

Ethics in Corporate Communication: Concepts and practices

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Public Relations through corporate communication is now an accepted philosophy of corporate houses because in the changed scenario of globalisation competition being faced by the Corporate Houses as of now is not only greater in magnitude but qualitatively quite complex as well. Today, business instead of being economic function simpliciter, has a positive social dimension to be taken care of.

Since the beginning of mankind the need to communicate with each other has brought the humans together into cohesive groups. Communication is not only an exchange of news and information, it is sharing ideas, facts, thoughts, message and any other kind of social activity. This desire to communicate resulted in the birth of language, developed into modes of communication through different technological means.

In yesteryears, books discourses had played an important role as a communicator and facilitator of dissemination of information. The stage, puppet shows, dance, dramas, folk dances, ballads also played important and pivotal role in mass communication before the birth of the formal

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printing press and the amazing role being played by print and electronic media.

Corporate communication is essentially an exercise in public relations to bring in public domain the objectives and achievements of the given corporate house and to obtain a feedback from its 'client' to understand their attitude and requirements to achieve corporate goals.

This in itself is an art that helps in gauging vis-à-vis, principles of management, the public psychology, sociology, political communication, economic impacts. Opinion analysis, public relations research, media analysis, personal contact, advertising, publications and presentations are the tool to assist their communication skills.

The purpose of corporate communication is based on the felt need of corporate houses in one hand to make consumers or for that matter public in general properly informed about its business activities and quality of product or service marketed by it and on the other hand to get proper response from public about their perception about the functioning of the corporate house. The importance of public opinion vis-a-vis a corporate house has been very aptly indicated by Mr. J.R. Lowell "The pressure of public opinion is like the pressure of the atmosphere: you can't see it- but all the same it is sixteen pounds an inch".

For most of the countries, power is vested in a democratic society governed by the people forming government, and taking decision about everything concerning the society including business activities going on in the state. In "Public Relations Today" the author Subir Ghosh has succinctly indicated the purpose and role of Corporate communication to the following effect. "Communication is the key to corporate success. A regular two-way flow of information can set up a bridge of understanding between an organisation and its stakeholders. It can impart knowledge where there is ignorance. It can also neutralise the harmful impact of disinformation. Besides, communication can affirm and confirm existing knowledge and attitude. It can build and consolidate relationships. Familiarity breeds favourability, not contempt. Nine times out of ten, the better-known company is also better regarded. Communication, therefore, is a vital function of public relations".

For a corporate house, silence is not golden. Professor Northcote Parkinson propounder of Parkinson's law stated "In the world today, you have no chance if you keep silent. There was time when strong silent men could not fail to announce their views. Today, if you don't speak up, other people will speak and not to your advantage. One has to say one's piece and say it more effectively than one's opponent".

As every action, inaction or lapse of a corporate house is watched by public or a good cross section, it is more and more becoming

imperative for the corporate house to reach the people effectively and to address to public perception of its functioning. In a free market economy throwing open steeper competition from other players in the field, the growth of a business concern and even its survival in the long run has to depend on favourable public opinion. It is rightly said that today's public opinion, which may appear very thin like air, may lead to stern action or even legislative enactment unfavourable to the business house in future.

Consumers being more and more knowledgeable and consequently critical in their appreciation and acceptance of products or services of a business concern being judged from various parameters like quality, durability, safety and conformity with international standards applicable in a country such as ISO 9000 quality or ISO 14000 environmental standards or objectionable involvement of child labour etc, the corporate house is now compelled to be more transparent in its functioning and making people and authorities entrusted to ensure compliance of such parameters posted with relevant facts. The business activity today no longer enjoys the freedom, which it had enjoyed in yesteryears by treating such activities as personal.

One of the channels for corporate communication is company periodicals or house journals. Such periodicals came into existence primarily to inform the employees of the company or the corporate house about company's functioning so as to create an emotional bond between

employer and employees. Such emotional bond and consequential concern of the employees for the development and well being of the company lead to involvement and motivation of employees of a business concern, which in turn help in prevention of labour unrest. Japan has excelled in developing emotional bond of the employees of a company and in many cases for generations the employees have chosen to be part of the same company. Company periodicals are intended to take the employees in confidence and keep them informed about matters touching mutual interest. Even though the company brings out such periodicals by incurring cost such periodicals are not intended to be reduced to a forum for advertisement of the company's activities. It is essential that the views of the employees and their union even if they are critical about the functioning of the company should be fairly reported and if the employees or unions are misinformed, relevant facts to dispel misinformation should be brought to their notice. Otherwise, remedial measures to address the concern of the employees should be taken and employees and their unions are to be informed about such remedial measures. When such remedial measures may not be practicable for good reasons, the employees should be taken into confidence about the difficulties in introducing remedial measures at that point of time.

Though it is difficult to precisely define company periodicals or house journals as they are often called, the British Association of

Industrial Editors suggested the following definition "A house journal is a publication issued periodically and not for profit by an industrial undertaking, a business house or a public service". Indian Association of Industrial Editors – later on reorganised as Association of Industrial Editors has given the definition of such periodical or journal "A house journal is a medium of communication which projects the image of a company or an organisation to one or more sections of the public within the organisation or outside with the purpose of (a) improving employee morale (b) working of the company or organisation and (C) promoting good will".

