

## CORPORATE SOCIAL RESPONSIBILITY AND THE PRACTICE OF PUBLIC RELATIONS

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### INTRODUCTION

In today's integrated and globalized world, no company can stand aloof from its employees, the communities and ecosystems in which it operates. Consequently, large companies around the globe are increasingly expected to create prosperity and a healthy environment in return for their economic success. Encouragingly, many of these companies have recognized that their economic success is increasingly being linked to their behaviour as citizens of the countries in which they operate. Thus, “business as usual,” driven by financial profitability alone, is no longer a viable option. As the companies seek societal acceptance and recognition as good corporate citizens, so do their obligations in corporate social responsibility (CSR) grow in importance and urgency.

In a document published by the World Business Council on Sustainable Development in January 2000, *CSR: Making Good Business Sense*, the Council had this to say: “[A good corporate] reputation is a key business asset and should be carefully protected. This is part of the business case for CSR, which provides the framework in which a company does, and is seen to be doing, the right thing for reasons other than immediate financial returns. Transparency and credibility will build a strong reputation over time, and generate loyalty which can be relied upon in time of crisis.” I need not remind practitioners who get called by the company executives during times of crisis – public relations, of course!

### CSR, SUSTAINABLE DEVELOPMENT (SD) AND CORPORATE CITIZENSHIP

Sustainable development and corporate social responsibility are as inseparable as Siamese



twins, since at the core of both concepts rests “people, planet and prosperity” – the so-called triple bottom line by which companies are now being called to account for their social, environmental and economic activities.

“The 'triple bottom line' is a measure of sustainability in terms of the economic, social and environmental performance of an organization,” say Skinner, Van Essen and Mersham in *Handbook of Public Relations* (7th edition; 2004). “It is within this framework that 'corporate social responsibility' (or 'corporate social investment', as it is more commonly known in South Africa) must be reconsidered and further developed.”

What is Corporate Citizenship? (November 1999), “the idea has emerged that companies are accountable not just formally to their owners but also in less well-defined ways to a group of wider key stakeholders for their actions.” Among these stakeholders are employees, activist consumers, shareholders and environmentalists.

As already indicated, an important element of CSR is transparency. This is hardly surprising since today's internationalized business is transacted in a zero-time communication environment facilitated by the Internet and the cell-phone, just to name two wonders of the electronic age.

Not only do stakeholders want to know, they want to know everything NOW! And they have numerous sources from which to glean information. It is, therefore, preferable that the company should be first with accurate information for its stakeholders; rather than having to react to inaccurate information propagated by others. And that is not the work for Superman; but work for the public relations professional!

### **Why Business Is Seized with CSR**

As the complexities of doing business continue to grow either because of the ever increasing



legal obligations or voluntary interventions – compliance or conviction CSR – so will the importance of CSR. Skinner, Von Essen and Mersham (ibid), have observed: “according to Ethical Corporation Magazine, corporate social responsibility is on the rise across the world. Every self-respecting company now has a CSR policy, and more than 75 per cent of the FTSE100 produce CSR reports.” Clearly, the percentage will continue to grow as societal pressures on companies increase and as companies continue to reap the benefits of CSR and good corporate citizenship.

### **Corporate Governance and Ethics**

Corporate governance continues to grow in importance around the world and company directors and executives are being held accountable more and more for the actions of their companies. In South Africa, for instance, many companies are embracing the King II principles on corporate governance as if they are law. In the United States of America the obligations of the Sarbanes-Oxley Act keep corporate leaders on their toes – and the lawyers very busy and smiling all the way to the bank!

For instance, Sasol, the big petrochemical company in South Africa, makes the following commitment in its environmental policy:

We, the people of Sasol, striving for excellence in all we do, recognize the impact that our activities can have on people and the environment. Safety, health and protection of the environment will form an integral part of our planning and decision-making. We will manage our company wherever we do business, in an ethical way that strikes an appropriate and well reasoned balance between economic, social and environmental needs.

Clearly, the company must expect to be held to these promises.

### **Reputation Enhancement**

Companies are under intense scrutiny worldwide and there are potentially costly reputation risks associated with unsustainable social, environmental and economic practices. It is for this reason, among others, that companies around the globe are investing billions of dollars annually on risk management to protect and burnish their brands and good names.



## **License to Operate**

The ability to maintain a “licence to operate” in countries where companies operate is critical. And the granting of this licence is no longer just the responsibility of the licensing authorities or just to satisfy the applicable laws. Other stakeholders, as already indicated earlier, have an increasingly important say in this regard. Once aroused, they have the capacity to cause serious damage to any targeted company.

Through cleaner production processes, companies achieve valuable savings associated with improved energy and material efficiency, as well as reduced waste disposal and pollution management costs. And by being proactive in developing environmentally innovative products, companies can position themselves favourably in the market place while contributing to sustainable development.

## **Staff Retention and Motivation**

The attraction and retention of quality employees who want to be associated with companies regarded as responsible and good corporate citizens, is highly beneficial in this extremely mobile international work environment. The retention of valuable intellectual capital can save companies millions of dollars over time.

## **Other Key Drivers**

Other key drivers include the following:

- The Global Compact – A United Nations charter that urges companies around the world to embrace a set of values in human rights, labour standards and the environment;
- The Global Reporting Initiative – An international organization that aims to standardize “triple bottom line” reporting globally across the social, environment and economic dimensions; and
- The SRI Index – A South African Socially Responsible Investment Index on the



Johannesburg Securities Exchange made up of companies that conform to a range of social, environmental and economic sustainability issues.

### **Public Relations and CSR**

Whether the label is corporate social responsibility, sustainable development, corporate citizenship, or corporate social investment, these activities are driven and underpinned by a company's vision, mission, policies and values. Inspirational leadership and effective communication are critical ingredients in this mix. Public relations is clearly the function best positioned to play a key role in the formulation of any strategy to facilitate, coordinate and implement the activities necessary to realize the company's CSR objectives. In case of any doubt, and at the risk of preaching to the converted, I believe this is an auspicious moment to remind ourselves about the essence of public relations. At the First World Assembly of Public Relations Associations held in Mexico City in December 1978, the following definition of the nature and purpose of public relations was unanimously adopted (Skinner, Van Essen and Mersham, *ibid*): “public relations practice is the art and social science of analyzing trends, predicting their consequences, counseling organizations' leaders, and implementing planned programmes of action which will serve both the organization and the public interest”.

Despite the passage of time, this definition still holds good for the pivotal role that public relations must play in any company efforts to breathe life into CSR. The Institute for Public Relation and Communication Management in South Africa (PRISA) has since adopted the following definition: “Public relations is the management, through communication, of perceptions and strategic relationships between an organization and its internal and external stakeholders”.

### **CONCLUSION**

There is no doubt in my mind that these definitions of our profession complement each other and put the practice at the centre of any effort to develop, promote and drive CSR. I believe that the profession is up to the task, even when one adds dimensions such as black economic empowerment and HIV/AIDS in the highly regulated and complex South African business



environment.

I strongly argue that public relations has long outgrown its erstwhile status of being the Cinderella of the communication professions. In fact, as advertising and other related budgets get tighter and tighter due to demanding trading environments, public relations seems to be gaining credence and respectability as the lead function in the image and relationship building efforts of companies around the globe. It is our responsibility as practicing professionals to ensure that the stature of the profession is enhanced by the quality of our outputs and our professionalism to ensure that it can take its rightful place at the high table of business.

