

# Coffee as a Medium for Ethical, Social, and Political Messages: Organizational Legitimacy and Communication

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**ABSTRACT.** This research examines how an organization, Thanksgiving Coffee, establishes and maintains its legitimacy with its constituent publics. In line with Boyd's (2000, *Journal of Public Relations Research* 12(4), 341–353.) concept of actional legitimacy, Thanksgiving Coffee demonstrates a legitimation strategy addressing social issues and by responding to ethical and political questions. Applying Fisher's (1984, *Communication Monographs* 51, 1–18) concepts of narrative fidelity and probability, Thanksgiving Coffee's policies and communication activities were found to alleviate the social issues to which they were addressed and therefore reinforce perceptions of legitimacy among publics. Viewing the influence of organizations from a different perspective, this study provides an example of how the policies of an organization can have a positive impact on the broader society in which it operates.

**KEY WORDS:** legitimacy, social responsibility, policy, public relations, campaigns, social issues, marketing

A persistent problem organizations face is their standing and relationship with a variety of external agencies or audiences, public, constituencies, and

stakeholders. An array of perspectives, including resource dependency, issue management, stakeholder theory and legitimacy has helped scholars explore this problem. Legitimacy, organizational legitimacy and its varying conceptions and uses, help explain how an organization remains aligned with the values and norms of audiences. One conception of organizational legitimacy, actional legitimacy, is concerned with the effects of organizational policies and actions (Boyd, 2000). The policies and actions, if performed in the open for all to see, can then become part of the public communication that defends or gives cause to challenge the status of legitimacy.

Legitimacy is a concept that helps explain the rhetorical tactics organizations use to convince the publics that they are useful, responsible and deserve the support (Hearit, 1995). The legitimizing process begins with the organization's justification, to a peer or super-ordinate system, of its right to exist and continue forward with its established operational activities and stated goals (Maurer, 1971). Legitimacy theory has most often focused on institutionalized political, economic, or religious systems (Boulding, 1971; Parsons, 1947; Weber, 1978), and was later applied to organizations like corporations as the effects and influences of their actions were recognized. Parsons (1947) borrowed from and elaborated upon criteria introduced by Max Weber in his collaborative *The Theory of Social and Economic Organization*. Weber requires a belief (*Vorstellung*) in a legitimate order and the application of criteria or tests for its validity (*Geltung*) (Parsons, 1947). The criteria illustrate how legitimacy can be attributed to an order or system of norms for a societal community. Legitimacy can be ascribed by (1) tradition – a belief that the legitimacy has always existed; (2) attitudes;

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(3) a rational belief in an absolute value; and (4) legal status by either voluntary agreement or imposed by a legitimate authority (Parsons, 1947).

Boulding (1971) also developed a model that relied upon criteria to test for legitimacy. Although developed for examining the legitimacy of central banks, Krapels and Arnold (1996) used the Boulding (1971) model to examine the legitimacy of a discipline and profession. These early criteria for legitimacy were intended to be applied to broad sociological landscapes. The sociological perspective, however, was later used by Parsons (1956) to introduce a theory of organizations and to elaborate on the importance of legitimacy to organizations.

The purpose of this research is to analyze how one organization uses an actional approach in its communication programs to establish and maintain legitimacy in the face of changing social norms. Parson's (1956) sociological perspective explains how organizations and the larger social systems of which they are a part affect each other. Organizational theorists have overlooked a fairly straightforward and obvious outcome of the sociological perspective (Stern and Barley, 1996). Although the many negative influences of organizations receive attention, Stern and Barley (1996) consider the plausibility of society's progress toward eliminating racial and gender discrimination, for example, being moved forward by the actions of organizations. Parson's (1956) "paramount set of decisions" made by an organization to help legitimize its value system and goals explain the two-way relation shared by an organization and society. These decisions are concerned with policy, or, the steps taken to achieve the organization's goals. The organization that is the subject of this research has arguably made a positive impact on the social issues that it has chosen to attach to its legitimacy.

## Review of literature

Changing social norms and the organization's responses raise the caveat about taking a legitimacy analysis to an unconditional conclusion. Legitimacy analysis remains valuable, however, to understanding the actions of an organization in larger social contexts. The concept of legitimacy allows analysis of how an organization relates to its environment and provides a

linkage between the organizational and societal level of analysis (Dowling and Pfeffer, 1975).

Scholars continue to refine typologies and approaches to the study of organizational legitimacy. Pfeffer and Salancik (1978), taking a systems theory perspective, noted that organizations remain dependent on outside sources for support. Without the status of legitimacy, an organization could find itself vulnerable to the withdrawal of support from outside agencies including governmental and legal authorities as well as customers. The dependency on external resources illustrates the relation of the concept of legitimacy to stakeholder theory and this relation has been a focus of legitimacy theorists (Suchman, 1995; Zyglidopoulos, 2003). Other areas of focus for legitimacy scholarship include the strategic perspective, from where management makes decisions that are designed to enhance some aspect of organizational legitimacy, and the institutional perspective from where the status of legitimacy is considered to be conferred only by audiences outside the organization irrespective of management decisions and actions (Suchman, 1995; Zyglidopoulos, 2003).

