

CSR: A Strategic Publicity

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INTRODUCTION

The concept of corporate social responsibility (CSR) came to the picture when there was a need to generate awareness among the corporate sectors to do something for the society and locality whose resources are being used exhaustively. The relationship between business and society is undeniable. They are inter-dependent. Thus CSR basically highlights that it is important for the companies to realize their responsibilities towards the society. Interestingly, the concept has gained importance in the present scenario as companies found it to be the easiest way to get media attention.

To bring CSR into prominence, several steps were taken by the govt. and the NGOs. In this context, the following segment from one of the famous government of India Report sources can be taken into consideration. The segment not only highlights the general characteristics of CSR as expected by the society (from the companies), but also has hinted at the other practices of it which are linked to product promotion and profit making. The report goes like—

“In the development of corporate ethics, we have reached a stage where the question of the social responsibility of business to the community can no longer be scoffed at or taken legally. In the environment of modern economic development, the corporate sector no longer functions in isolation. If the plea of the companies – that they are performing a social purpose in the development of the country is to be accepted, it can only be judged by the test of responsiveness shown to the needs of the community by the companies. The company must behave and function as a responsive member of society like any other individual. It cannot show moral values, nor can it ignore actual compulsions. The real need is for some focus of accountability on the part of management which is not limited to shareholders alone. In modern times, the objective of business has to be proper utilization of resources for the benefit of others. A profit is still a necessary part of the total picture but is not the primary purpose. This implies that the claims of various interests will have to be balanced, not on the narrow ground of what is best for the shareholders alone but from the point of view of what is best for the community at large. The company must accept its obligation to be socially responsible and to work for the larger benefit of community.”

(Courtesy: Govt. of India, Report of the High Powered Expert Committee on Companies and MRTPA Acts Sachar Committee, 1978)

The segment of the above mentioned report shows that it was realized long ago that corporate social responsibility is an important area of study. The business houses must realize that they have moral obligation to the society. This implies that, just as individuals, corporates are also an integral part of the society and that their behaviour shall be guided by certain social norms. A business house has to be responsive to the society so that a social balance may be attained between the opposite interest of profit and social service.

DEFINING CORPORATE SOCIAL RESPONSIBILITY

World Business Council for Sustainable Development defines Corporate Social Responsibility (CSR) as “The continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.” The European Commission advocates CSR as “Being socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing more into human capital, the environment and relations with stakeholders.” Thus, CSR exhorts firms to diverge from their sole aim of maximising profits and to lay more importance on improving the economic and social standards of the community in their countries of operation. CSR can thus be simply defined as the additional commitment by businesses to improve the social and economic status of various stakeholders involved while complying with all legal and economic requirements. As Warhust (2001) points out, the three major elements of CSR are: **product use** which focuses on contribution of industrial

products which help in well being and quality of life of the society; **business practice** which focuses on good corporate governance and gives high impetus for the environmental well being and **equity** which tries for distribution of profits equitably across different societies, especially the host community.

In this world of competition, it is evident that all the business houses want to be in the limelight as frequently as possible. It is not possible for them to wait for an opportunity to be in the news. Thus, they have now decided to create news and try to invest in various activities such as contests, art exhibitions, Event sponsorships, seminars and workshops, award ceremonies, debate and poll surveys to show that they are actually concerned about the society and the social cause but on the other hand, their aim is building brand image. The process now has become so regular that even the traditional activities like providing developed living conditions, concern for health and hygiene, and concern for education and other minimum requirements were also being celebrated in media.

CSR AS A PUBLICITY STRATEGY

Today's business world is highly competitive and with an open economy, the competition is multi-faceted. It is very difficult to capture the attention of the public at large and consumers in particular. To build the brand and to create a distinct reputation among other competitors, corporates are assuming new techniques of publicity. The better they pose their image, the greater response they get from the customers and shareholders. In this process, the companies have done thorough research to attract the customers. They have taken shelter under various publicity stunts such as charity shows, sports events, sponsored events, exhibitions, workshops, talks and seminars, award ceremonies, reality shows and the like – the activities which are having long lasting impact on the minds of the people. Publicity is the deliberate attempt to manage public's acceptance of a subject. From a marketing perspective, it is a component of promotion.

