



A Critical Overview on Corporate Responsibility in Perspective of Communication Challenge

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Abstract:

A growing number of organisations acknowledge the reputational dangers and opportunities offered by corporate liability, while the continuing focus of the business remains on corporate behaviour. Incorporate responsibility practice. However, communication often remains the missing link. Many organisations are currently not fulfilling the information requirements of several opinion leaders and a large public, so their responsible corporate behaviour is not completely respected. Of course, corporate responsibility communication poses particular issues – scepticism about corporate messages and potentially harsh reactions from media, campaign organisations, and others. There are also particular communication obstacles to various stakeholder groups' diverse information needs, and these requirements are considered in turn. This document addresses the communication to opinion leaders and, in particular, the opportunities and constraints of the social report, using British opinion research by MORI as an illustration of this situation. It then addresses the need for corporate accountability to be communicated to the public and for broader consumer involvement in this matter. Finally, it discusses the communication opportunities offered by employees themselves and the problems surrounding corporate accountability in internal communication. In conclusion, this article recommends that effective corporate responsibility communication is based on a clear strategy that assesses the brand's potential and hazards and adapts messaging to different stakeholders' groups. It advocates for a coordinated approach that ideally incorporates messages of corporate responsibility into mainstream messaging. The study also mentions internal communication as a less-used and possibly significant channel to increase a firm's reputation as a major player.

Keywords: Corporate social responsibility, Internal communications, social/CSR/citizenship, corporate citizenship, employee volunteering, stakeholder opinion.



Introduction:

Corporations are increasingly acknowledging corporate reputable dangers and opportunities. Many large companies are investing heavily in policies, processes, management and reporting systems to ensure the corporate behaviour of their stakeholders is accountable. But the effective communication of companies' responsibility programmers in a context where the majority of the British public think that most firms are not listening to the population and responding on social and environmental issues (Figure 1) remains a rare achievement. It is crucial to align corporate responsibility communications with stakeholder concerns to break the communication barrier and build on the potential reputational benefits of corporate responsibility [1].

The communication of corporate responsibility presents special issues. The veracity of corporate communications on social, environmental and ethical issues is often brought into doubt, especially against the backdrop of public civism to businesses [2]. These discussions often address the motive for corporations to spend in corporate liability, especially if they are regarded to have a marketing benefit proportionate to what they do. The causes of credibility must be perceived as fitting with their company brands. Their entire corporate behaviour must be consistent; otherwise, their corporate responsibility programmes risk being considered an unethical screen [3]. For example, the 'Behind the Mask' report from Christian Aid criticises claims of certain big firms as being at odds with the reality of their conduct in developing countries.

Another problem facing organisations that want to communicate in this area is that different stakeholder publics have varied company expectations and information needs. Some audiences are predisposed to have very high corporate social responsibility (CSR) expectations: for example, approximately seven out of 10 British public and Labor members feel that industry and business do not provide sufficient attention to their social duty. The agreement between the city audiences is smaller, but, nevertheless, half business journalists and a third of institutional investors believe that industry has not taken sufficient account. These city audiences often view corporate responsibility concerns as a sign of the quality of management in terms of risk management and in some circumstances. Some industry executives advocate for additional actions on these matters themselves; two out of five think that industry and trade are not taking sufficient account of their obligations.

