Global Relations and Intercultural Communications

Sustainability and the Role of the Public Relator

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Introduction

In the “The Building Belief Model” a CCO says, “*how we are is who we are*” (AWPS 2012).

Post, Preston and Sachs say “*We are what we do*.”

Simply put, actions speak louder than words. You can *say* you are considerate and kind, but if you refuse to hold the door for the gentleman two steps behind you…are you, in fact, considerate and kind? But, what if you do hold the door for the gentlemen behind you - because your mother-in-law is two steps in front of you and you want to *appear* “considerate” and “kind”? Is perception reality? Or are individuals capable of seeing through the ulterior reasons that motivate a person or organization’s decision? Do the reasons matter in the end if the door was held open? And, how do these reasons affect the organization’s reputation and relationship with its stakeholders? If the way in which stakeholders judge the sincerity of an organization’s motives affects its relationship with stakeholders, then according to Post, Preston and Sachs, “the reasons” could create or destroy organizational wealth. (Post, Preston & Sachs 2002).

Let me begin by saying that after 11 courses and numerous papers, this is the first time I am choosing to write about Corporate Social Responsibility (CSR). In fact, I’ve purposely steered clear of CSR as a topic for of the same reason I avoid the T.V. show, *Glee* – it seemed trendy and hyperbolic. Since fall of 2010, I’ve witnessed student after student dedicate papers, speeches and projects to CSR, not to mention the copious capstones and research proposals covering just about anything and everything CSR. This is not to say that I’m not curious or well-informed about CSR or that I don't have my own opinions, because I do. But, sometimes I think the buzz around "CSR" overshadows the actual good it can do for the organization, its stakeholders and communities. Intentions aside, stakeholders' perception about what CSR is and how it's "*used* to influence public opinion" doesn't help strengthen relationships with stakeholders. Additionally, these stakeholder sentiments only add to the current misconception that public relators are "spin doctors" or "master manipulators." I prefer the term "sustainability" over CSR for the single reason that the term "CSR" is perceived by many people as securing "good PR" (Peace 2012).

Forbes contributor, Paul Klien, suggests that although the industry is flooded with CSR blogs, conferences, consultants and academic theories, it's losing ground because "we're trying too hard to *systematize and merchandize* CSR" (Klien 2012). Along the same lines, Dr. Madhav Mehra, President of the UK-based World Environment Foundation and the World Council for Corporate Governance says "CSR is not making companies more ethical. It is simply being used to beef up *their image* as a good and caring company. The approach is still quite superficial and the impetus is *primarily because Jones are doing it*. They have though still not latched on to its intrinsic value through a strategy based CSR approach" (Mehra 2011).

Unless the practice of CSR is *genuine* and able to be *substantiated*, it can come across as fake, untrue and trendy.

This Global Relations and Intercultural Communication course, for the first time, compelled me to critically analyze sustainability (CSR) as an intrinsic part of an organization's business strategy. Using material from our discussions, speakers and readings, I will examine sustainability and organizational wealth and how it relates to the role of the public relator.

Sustainability (CSR): A Controversial Topic

Will sustainability (CSR) *convince* a consumer to choose or advocate for one brand, product, or company over another? Will a Coke drinker choose Pepsi because of its CSR practices? Speaking for myself, the answer is no. I applaud Pepsi, I'd work for Pepsi – they are a good company - but I will choose Diet Coke over Pepsi, every time. So, if sustainability can't convince others to change behaviors, why even consider it?

"CSR remains controversial because of its impact on the bottom line. Critics charge that it zaps firms—and shareholders—of capital. Proponents argue that it attracts consumers, enhances customer satisfaction, and bolsters public relations" (2012 Du &Luo).

An organization's purpose is to create wealth (Post, Preston & Sachs 2002). And, as our readings and class discussions indicate, intangible assets weigh heavily on the balance sheet, which includes brand value and reputation. Brand value and reputation are directly linked to the management of stakeholder relationships and therefore, sustainability (CSR) does *more* than "bolster public relations."

According to the Stockholm Accords documents, Corporate Social Responsibility (CSR) or sustainability "is used to indicate those policies and programs which ensure the economic, environmental and social being of the organization *beyond the short and medium term*, and is directly related to its *license to operate*, to the quality of its stakeholder relationships, as well as the concern for societal and presumed expectations of future generations" (Falconi 2010).

There is no empirical evidence that proves "doing good" means "doing well" (Post, Preston and Sachs). This is partially because stakeholders are not aware of "ethical products" and "virtually all goods and services continue to be purchased on the basis of price, convenience and quality" (Vogel 2008). But, due to economic growth, social change and digital communication, stakeholders' demands of organizations have changed dramatically; particularly the desire for transparency, authenticity and accountability. Two key components of sustainability, as defined previously, include "beyond the short and medium term" and "license to operate." An organization's "license to operate" depends on whether it can meet "the expectations of an increasingly numerous and diverse array of constituents" (Post, Preston & Sachs 2002). Organizations have a narrow view on value creation, focusing on short-term profits or bottom-line results and missing the "most important customer needs” and “broader influences” that define their *long-term* success (Edelman 2012 & Post, Preston & Sachs 2002).