Today, a surprising number of companies already regard corporate social responsibility as a platform for growth and differentiation. When aligned with business objectives, companies are beginning to see that CSR can bring competitive differentiation, permission to enter new markets, and favorable positioning in the talent wars. To be in the news, to be discussed, and to be popular, the companies have started celebrating their social activities – those activities which they were projecting only with a social cause. The practice is so regular that even the traditional activities like providing developed living conditions, concern for health and hygiene and concern for education and other minimum requirements were also being celebrated. It is really hard to differentiate the activities of CSR and publicity stunts. According to the changing trends, the companies are assuming new moves to innovate in the field of CSR activities to effectively hide their darker side from the society to which they are answerable.

In this context, some critics believe that CSR activities are undertaken in an effort to distract the public from the ethical questions posed by their corporations. The only reason corporations put in place social projects is for the commercial benefit they see in raising their reputation with the public or with the government. Andrew Brangle, who has been a voluntary reviewer of Nike's reporting, says Nike faced such bad ongoing publicity that it revamped reporting on labour abuse. Although it is evident that these moves are premeditated, but still the organization managed to maintain its image before the media. The MNCs are the trend setters in this direction and the others follow suit. There are other more serious and ethical issues like deforestation, use of resources, pollution and other environmental issues and the greatest of all – land acquisition and displacement policy – that are deliberately being ignored and in some cases, even the organizations forget the rights of the people and the society from where they are intending to function.

A LOOK ON ORISSA

At an all India level, the practice of CSR goes back to the initial years of independence. After independence, the state looked towards the business community to propel the country to a prosperous future and in the euphoria of independence, the business class, confident of its capabilities responded actively without much hype and media attention. The able business leaders contributed in form of various top class educational Institutes, hospitals and research centers which are serving the country. In contrast to that, there are companies in the modern era whose community development programmes in the educational field are also not free from controversy. In this context, some of the leading manufacturing sectors functioning from Orissa can be taken into consideration.

The mineral- rich state is always a favorite hunting ground for foreign investors and companies for its natural resources. Irrespective of the political inclination the state has always encouraged these companies to establish their business and tries to provide all possible help. The established companies and national PSUs like SAIL, NALCO, and NTPC are engaged in social activities more than the others. SAIL, which is operating from Rourkela, is engaged in various educational and sports activities, sponsoring emerging sports persons and is also funding sports hostels. In other social activities, they have also formed Ispat General Hospital. There are innumerable activities of community development which are performed effortlessly by SAIL.

NALCO, which is functioning from Anugul and Damonjodi, has contributed in the areas of urban development. It has donated and funded several developmental projects performed by the NGOs within its area of functioning. They are sponsoring sports events, entertainment programs, health camps and exhibitions to show their social concern. In a way, they want the people to forget about the unhealthy climate, dust in the hot summer and its most controversial Ash pond - which are always the wrong reasons for which NALCO is in news. To hide these regular complaints, the company has turned to be socially concerned and shows its responsiveness in the local media.

COAL INDIA and NTPC are the other important organizations functioning from Talcher-Kaniha. They spend a considerable sum for the development of these areas as they not only provide employment opportunity to those families whose lands were acquired, but also provide a new vision of life to the local people. They also have expanded their reach to smaller areas like Sambalpur and Burla. Their aim is to apply the soothing balm to the hectic scars of land acquisition and coal dust which makes the areas prone to respiratory diseases.