In addition to scholars who rely on stakeholder management to explain legitimacy, the legitimacy of stakeholders themselves has been examined (Driscoll and Crombie, 2001). Just as different types of legitimacy apply to organizations, stakeholders possess varying characteristics and levels of interest in the organization's actions. Driscoll and Crombie (2001) examine how an organization and one stakeholder group in conflict use power to enhance their legitimacy and to attain more power and advantage in their relations with other stakeholders and publics.

The different approaches to the study of legitimacy suggest that still more clarification concerning the value of each approach is warranted. Some researchers have begun applying a matrix approach to measure the influence of one type of perspective over another in a given context (Driscoll and Crombie, 2001; Elsbach, 1994). Ongoing refinements to legitimacy research will allow the measurement and assessment aspects of this body of research to be better articulated.

Moving forward from Maurer's (1971) concept of legitimacy, scholars now approach legitimacy study in line with various typologies of the concept. Suchman (1995) notes a bifurcation in the literature with strategic and institutional approaches. The strategic

approach, with its emphasis on management action, positions legitimacy as a concept that can be controlled and be used against rival interests. Scholars taking this approach are able to frame de-legitimizing strategies to be used against rival interests (Driscoll and Crombie, 2001; Suchman, 1995). The institutional approach emphasizes broad structuration dynamics that wield more influence than whatever is deemed to remain in the organization's control (Suchman, 1995). Following the institutional approach, those outside the organization control whether organizational action is considered legitimate. The influence of systems theory and the power that those outside the organization have to withhold vital resources is acknowledged by the institutional approach. In addition to the strategic and institutional split, there are further divisions in legitimacy research. Additional approaches include legitimacy focused upon pragmatic, normative, and cognitive interpretations (Aldrich and Fiol, 1994).

The pragmatic approach to legitimacy considers the likely assessments of stakeholder groups given their relation with the organization. In line with pragmatic concerns, customers question management actions, for example, if prices rise. Members of a geographic community might question whether the firm's record of employing the local population is worth the costs of increased noise pollution.

The normative approach to legitimacy questions moral and ethical norms. The destruction of a monument of historical significance to make way for a fast-food restaurant, for example, would be questioned on in line with normative grounds. More to the point, users of a prescription drug might take a normative view of legitimacy if the costs of the drug seem out of line.

The cognitive approach considers the comprehensibility or the "taken-for-grantedness" of the firm's behavior (Zyglidopoulos, 2003). Restaurants serving meat, for example, are responsible for the processing of animals into food products. Even if there is a significant animal rights constituency among the restaurant's stakeholders, the food processing is understandable as a decision and activity of a restaurant business. On the other hand, if unsanitary processing or animal cruelty was discovered, cognitive legitimacy would be threatened because standards of sanitary operation and humaneness are operating aspects that are taken for granted.

The various approaches to legitimacy suggest both strengths and weakness to the framework. The strategic approach is proactive and aggressive and is likely to include components of issue management when planning for expected outcomes. Zyglidopoulos (2003) traces the relation to an organization's position on an issue and the likely effect the organization's position will have on legitimacy. Organizations that lead or stay in front of an issue are more likely to benefit from the public's perception of legitimacy. Organizations that lag or fall behind an issue are likely to suffer from public perceptions of legitimacy. Finally, organizations that neither lead nor lag will not benefit nor suffer from their position. The issue management component, however, weakens the concept of legitimacy to stand in its own right as a way to explain and understand management decisions and public perceptions.

#### *Research questions*

By examining how an organization's policies, actions, and communication programs create or maintain the standing of legitimacy, this study explores the following research questions:

- (1) Does Thanksgiving Coffee demonstrate the communicative elements of an actional legitimation strategy? If so, how?
- (2) What social issues provide the impetus for actional legitimation and related communication strategies for Thanksgiving Coffee?
- (3) Can particular outcomes of Thanksgiving Coffee's actional legitimation strategy be identified?

#### **The case of Thanksgiving Coffee Company**

Thanksgiving Coffee Company is not a large corporation. The company's website reports annual sales of about \$5 million. Since its founding in 1972, however, the company has been involved in social and political issues that are closely associated with the coffee industry. The company is also engaged in a range of other issues related to its core business and deemed central to its organizational values and mission – the roasting and sale of specialty coffee. The positions, policies, and communication related

to the issues the company has chosen to place in the foreground of its day-to-day operations are certain to influence consideration of the company's legitimacy among the publics.

Thanksgiving Coffee is 80% family owned; the remaining percentage is owned by shareholders. Unlike coffee companies affiliated with some of the world's largest consumer and commodity corporations that must remain focused on bottom-line performance, Thanksgiving Coffee Company closely aligns its operations with social issues that would appear to threaten efficiency and profitability. When the company's operations are discussed on its website, in news releases, or elsewhere, a commitment to quality coffee and social fairness is expressed repeatedly. Discussions concerning profitability, capital appreciation, or corporate growth, however, are neglected entirely.