Economical and societal impacts are becoming more important to all stakeholders, including consumers and investors. Stakeholder influence on a company’s long-term success can affect even the world’s most-valued brand, Apple, valued at $70.6 billion (Brand Finance 2012). The allegations started in 2009, but Apple, true to form, remained silent. Consumers ignored the allegations and continued purchasing Apple products. But, over the past few months, Apple’s conduct hit mainstream media and ignited a flurry of public debate. Pressure from stakeholders like multinational buyers, the Chinese government and NGOs prompted action. And, in January 2012, Apple responded publicly to its supply chain issues. One can only speculate why Apple decided to comply with the request for a pollution audit in China, however, its outcome led to Foxconn paying its workers nearly twice their prior salary and called for work weeks of 60 hours or less (Associated Press 2012). This action helps illustrate how important stakeholders are in the value creation process (Post, Preston & Sachs 2002). Tim Cook described Apple’s promise to double the number of supplier audits along its supply chain and how it’s “raising the bar” for the technology industry. Cook said “All of this means that workers will be treated better and better with each passing year.”

Sustainability and the Strategic Role of Public Relators

So, how does the responsibility of an organization's sustainability and stakeholder management affect the public relator's position within the organization?

Guiding an organization to effectively implement long-term stability through a strategic approach to sustainability is an opportunity for public relations to be recognized for its value in the organization. The article "How big is PR?" proposes that it's not about how big PR is, but how it can be measured. Linking our work to the sustainability and growth of organization's wealth is one way to achieve this objective. This role relies heavily on the *strategic role* (reflexive and educational) of public relators.

Edelman's EVP for CSR-New York, Michael Holland stated that, "the problem is that the marketplace believes that CSR is cause marketing and philanthropy. Our task is to overrule that and teach them that actually it's about *business strategy*" (Singh 2011). CSR is different from corporate philanthropy and cause marketing and "if built into the strategic intent of the company is bound to enhance shareholder value" (Mehra 2011).

If the strategic role of public relations is used then it's possible that the implementation of sustainability (CSR) can move away from its current stigma of doing CSR for "good PR" and move toward a more fluid and fundamental aspect of an organization's operations. A combination of the reflexive and educative role of public relations is necessary in effectively realizing sustainability within an organization. The reflexive role because in order to advise management and help predict outcomes or opportunities for the organization, a public relator needs to listen and interpret stakeholders needs, in combination with its understanding of the company and industry. The educative role is also important because sustainability needs to be a part of *all disciplines* within an organization. “Sustainability (CSR) is public relations” is yet another misconception that is made not only by stakeholders, but by the organization itself. When asked about CSR, many refer to the public relations department, when in reality, CSR should be weaved into every dimension of the organization. It should be a part of the entire company’s culture, behavior, mission and values.

Today, people are more informed than ever, especially with access to digital media. Stakeholders can gather information and disseminate their ideas, thoughts and demands. But, this also provides an opportunity for organizations (i.e. public relators) to *listen* and *communicate with* stakeholders to better understand their needs and expectations.

“I can’t think of a better place to put sustainability and corporate social responsibility than in the public relations function. To be able to do that, public relations people need to change and begin to think of what they do more as *strategic counseling on issues* and less about strictly dealing with the media and media relations and being able to pitch and place new stories” (Grunig 2010).

Sustainability: Substance over Image

“*CSR is not a cosmetic; it must be rooted in our values. It must make a difference to the way we do our business*.” --Phil Watts, Group Managing Director Royal Dutch/Shell Group.

In the first paper, I discussed the idea of creating a unique value proposition for the PR function. In "Strategy & Society: The Link Between Competitive Advantage and Corporate Social Responsibility," Porter and Kramer suggest:

> "Creating a social dimension to the value proposition. At the heart of any strategy is a unique value proposition: a set of needs a company can meet for its chosen customers that others cannot. ***The most strategic CSR occurs when a company adds a social dimension to its value proposition, making social impact integral to the overall strategy***."

They go on to explain how "companies must shift from a fragmented, defensive posture to an integrated, affirmative approach. The focus must move away from an emphasis on *image* to an emphasis on *substance*."

I would also suggest that companies must take on a *proactive approach*. In the article "Leadership in the Age of Transparency," Christopher Meyer and Julia Kirby explain that "stakeholders regard a company as responsible when they perceive that it is steadily internalizing externalities—that is, using sensing capabilities to measure and manage its impacts on society" (Kirby & Meyer 2010). More importantly, they point out that the worst outcome for an organization is to be "*made* responsible, and still not be *considered* responsible." Meaning that when the "costs" of externalities become arduous they will eventually be internalized "one way or another." So, a company can proactively have a say on the scope of its responsibility or "have it thrust" upon it and then while responsible for the externalities, not be considered "responsible" (Kirby & Meyer 2010).

For sustainability (CSR) to be authentic, transparent and accepted as an intrinsic part of an organization, it must be strategic. Doing CSR for the sake of CSR could be worse than not doing it at all. These false motives dilute the trust between the stakeholders and their organizations.

The Page Society's "Building Belief Model" states that the "organization is held responsible not only for the truth of its message, but also the totality of its behavior." It explains that the CCO's responsibility now includes "not only the way the company is ***perceived,*** but also how it actually ***behaves*** – and continues to behave over the long term. That cannot be shaped by something ad hoc or short-term, such as a message, campaign or image." Indicating that, yes "***the reasons***" behind an organization's motives or behavior matter to today's stakeholders.

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