CHAPTER 9: BUSINESS ETHICS, PUBLIC RELATIONS AND CORPORATE SOCIAL RESPONSIBILITY

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CHAPTER AIMS

This chapter introduces the reader to the conceptual and practical issues raised by the key ethical doctrines which have influenced debates in the field of business ethics and which have consequently had an impact on public relations theory and practice. Attention is focused on the significance of these theories in relation to corporate social responsibility. The chapter goes on to discuss the arguments for and against corporate social responsibility and places these perspectives in the broader context of debates surrounding business, society and ethics. Finally, with reference to an illustrative case study, the chapter discusses how ethical concepts and the language used to express them relate to the actual practice of corporate social responsibility.

INTRODUCTION

What is ethics? Anyone looking for a simple definition of 'ethics' will search long and hard to find it in a text on moral philosophy or business ethics. The term is derived from the classical Greek *ethos* meaning 'customs'[i] and thus it may sometimes be taken to refer to the conventions or standards which a particular group or community acts upon. But this descriptive definition of ethics, while it may be useful to historians and anthropologists, does not equate with the kind of normative thinking which we

usually consider to be at the heart of ethical questions (the 'what *ought* I to do in such and such circumstances' kind of questions). This kind of thinking is summarised by Holmes (1984); 'Ethics is about the good (that is, what values and virtues we should cultivate) and about the right (that is, what our moral duties may be)'.[ii] One way to try to answer this question of what ethical behaviour is and what ethical action should consist of is to outline a number of different approaches to ethics in the manner set out in the next section of this chapter. Dienhart (2000) links this kind of approach to the practical question of how to apply ethics in the sphere of business. He notes; 'Business ethics focuses on how we use and should use traditional ethical views to evaluate how institutions orchestrate human behaviour' (p. xvi).

Public relations discourse in relation to corporate social responsibility has unsurprisingly utilised language and concepts derived from the key ethical doctrines - *Utilitarianism*, *Deontology* and *Rights* theories - which have dominated ethical debate in the West since the Enlightenment. This leads to significant claims for corporate social responsibility programmes. For example, businesses may maintain that such activity is the fulfilment of the duties and responsibilities that companies have to the wider community, or that they contribute to the common good by benefiting both the company and society. The ensuing discussion will explore the nature of the ethical doctrines which business appeals to, the debate concerning corporate social responsibility in particular, and how corporate social responsibility is justified in practice.

Business is a social phenomenon. Societies have developed various kinds of *social rules*, such as legal rules, or even the rules of etiquette, which act as a framework or guide to behaviour. Moral rules are sometimes regarded as just another set of social rules, but societies are structured around moral rules in a peculiarly fundamental way. In fact moral precepts are frequently used to criticise the other kinds of social rules which guide human conduct. Most notably there can be clashes between moral rules and legal rules. The 'race laws' in the USA, for example, or the 'apartheid laws' in South Africa, were eventually

perceived to be so immoral that the only moral course was to disobey them. Clearly one may disagree with particular moral rules, or question the possibility that 'definitive' answers to ethical problems are possible. Nevertheless it is the case that, in all societies, a great majority of people accept that they *should* adhere to certain fundamental moral rules. Breaking these rules will meet with sanctions of various kinds, from disapproval and ostracism to, in certain cases, legal penalties. Moral rules help to structure social relations, and many of the decisions that individuals and businesses make must take account of them.

However behaving ethically in this basic, passive, sense is not normally what is meant by corporate social responsibility. Corporate social responsibility involves the idea of business being proactive in its relationship with a range of social actors and doing more than just trying to avoid breaking moral rules. A key example of corporate social responsibility in practice is *corporate community involvement* (see chapter 12). The term 'social responsibility' implies that business is motivated by more than just self-interest and is, in fact, attempting to promote the collective self-interest of society at large. This can be differentiated from, for example, corporate sponsorship where 'the company's managers will expect a tangible return for their money' (Varey, 1997, p.118)

Up until this point we have been using the term 'ethical' as if it were an unproblematic concept about which there is widespread agreement. This is certainly not the case. It is important to clarify some of the language and concepts vis-à-vis ethical debate because, as we will see, public relations specialists tend to discuss corporate social responsibility using language taken directly from ethical theories. The first section in this chapter will discuss several key ethical doctrines which have emerged historically in Western philosophy. The next section will relate these ethical theories to debates surrounding whether or not social responsibility is desirable at all. The final section will discuss how ethical theories inform the language of public relations and impact upon the practice of corporate social responsibility.

