PURVIEW OF ETHICAL ISSUES IN THE REALM OF CORPORATE COMMUNICATION

by

Ritam Bhattacharya
M.A. (2nd Year) in Journalism & Mass Communication, Jadavpur University

Debopriya Roy
M.A. (2nd Year) in Journalism & Mass Communication, Jadavpur University

Abstract

Interpreting ethics becomes indispensable in the era of tremendously profit driven business scenario. Corporate Communication has the responsibility of harmonizing internal and external communication involving all sorts of communication with the stakeholders. Ethics comes into corporate communication's way to build relation between corporate governance and social integrity. Corporate Organizations have a substantial responsibility to uphold the society in which it dwells in. This paper will try to delineate an illustration of the role that ethics play in the domain of corporate communication. Again it will also attempt to understand the evolution of ethics over time keeping in mind urge of the hour.

Keywords: Corporate Communication, Ethics, Corporate Social Responsibility, Ethical Challenges.

Introduction:

Corporate organizations which are unable to define their ethical perception in their communications find difficulties in their way to achieve an impressive corporate identity. Standing in an aeon of ubiquitous corporate scandals demands our serious as well sincere attention to ethics in corporate communication.

Understanding Corporate Communication & Ethics:

Defining Corporate Communication:

The root of the term 'corporate' stems from the Latin word 'corpus' which means 'body'. To form into an organized body an organization needs internal and external disciplines of communication with its stakeholder groups. Joep Connelissen has referred corporate communication as a 'management function.' The traditional definition is obsolete in the age of global village where the realm of management function has evolved revolutionarily. Last few decades have witnessed the bigger companies replaced the smaller ones. As for example, in our country, in 1970s and 80s, there was fierce competition between two major soft drinks i.e Thumbs up, Coca cola . Thumbs up was manufactured by an Indian company named 'Parle Bisleri Ltd' and on the other hand 'Coca Cola' was an American company. In 1990s 'Coca Cola' purchased 'Thumbs Up' from 'Parle Bisleri Ltd', which not only helped them to reduce one of their competitors from Indian market, but also expanded its scale in Indian market. There are plenty of examples from which the expansion of a company can be understood. With companies expanding both geographically and in size, the importance of corporate communication is being realized more prominently. The scopes and evolution of corporate communication has changed completely. Cornelissen has suggested that corporate communication is specially required for the organizations which have worldwide expansion of their businesses or provides various range of products and services.

Defining Ethics:

Excavating the origin of the word 'ethics' takes to the Greek word 'ethos' which denoted 'moral'. Ethics means a bunch of rules or codes of conduct which follow moral values and behavior. Ethics or moral is a philosophical offshoot which encompasses defining, safeguarding and advocating concepts of right and wrong conduct. Ethics basically evaluates moral judgments such as 'committing crime is bad', but it does not deal with personal judgment like 'ice melts into water'. Unlike law, ethics cannot be enforced on someone. Basically, ethics are moral duties and obligations that should be followed in order to make a better society. But violators of ethics cannot be punished either.

IABC's Code of Ethics:

However, in corporate communication, one cannot deny the importance of certain basic ethical requirements. As for example, if a corporate communicator had not provided right data to its stakeholders honestly, in long run, the company along with its stakeholders would ultimately suffer. Henceforth, the global network for communication professionals, 'International Association of Business Communicators' (IABC) has given a code of ethics for its members to follow including honesty, accuracy, right for free speech etc.

All the members of IABC promise to maintain these code of ethics in their professional lives because to be a member of IABC, one needs to sign the above statements as a part of their application. But as it has been mentioned earlier, ethics cannot be enforced, so it is hard to say that under the pressure of the money making competition and due to certain situational requirements, whether it is at all possible for corporate communicators to follow the ethical guidelines properly or not.

Explaining Ethics in Corporate Communication:

Ethics has an important role to play even in the field of corporate communication. Joep Cornelissen has suggested that, prior to 1970s, there was no distinct field such as 'corporate communication' as the number of stakeholders were limited. In those days, the term 'public relations' was used in order to describe the communication of an organization with its stakeholders. Cornelissen has further suggested that, back in those

days, organizations were needed to communicate only with the press. But later on, the stakeholders demanded for more information. At this junction things started to get little tricky. Now communication with stakeholders was no longer limited within the narrow circle of 'public relation'. There were bunch of other disciplines started to creep in within the realm of it such as : corporate design, corporate advertising, media relation, investor relation, internal communication with employees, crisis management etc. So a pertinent question arises, in a field so vast and so complicated like this, where it requires a balancing act between all the internal and external stakeholders as well as other aspects of business, to what extent is it possible to maintain ethics? In a capitalistic global framework which puts constant challenges in front of propagating ethics in corporate communication, the question of ethics in business profit pops up.