The company website, being a medium for timely communication with publics as well as a repository of documents and reference materials, is dedicated to technical details concerning coffee and the political and social situations that have bearing on company policy. Visitors can view information about the taste and origin of coffee and make purchases directly from the website. The political orientation of the company is made clear. Unlike a completely public company, Thanksgiving Coffee is able to foreground its political and social leanings. The company's perspectives are made clear through histories and explanations of its policies, and biographical sketches of the company founders. Visitors can quickly discern and decide if the politics and related mission of the company aligns with their own view of a coffee company. Visitors who agree with what is being communicated by the company website are likely to perceive Thanksgiving Coffee as following a legitimate approach in doing business in coffee.

The operational and communication policies of Thanksgiving Coffee promote, in the strongest sense, an organizational point of view relating to fair trade, environmental concerns, and other issues related to sustainability. In this way, the company's actions are in line with Baker's (2002) covenantal model of public relations ethics. The company makes a promise or covenant to its publics to do business only as guided by noted principles. Publics are then able to determine if the company has fulfilled its promise through its actions. Thanksgiving

Coffee's operational policies spread out broadly in relation to given social issues and are intended to map ethical and responsible directions for the company. Most of the issues Thanksgiving Coffee places in the operational foreground are closely associated with the coffee industry; others seem related to political and environmental justice in a broader sense. The company is able to address through its mission, policies and communication, what it finds to be the more pressing ethical problems facing the coffee industry. Looking beyond the coffee industry, Thanksgiving Coffee has also established policies and communication programs related to environmental conservation that could apply to any commercial enterprise that maintains facilities and vehicles for warehousing, processing, and delivery services.

### **The coffee industry: quality, social, and political issues**

Quality issues that concern the coffee industry involve the quality of coffee that ultimately finds its way into the coffee drinker's cup and the way coffee is grown, processed, and sold. Quality issues are present throughout the grower–processor–exporter–distributor–retailer supply chain. Some of the decisions that influence the quality of the coffee also have social, economic, and political consequences. If an organization like Thanksgiving Coffee declares a strong commitment to quality coffee and is able to deliver on that commitment or promise, there is likely to be some kind of organizational commitment to social and political issues as well. The coffee trade is entangled in myriad environmental issues. An examination of how a promise of quality coffee spans the entire supply chain illustrates the implied promise to monitor the concurrent social and political consequences of bringing coffee to the consumer.

Quality and the attention given to coffee bean growing and harvest, roasting, storage, and other technical processes determine the taste of coffee. Although there are many factors that can be related to quality, the formalized procedure of "cupping" or evaluating coffee leaves little room for coffees that fall short on any of the many criteria in a cupper's routine. If a coffee tastes "bad," the representative criteria is expressed by some quantifiable means that

are observed through the cupping procedures. Bad coffee can be rejected by buyers any place along the supply chain. Another alternative for coffee that is sub-par is that it can be included in a blend for cost reduction or other reasons. Commodity traders focus on two types of coffee beans: Robusta and Arabica. Either type can be plagued with quality problems. Arabica is considered to be the superior bean, is more climate-sensitive, and also requires more demanding cultivation (Gresser and Tickell, 2002; Pendergrast, 1999; Thanksgiving Coffee web pages, 2005).

If coffee quality or taste is at issue, decisions about what type of bean to purchase and process must be made. When this type of decision is made by large-scale corporate purchasers, or even small-scale specialty buyers, there are additional implications about the source or country of origin of the coffee, its value or price paid to the growers, and related environmental issues. Robusta is typically used in dark roast coffees and for comparatively inexpensive blends. Yet, a trend of large-scale buyers obtaining greater quantities of Robusta and inferior beans, and less Arabica has had an effect of driving down the value of green (unprocessed) coffee in recent years and also lowering long-standing standards of coffee quality (Gresser and Tickell, 2002; Katzeff, 2001; Thanksgiving Coffee web pages, 2005).

#### *Coffee quality and its impact on social and political issues*

The presence of more Robusta beans in the worldwide coffee market is due in part to increased coffee production by Brazil and the entrance of Vietnam as a coffee producer (Gresser and Tickell, 2002; Pendergrast, 1999; Thanksgiving Coffee web pages, 2005). Coffee sales from long-standing sources like Mexico or Nicaragua, for example, are in competition with coffee from newer sources. The demand for the often inferior coffee from the newer sources is strong. One coffee grower in Brazil reported that the sale of inferior beans that would have been out and out rejected just a few years ago now occurs with regularity (Gresser and Tickell, 2002).

The trend of diminishing coffee quality gives rise to a number of social issues. First, coffee farmers are paid less for larger yields of their own coffee in the

face of increased supply. This phenomenon also has an impact on regional and national economies that are dependent on income from coffee harvests. Second, the continued pressure for higher coffee yields has supported the environmentally unfriendly practice of “sun grown” coffee, which began in the 1970s (Thanksgiving Coffee web pages, 2005). So called sun-grown coffee grows in the open sun as a monoculture crop; a practice that consumes more environmental resources and is responsible for diminishing ecological diversity. Finally, the situation has helped to define alternatives to poor-quality and environmentally destructive coffees purchased at prices that often do not cover the costs of cultivation and harvest.

