

# A comparative study of Efforts for Communication of Corporate Social Responsibility Activities through Corporate Website by Indian Private and Public Sector Giants: An Evaluation

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**Abstract:** The underlying idea of corporate social responsibility has been to earn the goodwill of the immediate community by allowing them to share the goodies offered by the corporate. With the State withdrawing more and more from the welfare activities, it has been left to corporate houses to pander to the immediate community as well as to diffuse the simmering tension in case of the displaced. With the arrival of digital communication, it has become cheaper and easier for the corporate houses to reach the community. The web has also helped to increase the shelf value of the content. In any effort of corporate communication, legitimacy serves as the cornerstone of gaining public faith. Company websites can play a singular role in serving the purpose of meaningful disclosure and gaining public trust. The research paper tries to explore how Indian corporate giants try to achieve legitimacy by uploading reach out efforts of the corporate houses. The paper also tries to explore how these corporate giants have helped the flagship social programmes of Government of India like Swachh Bharat Abhiyaan in the last few years.

**Keywords:** Legitimacy, Influencer, Swachh Bharat Abhiyaan, New Media, Disclosure

Besides “influencing public opinion, mass media reflect opinion and perceptions through reporting what other people, companies and organizations are saying and doing.” Macnamara (2005, p.21),

In the global context, there has been a growing concern in many quarters regarding the impact of business on environment and society at large. Firms that have well framed CSR policies are the firms that gain competitive advantage in the public perception and are considered as socially conscious citizenry of a country. Perhaps, CSR is the only way through which a firm can exhibit its concerns for the existing situations, problems and issues plaguing the society in which it operates. Most of the times CSR activities are voluntary and the firms carry out such activities for getting financial benefit in the long run as well as a way of philanthropic exercise. On the other hand in many cases the law of the land, like in India, makes it mandatory for the companies to invest a minuscule percentage of the firm's profit in CSR activities so that the society largely benefits from the firm's business ventures and contribute to the development of the society.

However, in a highly competitive market environment, carrying out CSR activities are not enough to reap the benefits from such activities. Importance lies in communicating about such activities in the most effective manner, using the right channels of communication and for the right set of target audience. In the past, the public relations professionals completely relied on conventional channels of communication, such as newspaper, radio, television etc.

But in the recent years, in the era of sophisticated digital technology and new media, the way a firm communicates with various sets of its stakeholders has also changed drastically. New media has revolutionized the way we communicate and throws open array of newer tools for public relations professionals in particular and firms in general for communication and interaction with various set of its public. Since new media is capable of providing multiple platforms for delivery of information and most importantly it can be delivered in real time, the public relations practitioners world over have been making successful use of various new media tools like emails, websites, search engines, social media, so on and so forth.

## **PR and New Media Tools:**

Evolution of New media has changed the way a Public Relation and Corporate Communication practitioner executes his or her duty. For ages public relations officers all over the world have issued press releases or organized press conferences to share their information or opinion. However, in such cases the ‘gatekeeper’ of the information is the journalist. There are innumerable cases where the journalists do not present an information or opinion in the manner in which the concerned organization wants it to. There are instances, when the press releases are not carried at all leaving the public relations professionals with very few options, since carrying the information in a certain manner as desired by the concerned organization is not binding on the journalists and they are absolutely free to add their own perspective to it.

With the advent of the internet—the websites and the social media, the public relations professionals need not rely on the journalists for sharing their information with the rest of the world. In the changed scenario, they are themselves the ‘gatekeeper’ of the

information and can reach millions of readers even without relying on the conventional media. Increasingly, many politicians, film stars, sportspersons are writing their own blogs and tweeting the information about their activities to the readers directly. One of the most convenient tools for disclosure of information in recent times is websites. All the companies have developed their own websites wherein they upload all kinds of information related to the organizations and their activities. Organizations deem disclosure of organizational information important as a tool for formation of identity and image as well as reputation building. Stakeholders demand transparency and websites are the platforms wherein organizations disclose all sorts of information and CSR information happens to be one of them.

**CSR as Corporate Strategy:** A commonly used definition of CSR is Davis's found in Carrol (1999) is that "consideration of, and response to, issues beyond the narrow economic, technical and legal requirements of the firm to accomplish social benefits along with the traditional economic gains which the firm seeks" (David, 1973 in Carroll 1999, p.277).

CSR construct is thus built on five dimensions: environmental, social, economic, stakeholder and voluntariness (Dahlsrud 2008). A definition that include all these dimensions is given by the Commission of the European Communities (ibid) that says that CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" (ibid).