ETHICAL THEORIES

In ethical theory the first and most profound division is between the assumption that it is possible to know moral right from wrong and the denial of that assumption. *Cognitivism*[iii] is the term used by philosophers to describe the belief that there are objective moral truths which can be known and consequently that a statement of moral belief can be true or false. *Non-cognitivism* is the term used to describe the belief that morality is subjective or culturally relative, that is, in regard to moral right and wrong there are only beliefs, attitudes and opinions. Cognitivist perspectives such as *utilitarianism*, *Kantianism*, and *Rights* theories, have had a significant impact on business ethics and the concept of corporate social responsibility in particular, but there have also been attempts to argue that business ethics is best seen from a *cultural relativist* standpoint.[iv]

Ethical theories, which argue that it is possible to know right from wrong, can be divided into two groups. There are those, like utilitarianism, which assess moral right and wrong in terms of the consequences of actions - the *consequentionalist* perspective - and those, like Kantianism and 'rights' theories, which do not - the *non-consequentionalist* perspective. From the consequentionalist perspective we look at the results of actions in order to make a moral judgement about those actions. From the non-consequentialist perspective there is no immediate appeal to beneficial or harmful consequences to determine whether actions were morally right or wrong.

Utilitarianism

The classic consequentionalist theory is *utilitarianism* which states that actions are not good or bad in themselves, but only in so far as what they are good or bad *for*.[v] Utilitarianism is the notion that an action is right only to the extent that it causes more good than ill to be produced. The classic formulation of this position is that of the English philosopher Jeremy Bentham (1748-1832). Bentham identified

utility with happiness. Happiness is the only thing desirable as an end in itself and all other things are only desirable as a means to the end of happiness. For Bentham therefore, actions are right to the extent that they maximise happiness or, at least, mimimise unhappiness.[vi] It is important to note that Bentham was not particularly concerned with the happiness or unhappiness of individuals, for him it is the 'common good' that is the arbiter of right and wrong. This is Bentham's *greatest happiness principle* which proposes an action or process can be classified as good when it provides 'the greatest happiness for the greatest possible number'.

The standard objection to utilitarianism is that it requires the promotion or maximization of 'goods', such as economic growth, in order to achieve *utility* and permits the sacrificing of individuals and minorities 'for the greater good'. Donaldson (1992) notes that:

> [Utilitarianism] begins with the impeccable principle of 'beneficence', and ends with the malevolence of the Victorian workhouse and the inability to prevent punishment of the innocent, or discriminatory application of the law, so that favoured groups are virtually immune, while disfavoured groups pay the price, as tends to happen in income policies, and sometimes, in the control of ethnic groups in the labour market (p.129).

It is conceivable that this ethic of welfare may, for example, allow the telling of lies to protect the reputation of the corporation and consequently the jobs of employees. So, for example, if a company was saved from bankruptcy because its image and reputation were enhanced by lies told by company representatives to journalists this may well be seen as a permissible act. From a utilitarian point of view the welfare of those human beings whose jobs had been saved is weighed against the breaking of trust with other human beings.

An ethic of duty

Utilitarianism can be contrasted with the non-consequentionalist ethical position which argues that it is *motivation* rather than *consequences* which is the determining factor in deciding whether actions

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are ethical or not. This perspective is generally referred to as *deontological*, from the Greek word for duty (*deon*), and is a doctrine that is primarily associated with the German philosopher Emmanuel Kant (1724-1804). Kant argues that ethics is grounded in notions of duty and it follows from this that some actions are morally obligatory regardless of their consequences. According to Kant, an act is carried out from a sense of duty when it is performed in accordance with what he calls the 'categorical imperative'. Kant defines the categorical imperative in two separate but mutually supportive formulations.

> I ought never to act except in such a way that I can also will [desire] that my maxim should become a universal law. . . . Act in such a way that you always treat humanity . . . never simply as a means but always at the same time as an end (Kant, 1964, pp.70-96).

Dienhart (2000) helpfully separates Kants's formulations into two versions of the categorical imperative,

> Categorical Imperative: Version 1: An action is only moral if you can make your reason for acting into a rule that everyone can follow.
>
> Categorical Imperative: Version 2: Never use people simply as a means to an end; always treat yourself and others as beings with infinite value (p. 117-8).

For Kant 'universalising' a maxim basically involves ensuring that the principle upon which we act should be one which we can recommend everyone else to act upon. The second formulation centres ethics on the relationship between human beings. In the case of lying to protect the reputation of the company in order to secure jobs, Kant would suggest that you shouldn't be prepared to act in this way unless you are willing to let everyone to tell lies. Telling lies in order to make someone carry out your will also transgresses Kant's categorical imperative by treating another human being as merely a means to getting what you want.

The chief problem with the deontological doctrine is revealed where there is a clash of categorical imperatives. One has a duty never to lie but what if by lying one is fulfilling one's duty to prevent the murder of another human being? The example that tends to be repeated in philosophy textbooks is what do you do when the Nazi interrogators ask you the whereabouts of the Jews you have hidden in your basement? Kant actually insisted that if a murderer was to ask you the whereabouts of their intended victim you had a duty to tell them and not break the precept regarding lying.[vii] Therefore even when it negatively affects the welfare of other human beings one must fulfil one's duty.