For example, Nestle India faced a controversy on the issue of adding MSG to their dried noodle "Maggie" and thereby compromising the health of the millions in India. If anyone try to discern any sort of differences between the ethical issues of contemporary time and those of past time he/she may find that the latter stands with far reaching repercussions. All thanks to social media, it becomes difficult for corporate organizations to manage the issues while they are trending as controversies on new media nowadays. But all corporate ethical issues are identical in one way that they originate from the delinquency and power-game of the organization. Delving deep in to the nature of ethical issues in corporate organization needs a critical perception of the decisions resulting from the corruption, arrogance of the company or rather of the people behind the company. And, this way toward making a decision leading to an ethical controversy remains same throughout the ages.

Ethical Dilemmas:

Organization does not decide anything, people do on behalf of that. Managing committee, management, corporate decisions are the terms that help the faces of the people to hide behind. Rushworth Kidder's book "How Good People Make Tough Choices: Resolving the Dilemmas of Ethical Living" wandered in to the self-facets of making ethical decisions. Kidder steps beyond the conventional 'right-wrong' dilemma and endeavors to establish the fact that the 'right-right' dilemma obtains more attention. Whenever people find one of their ethical stand point wrong, they turn to another option, perhaps a right one. But it becomes demanding for them when all

their options get justification from their values. Kidder frames examples such as 'justice versus mercy', 'truth versus loyalty' etc. A person carries his/her impression of her/his personal choices in each and every ethical decision he/she takes. And this makes each and every dilemma unique by its features. When both the options are right by its means, people's dependency over personal choices increases.

Discussing Ethics:

Implementing ethics in organizations becomes arduous because every organization is unique with its own essence, environment, hierarchy, structure, etc. Any worthwhile communicator discussing about ethics in organization is expected to be familiar with the key terms i.e. Normative ethics, Descriptive ethics and analytical ethics. Descriptive ethics acts straight depicting behavior of people. Normative ethics include creation and sustention of moral standards. The result of framing any action of organization into these ethical parameter will be like these given below:

- Descriptive ethics: Different organization acts differently
- Normative ethics: The action is wrong in some organizations but is right in some other organization.
- Analytic: Morality is relative.

All these ideas should surround the questions like; why should ethical perception be decided in a company?, Why will people be interested in communicating ethics? How have ethics and its interpretations changed by time? The way to find answer to these questions will eventually brew the interest of people in ethics in organizations.

Ethical Tensions*:*

While discussing what constitutes the ethical behavior, there are different perspectives about it and all these perspective ultimately lead to different answers. All these differences are based on certain factors such as assumption about the reality, the human nature, certain obligations about each other. These differences are termed as ethical tensions. These ethical tensions often lets us or stops us from performing ethical actions.

Englehardt and Anderson have mentioned few of the most important ethical tension such as: foundational/ situational, individual/ community, essence/ existence. Apart from, in majority of the organizations, certain other tensions can also be seen like, organizational/ individual, collaboration/ competition, control/ autonomy, specialization/ differentiation etc.

Steve May classified Ethical tensions into two major sections:

1. Foundational/ Situational tension
2. Individual/ Community tension.

Foundational/ Situational tension:

One of the most important tensions is to judge whether ethics is foundational or situational. In most of the big organizations there are bunch of code of ethics that its employees are expected to follow. In most of the organizational code of ethics there are mentions of certain common ethical duties such as: being honest, being truthful, not to be corrupt etc.

Individual/ Community Tension:

Whether communitarian approach or individual or libertarian approach should be given priority is another ethical tension that has to be dealt with. There are certain questions that are needed to be addressed like, advancement of individual for the betterment of the company or the advancement of organization for the betterment of individual- which one of these two is more desirable? Ethical sense of an individual or collective wisdom- which one among these is better? Compassion or justice- what can serve ethics better?

Now, these tensions raise some challenging questions to the organization ethics involving a guidance to ethics in organization.

Ethical Responsibilities of an Organization:

When there is discussion about ethics of organizations, some questions start to creep in. What will be the organization's approach towards its stakeholders and their communities? Or would their responsibility be only restricted in profit making? The one and only social responsibility of a business organization , according to Milton Friedman, one of the

most eminent commentators on organizational ethics, is to make profit. The classic essay of Friedman, 'The Social Responsibility of Business Is To Increase Profit' (1970) was written at a time when the concept of corporate social responsibility was gathering momentum. Friedman believes that, the doctrine of CSR requires the nod of the political mechanisms for allocation of scarce resources. He was totally against the concept of expanding the business responsibilities beyond making money.

Although his view was accepted by some business schools but it also had to face vehement criticism. As the boundaries of business are expanding, business has its role to play in the domain of politics, society and economy.

The concept of CSR is immensely popular now. CSR is an initiative to balance the profit- making activities with philanthropic activities. Often it has been seen that, strong CSR campaign can increase the sale of a particular company, on the contrary, poor campaigns can result in damaging the sales figure of the company. Starbucks is quite famous for their long list of CSR activities which includes creating a global network for farmers, contributing towards environment such as energy conservation, waste management and many others.

