ER-2018-02-21.pdf>

Sturm, Ruger, and Company First Quarter 2018 Financial Report

<https://ruger.com/corporate/PDF/ER-2018-05-08.pdf>

Sturm, Ruger, and Company Second Quarter 2017 Financial Report

<https://ruger.com/corporate/PDF/ER-2018-08-01.pdf>

Appendix Figure 2

Sturm, Ruger, and Company Form 8-K May 9, 2018

<https://ruger.com/corporate/PDF/8K-2018-05-09a.pdf>

Appendix Figure 3

Remington Outdoor Third Quarter 2017 Financial Report

<https://www.remingtonoutdoorcompany.com/sites/default/files/ROC%20Q3%202017%2010-Q.pdf>

Appendix Figure 4

American Outdoor Brands Second Quarter Fiscal 2018 Financial report

<http://ir.aob.com/phoenix.zhtml?c=90977&p=irol-newsArticle&ID=2321714>

Appendix Figure 5

Top three gun manufacturers on social media

Ruger -

Facebook (<https://www.facebook.com/Ruger/>)

Instagram (<https://www.instagram.com/rugersofficial/>)

Pinterest (<https://www.pinterest.com/rugerfirearms/>)

YouTube (<https://www.youtube.com/user/RugerFirearms>)

Remington -

Facebook (<https://www.facebook.com/remingtonarmscompany/>)

Twitter (<https://twitter.com/RemingtonArms>)

Instagram (<https://www.instagram.com/remingtonarmscompany/>)

YouTube (<https://www.youtube.com/user/RemingtonArmsCompany>)

Google+ (<https://plus.google.com/+remington>)

Smith and Wesson -

Facebook (<https://www.facebook.com/smithwessoncorp/>)

Twitter (<https://twitter.com/SmithWessonCorp>)

Instagram (<https://www.instagram.com/smithwessoncorp/>)

YouTube (<https://www.youtube.com/user/SmithWessonCorp>)

Appendix Figure 6

Sturm, Ruger, and Co. Conflict Minerals Policy

<https://ruger.com/corporate/PDF/ConflictMineralsPolicy.pdf>