The Thanksgiving Coffee website (2005) notes that, next to oil, coffee is the world’s largest natural product commodity. Coffee cultivation, processing, and distribution consume a great deal of resources and make an impact on many lives, organizations, and even governments. The economic outcome of the supply chain for coffee, as it has stood in recent years, has not been equally kind to everyone which it includes. Considering the profit margins made by retailers in countries like the United States and United Kingdom, for example, and the economic conditions common among coffee farmers, study of the coffee industry and its economic and social impact is warranted. Gresser and Tickell (2002) describe the inequities inherent in the coffee industry as a worldwide crisis that could likely be the source of additional and serious social, economic, and political issues.

#### *Coffee and trouble for farmers and national economies*

Coffee roasters may find that organizational legitimacy is placed at risk by a supply chain that encourages dramatic economic disparity and destructive environmental practices. The roasters use vast natural and other resources to place coffee on the shelves for consumers. Legitimacy can be challenged in line with the use of natural resources; in this instance, coffee cultivation and the burden upon ecosystems are required to deliver a high-yield and high-profit product. Fairness principles would challenge the trend of downward price pressure on growers who are often unable to cover costs of

cultivation and harvest. At a time when coffee bars, specialty restaurants, and caffeinated beverages are merchandised aggressively, the situation concerning coffee has received attention of the media investigating the conditions coffee farmers face. Reports concerning the recent poverty of coffee farmers and their communities are common. The archives of CBS Market Watch, the Natural Resources Defense Council, and Oxfam International, for example, provide news, stories and special reports on coffee growers and the operational policies of the coffee industry. Trade organizations related to the coffee, beverage, and food industries report on the price and quality trends of coffee as it is cultivated and traded worldwide.

Comparing data from media and trade sources, the lowest prices paid to coffee farmers appears to have occurred in 2002 while retail profits remained strong. According to an Oxfam International report, prices paid to the farmers in this time period represent the lowest value of coffee in terms of real prices paid to farmers in 100 years (Gresser and Tickell, 2002). Another account from that time began with “the collapse in coffee prices is impoverishing farmers across much of Latin America and in parts of Asia and Africa” (Clifford, 2002, p. 1). During 2005, however, the cost of coffee beans had been surging upwards. During the last 2 months of 2004, the price of coffee increased because of weather conditions in Brazil and cuts in production; and early in 2005, Proctor & Gamble increased the retail price of its Folger’s brand by 13% with other large roasters quickly increasing consumer prices as well (Consumers wake up, 2005). In 2005, expectations were that the worldwide demand for coffee will exceed the supply. A 4-year high paid for coffee at the New York commodity exchange was reported in January, 2005 (Coffee price increase forecast, 2005). The increased prices paid for beans and at the retail level might not translate to better terms for coffee farmers, however.

Large public corporations for which coffee is only one line of business are not well positioned to deal with the economic and social conditions that caused their profits to soar. Thanksgiving Coffee in contrast, a supplier of specialty coffee remains well positioned to be selective with whom and how it does business. The company uses its record of actions and policy, its products, and its alliances to

differentiate itself from mass market coffee and as a source of ongoing legitimacy.

The Oxfam International report by Gresser and Tickell (2002) proposes a “coffee rescue plan” that addresses social and economic issues related to the worldwide coffee trade. The report (2002) calls for short- and long-term initiatives that involve coffee companies, governments and institutions, retailers, investors, and consumers. The complexity of a plan that requires the cooperation of different types of organizations and considers agricultural and economic uncertainties presents a formidable challenge. Broad initiatives, suggested by Gresser and Tickell (2002) provide the perspective on what coffee companies can do to alleviate social and economic hardships. This perspective is useful in understanding the actions taken by Thanksgiving Coffee Company from the time the organization was formed through to its current day-to-day operations.

Although Thanksgiving Coffee was founded long before coffee was not traded in a managed commodity market, the company’s policies seem to have anticipated the market conditions that received widespread attention following 2002. Among the factors that have caused the supply and demand of coffee to be vastly imbalanced is the end of coffee’s management as a market commodity regulated by the International Coffee Agreement (ICA), new producers of coffee entering the market on a large scale, and softer demand in Western consumer markets (Gresser and Tickell, 2002; Pendergrast, 1999; Thanksgiving Coffee website, 2005). The ICA was in place through 2002, administered by the International Coffee Organization (ICO), but no longer had the authority to regulate supplies of coffee through the application of a “price corset” (Gresser and Tickell, 2002). The imbalance in supply and demand is also often described as the root of the coffee crisis. This imbalance was exacerbated in 2001 when attempts to limit coffee exports from Brazil and Vietnam failed (Gresser and Tickell, 2002).

One answer to the oversupply of coffee and the depressed prices paid to farmers is the continuing development of specialty coffee market which trades coffee from a particular geographic region: Blue Mountain Coffee from Jamaica, or Kona Coffee from Hawaii, for example. A specialty coffee could also claim to be of outstanding quality. The specialty coffee markets received attention from Thanksgiving

Coffee Company since its founding in 1972 with a commitment to quality coffee: the purchase of coffee from Nicaragua as part of an agenda to encourage economic development there, the purchase of environmentally friendly shade-grown coffee, and later affiliations with the Specialty Coffee Association of America (SCAA). The SCAA was found in 1982 to focus on quality coffee and has since become the world's largest coffee trade association (About the Specialty Coffee Association, 2005).