Even though it may be interesting to trace the history and development of company periodicals, time constraint does not permit the same. However, reference may be made to a few journals of this nature. Lloyd's of London in 1696 published Lloyd's News – later on published as Lloyd's List. Lowell Cotton Mills published from Massachusetts in 1890 "Lowell Offering" about which Charles Dickens made reference in appreciation. In 1855, I. M. Singer and Company brought out Gazette. Travellers Insurance Company published Protector in 1865. In India "Planters Chronicle" was published by the United Planters' Association of Southern India in 1905 which is very old and likely to be oldest. In 1917, Delhi Cloth Mills brought out a magazine.

With the rapid growth of business activities some of the business concerns or companies have grown in unbelievable size. There has been both horizontal and lateral expansions in the activities of some companies not easily comprehensible. Therefore, the need of company periodicals has been felt by the corporate houses. Today, as a vehicle of public relations, hospitals, public charitable trusts, Railways and other institutions are also publishing periodicals to keep their targetted sections apprised of their activities.

A well informed employee of a company when impressed about company's functioning becomes an ambassador of the company and his speaking about the achievements of the company and likely surge of the company in future to members of the public creates a chain by which the company's achievements are spread to many others thus helping to form a good will of the company which every company cherishes to develop. By and large corporate houses have started feeling that well informed employees having well orchestrated communication between employer and employee will lead not only to greater involvement of the employees conducive for higher productivity but will go a long way to bring industrial peace and congenial atmosphere of working.

Corporate communication is also achieved by establishing corporate identity which is often reflected from the symbol used by a company indicating company's filed of activity. By way of illustration, we may refer

to symbols of AIR INDIA, LIC, HVM etc. Some of such symbols have been so familiar with the users of the products or services covered by the symbols, that the symbols carry with them good will of the company.

The usual and well-accepted and effective mode of corporate communication is achieved through advertisements, reporting in print and electronic media. Articles and critical evaluation of functioning of the corporate houses published in print media and holding of talk shows about functioning of a corporate house in electronic media, opening of website by the corporate house catering various information about its functioning, its aims and objectives, expansion programmes and other relevant news backed by materials showing comparative advantage over other players in the field which the corporate house intends to communicate to public, definitely serve the intended purpose of communication.

The concept of advertisement was born simultaneously with evolution of concept of carrying on a business or profession or service by man for earning his living. However, with the passage of time, advertisement has transformed and emerged as an industry by itself. For a long time it has been the backbone of the success of a business, profession or calling. Advertising has been used by businessmen to reach out to their potential customers and create a market for the product and services, which they have to offer. The contents of the advertisement

constitutes the communication which the businessmen intend to make with their customers.

Business activities have now grown to such an extent that all major businesses are being corporatised and big business has become synonymous with big corporate houses. Corporate honchos have become celebrities in our national life. With such massive corporatisation, corporate communication through advertising has reached new heights and broken new grounds. Due to the extent to which corporate communication through advertising has touched the lives of the people coupled with the proliferation of the media, especially electronic media, carrying such corporate communication to the people, the same has started beginning to have direct impact on our value system, our culture and our social fabric. Every such phenomenon has its pros and cons and hence the time has come to ponder on the question of ethics in such corporate communication in the context of what is being practiced today by the corporate houses. Since time immemorial, businessmen and traders have been known to speak highly to their products and services, often indulging in underplaying the negative sides. The practice of subtly conveying a message that a particular product is the best in its class compared to the products of others is also well known. This has always been known as traders' puff and has been accepted with grace as usual practice. This has, however, assumed serious proportions in modern day

corporate communication. Reference may be made to cola-wars in 1970s when the two cola majors of the world went into an adverse blitzkrieg. Today, we are being virtually bombarded with a barrage of corporate communication, 24x7. Corporate communication has entered every nook and corner of every home, has become the staple for gossip sessions in leisure hours and even invaded educational curriculum. The corporate houses have never been and are not uniform in honouring their social obligations and responsibilities while indulging in such communication. In view of tremendous impact of such communications on young and impressionable minds and on the psyche of persons, it is the bounden obligation of the corporate houses to ensure that such communications do not have any deleterious effect on the minds of persons, especially the young ones who cannot separate the grain from the chaff. This has assumed added importance today because corporate communications involve celebrities in various walks of life and particularly from the field of sports and movies. Such celebrities have a large fan following especially amongst the young and any communication made through such celebrities, if misdirected, can have tremendous adverse effect on minds of people and society in general and will ultimately result in collapse of our cultural and social fabric. It is, therefore, imperative that there should be a model code governing such corporate communication and an effective regulatory body to act as a powerful watchdog to bring to book

errant communicators. Corporate communication has to be necessarily free from creation of illusions and fantasies in the minds of the people and particularly in minds of the young. It has to be necessarily responsible from the point of view of health and hygiene of the target consumers and communicators should be responsible enough to forewarn potential customers of the deleterious effects of their products and services. Corporate communicators also have to ensure that no communication is sent to the potential customers which has the effect of creating a false rosy picture about the merits of the products and services sought to be eulogised and conveying a message which is totally divorced from reality.