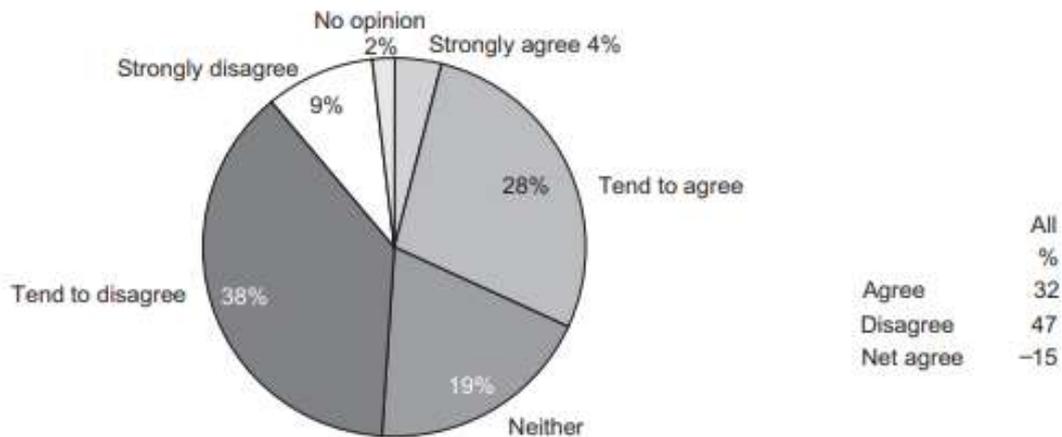


Figure 1: Hearing and addressing social/environmental issues

Some parties interested in specific problems with CSR will also be particularly concerned. For example, in the broadest sense of the word, the UK public considers the issues of child labour, education and the environment especially important to companies, while MPs frequently raise issues of contribution to the local community (particularly in their own constituencies) and the treatment of workers. Therefore, customising messages (or pictures) to various interests, information needs, and preferred methods of the many parties to effective communication on corporate responsibility as on other subjects is vital.

As stated below, there is evidence that corporate responsibility communications are not yet adapted to various stakeholder groups and that many stakeholders do not yet have these messages. The next section will bring together findings from opinion leaders such as lawmakers, business press, investors and NGOs to the public and workers of the company about the communication of corporate responsibility questions to a wide range of stakeholders. The potential to communicate on corporate responsibility concerns is evident in each scenario.

The idea of clearly defining those obligations was first addressed in the literature in the early 1950s, marking the beginning of the contemporary understanding of Corporate Social Responsibility. CSR's academic study and theoretical focus shifted to the social level of analysis in the 1950s and 1960s, with practical ramifications (Lee 2008).

After WWII, and until the 1950s, there were little business actions beyond humanitarian operations (Carroll 2008). Bowen (1953) thought that huge organisations had considerable influence and that their activities had a direct impact on society, and that their



decisions needed to be changed to take consideration of their impact. There were increasing numbers of laws in the 1970s that addressed social issues and expanded corporate obligations. During the 1980s, the Reagan and Thatcher administrations introduced a new way of thinking about politics, focusing on minimising corporate pressure and lowering the high levels of inflation in the USA and the UK (see: Feldstein 2013; Wankel 2008). For Reagan and Thatcher, economic growth and strength depended on maintaining a free market environment with minimal state intrusion (Pillay 2015). Reagan's main economic goals were to reduce regulations on the private sector and reduce taxes (Feldstein 2013).

The decade of the 2000s is separated into two halves due to CSR events. The first portion focuses on the acknowledgment and expansion of CSR, while the second segment focuses on the academic publications' strategic approach to CSR. Several public individuals have raised the issue of CSR.

Footnote⁵ In the 1980s, President Reagan called on the private sector to adopt more socially responsible business practises, emphasising that firms should lead in social responsibility (Carroll 2015). In the 1990s, President Clinton promoted corporate citizenship and social responsibility by establishing the Ron Brown Corporate Citizenship Award (Carroll 1998). The Paris Agreement, the launch of the 2030 Agenda for Sustainable Development, and the adoption of seventeen Sustainable Development Goals (SDGs) represent a “shared vision of humanity and a social contract between the world's leaders and the people” (Ban 2015, para. 1). Even if the SDGs don't require private sector commitments, the governments that adopt them will have to set special policies and regulations that force corporations to adopt new business practises or improve existing ones. The SDGs span a wide range of topics, from climate change to eradicating poverty and hunger, to stimulating innovation and sustainable consumerism. Moreover, the SDGs are interrelated, so meeting one goal may include resolving challenges from another.

To communicate to public opinion leaders:

In this perspective, public opinion-leading audiences include lawmakers, business journalists, investors (mainstream institutional investors and SRI community) and NGOs (NGOs).

For many groups of leaders of opinion, communication about the responsible behaviour of companies is vital. Corporate responsibility communication is vital for MPs and editors of UK media when they judge a corporation. Half of the business press, five out of five City



analysts, and institutional investors now consider the communication of responsibility between firms to be even more hardened mainstream City audiences. Corporate responsibility concerns are the main conduit for firms to communicate their responses [4]. However, the hearings for these reports may be highly diverse with very varying requirements for information. MORI assesses the opinions of stakeholders on the social reports of a number of corporations. The research reveals a predominance in the quest for evidence of the impact of enterprise responsibility programmes, involving audiences like NGOs and ‘experts’ on corporate responsibility (including think-tanks, pundits, consultants and social-responsible investment analysis). Detailed indicators, benchmarks, targets and trends and case studies are desired. The inclusion of external voices and the criticism of stakeholders is vital to building confidence and impressions of an integral, cross-functional approach for corporate responsibility and compliance with reporting requirements such as the GRI and the reporting standard AA1000.