Gresser and Tickell (2002) report that specialty coffee accounts for 40% of the value of the coffee market in the United States. The specialty coffees, however, represent only a small amount of the total amount of coffee sold. The value added to coffee by the time it reaches the hands of consumers is at issue when considering the value paid to coffee farmers. Some of the earliest policies and programs of Thanksgiving Coffee addressed the historical inability of the farmer to add more value, and therefore capture a larger share of the profits for the coffee that is grown and sold. Gresser and Tickell (2002) explain how the farmers miss out on the potential profit opportunities their coffee represents: "Far too little processing and packaging of coffee takes place in producer countries, which means that very little of the potential value of the coffee is captured" (p. 33).

Organizations like Thanksgiving Coffee, the Specialty Coffee Association of America, and Oxfam International encourage the farmers and producer countries to capture more coffee value. Transactions that occur outside the institutionalized coffee supply chain hold promise for some coffee growers as well. Doing away with the "middle man" or "coyote," two small farms in Nicaragua sold their Arabica beans through an Internet auction and received 23 times the price that would have been paid via the New York commodity exchange (Gresser and Tickell, 2002). Although obtaining a selling price that is 23 times greater than what was previously expected in most business circumstances would be monumental in itself, when compared to the usual difference in coffee prices from roaster to retailer, this span is not unusual to the coffee supply chain. Gresser and Tickell (2002) report that in the November 2001 to February 2002 timeframe, the FOB price per kilogram of Ugandan Robusta was \$US 1.64. The same coffee processed as instant or

soluble coffee would have sold at retail for \$US 26.40.

If consumer attention is tuned to fair trade and environmental issues concerning a huge commodity product like coffee, Fair Trade Certification will represent an alternative and a possible source of legitimacy for organizations that operate within the TransFair guidelines. Certified coffee is likely to cost the consumer more in many instances, however. Yet, as more attention is given to issues associated with fair trade commodities, a demand for certified products appears to be developing. "Fair Trade coffee sales grew by 12% in 2001 compared with overall growth in coffee consumption of just 1.5% " (Gresser and Tickell, 2002, p. 41).

Thanksgiving Coffee is likely to benefit from the success of fair trade coffee. In some respects, the company was instrumental in the interest and growth of fair trade. Coffee growers benefit, too, from the mechanisms implemented by Thanksgiving Coffee. The farmer cooperatives help retain crop value and establish fair trade practices. The company's actions and communication programs demonstrate sensitivity to various industry-related issues and implement solutions through day-to-day operations.

#### *Responsibility throughout the supply chain*

The situation in the coffee trade that has led to poverty among coffee farmers and accelerated environmental degradation for the sake of greater crop yields calls into question the legitimacy of organizations within the "seed to shelf" supply chain. Coffee companies, governments and institutions, retailers, investors, and consumers can influence the way coffee is grown, processed, and sold. A 5-point vision outline by Gresser and Tickell (2002) illustrates how the situation and many of the challenges to legitimacy likely to be raised throughout the coffee supply chain involve different types of organizations by calling for action to "(1) restore the balance of supply and demand, (2) restore quality and productivity, (3) raise prices, revive livelihoods, (4) retain and build value-added capacity, and (5) establish real alternatives for rural development" (p. 46). The execution of the action plan is intended to be shared by different types of organizations. Thanksgiving Coffee, however,

demonstrates that its own policies and actions are broad enough to reach throughout an entire industry.

### **Thanksgiving Coffee Company**

Paul Katzeff, founder and CEO of Thanksgiving Coffee has been described as a “passionate, flamboyant advocate for quality coffee and liberal causes” (Pendergrast, 1999, p. 310). Along with co-founder and wife, Joan Katzeff, Paul Katzeff claim that their company has been a pioneer in transforming the coffee business since its start in 1972 by using coffee as a medium for its message and for change (Thanksgiving Coffee website, 2005). If coffee is used as a medium by the company, the vision and mission of Thanksgiving Coffee would be likely to extend beyond the business of coffee cultivation itself and to issues that correlate closely with transactions and outcomes throughout the coffee supply chain. Thanksgiving Coffee expresses a commitment to premium quality coffee and to “social and environmental justice for the coffee-producing regions of the world” (Thanksgiving Coffee website, 2005). A company motto or tagline captures the spirit of vision- and mission-related policies: “Not Just a Cup, But a Just Cup.”

During 1985, for example, Paul Katzeff made his first trip to visit coffee growers in Nicaragua. Whether at the invitation of a single farmer, as the company website indicates, or by invitation of a pro-Sandinista coffee organization as Pendergrast (1999) asserts, the trip was instrumental in reinforcing and establishing direction for Thanksgiving Coffee. The economic issues faced by coffee farmers in Nicaragua because of the way the industry at large functioned and because of the ongoing Contra-Sandinista war, provided Katzeff reason to act. Seeking to alleviate the economic, social, and political conditions he observed, Thanksgiving Coffee established operational policies and communication programs that specifically addressed Nicaragua and the political controversy surrounding it. Unlike other coffee brands and their sponsoring corporations, Thanksgiving was able to pursue business in Nicaragua despite hostile U.S. policy toward the Sandinista government. In addition to promoting quality coffee, Thanksgiving was aligning its business operations with a cause.