Unfortunately, a large chunk of corporate communicators have not lived up to their responsibilities in this regard. Moreover, such communicators have not been consistent in their practice of advertising the same products or services throughout the world. While they have shown responsible attitude in some countries where the literacy and consciousness levels of the target customers are high, they have sought to exploit the gullibility of the target customers in countries with a poor literacy rate or with a weak economy. While the same cigarette is advertised in Country A and Country B, the communicators have been careful enough to highlight the injurious effect of tobacco on the health of people in a conspicuous way in Country A with a high level of consciousness and strict regime of statutory check and controls, while in

country B with a less literate population, a weaker economy, low level of consciousness and less stringent regulatory regime, such warning is reduced to almost illegibility. Corporate houses are often deliberately taking refuge under a different product when they are trying to project another product to their targeted consumer and when they can not directly advertise the product in question. For instance, reference may be made to advertisement like McDowell Soda or Kingfisher Soda.

The Press Council of India in 1996 considered the issue of considerable influence over the minds of the readers flowing from financial reporting by the print media and had drawn guide lines inter alia to the effect that no newspaper owner or persons closely connected with the newspaper should use his relation with the newspaper to promote his other business interests.

Of late, it has been witnessed that there has been rapid increase in the corporatisation of media resulting in running the media business mainly for deriving greater profits even at the cost of fair and desired journalistic practice. If more and more revenue earning dictates a media business it is bound to lose the lofty mission of media acting as a true watchdog of the nation. In its urge for more and more revenue, the media house has to look for more and more advertisements by making a compromise with the interests of the advertisers and free functioning of media house without fear and favour. The practice of favourably reporting

in favour of corporate houses where from steady flow of advertisement comes by overtly or covertly advancing the causes of such corporate house by reporting induced news and sometime giving favourable view in the garb of news and publishing favourable articles from friendly pen and not bringing to the notice of the public some facts which even though known to the media house are likely to have adverse impact on the functioning of the corporate house, is on the rise and this malady has a global phenomenon.

This problem is further aggravated when corporate house also owns media business and utilises the media as a platform for championing the cause of corporate house which otherwise will not be expected of an independent media. Very recently, a round table was organised jointly by the Press Club of India, Indian Journalists Union and Andhra Pradesh Media Academy in Delhi to address on the question of Line of Control when a media house has other business interests. The consensus was that media house must retain its impartiality in functioning as a media and such impartiality can not be permitted to be subservient to other business interests, which the owner of a media house may have.

In the context of globalisation and the corporatisation of all major organised activities, this problem will continue to haunt the thinkers, intellectuals, law makers, sociologists and jurist. Healthy debate has to necessarily go to in order to ensure that practices in corporate

communication are in tune with demands of the ethics thereof. At the same time setting up of an effective watchdog for the purpose of monitoring corporate communication is the crying need of the hour, which has to be addressed by the concerned authorities without any further delay.

It is however important to note in this connection that exponents of public relation and experts in corporate communication all over the world have sounded a note of caution that corporate house in its communication to public by whatever means it may adopt, must be fair and transparent. The age-old truth in the proverb ' honesty is the best policy' can never be lost sight of. The corporate houses will do well in remembering that one can befool some men for all time, all men for some time but not all men for all time. John Graham at "Hall of fame lecture 2000" has indicated the most basic advice to corporates "Do the right thing. In many years in the business, I have never seen a company unduly punished for doing the right thing for its customers, its employees and its shareowners companies operate with blessings of the public. Those blessings are manifested in various ways, in sales, in the stock price, in media coverage, in legislation and regulation and in every case, public opinion in under pinning".

Arthur D. Page, a pioneer in corporate communication indicated that "Real success, both for big business and the public, lies in large

enterprise conducting itself in the public interest and in such a way that the public will give it sufficient freedom to serve effectively”.

Corporate heads in India also did not lag behind. Mr. Hyderi, Chairman of Western India Match Company (WIMCO) indicated that corporate communication should develop a bond between far-flung members of corporate family. It should counteract any tendency to dehumanise and impersonalise in the pursuit of result and profit. It should promote discussions on questions of safety, productivity and welfare. Finally it may go further to environmental protection, national integration and duty to the community.

Let us gracefully accept the fact that there has been deep erosion in values of life and such erosion has percolated to every strata of the society and corporate houses are no exception to this malady. But we cannot throw our hands in despair and allow the malady to go deeper and deeper into social fabric. By conscious efforts by holding dialogues and debates for raising public awareness and inducing introspection by the corporate houses, media and advertising establishments themselves and bringing suitable legislation where it is necessary, the rot can definitely be contained. Sooner such concerted actions are taken it will be better for all of us. The vibrant society of shining India must raise strong voice of protest, which I am confident, no one can ignore.

Namaskar

