Corporate social responsibility (CSR)

Corporate social responsibility (CSR) is the latest concept in a long line of philosophies aimed at ensuring that companies and corporations accept the notion of being responsible to society beyond merely providing goods or services that benefit the public on a functional level. As pointed out in Chapter 2, social responsibility, at its most basic level, is about ensuring that what a company produces is useful to those for whom it is produced. Beyond that, however, there has always been an underlying belief that organizations should also act in a responsible manner in other areas, such as environmental stewardship, safety issues, and philanthropy. In the last decade or so, a movement has been afoot defining more broadly the level of responsibility expected of corporations in areas beyond those already noted, as well as an increased emphasis on ethics.

According to one of the many groups now consulting with organizations on how to adopt a CSR approach,

Corporate social responsibility (CSR) is about how businesses align their values and behaviour—[sic] with the expectations and needs of stakeholders—not just customers and investors, but also employees, suppliers, communities, regulators, special interest groups and society as a whole. CSR describes a company's commitment to be accountable to its stakeholders.

CSR demands that businesses manage the economic, social and environmental impacts of their operations to maximise [sic] the benefits and minimize [sic] the downsides.¹

Put more broadly, CSR “generally refers to transparent business practices that are based on ethical values, compliance with legal requirements, and respect for people, communities, and the environment. Thus, beyond making profits, companies are responsible for the totality of their impact on people and the planet.”² Or, as the executive vice president for Ogilvy Public Relations Worldwide puts it, “CSR is about one thing: that regardless of whether or not people are consumers of a given company’s goods or services, they should benefit, ideally, from the very existence of the company. They certainly should not suffer from it.”³

In a working paper from the John F. Kennedy School of Government at Harvard University, Senior Fellow and Director Jane Nelson argues that public trust in business has been undermined by corporate scandals and the perceived rise in power in the private (corporate) sector.⁴ As anyone in public relations will tell you, actions speak louder than words. This has been true for a very long time. The poet Ralph Waldo Emerson once remarked, “What you are stands over you the while, and thunders so that I cannot hear what you say to the contrary.”⁵ The “bottom line” of CSR is about action, not so much about words. The big question plaguing CSR is whether it really is a movement dedicated to social change and welfare, or merely more of the same “PR?”⁶

Critics of CSR have suggested that it is virtually impossible to engender social good while enhancing the bottom line. A Stanford University report states bluntly that companies trumpeting CSR are sometimes the same companies engaging in activities that could be said to

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be less than honorable. For example, Wal-Mart’s success in the marketplace belies the fact that the company has continuously been sued over poor labor practices. On the opposite side of the coin, Costco’s employee benefits package is apparently seen as a bit too beneficial by its own shareholders, who are pressuring the chain to cut them in order to be more competitive with Wal-Mart. In other words, some have argued that the demands of the stock market provide a disincentive for doing too much social good. “When shareholders interests dominate the corporate machine, outcomes may become even less aligned to the public good.”

**CSR and “Greenwashing”**

Other criticisms cover the various methods sometimes used by corporations to affect a CSR attitude without actually engaging in CSR. The most recent example of this is called “greenwashing.” Essentially, greenwashing is the act of literally pretending to be an environmentally friendly organization or of producing products or services beneficial to the environment. Sharon Bader, Australian academic and expert on science and technology, says that, “Greenwashing, Greenscamming and Greenspeak are all different terms for public relations efforts to portray an organisation [sic], activity or product as environmentally friendly.” The term relates primarily to environmental issues (which, if dealt with properly, are by definition a form of CSR) thus relevant both to public relations and to advertising. Speaking specifically of greenwashing, Sheldon Rampton, research director for the Center for Media and Democracy (a media watchdog organization) writes of a “degraded information environment” in which some corporations intentionally put up green fronts while continuing to practice the opposite. Rampton calls greenwashing “ultimately an attempt to obscure awareness of environmental pollution by polluting language and thought itself in an attempt to stop people from thinking clearly about the issues they face.”

The attempt to provide a ‘green’ and caring image for a corporation is a public relations strategy aimed at promising reform and heading off demands for more substantial and fundamental changes and government intervention. Public relations experts advise how to counter the negative perceptions of business, caused in most cases by their poor environmental performance. Rather than substantially change business practices so as to earn a better reputation many firms are turning to PR professionals to create one for them. This is cheaper and easier than making the substantial changes required to become more environmentally friendly.