On the other hand, many leading investors have yet to be convinced of corporate responsibility as a business case. The absence of defined indicators and the application of professional language are obstacles for this audience in viewing social reports. Relevance is a critical element for mainstream urban consumers. Therefore, they are looking for an overview of how corporate responsibility integrates into and affects the corporate strategy. In order to overcome obstacles to communication, identifying risk and opportunity for your enterprise are crucial to your participation and integrating it with known ideas such as employee retention, corporate governance and risk management.

Internationally, opinion formers have different expectations and requirements for information concerning corporate responsibility (Figure 2). Different issues in some locations tend to have higher priorities in the broadest level, such as Community contribution by US stakeholders in particular, whereas environmental issues are highly important to Northern Europe’s viewers. Unternehmen also need to balance their reports with a clear global overview, giving those stakeholders to whom they are relevant a specific local image.

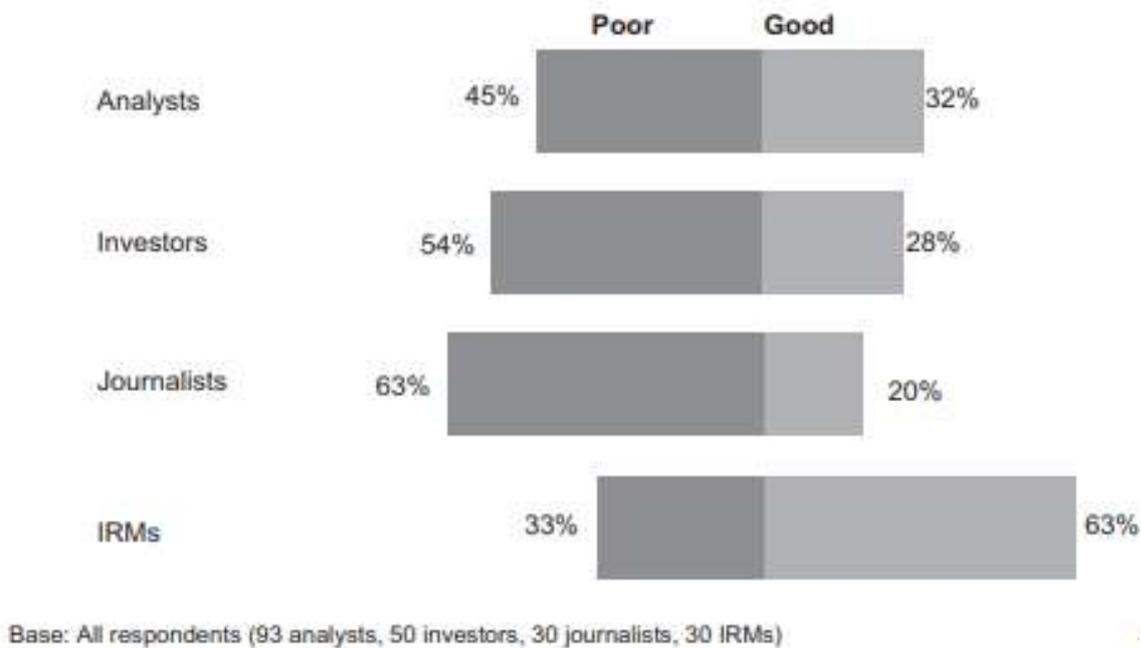


Figure 2: Corporate information quality

Naturally, in one social report, it may be difficult for companies to meet such various expectations (and others). Clear definition of the key target publics in the social reporting of a company and the evaluation of their information needs in regard to their specific corporate accountability issues is essential for ensuring that a social report is an effective communications vehicle [5]. The first clear step is to consult the stakeholders' priorities, ideally by means of proactive consulting instead of relying exclusively on the (maybe unusual) minority stakeholders who reply to formats of feedback while drafting their next corporate responsibility report. Moreover, social reports are expanding in volume and duration and companies are focused increasingly on their stakeholders. Creative communication approaches are needed in order to communicate corporate responsibility messages in an attractive, relevant and intelligible way. The Co-operative Bank Shells International, GlaxoSmithKline, BAT, BT and Powergen are the top practises recognised for 2003 ACCA British Sustainability Reporting Awards (the last three mentioned for their online reporting).

Corporations utilise the Internet to adapt corporate obligations to various audiences, but it also demands the inventive use use of off-line information sources. Many hearings do not proactively seek information on corporate liability and although self-employed social reports are clearly available to specific audiences, corporate liability messages are used in



more mainstream communications to provide clear reasons as to the importance of the issue to stakeholders [6]. It can include annual investor reports and information and one-on-one meetings and chats with non-governmental organisations and community organisations. It also naturally involves the organisation's specialists who have a connection with all the stakeholders and equip them in their daily communication to deal with the questions of accountability.