An ethic of rights

Kant's deontological doctrine has much in common with theories which proclaim that there are 'rights' to which every human being is entitled. In both doctrines there is a status common to all human beings which affords them protection from abuse by others. To infringe a person's human rights is to fail to treat them as an end in themselves. Like Kant's position, this viewpoint is broadly non-consequentialist and rejects utilitarianism. According to these theories we cannot sacrifice individuals and minorities to the common good when to do so would be to infringe their human rights.

Rights theories were developed during the political turmoil of the 17th and 18th centuries by radical thinkers who sought to change traditional hierarchical social structures which tended to be held together by notions of allegiance to an unelected sovereign. The foundational assumption of 'rights' theories is that over and above mere human law there is an objective moral order, the 'natural law', which sets limits to the power of rulers. In requiring justice of governments, the natural law conferred rights on the governed. The generally agreed list was life, liberty, and sometimes, property. These were proclaimed as 'natural rights' bestowed on people by the natural law. They were rights which governments could neither grant nor take away, people possessed them by virtue of being human. Governments could rule but they were bound 'contractually' to honour these basic rights.

In the writings of the English philosopher John Locke (1632-1714) the 'contract' became 'social'. That is, it was no longer deemed to be a contract between governments and people, but rather between the people themselves to set up and empower a government. This is an immensely influential concept and has tended to be enshrined in various 'declarations', from the 'American Declaration of Independence' to Article 1 of the 'Universal Declaration of Human Rights' which states: 'All human beings are born free and equal in dignity and rights'.

Theories which claim that there are inalienable human rights suffer from a similar problem to the theory that human beings have duties and responsibilities which they must not disregard under any circumstances. What happens when two different 'rights' clash? In the case of lying to protect the reputation of the company and therefore jobs, how does one weigh the 'right' to work against the 'right ' of people to be told the truth?

All of the classic ethical theories have inherent problems and it is fair to conclude that none of them seem satisfactory unless they are qualified. As Chryssides and Kaler (1993) note: 'So the aim of serving the common good has to be tempered by the admission of rights and responsibilities. Likewise rights and duties cannot generally be examined separately and neither can they be pursued regardless of any consideration of collective welfare' (p.103).

Cultural relativism

Before turning our attention to the significance of these debates for corporate social responsibility it is important to note that there are perspectives on business ethics which reject the idea - maintained by the classic ethical theories - that there are 'objective' standards of right and wrong. Pearson (1989), in embracing the concept of *intersubjectivism*, offers an argument which places public relations at the centre of efforts to construct a business ethic. For Pearson, 'post-modern rhetorical theory offers a powerful and cogent theory with which to conceptualise public relations theory and business ethics' (1989, p.121).

According to this view all truths, including moral truths, emerge out of a process of negotiation and debate. There are no objective standards of right and wrong only subjective views on what constitutes right and wrong. Moral rules are intersubjective in that they are arrived at through agreement between different subjective viewpoints. Pearson argues that this communication process is the key to business ethics for it is in this process 'that the moral truths shaping corporate conduct are grounded' (p.122). According to Pearson this approach offers equity, that is, the decision as to what actions are ethical emerges through the communicative interaction of all sides. This depends on accepting that public relations, insofar as it plays 'the central role in corporate communication' also 'plays the major role in managing the moral dimension of corporate conduct' (p.111). Pearson here seems to be advocating a conception of public relations practice similar to by Grunig and Hunt's (1984) two-way symmetrical model.

Whilst a theory of public relations which emphasises the centrality of dialogue seems attractive it should be pointed out that there are several issues here which need to be resolved. Firstly, the issue of 'power' seems to be largely ignored. It might be possible to think of a situation where all relevant groups are represented regarding an issue but it is difficult to imagine a situation where all the participants will be accorded equal status. There is an additional problem in that a process of dialogue has to stop somewhere and a resolution to which everyone agrees might not be possible. A decision might have to made which is only in the interests of the majority and it is hard to see how one could prevent this from collapsing into utilitarianism, where you rely on maximising happiness for the greatest possible number.

Pearson's cultural relativism suffers from the major stumbling block that all parties must agree that all actors involved in an issue are equal. Based on this foundational assumption all parties can then arrive at a mutually satisfactory outcome through dialogue. However by insisting on this concept of equality it seems that Pearson is actually insisting on something similar to the notion that all human beings have 'rights' or that everyone should be treated as an end, not merely as a means. These

assumptions do not emerge out of the process of symmetrical dialogue; they are a prerequisite for it. By relying on these cognitivist ethical doctrines to guarantee his model Pearson has ended up in a rather awkward and contradictory position for it is precisely these approaches which he wished to replace with the 'post-modern rhetorical theory' he enthusiastically advocates throughout his text.