Sanjeev Gupta and Nidhi Sharma(2009) in their seminal paper *CSR-A business Opportunity* emphasized the fact that it is increasingly being appreciated that the success of a business is inextricably tied to the welfare and stability of the community. "People" and "Planet" have a part to play alongside "Profit". This calls for a new corporate logic, in which caring for employees, employees, communities and environment is not only seen as morally correct, but also the best approach for continuity and profitability. Governments, activists and the media have become adept at holding companies accountable for the consequences of their actions.

They looked at CSR as business opportunity. They also argue that a number of factors are driving the increased adoption of CSR practices in the corporate sector. Regulation obviously provides the baseline for corporate action, notably for employment practices and the environment. Beyond this for many companies, being a good corporate citizen is a vital aspect of their identity, values and vision. They write that the corporate sector is replete with examples of companies where CSR practices have not only established them as credible enterprises but also brought them business benefits such as cost saving, reducing risks, increasing revenue, building reputation, developing human capital, improving access to capital etc.

Mrityunjay Athreya (2009) discusses the role of CSR in the process of inclusive growth. According to him in the post reform market economy CSR enhances the process of sustainable inclusive growth. The process of liberalization, globalization and privatisation has taken the Indian economy to a high growth path. But questions have arisen on the quality and contents of the growth in India. In India inflation is at all time high and the disparities of income and wealth have widened. Hence, the aim is not just to revive growth but also to go for inclusive growth which is more sustainable.

Amita V Joseph (2009) writes that individual efforts and even just government efforts are not enough to bring changes at a pace that is needed. Fortunately, with the popularity of CSR more and more companies now perform in non-financial arenas such as human rights, business ethics, environmental policies, community developments, corporate governance and workplace issues etc. Now social and environmental performances are considered side by side with financial performance. From local economic development concerns to international human rights policies, companies are held accountable for their actions and their impacts. Furthermore, companies are also more transparent in disclosing and communicating their policies and practices as these impact employees, communities and the environment, he writes. The belief among the companies is that every aspect of a corporation's CSR should be linked to corporate strategy by connecting it as tightly as possible to the company's unique capabilities and competitive contexts.

According to Amita V Joseph the oft quoted concept of triple bottom line reporting of CSR suggests that there are three separate and distinct bottom lines-each of equivalent standing. It is believed that in the context of sustainable development, it is impossible to consider the economic dimension in isolation from the social or the environmental and vice versa. To be a truly sustainable organization an organization must perform well across all three dimensions.

The recent literature on the subject looks at CSR from varying perspectives. According to Amita V Joseph (2009), that apart from the triple bottom line approach there is also an eco-social perspective on CSR, the proponents of which are the new generations of corporations and new economy entrepreneurs who created a tremendous amount of wealth in relatively short span of time. For them social and environmental stability and sustainability are two important pre-requisites for the sustainability of the market in the long run. They also recognize the fact that increasing poverty can lead to social and political instability. Such socio-political instability can, in turn, be detrimental to business, which operates from a variety of socio-political and cultural backgrounds.

Seen from this perspective, CSR is both a value and a strategy to ensuring the sustainability of business. It is a value because it stresses the fact that business and markets are essentially aimed at the well-being of society. It is a strategy because it helps reduce social tensions and facilitate markets.

*"By providing jobs, investing capital, purchasing goods, and doing business every day, corporations have a profound and positive influence on society. The most important thing a corporation can do for society, and for any community, is contribute to a prosperous economy"* (Porter & Kramer, 2006). The International Standards Organization (ISO) has created an international standard for the social responsibility of private (corporate) and public sector organizations. ISO 26000 establishes seven core subjects of social responsibility, all of which are parts of most current CSR definitions:

Organizational governance · Community involvement and development · Human rights · Labour practices · the environment · Fair operating practices · Consumer issues.

**Study Objective:**

**R.O.1-** To find out the efforts to achieve legitimacy by use of websites to publicize CSR activities of these select PSU's and private companies

**R.O.2-** To find out if these select companies have any special focus on Swach Bharat Abhiyan

**R.O.3-** To find out the common concern of these public and private sector companies in relation to CSR

In this study the researcher attempts to analyse the nature of CSR disclosure for both private and public sector undertakings and also their thrust areas of CSR activities. The researcher also tried to compare the activities undertaken by both private and public sector undertakings specifically in the areas of Swach Bharat Abhiyan,

**Research Questions:**

**R.Q.1.**How legitimacy is achieved by the use of website as a channel of communication as used by PSU's and private sector companies for publication of CSR activities?