Although there are a great many companies that are practicing legitimate environmental stewardship both as part of CSR and more directly through their products and services, the fear among critics is that 1) the incentive is more bottom line than altruistic, and 2) some are paying only lip service to it with small but splashy public relations and advertising campaigns. In public relations theory, this technique is sometimes called hedging and wedging. The theory, originally developed by Keith Stamm and James Grunig, plays off the notion that public relations programs are often used to change attitudes, usually from negative to positive. As we already know from cognitive dissonance theory, people tend to ignore information they don’t already agree with, so
someone who holds a negative opinion of a company (say, for its poor labor practices), is not likely to attend to any positive spin concerning the issue, especially if it issues from the organization itself. However, if this same person holds no opinion of the company’s environmental practices, its public relations effort might try refocusing attention on a potentially positive aspect of the company’s practice, which, in turn, might distract from the negative aspect caused by its other practices.

According to the theory of hedging and wedging, human beings are completely capable of holding conflicting opinions, so when a person holds a “wedged” (firmly held) view and is confronted with a contrary view, he or she may then “hedge” their views. This is a cognitive strategy, usually completely subconscious, that prevents dissonance. Knowing this, a retail chain that has developed a poor reputation for labor practices might be able to divert attention somewhat by developing a “green” strategy not related to its labor practices. People who are concerned about its labor practices might, simultaneously, applaud the company’s efforts on the environmental front. If the company’s positive practices gain enough attention, the negative opinion might eventually be pushed out or, at the very least, mitigated.

Although not all companies are using this approach when they become environmentally aware, there are some that do. So many, in fact, that a number of watchdog groups have sprung up to identify them. In addition to the ones already mentioned here, notable is Enviromedia’s Greenwashing Index. Enviromedia Social Marketing is a Texas-based corporation that consults with clients on how to make their environmental efforts truly green. It’s sponsored web-site asks consumers of media to report on greenwashing attempts and to post them online, thus making even more consumers aware of the real versus the fake.12

**Where does public relations fit in?**

Corporate consultant Zena James says that “[T]he danger… is in paying lip service to CSR or ‘using’ it in a way that is not transparent. Badly thought through CSR practice will inevitably destroy trust, erode goodwill and damage reputation.”13 According to James, the role of public relations is to keep everyone informed throughout the process. Her key points, as relate to our discussion, are:

- Help the organization demonstrate its fundamental approach to CSR (which should include transparency and accountability).
- Ensure that efforts are not misinterpreted as tokenism or a part of marketing.
- Make sensible use of existing internal and external communications tools to substantiate the organization's commitment, to create dialogue, to respond to concerns and to demonstrate direction.

Further, there are several important questions to be answered concerning the role of public relations in CSR. First, how much does a public relations/marketing plan relate to the reality of what the company actually practices? Second, if public relations plays a part in CSR, what, if any, are the ethical pitfalls of doing so? In order for public relations to be accountable for either the praise garnered from successful CSR or for its failure, it must be seen as somehow responsible. If we follow the model proposed by James Grunig, public relations as the corporate
conscience, then it is directly responsible for either suggesting CSR as the high road to corporate good deeds or accountable for not doing so. However, if we view public relations as but one of many corporate mechanisms for managing communication, then we must investigate the intent behind the messages and the methods used to impart them, including messages about CSR. As stressed throughout this chapter, the obligations of public relations professionals are not only functional, but also moral, and on that front, we have a lot of guidance.

**The ethical bottom line for CSR**

Ethically responsible public relations professionals will reject the notion of making claims that are either completely false or even somewhat misleading. To avoid real issues while focusing on distractions is decidedly not ethical. It is a form of deception. Public relations is in a unique position within most organizations in that it has a broader view of issues than most other entities. It needs to be informed in order to inform others. In discharging its obligation to the consumers of its messages, it must not engage in deception of any kind, even if it benefits its own client or organization. Thus, corporate social responsibility messages must accurately reflect the reality of the activities they are supposed to represent. If they do not, they are misleading. And, if these attempts are merely window dressing designed to distract from more complex and potentially problematic conversations, then they are also misleading. It may be true that a company is observing some form of environmental concern. It may also be true the same company is price gouging or treating its employees poorly. One does not offset the other. Good deeds should be recognized. Bad deeds should be redressed. It is the moral obligation of public relations professionals to recognize reality and to reflect it accurately in everything they do.

**NOTES:**

5. Ralph Waldo Emerson, *Letters and Social Aims. Progress of Culture*, Phi Beta Kappa Address, July 18, 1876.
Deborah Doane, “The Myth of CSR: The problem with assuming that companies can do well while also doing good is that markets don’t really work that way,” Stanford Social Innovation Review, Stanford Graduate School of Business, Fall 2005.

Ibid. 26

Ibid.