Up until now we have reviewed key approaches regarding how to think about ethical issues. The rest of this chapter will now focus on the implications of these ethical theories for public relations, and more specifically, on what have they have to do with corporate social responsibility. One thing that is immediately apparent is that even a brief survey of the literature explaining most corporate social responsibility programmes reveals that the language and concepts we have just discussed - the 'common good', 'rights', 'duty' and 'responsibility' - are all terms which have been used in describing or justifying this activity.

SHOULD BUSINESS BE SOCIALLY RESPONSIBLE?

In this section two contrasting views of corporate social responsibility will be discussed. In some senses they represent the extreme poles of opinion on this issue. In practice the attitude of most companies to corporate social responsibility will occupy a position somewhere between the two. Ethical doctrines play a role in justifying both perspectives. For example, Friedman, who rejects any conception of corporate social responsibility, justifies his 'free-market approach' from a utilitarian standpoint. On the other side of the debate corporate social responsibility is viewed as a necessary and integral part of the 'stakeholder approach', an approach which is ultimately justified from a Kantian perspective.

The social responsibility of business is to increase profits

Milton Friedman, the economist and advocate of *laissez-faire* capitalism, argued against the idea that business has a social responsibility in the sense outlined above. He claimed that 'there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits' (Friedman, 1993, p. 254). Friedman insists that it is wrong to suggest that corporations can have social responsibilities, since for him, only individuals can have responsibilities. He claims that the actual responsibilities of the corporate executive should be narrowly defined. He writes:

> In a free-enterprise, private-property system, a corporate executive is an employee of the owners of the business. He has direct responsibility to his employers. That responsibility is to conduct the business in accordance with their desires, which generally will be to make as much money as possible while conforming to the basic rules of the society, both those embodied in law and those embodied in ethical custom (Friedman, 1993, p.249).

By claiming that businesses have only one social responsibility, to maximise their profits, Friedman is in effect saying they have no social responsibilities in the generally accepted sense of the term. He does not say that moral rules have no place in relation to business practice, in fact while pursuing profits business must conform to what he refers to as 'ethical custom'. As Chryssides and Kaler (1993) point out he seems to be making a distinction between first and second order ethical rules, the basic moral rules of society (the first order) and social responsibility precepts (an optional second order). He does not elaborate on what the rules based on ethical custom are, but he does give some indication as to what the second order rules might involve. For instance Friedman (1993) castigates businessmen for 'preaching pure and unadulterated socialism' when they speak of 'responsibilities for providing employment, eliminating discrimination, avoiding pollution and whatever else may be the catchwords of the contemporary crop of reformers' (p.249).

According to Friedman those who 'preach' the doctrine of social responsibility are making two claims both of which he disagrees with. These are, firstly that business must actively seek to do good (that is, not just avoid transgressing 'ethical custom'). Secondly, this 'good' must not be done for profit, that is, it must not be done with self-interest in mind (if this was the motivation Friedman would have no objection to it). This raises and important question, which is, is actively seeking to do good easily distinguishable from the mere avoidance of doing evil? Friedman seems to believe it is but it is difficult to see how the examples that he points to demonstrate this. It could be argued that some of the examples he lists, 'eliminating discrimination' or 'avoiding pollution' are doing 'good', but at the same time they are actions which are engaged in getting rid of or avoiding what most people would perceive to be social evils. What Friedman's own examples illustrate is that on many occasions the moral choice is between doing good or, by default, doing evil. Chryssides and Kaler (1993) note:

Friedman's assumption of a neat division between 'ethical custom' and   business social responsibility takes too narrow a view of both. The first   cannot be confined to simply the passive avoidance of evil or the   second to just the active pursuit of good because very often good and

evil are simply two sides of the same moral coin. Friedman is therefore   wrong to assume that acceptance of 'ethical custom' has no implication   for the adoption of socially responsible policies by business. Clearly it   has; if only because such is the power of business over people's lives   that its failure to do good will very often result in great evils being permitted to flourish (p. 232).

It is not only Friedman's definition of corporate social responsibility which is flawed, there are also problems with the arguments he presents against corporate social responsibility. One of his key arguments, sometimes referred to as 'the agency argument' (Chryssides and Kaler, 1993, p. 234), is that managers of corporations are merely *agents* of the shareholders in the companies they work for. The owners of businesses, the shareholders, are the only people to which managers are accountable and the

only responsibility managers have is to act in their interests. This means maximising profits so that the shareholder will make as much money as possible from their shares. Friedman presents his premise about a manager's role vis-à-vis the shareholders as a 'statement of legal fact' (Chryssides and Kaler, 1993, p. 234). While other interests may be taken into account,[viii] Friedman is largely correct in stating that the managers of a corporation must ultimately serve the interests of the shareholders. However, in British and US law the corporation is a separate legal entity and is not identified solely with any particular group - employees, shareholders or directors. It is precisely this issue of 'legal identification' which *incorporation* is meant to resolve. This means that whilst employees, shareholders and directors may, and do, change, the corporation carries on as the identifiable possessor of legal rights and duties. Chryssides and Kaler (1993) note that:

> [B]ecause they are employed by the company rather than its shareholders, changes in shareholding do not, of themselves, affect the legal position of employees, be they managers or workers, they continue to be employed by the same company. In an important respect, changes in shareholding do not even affect ownership. It is the company as a corporate entity which owns the assets of the business. What the shareholders own is a right to a share of any distributable financial surplus. They in effect own the company rather than its assets. Consequently, the right of the company, acting through its employees, to utilize those assets is legally unaffected by changes in shareholding (p. 229).

Managers therefore are not directly the agents of the shareholders in the way that Friedman wishes to imply, although, shareholders are, in roundabout way, the owners of the business. Friedman's assertion that the interests of the corporation ought to be exclusively identified with its shareholders must be seen in the context of his advocacy of the values of free enterprise. These values involve a combination of ethical egoism and classical utilitarianism, a view that claims that if everyone pursues their own self-interest within a free market, the result is the greatest happiness, or economic well being, for the greatest number of actors within that market. This argument that only the interests of shareholders are important is

not universally agreed. There is, in fact, an argument that the managers should act as the agents of all groups associated with the corporation and not just the shareholders. Those who support this view reject Friedman's 'stockholder' model in favour of what usually referred to as the 'stakeholder' model.

Kantian capitalism and the stakeholder approach

The 'stakeholder' model is so named because those who propose it argue that the task of the corporate manager is to balance the interests of all the different groups who have a 'stake' in the company. These groups might include shareholders, employees, customers, suppliers, the local community and even broader society. The interests of the shareholders in increasing their profits is only one interest amongst many that the management must consider. This model requires the corporation to take account of its social responsibilities. Evan and Freeman (1993) argue from a Kantian perspective for adoption of the stakeholder model. They utilise Kant's categorical imperative to argue that all human beings have a right not to be treated as merely a means but as an end in themselves. Corporate policy must consider all of its stakeholders. They go on to argue that all affected groups should actually have a role in determining company policy. Evan and Freeman (1993) state their belief in a Kantian ethical doctrine explicitly:

> We can revitalize the concept of managerial capitalism by replacing the notion that managers have a duty to stockholders with the concept that managers bear a fiduciary relationship to stakeholders. Stakeholders are those groups who have a stake in or claim on the firm. Specifically we include suppliers, customers, employees, stockholders and the local community, as well as management in its role as agent for these groups. We argue that the legal, economic, political, and moral challenges to the currently received theory of the firm, as a nexus of contracts among the owners of the factors of production and customers, require us to revise this concept along essentially Kantian lines. That is, each of these stakeholder groups has a right not to be treated as a means to some end, and therefore must participate in determining the future direction of the firm in which they have a stake (p. 255).

They argue that, in the US, changes in the legal system have been progressively circumscribing the idea that the corporation is only run in the interests of the 'stockholders'. They point to a number of legal cases in the US which show that although stockholders' interests are still paramount, other interests, customers, suppliers, local communities and employees have increasingly secured protection under the law (Evan and Freeman, 1993, p.255-57). Friedman's viewpoint, they would argue, is slowly being overtaken by changes - in business thinking and legislation - more in line with a stakeholder approach.

In the stakeholder model the corporation co-ordinates stakeholder interests. It is through the corporation that each stakeholder group makes itself better off through voluntary exchanges. They argue that the 'corporation serves at the pleasure of its stakeholders, and none may be used as a means to the ends of another without full rights of participation in that decision' (p.262). From the stakeholder perspective corporate social responsibility is not an optional extra. It is integral to the responsibilities of the company and the company must pay as much attention to its social duties as it does to maximising profits.

THE PRACTICE OF CORPORATE SOCIAL RESPONSIBILITY

This section will analyse the practice of corporate social responsibility by examining the language public relations specialists use to explain corporate social responsibility programmes and suggest that they tend to rely upon the language of the classic ethical theories to do so. Firstly, however, it is important to locate the role of public relations within the practice of social responsibility. When business organisations decide to involve themselves in local community initiatives there is usually an attempt to construct a narrative to explain why they are doing what they are doing. This task of explanation is usually allocated to the company's public relations department. This is hardly surprising since public relations specialists tend to play a key role in setting up corporate social responsibility programmes in the first place.

Public relations and corporate social responsibility

'Come & See' is very much a PR initiative - the question is, does PR stand for Public Relations here, or Propaganda Really? The message is that nuclear power . . . is clean and green . . . that radiation has always been around and is natural . . . also that nuclear power is safe. . . I'd heard that word 'safe' used a lot, and it was beginning to acquire a kind of Orwellian charm (*Scotland on Sunday Magazine*, quoted in Tilson, 1993, p.432).