**R.Q.2.** What are the focus areas for CSR of these PSU's and private companies?

**R.Q.3.** What are the activities undertaken by the companies under discussion in relation to *Swach Bharat Abhiyaan* in particular in the last few years?

**Method of Analysis:**

The present study employs qualitative content analysis techniques. The study takes into consideration for analyzing the information related to CSR activities of an organization as disclosed in the corporate website of the organization. In an era dominated by new media and its various tools, public relations practitioners make vehement use of new media tools to influence the minds and souls of various publics of an organization. The current study aims at analyzing the information pertaining to Corporate Social Responsibility activities of the select companies and the nature of their disclosure.

**Sampling and Justification:**

Three private sector organizations and three public sector undertakings have been selected as sample of the study. The selection of the companies has been made based on the list prepared by Forbes magazine in their Forbes Global 2000 list 2017 in which 58 Indian companies have been enlisted and ranked in the global platform and only the top three private and top three public sector undertakings have been considered for convenience of the study.

**Data Source and Analysis:** the study has been exposed to qualitative method and uses secondary data as collected from the website to achieve legitimacy by the corporate houses. Since the nature of data is qualitative, it has not been exposed to inter-coder reliability. Since the data has been collected exclusively from the website and by method it's a qualitative study, the corporate social activity reports as presented by the companies in their respective websites have been considered as the unit of analysis.

Sources of Data: the research work involves secondary data as the data has been collected from websites of the select companies under discussion.

The content has been analysed by applying certain yard sticks. Since achieving legitimacy is an important compulsion for uploading data on the websites, it has been considered as a parameter. Disclosure as a parameter has also served the purpose to measure the willingness of the companies to communicate to external public their holistic approach.

**Major Findings:** Corporate social responsibility has become one of the major factors for the organizations worldwide a way to gain legitimacy (Dowling & Pfeffer, 1975). In the last 30 years or so, the responsibility of the governments in the social sectors have been abdicated in favour of corporate taking the responsibilities to solve or at least exhibit an attempt towards solving the problems. Instead of looking at business as a problem in creating social inequity, now business has become a part of the solution. "Accordingly, development agenda has shifted from the question how business cause poverty to portraying the private sector as part of the solution" (Barkmeyer,2007,P-3). Legitimacy theory in original tried to develop an explanation for wilful and voluntary disclosure of corporate effort and tried to posit how corporate has to act in accordance with the values and norms of the society in a particular place (Dowling & Pfeffer, 1975). Doing well by doing good has got a momentum in the lexicon of the corporate sometimes by choice and sometimes by compulsion. In India, Tata Steel started CSR well before independence and it still runs only industrial town in the whole world. In the west also, the history of CSR is quite old and that Anglo-American tradition has percolated to other parts virtually following the same model which may not be the best thing for the developing countries. The importance of CSR can be understood by the fact that it has made people to talk about sustainable enterprise, worker rights. Global governance and to work for the poor and marginalised (Blowfield,2005b:515).

Suchman (1995) posits that there can be three types of legitimacy, moral, pragmatic and cognitive. Pragmatic legitimacy depends on the give and take approach of the stakeholders, how far they are satisfied with the company in terms of material benefits and that determines their level of granting legitimacy. Moral legitimacy depends in a situation when stakeholders are not disturbed by their personal gratification and rather looks at the gratification of the society or the locality. The cognitive legitimacy does not depend on any communication or communicative discourse but rather depends on a kind of taken-for-grantedness. "Along these lines, institutional theory differentiates between post-conscious and preconscious institutionalisation: while the former refers to approval based on an evaluation process, the latter is based cognitive approval ..." (Barkmeyer,2007,P-8). The organisations apply substantive or symbolic means to achieve institutional legitimacy. "While the substantive management produces actual change by



or within the organisation, symbolic management refers to the attempt to appear consistent with one's external expectations in order to be able to continue business as usual" (Barkmeyer, 2007, P-8).

The focus area of three public sector undertakings taken for the purpose of the study almost overlaps each other. For NTPC, these have been Basic infrastructure development, Education, Community Health and Sanitation, Capacity Building and Gender Empowerment.