Communication to the public:

For professional communication channels such as social reports, the general public is seldom a major target audience. Nevertheless, information about the obligations of enterprises is of public interest. 8 out of 10 British publics think it necessary that businesses spend money publicly advertising their actions, even if they have fewer to invest in their programmes. Research by MORI indicates that people are becoming increasingly conscious of their consumer power and are interested in using this power to reward 'good' companies and penalise 'bad' enterprises. Internationally, an international public opinion study in 23 world markets in 1999 showed that around one-quarter of the previous year, the regions with the highest levels and Asian and Eastern Europe the most low levels, had been punished by a company seen as socially irresponsible [7]. North America and Northern Europe.

However, throughout the previous 10 years the public have kept a fairly low awareness of responsible corporate behaviour despite increased corporate participation. Only around a third of the British population can name a specific corporation without encouraging the community or society. Only a third of every ten can name a company that they regard to be particularly responsible in terms of environmental, social or ethical considerations. Therefore, if mass consumption power is to be engaged and buying behaviour, the efficiency of communicating company accountability needs to clearly be improved.

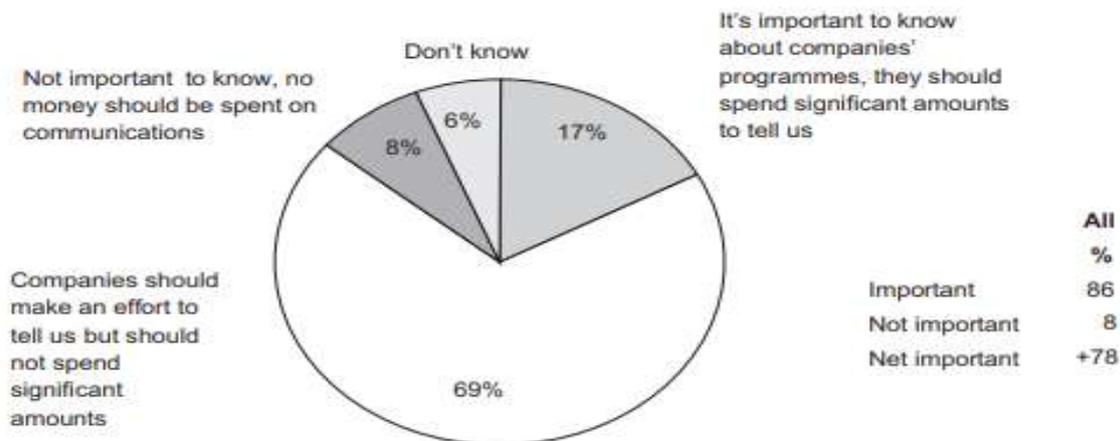


Figure 3: Communication of CSR

There are signs that increasing corporate responsibility communication will influence consumer purchases; a quarter of British citizens strongly agree that with additional information on the social, environmental and ethical conduct of corporations, this will influence their procurement decisions (Figure 3). There is a set of customers in the niche which is more open to corporate liability messages; they are more involved and more closely involved in communication about these concerns. MORI has identified a category known as “CSR activists,” 15% of the public, with higher socioeconomic classes, broadcaster readers and grads, than average. The group is specifically committed to issues of responsibility, is more likely to buy according to ethical criteria, is more aware of the actions of firms and is more willing to research the ethical behaviour of organisations. In a survey conducted in twelve European countries in 2000, consumer activism in Great Britain was in the middle to lower range than other markets in Europe. Switzerland, Sweden and Belgium were the countries with the greatest levels of CSR advocates, whereas the levels in France, Portugal and Italy were quite low. CSR activists in any case form a possibly valuable niche market for brands recognised for the responsibility of their companies.

Companies can also overestimate public scepticism about the veracity of their corporate liability information [8]. Around six out of every 10 people would trust the information from firms about their duties to its stakeholders, only behind the 66% who would expect this information from NGOs. Of course, sensitivity to the tone of the communications is crucial, but there seems to be less obstacle than the difficulty of getting the message out first and foremost, public distrust of firm information on corporate responsibility. In short, the majority of consumers do not receive communication on corporate responsibility



matters, although the evidence is that consumers are interested in the matter, that they can have an influence on purchasing choices and that most are willing to trust the information of companies on this subject.

Internal communication:

One channel of communication often undervalued by organisations is their staff base when promoting corporate responsibility. Other than a business spokesman or gloss brochure, it's often the main interface to certain stakeholder groups, and it's considered an especially reputable source of information. Employees have potential strong advocates of the corporate responsibility agenda of a firm.