The practice of corporate social responsibility is usually regarded as a public relations function because this is where the company meets the public outside of the usual roles of producers (or service providers) and customers. There is however another key reason why public relations specialists have tended to be associated with corporate social responsibility, namely, the claim that public relations can be a mechanism within liberal, pluralist society to enable the realisation of 'laudible social goals' (Gandy, 1992, p.133).

For J.A. Pimlot (1951) the historian of public relations in the US, public relations is intricately connected with what he views as democratic ideals. He writes: 'They [the public relations specialists] are experts in popularizing information . . . the better the job of popularization, the more smoothly will society function' (quoted in Pearson, 1992, p.257). Heath (1992) argues that 'professional communicators have a major voice in the marketplace of ideas' but that ultimately these voices 'compete to achieve cooperation - the collective and coordinated actions of people in society' (p.20). Cutlip *et al*. (1995) go further and argue that public relations practitioners 'must operate as moral agents in society' and they must be prepared to place 'public service and social responsibility over personal gains and special private interests' (p.134).

These claims that public relations is concerned with the public interest are in part a reaction to the kinds of remarks noted above - that PR stands for 'propaganda really' - about the visitor centre at Scottish Nuclear plc. However, it is also clear that there is a significant strand within public relations theorising which claims that its practice can have a positive contribution within society, although this usually comes with the proviso that practice needs to be transformed (Grunig, 1989). It almost goes without saying that there is bound to be a tension between this conception of public relations serving the interests of society and the requirement that it serves the interests of the corporation. This tension between responsibility to the needs of the company and responsibility to the needs of society is sometimes revealed by the language used in corporate documents which attempt to explain the practice of corporate social responsibility.

The language of corporate social responsibility

Companies frequently justify corporate social responsibility programmes by referring to the notion of 'enlightened self-interest'. For example, community programmes may be justified with the utilitarian argument that 'everyone benefits'. The company's image is enhanced and a local community materially benefited. Neil Shaw, chairman of Tate & Lyle plc. explains the mutual benefits of community programmes:

Our community activities, both in the UK and abroad, focus particularly on initiatives in the localities of our plants and the provision of direct assistance for individuals seeking further educational attainment. In addition, we also encourage secondment of employees to particular projects in the belief that, not only can this make a worthwhile contribution to community activities, but in doing so, the experience will enable volunteers to develop their own management potential (Newman, 1995, p.99).

L'Etang (1996) notes that while corporate social responsibility programmes are indeed justified on utilitarian grounds there seems to be little attempt to actually evaluate and quantify the effect of such programmes. She points out that if such evaluation is lacking then companies 'will not be in a position to claim that they have contributed to happiness. In short, corporate social responsibility justified on utilitarian grounds needs to demonstrate cost-benefit analysis from the perspectives of donor, recipient and society in general' (p.92).

We will return to this issue of evaluating the effects of corporate social responsibility programmes however it should be noted that it is also the case that information which public relations departments supply frequently alludes, in Kantian language, to its responsibilities or duties to the community, or society as a whole. Lord Raynor, Chairman of Marks and Spenser states: 'There rests on all companies, particularly large organisations like ours, a responsibility to assist through donations and help, the charities and agencies which exist in the community' (quoted in L'Etang, 1996, p.91). L'Etang (1996) notes that such claims are seldom matched by the practice of corporations. She argues that a Kantian approach to corporate social responsibility would focus on the motivation behind the programme, because seeking benefit from carrying out your responsibilities would not be ethical. From this perspective a corporate social responsibility programme needs to demonstrate that it is motivated by duty, and not self-interest (enlightened or any other kind). If a company were attempting to improve its image via community involvement then it would be treating beneficiaries as a means and not as ends in themselves and thus breaking Kant's categorical imperative. L'Etang (1996) points out that if corporations took on board Kantian principles then their corporate social responsibility programmes might be managed rather differently. If the beneficiaries of corporate social responsibility are to be treated as ends in themselves then they should be accorded equal status in defining the relationship between the corporation and themselves (p. 93). If the language of the classic ethical theories is adopted

to explain and justify corporate social responsibility but companies do not to fulfil the full implications of these ethical doctrines then they can leave themselves open to the charge of cynicism.