Before getting into the coffee business, Katzeff was a social worker. There are frequent mentions on the company website of connections between Katzeff’s social worker background and the policies he engineered for Thanksgiving Coffee. Katzeff’s social worker background is attributed to his launch of the Thanksgiving “Coffee for Peace” program during 1985 (Pendergrast, 1999; Thanksgiving Coffee website, 2005). Thanksgiving sought to “support democratic and economic changes in Nicaragua by buying beans directly from farmers and adding a surcharge to benefit producers” (Thanksgiving Coffee website, 2005). This policy meant donating \$US 0.50 per pound of coffee sold to the Sandinistas (Pendergrast, 1999). One month after Katzeff put the program into effect, the Reagan administration banned the importation of goods from Nicaragua. Katzeff initiated legal action against the Reagan ban and continued to import and roast Nicaraguan coffee through Canadian sources (Pendergrast, 1999). During the following year, Equal Exchange, another organization that imported Nicaraguan Sandinista coffee and sought fair trade practices and closer connection with the people and ecosystems that produced coffee, was formed (Pendergrast, 1999).

The Coffee for Peace program can be counted among the programs and policies, Thanksgiving Coffee initiated, that are dedicated to a specific purpose in connection with a social or political issue, or to alleviate an ongoing economic or environmental situation. The Thanksgiving programs target and follow quite closely the issues and recommendations concerning the economic hardships facing coffee producers outlined by Gresser and Tickell (2002) and others. Programs that address environmental concerns were also in place. In all instances, the issues that concern Thanksgiving Coffee are related directly to the coffee industry and to a business following a sales model similar to Thanksgiving Coffee.

Today, many of Thanksgiving’s “radical” ideas have become standard in the coffee industry and beyond. The idea of forging direct relationships between farmers, coffee companies, and consumers to counteract exploitative trade policies has evolved into the fair trade movement. Some think of coffee as just something to drink, Paul says. But 26,000 square miles of the earth’s surface



are planted with coffee and it affects the lives of 225 million coffee growers and their families around the world. We try not to forget that (Thanksgiving Coffee website, 2005).

Thanksgiving policies and its social and political initiatives remain germane to its business and industry. Social action that is closely related to the organization's business makes a stronger case for legitimacy (Metzler, 2001). In contrast to other organizations that get involved with issues that have little if anything to do with their core businesses, Thanksgiving initiatives function as a source of legitimacy among its publics. The long-standing record of Thanksgiving Coffee and social action, extending back to its founding, is in line with Boyd's (2000) pro-active, actional approach to legitimacy.

### **Thanksgiving Coffee communication initiatives**

The Thanksgiving Coffee website posts seven news releases that span from October 1, 2002 to April 14, 2004. The listed media contact is an individual at a public relations agency with which Thanksgiving is no longer affiliated. Although no more recent news releases have been posted as of this writing, there have been informational updates to the website; the most recent of which was November, 2004. If the company website is to be Thanksgiving Coffee's major source of public information, the need for updating would be frequent given the history of Thanksgiving Coffee and its involvement in social and economic issues. During October 1, 2002 to April 14, 2004, there were a number of important events concerning the coffee industry, which received media attention and a number of important policy announcements related to those events by Thanksgiving Coffee. Some of the announcements were made in news releases; and some were in the form of documents posted on the company website. The company could continue to distribute news release on its own making use of wire or other media services or could arrange to use the services of other public relations or communications agency as well. The agency listed as the contact for posted releases, however, is closely involved with the types of social concerns to which Thanksgiving

Coffee is dedicated and even has shared in the recognition with Thanksgiving Coffee for environmental conservation through a related business (Thanksgiving Coffee website, 2005).

### *News releases and the resource library*

In addition to website materials dedicated to sale of coffee, there is substantial content that appears either as complete and discrete news releases or as documents that are part of the Thanksgiving Coffee resource library. News releases and resource library materials are related to company policy and its position on social issues, the coffee industry, and the environment. Typically, news releases would be associated with timely news announcements. A few of the seven news releases on the website are straightforward announcements; others are more of a feature story in nature. Consequently, there is sometimes an overlap in the information itself or the nature of the material that is found in the news release and resource library sections of the company website.

News about environmental awards given to Thanksgiving Coffee is among the more timely releases. The company received recognition from the California Waste Reduction Awards Program (WRAP). News releases in 2002 and 2003 announced two consecutive years of recognition. Recognition came from a number of company programs such as the completion of an energy audit, tree planting in Africa, maintaining a worm farm to compost biodegradable materials, and perhaps most importantly, being the first California company to operate its entire fleet of trucks with biodiesel fuel.

One narrative that was going on for several months is *Letter from Company President*, by Joan Katzeff. During December 2002, Joan visited one of the coffee co-ops in Nicaragua. She reported on the website in the form of a letter with a "Dear Friend," salutation, the working conditions of 132 women she observed working round-the-clock shifts in the sorting room (Thanksgiving Coffee website, 2005). Work in the sorting room consists of workers seated along side of a conveyer belt and separating or sorting poor quality coffee beans from those that are acceptable. The working conditions lacked facilities

that are usually taken for granted: air conditioning, adequate bathroom facilities and noise control, lockers for personal belongings, ergonomic chairs suitable for the tasks at hand, safety equipment, and health care including vision testing and gynecologic care. Joan's letter was a cost estimate of what was needed to correct the workplace deficiencies and a plea for funding to improve the conditions.