Recently, the state has signed MOUs with organizations like Vedanta and POSCO. The Vedanta group has faced stiff opposition from the tribal belts of Lanjigarh and Junagarh. They attempted the age old process of establishing a university in the state. But surprisingly, they hit the headlines of the newspapers every second day for attempting social activity whose authenticity is questioned regularly. They have also tried to capture the positive sentiment of the people and highlighted the various activities that are going to take place for the upliftment of the tribal in those areas. They have sponsored many cultural events of the state to attract the people and to promote their Brand image. These activities were more like promotional activities than Social Responsibility. The media has an important role in this regard. There are private cable channels designing program formats to show the public what is being done by the corporates for the development of their area. OTV channel airs a program called “Mo Odisha ra Unnati” at 8:30 PM every Saturday to show how these organizations are dedicated to the society. Realizing this new trend, ad films are also prepared showing the social concern. Punch lines are being created to attract the attention of the people and to show that the said company has no other aim but to create a smile on the face of the people of Odisha. Similarly, the Vedanta group, Jindal Steel, EPI Steel, all have their ad films where they have attempted to divert the attention of the people and projected themselves as NGOs.

The Pohang Steel Company (POSCO) signed an MOU with the state govt. in June 2005 and has various social and environmental issues embedded in and around this project. The state government actually accepted a project which was rejected by Brazil on the grounds that the company was not ready to pick up ore at market prices according to report in The Hindu. The POSCO project, with its different components, will have a range of social and environmental impact. At the various sides, it has serious issues like affecting beetle leaf cultivation, disturbing the flora and fauna, natural springs, medicinal plants, major tourism destinations. As a part of thin social concern, the company has announced several incentives and schemes for alternative land, cash compensation, and rehabilitation in the press releases. But in fact, there is no document available on the ground to support any of this. To top the list, POSCO has also announced that the Tata Institute of Social Sciences (TISS) has been engaged to carry out a Social Impact Assessment and help in formulation of a rehabilitation package for the communities being affected, which is a costlier research product. The declaration of all these incentives before the press is nothing but to celebrate the hogwash of social concern POSCO is having for the people and the area. Ignoring the harmful aspects, the activities being carried out are highly praised and reflected in the media. A close look can also be given to those sectors that are using the natural resources other than mines in the state. One of the major Hydroelectricity Power Project, the Hirakud Dam can also be taken into consideration. It is also one

of the major water resources used for agriculture in Sambalpur district. Recently, farmers were agitating against the scattering of water volumes to the various emerging industries. Bhusan Steel, Jindal Steel, Mittal Steel are using heavy amounts of water from the dam. Of course, we can see that these organizations are arranging workshops, seminars and sponsoring events- the modern ways of showing social responsibility. They can only be called Promotional Events.

CONCLUSIONS

It is evident that the ongoing revolution in communication technology and the effectiveness of knowledge based economies have created a new model of business. A growing awareness about the need for social responsibility and the new economy framework have paved way for a new generation of business leaders who are concerned about the response of the community. Thus, CSR has become a new business strategy for capturing and sustaining market, to reduce investment risks and maximize profits. It has become in the new scenario, both a value and a strategy to ensure the sustainability of a business. The people understand the language of the media and are actually fooled by the techniques of these advanced business houses. They are taking the advantage of publicity for they are credible and low cost but effective modes. They are not ready to wait for the media to provide opportunities, but they create news by taking key themes and cultural aspects into consideration. These are of particular interest because they are themes of the social life. They are actually choosing to be in the headlines for positive reasons. Some of the service sectors are also engaged in such type of publicity stunts to be closer to the community and project them as social activities.

Business operates in local, regional, national and global contexts. The companies can make more important and true contributions to the society and especially to the local communities. The long term success of a business can be lineal to health, stability and prosperity of the communities in which it operates. Community focused business in the industrial sector and service sector cannot prosper in declining localities. The problems of education, health, crime, unemployment and drugs dramatically affect business houses in the long run. The truthful approach of the corporates towards the society, without the events for the lenses and headlines can provide a better world for both the corporate and the community. The ethical and discretionary responsibility of today may become ultimate and social responsibility. “A healthy business and a sick society are hardly compatible” are the immortal notes of Peter Ducker which the corporates must understand and work upon without a promotional and profit making activity.

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