A further problem is that companies do not restrict themselves to justifying corporate social responsibility solely from a utilitarian, or a Kantian perspective. Robert Clarke, Chairman of United Biscuits, states: 'Our commitment to community involvement stems from our strong sense of social responsibility combined with the realization of the commercial benefits that it brings . . . a generous and far-reaching sense of community responsibility - are essential to effective long-term business performance' (Newman, 1995, p.99). L'Etang notes that in 'many cases corporate literature is confusing because it appears to appeal to both utilitarian and Kantian principles yet apparently delivers on neither' (L'Etang, 1996, p.93). This point, while indisputable, can perhaps be explained to some extent by the fact, noted above, that the classic ethical doctrines need to be qualified by each other in order to arrive at an ethic which balances rights and obligations with the 'greater good'. It could certainly be argued that given that moral philosophers have found it difficult to come to any kind of satisfactory resolution when debating the relative merits of these ethical doctrines it would be asking a lot to expect business managers or public relations practitioners to do so. However, I would suggest that there may be another reason for the appeal to different ethical doctrines and this is the recognition that corporate discourse has many different audiences. Whether the public relations specialist, in recognising this and exploiting it, is displaying realism or cynicism is an issue worthy of serious debate.

The following case study of Telewest Communications plc. is an example of a corporate donor justifying their corporate social responsibility programme in different ways, to different audiences.

Case Study: The 'discourses' of corporate social responsibility - Telewest Communications plc.

The Public Relations Department of Telewest Communications plc. in their 'Community information pack'[ix] (available 1996-7), states that 'Telewest's most significant contribution to local communities is through its educational initiative - Cable in the Classroom'. In the pack Telewest point out that they are working with Local Authorities to provide multi-channel cable television services and interactive internet access to all schools within the Telewest franchise areas. The community information pack does not discuss corporate social responsibility explicitly, but implicitly there is a message throughout the pack to the effect that Telewest are fulfilling their duty or responsibility to local communities by helping out in this way.

Obviously this kind of project requires significant level of expenditure and the company's 1997 Annual Report had to explain 'Cable in the Classroom' to the shareholders. The project is discussed in the section entitled *Building stronger relationships with customers* and here more utilitarian language is used to explain the benefits of the project for the community and the company. The Annual Report states: 'Our activity in local communities extends beyond the construction and marketing phase and is best evidenced by our involvement with schools and colleges'. Regarding the decision to offer these services to local communities the report notes: 'The offer has helped us to develop a positive role in the community, and to enhance awareness of our product with future customers'. It later adds: 'The decision has received strong endorsement within educational, political and regulatory circles and will further strengthen our position in the communities we serve'. The key point here is that the same corporate social responsibility programme can be explained or justified in different ways, using different language, depending upon the expectations of the audience. If the 'utilitarian' explanation used in the annual report had been used in the community information pack the media coverage of the initiative may well have focused on the phrase 'enhance awareness of our product with future customers' and the programme might well have been portrayed as a cynical exercise in product placement. If the annual report had

merely contained an explanation of the project and the expected benefits for the community, shareholders may well have asked what the benefit of all this expenditure was to Telewest and ultimately to them.

CONCLUSION

With regard to the role of public relations in corporate social responsibility, there would appear to be two choices. Public relations practitioners can use corporate social responsibility as just another element in the 'the creation, or "engineering" of consent' in order to foster 'a favourable and positive climate of opinion toward the . . . institution' (Steinberg, 1975, p.15 quoted in Gandy, 1992, p.133). Or they could try to realise the idea that public relations can act in the public interest (Grunig, 1989, Cutlip, *et al*.) by making genuine attempts to discover the requirements of community stakeholders and help companies be more responsive to social needs. To achieve the latter the stakeholder model, built as it is upon deontological foundational assumptions, is a prerequisite. This model argues that a corporation should be run in the interests of all the groups which have a stake in it. In respect to corporate social responsibility programmes it would mean that all stakeholder groups including the potential beneficiaries of such programmes should contribute to the decision-making process. This would demonstrate that companies are treating the beneficiaries of corporate social responsibility with 'good will' and as ends in themselves. Portway (1995) makes the point that there should be a requirement to track the company's performance in a way that can be reported to its community stakeholders. This kind of measurement and evaluation can then take its place 'in managing stakeholder relationships alongside customer satisfaction programmes and employee opinion surveys' (p. 229).

When they first formulated it in 1988[x] Evan and Freeman admitted that a stakeholder approach may seem 'utopian' (1993, p. 265), but it would appear that more recently the tide has turned to an extent and the stakeholder concept has infiltrated business and political thinking to a remarkable degree. In regard to this issue of changing attitudes toward CSR it is worth noting claims made in the aftermath of the September 11th tragedy which appear to reflect this rise to prominence of CSR as a business ethics concept. In a report *Response Consulting*[xi] suggested that; 'With the rise . . . of . . . greater feelings of wanting to be part of a community (particularly evident in the wake of September 11th), companies can no longer afford to ignore the issues at the heart of corporate social responsibility'. Another report by *ECHO The Communications Research Group*[xii] based on research carried out at the ICCO Global Summit Conference (November 2001) with company CEO's argued that; 'There are indications that CSR is increasingly becoming *expected* of organisations, rather than a pleasing added extra. This change appears to be externally driven, i.e. organisations responding to stakeholder expectations, and is predicted to be given renewed impetus by the events of September 11th'. They conclude 'that a significant proportion of ICCO delegates felt that organisations themselves will attach more importance to CSR post-September 11th'. It remains to be seen whether the emotions raised by September 11th help make a transition to a more caring corporate society, as these optimistic predictions suggest or whether the event will become little more than another tragic historical footnote. What is clear is that until all business audiences are convinced that corporate social responsibility is more than just self-interest, public relations departments will continue to use different explanations, based on different ethical doctrines, to justify corporate social responsibility to their different audiences.