Several months later, during April, 2003, *Letter from Company President* was amended to report on the funds received to-date and included photographs of the workers using new chairs and breathing masks. The photos and updated report occurred close to the same time Joan Katzeff made a second visit to the cooperative in Nicaragua. The updated letter notes how happy the workers were with the improvements that had been put in place and ends with "to be continued" (Thanksgiving Coffee website, 2005). The chairs and breathing masks are part of what Joan Katzeff initially observed and planned to address. The first update to this narrative took about 4 months. As of mid-2005, a second updated report on the fund raising and conditions at the co-op have yet to be made. For some publics, the expectations of the regular and timely updates to website communication are not being satisfied.

Another series of programs that receive attention in the resource library section is the environmental initiative of Thanksgiving Coffee. Prior to the company receiving any WRAP or other environmental awards, Thanksgiving conducted an environmental audit during 1999. The resource library contains a full document that includes reasons for the audit, an explanation of how the company developed the audit process, and accompanying standards. Many of the processes that were developed as a result of the audit are now everyday policies at Thanksgiving Coffee. Not facing any legal environmental challenges prior to the audit's creation, Thanksgiving sought to develop its own set of environmental guidelines. Surprisingly, the company discovered, there were no environmental guidelines in place for companies processing and roasting coffee; the audit, therefore, would be a first of sorts (Thanksgiving Coffee website, 2005). Thanksgiving met with an environmental consulting service to develop guidelines for fuel, dust, exhaust, recycling, and other aspects of operations that could have an environmental impact.

Using an EPA priorities list as a starting point, Thanksgiving established its own action plan beginning with the items of highest priority first. "The audit is organized according to this priority list: Electricity Use, Fleet Vehicles, Agricultural Practices, Propane Use, Packaging, Paper and Other Office Supplies, In-house Wastes, and Coffee Dust from Production" (Thanksgiving Coffee website, 2005). The audit led Thanksgiving operations to adopt more environmentally sound practices.

### **Narrative fidelity and probability**

The policies that Thanksgiving Coffee articulates through communication initiatives need to be effective with a variety of publics. One way to understand how effective Thanksgiving Coffee's communication initiatives are is to apply Fisher's (1984) concepts of narrative fidelity and probability. Unlike a larger public organization that would be held more closely to widely accepted principles of social responsibility reporting when communicating about issues related to legitimacy, Thanksgiving Coffee appears to have been making its own way since the company was founded. The company chooses its own issues and means, and style of reporting. Still, the broad range of publics and issues addressed by Thanksgiving policy help the company's messages to "ring true." When Thanksgiving claims that its coffee is of high quality, or of organic fair trade, for example, there are a number of outside agencies that become engaged in measuring quality or certifying coffee type. Narratives that are shown to be exaggerated or simply untrue can cause Thanksgiving Coffee's legitimacy to be challenged. Yet again, unlike a public company that has had its legitimacy questioned because of policies that are outside industry or societal norms, Thanksgiving policy and communication do more to establish its political and social orientation rather than explain or defend past action. The publics that are addressed are likely to share the same orientation as does the company.

Publics that share the same orientation as Thanksgiving Coffee would be, for example, environmental groups like the Rainforest Alliance, or farmer-members of the co-ops in Nicaragua. They pose no challenge to the legitimacy of Thanksgiving

Coffee unless the company's policy no longer operated, or the effects as claimed, or communication initiatives no longer had credibility. Audiences might reject Thanksgiving policy if it was no longer perceived as being true and just (Hikins, 1990). When Thanksgiving Coffee makes claims about the business of growing and selling coffee, its ongoing narrative carrying those claims needs to ring true across world markets and international institutions. Achieving narrative fidelity, then, depends upon the company narrative being perceived as true throughout the world at large (Rowland, 1987). The criteria of perceived narrative fidelity to the rest of the world for an organization doing business throughout the world are certainly understandable.

The historical aspect of the Thanksgiving Coffee's place in the world attains fidelity through a close connection to political and economic realities. The company's positioning of End the Embargo coffee, for example, is informed by the U.S. embargo against Cuba. Although the company's position on U.S.–Cuba economic relations might be disagreeable to many, Thanksgiving Coffee's position regarding the marketing of the coffee considers the economic hardship caused by a long-standing embargo of unequal trading parties and is consistent with related policies to which the company adheres.

In a more general sense, Thanksgiving Coffee policies both anticipated and responded to the so-called coffee crisis in 2002 when prices paid to farmers for coffee hit record lows. The historical narrative places Thanksgiving Coffee trading coffee in ways that farmers would gain more value and higher prices for their coffee. As SCAA president during 2000, Paul Katzeff brought the Thanksgiving Coffee vision and mission to the SCAA and moved forward with a sustainable coffee agenda. With the examples of End the Embargo Coffee or the founding of cupping labs and cooperatives in Nicaragua, the actions and policies of Thanksgiving Coffee appear to have had the effects that were intended.