Corporate responsibility for most employees is crucial; roughly nine of ten UK employees believe that the responsibility of their employers for society and the environment is vital (and 59 per cent say it is very important). Corporate responsibility therefore can contribute to the 'battle for talent' to attract and retain the finest. Some companies state that corporate responsibility is now one of the top categories for graduates in studying future jobs of their websites [9].

However, it is necessary, both internally and externally, to deliver consistent information, not least to enable staff to respond to stakeholder questions as to whether the company does take these issues as seriously as it claims. Corporate responsibility can also promote staff motivation and improve your employer's views. In a study among employees in six major firms in a number of industries, their advocacy (the proportion of highly talked about the company by others) of the employees involved in their business community is significantly higher than that of employees who were not aware of the activities of their community.

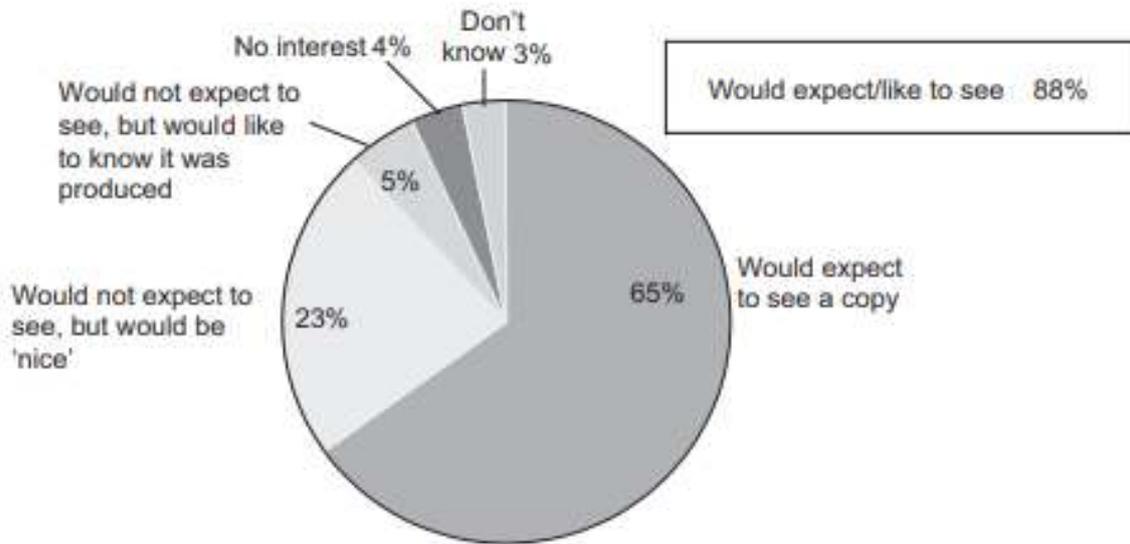


Figure 4: Social reporting expectations of employees

It should not be underestimated that employee contact other interested parties as a communication channel. Informal canals, such as word of mouth, having or knowing an employee, are the most effective means of communication to the public in terms of recognising the obligations of companies. One third of workers suggested someone else to utilise a company because they acted responsibly and a comparable proportion advised people not to use an enterprise. A cross-functional participation in the management of corporate responsibility creates another internal communication problem in many firms. In the field of communication, involving business people who have relationships with various stakeholder groups can be crucial in creating space for messages of company responsibility. This includes corporate or public relations but also functions ranging from marketing, human resources, and investor relations (Figure 4).

Therefore, employees are a crucial potential communication channel for corporate responsibility because they have a wide range of stakeholder groups and are regarded as especially reputable sources of information. Engaging employees is crucial to garnering strong supporters, both from the 'grassroots' perspective and the important allies within functions throughout the company, through good internal communication between corporate accountability initiatives.

Conclusions:



MORI opinion research identifies a number of crucial lessons for corporations in order to generate effective communications on corporate accountability matters:

1) create a clear communication strategy that takes into consideration what parts of liability are most appropriate for the reputation of the company and stakeholders and also the potential and risk of the brand inherent in communications activities

(2) adapt the content, style and channel of communications to the varying expectations of different stakeholder audiences and consult stakeholders in developing or revamping communication on corporate responsibility (while, of course, maintaining general consistency in the company communication).

3) coordination is critical, ensuring consistency of messaging and in some circumstances, the alignment of communication between the firm and its conduct may require incorporating corporate responsibility messages into mainstream communications

4) Do not underestimate internal communications; workers are an underused and potentially significant way of strengthening a firm's reputation as a vital player.

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