Ideally speaking, CSR not only helps the companies to portray socially responsible image in front of the society, but it also creates a stronger bond between the employees and the company. Generally, CSR activities tend to boost the morale of the employees. Although it may have seemed like CSR is performed purely due to ethical reasons, but in studies it has shown that, CSR activities often influences consumer's purchasing decisions. In a study conducted by a PR and marketing firm, Cone Communications and Echo Research, it was shown that, more than 90% of global consumers would prefer to switch brand for similar price and quality who support a philanthropic cause. Also, 90% of the global consumers are likely to be loyal to the brands which are socially responsible rather than those who do not perform any CSR activity. In 2017, their study also revealed that, 87% of the consumer would pick a particular brand because that brand had supported the issues that they cared about, on the contrary, 76% would refuse to buy the product of a company if it did not care about what the consumers believe.

So, this discovery had made one thing quite clear that, it would be unfair to restrict CSR within the narrow circle of ethics.

Although, ethics cannot be enforced and CSR is an ethical activity, still some countries like India has got laws that enforces big companies to perform CSR. According to Section 135 and schedule VII of the Companies Act 2013, the ministry of corporate affairs has notified that, the companies with bet profit of 5 crore or with a turnover of Rs. 1000 crore or net worth of Rs. 500 crore would have to spend 2% of their three years' average net profit on CSR activities.

Despite everything, Friedman has suggested that, if business focuses on increasing shareholder value, it would have been more preferable instead of investing shareholder's money into social interest. But in today's free market economy, on contrary to what Friedman has suggested, it is literally impossible to keep economics and politics totally separate.

Demand of Discussing Ethics in this Milieu:

Melting down of economic honchos due to their unethical behavior regenerated the question of ethics in corporate communication. Compromising ethics in the pursuit of imagined economic development resulted in to drastic economic loss. This rejuvenated the idea of ethics in corporate world all over again. The world was convinced with the theories of ethics and took ethics in execution for granted long ago.

For example, Sahara Group, one of the business tycoon in the market, was blamed for laundering Rupees 20000 crore to its 30 million investors collected through some unlisted companies of the group. After Subrata Roy was accused with these charges, the entire business realm shut down. This along with other thousands recent organizational malpractices are sufficient enough to raise concerns regarding ethics. All these scandals not only raised serious question about the trust of the consumers but also created auxiliary babel for managemental/corporational change with strategies censored by ethics. The shift in focus of the companies was quiet expected. After a certain observation it is clear how unethical promotion of corporate communication consequence into disastrous results. The leaders soon realized the

benefits of employing ethics right from the root. But when it comes to India, ethics in corporate communication is still less-discussed issue.

Not only the financial business, but ethics plays a crucial role in other businesses as well. For example, The TML's project of Nano car in Singur site stood against of the needs and demands of the local people especially the local sharecroppers whose livelihood was compromised for TML's business purpose. If TML could communicate their issues and showed some concern for the needs of the local people, perhaps the company could save its time as well as money.

Communicating ethics in organization becomes more important when it comes to overseas organization without any sort of physical existence in its working area. Let's probe in to a hypothesis. A company produced B product. A company is in the C city. Now the parts needed to get the B product are manufactured in X,Y,Z places. A worker in the X place does not even aware of what he/she is contributing to. Thus a completely new area of ethics has started evolving. One can take for instance most of the western industrial company lean on production process on south-Asian poor nations because of the low wages. A worker in China making a shoeless for an American Shoe brand does even have the idea of what his/her wage should be according to the company's brand value and to the labor he/she is contributing to. All these hidden business giants are adding some new facets to the age old ethical perception in corporate communication

An organization which has its physical existence in one country but has its business spread around the globe, it is critical to codify the ethical perspectives for that. Again if a person enlists his business on Amazon, he/she do not have to conduct a meeting with the Amazon office. He/she can do it sitting in his/ her own couch. If a restaurant owner wants to collaborate with Zomato or Swiggy, he/ she just need to spend some time on a smartphone with internet connection. All these apparently easier way of communication involving greater scope for feedback have actually evolved the basic business communication into something exclusively unspecified. In this case the concept of ethics is still vague. Ethical discussion and awareness about ethical questions can help to explore further the ethical needs of the time.

Conclusion:

In this kind of scenario, when there is a tradition of lassiez faire around the world and the corporate honchos are dominating the global market, the role of ethical corporate communication becomes important. Nowadays a good corporate communicator acts as a bridge between the state administrative machineries, his or her company's internal and external stakeholders and the society. Based on the situation, the communicator can adopt different ethical approaches (Foundational or situational; libertarian or communitarian). If ethics are being properly followed in corporate communication, it not only benefits its stakeholders, but also it creates a healthy business atmosphere by reducing the tendencies to create monopoly over the market and giving equal opportunity to the smaller businesses to grow.

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