In attaining narrative probability, Thanksgiving Coffee narrative will make use of myth, metaphor, and convention (Bush and Bush, 1994; Fisher, 1984). The idea of overcoming insurmountable odds is often the subject of mythic narratives. Thanksgiving Coffee uses capitalism, cold war politics, and the institutionalized commodity trade in coffee. The

company positions the special interests of the chemical and fertilizer industries as environmentally destructive and as sources of power that must be fought and somehow overcome. The most serious challenges to overcome are faced by the coffee farmers. But coffee drinkers, too, are challenged to take responsibility for the economic inequities and environmental costs of purchasing coffee that is neither fairly traded nor grown under a shade canopy.

The narrative constructed by Thanksgiving Coffee relies heavily upon metaphor. The coffee itself is positioned as the instrument for economic, environmental, and social reform. Certainly an appropriate position for a coffee company, but as Thanksgiving Coffee notes, coffee production requires significant and environmental resources to bring its product to market. Thanksgiving Coffee asserts that it is through reform of the coffee industry as represented by its company policies that broader social reform can occur.

Thanksgiving Coffee uses convention in two ways. First, to challenge what is accepted as convention: practices that lead to economic hardship and high environmental costs. Second, to offer alternatives through the company's policies that support sustainability. The company position that makes the claim that Thanksgiving is an industry leader is understandable. Policies that Thanksgiving put in place years ago have served as models for the reform movement within the coffee industry. In this way, the company becomes a benchmark for newer convention.

## **Conclusion**

Thanksgiving Coffee is widely engaged in engineering policy and communicating about social and environmental issues. The initiatives of Thanksgiving Coffee apply to sustainability in the broadest sense for the industry in which the company operates. As perceived and acted upon by Thanksgiving Coffee and generally, sustainability applies to environmental practices, economic fairness, and social justice (Baker, 2002; Iyer, 1999; Stead and Stead, 2000). Sustainability then is a likely locus for policy and communication programs that could influence perceptions of an organization's legitimacy. Boyd's

(2000) concept of actional legitimacy fits well as a way to understand Thanksgiving's actions and communication considering that the company has initiated its policies in a pro-active mode and not in direct response to a crisis or criticism from outside the organization.

Thanksgiving's everyday operating policies allow and encourage feedback and public dialogue in line with actional communication principles. Thanksgiving created policies to improve the economic conditions of coffee farmers prior to international organizations calling for action from participants in the coffee supply chain to work together and alleviate conditions that were likely to become an international poverty crisis. Farmer co-operatives were formed to help negotiate better prices for coffee. In many cases, the cooperatives also included cupping lab facilities for farmers to ascertain the quality and worth of their coffee. Armed with this knowledge, farmers could be more active in negotiating prices for coffee. Thanksgiving policies, therefore, encourage dialogue between itself and other publics within the coffee supply chain and also between various relevant publics themselves.

Thanksgiving Coffee took an industry leading role regarding the certification and packaging of shade-grown coffee, actually developing and applying standards for shade-grown beans. In addition to encouraging shade-grown practices, Thanksgiving partnered with wildlife conservation organizations to promote the ecological value of the forest canopy in ecosystems producing shade-grown coffee. The partnership included Thanksgiving Coffee providing rebates to conservation organizations to help with their work.

In the state of California, Thanksgiving Coffee became the first company to convert its entire vehicle fleet to biodiesel fuel. The company was recognized for being a leader among California businesses with state and county awards for the biodiesel project and other environmental initiatives. The company's efforts were bolstered with a voluntary full-blown environmental audit that took place several years before Thanksgiving earned recognition.

The actional policies by Thanksgiving allow the company to claim to be "first" and "best" in many categories of its operation and through its policies directly related to positions taken concerning social issues. The perceived legitimacy of the company by

its publics, therefore, is likely to be one of an industry leader. Thanksgiving, of course does not lead the industry in coffee sales, but as an organization that has entrenched concepts of sustainability in an industry that had come to be characterized by economic and environmental exploitation.

The policies of Thanksgiving Coffee operate in line with Aldridge and Fiol's (1994) pragmatic, moral, and cognitive components of organizational legitimacy. The policies directed toward sustainability by Thanksgiving are pragmatic as they are applied to ongoing economic and environmental problems. In their own way, the policies are fixes to problems. Cooperative programs address poverty and economic disparity; shade-grown coffee addresses rainforest habitat depletion and environmental degradation. Moral aspects of Thanksgiving policies also follow along economic and environmental lines. There is a moral dimension in deciding whether or not to drive down the price of a farmer's commodity crop, or to raze a forest to squeeze a higher yield of a crop from the land. Thanksgiving takes clear and consistent positions on moral questions and its positions are vigorously applied in its policies and communication. The cognitive or taken-for-grantedness component of legitimacy is expressed in the form of a challenge and consideration of a different approach to doing business in the coffee supply chain. The policies of Thanksgiving force the question of whether the coffee industry's way of doing business that led to the crisis situation in 2002, for example, should be something that is taken for granted about the way the coffee trade must operate. The alternative state of affairs, of course, is represented by the Thanksgiving Coffee policies that address economic and environmental issues.

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