QUESTIONS FOR DISCUSSION

1. What are the key strengths and limitations for business ethics and public relations practice of the utilitarian, deontological and human rights ethical doctrines?

2. Does 'postmodern rhetorical theory' offer a useful way of conceptualising the role of public relations in relation to ethical disputes?

3. What are the key distinctions between a 'stockholder' and a 'stakeholder' model of modern capitalism?

4. When public relations practitioners employ different ethical doctrines to justify corporate social responsibility programmes to their different audiences is it fair to accuse them of cynicism?

5. Chose a company and examine the documentation which outlines and explains its corporate social responsibility programme(s). The company website may contain different kinds of texts, not necessarily all aimed at the same audience or public, press releases, webpages devoted to corporate social responsibility involvement and corporate annual reports. Analyse these texts to see if there is any difference in the way they explain and justify corporate responsibility programmes. Does the ethical language change depending on the text and can you identify its possible audience(s)?

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[i] Similarly the term moral is derived from the Latin *mores* meaning customs or habits.

[ii] There is of course also 'critical' or 'meta-ethical thinking which is concerned with such questions as: What is the meaning or use of the expressions "(morally) right" or "good"? How can ethical and value judgements be established or justified?

[iii] For a comprehensive explanation of this terminolgy and a discussion of perspectives and issues relating to business ethics see Chryssides and Kaler (1993).

[iv] This discussion does not assess the impact of religious morality which obviously has a profound influence upon business ethics in many cultures and upon a significant number of people in our own culture. The theory that certain actions are right because God commands them - for example, in the Bible, the Qur'an or the Torah - is sometimes known as the *Divine Command* theory (Chryssides and Kaler, 1993, p. 84). Occasionally in discussions surrounding issues of corporate social responsibility it is asserted that certain groups such as the Quakers displayed an altruistic approach in their business dealings and help to local communities. L'Etang (1996, p.84) notes that there is a confusion here between 'philanthropy' and 'social responsibility'. I would agree but would add that there also seems to be a fundamental misunderstanding of what motivates such religious groups who act in the way they do because certain kinds of behaviour, toward employees and society, are prescribed in the Bible.

[v] Some authors refer to consequentionalist theories as 'telelogical' (Day, Dong and Robins, 2001). These authors, amongst others (e.g. Curtin and Boynton, 2001) discuss the concept of 'situational ethics' as a way of resolving the shortcomings of the classic ethical doctrines but it is difficult to see how one can prevent this approach from slipping into ethical relativism.

[vi]To suggest that we can measure happiness seems rather unrealistic but it could be argued that the discipline of economics 'has attempted, indirectly, to introduce an element of quantification in that consumption of goods and services is said to satisfy wants' (Chryssides and Kaler, 1993, p.92). It is certainly the case that economics and utilitarian ethical theory have a long historical connection and there is a degree of conceptual and terminological overlap. For example Chryssides and Kaler (1993) note that 'in economics the capacity in goods and services to provide satisfaction is spoken of as their utility' (p.93).

[vii] In an early work Kant stated that he disallowed all lying. Some commentators argue that this view was qualified in his later work *Groundwork of the Metaphysics of Morals.* For a fuller discussion of this point see Chryssides and Kaler (1993, p. 100).

[viii] Interestingly the 1980 Companies Act permits British company directors to have regard to the interest of employees, but this is an option they are legally free to exercise rather than a duty which has to be fulfilled (see Chryssides and Kaler, 1993, p. 234).

[ix]The 'community information pack' was sent to anyone in the franchise are who requested it, individuals, schools and local press and community groups. There was very little explanation of the kinds of cable services which Telewest would be supplying. There was a great deal of information about the impact on the environment of installing cable and the general possibilities of the cable technology for business, education etc.

[x] Evan and Freeman were the first authors to explicitly outline a stakeholder theory of the firm in their 1988 article 'A Stakeholder Theory of the Modern Corporation: Kantian Capitalism.' In *Ethical Theory and Business.* T.L. Beaucamp and N.E. Bowie, (Eds.) Engelwood Cliffs, NJ: Prentice Hall.

[xi] http://www.response-website.com

[xii] http://www.corporate-financial.com/pdf/CorporateCitizenshipReport.pdf