Areas of Corporate Social Responsibility by ONGC are Education including vocational courses, Health Care, Entrepreneurship (self-help & livelihood generation) schemes, Infrastructure support near ONGC operational areas, Environment protection, ecological conservation, promotion, Protection of heritage sites, UNESCO heritage monuments etc. Promotion of artisans, craftsman, musicians, artists etc. for preservation of heritage, Art & Culture, Women's Empowerment, Girl Child Development, Gender Sensitive projects, Water Management including Ground Water Recharge, Initiatives for Physically and Mentally challenged, Sponsorship of Seminars, Conferences, Workshops etc. Promoting Sports/sports persons; supporting agencies promoting sports / sports persons.

Indian Oil as predictably focusses on the same areas but in addition focusses on *Swachh Bharat Abhiyaan* as well as *Swachh Vidyalaya Abhiyaan*.

Among the Private giants under consideration like Reliance, TCS and Tata Motors. Reliance and TCS have contributed to the Swachh Bharat Abhiyaan in addition to the regular efforts in social, environmental and sustainability projects for the stakeholders.

Therefore the most corporations have identified the key areas of operations with minor exceptions as the thrust area. The 3 bottom line of economic, social and environmental commitments of the corporations are to be acted upon and the different yard sticks like ISO 26000 or Global Reporting Index (GRI) have to be conformed with. There has been pressure worldwide on the corporate houses to operate in a comparatively normative manner. As even in India, SEBI ruled in 2011 that all corporate houses engaged in CSR activities have to disclose their activities. The pressure of 3 bottom lines coupled with all these global norms have virtually constrained the operational freedom of corporate houses so far as engaging with new areas in CSR activities is concerned. The companies under discussion predictably have focussed on 3 bottom lines. Companies from both the private sector and public sector have focussed on the areas like environment, entrepreneurial training either through vocational or otherwise, health, education and empowerment. Education, environment and health are common areas in all the companies. Education has got greater importance relative to sports or *Swachh Bharat Abhiyaan*.

Swachh Bharat Abhiyaan launched by Government of India in 2014 quite surprisingly has not been able to reach the upper rung of the focus areas. For Reliance, it is only part of other activities while Tata Motors has no business with a clean India. TCS like Reliance has constructed some toilet while NTPC and ONGC, though public sector companies and were expected to chip in Government programmes have not managed to focus on it. Indian Oil Corporation has tried to engage with Swachh (Cleanliness) mission in a substantial way.

**Conclusion-** Thus, whilst corporations publish information on the websites in such a way which might be regarded as a way for people to get information about what is happening 'out there' in accordance with the wishes of the corporations. Any communication channel can be redirected to convey and always *frames* a reality in order to successfully convey a message. Indeed, as the quote by Nicholas Onuf tells us, "we [continuously] construct worlds we know in a world we do not" (Onuf, 2013:38). Subsequently, whilst not all media frames coincide with pre-existing frames or dominant discourses of a certain issue, they do not operate in isolation. Dominant discourses construct how people and events are understood, and they influence what frames news media apply (Steuter and Wills 2009). Indeed, this process is co-constitutive. Media frames help to establish dominant discourses just as they help create, and overlap with other frames.

While Framing theory is an important theoretical construct for the work as the corporations under discussions would try to project and frame a positive image of the companies in public eye as well as for the purpose of environmental scanning, Grunig's excellence theory (1992) as well as two-way symmetrical theory (1984) could be considered as an important contributor to theoretical understanding of using websites as a platform for publication of corporate social responsibility activities. Grunig's idea of symmetrical communication can be traced back to Chaffee and McLeod's (1968) theory of co-orientation (Grunig, "Furnishing the Edifice" p,156). The idea for this model stemmed from the urge for to look for a "movement away from theories of attitudes held by one person and research on how to develop messages to change the orientations (attitudes) of person." (ibid). The symmetrical model conceives "that individual, organizations and publics should use communication to adjust their ideas and behaviour to those of others rather than try to control how others think and behave" (ibid).

In an era of online media which has helped the PR practitioners to move away from their role of universally perceived manipulators solely because of their dependence on asymmetrical model of communication through conventional media, two-way symmetrical model has initiated a democratic era when PR practitioners can attempt to be more accountable and transparent. The level of disclosure on the websites helps to transform the PR practitioner's fiefdom into a stakeholder's platform for participation. Though Grunig (1984) is of the opinion that in most cases PR practitioners still use online media for dumping information and follows the symbolic-interpretive paradigm, but there is no doubt that the arrival of Twitter has been able to change the situation. In addition, now there are many companies which have a system of counting the number of hits. Though it cannot be considered as participatory the way Grunig (ibid) considered it, but at least it tells the corporation how far the stakeholders are interested in the activities of the corporation.

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