

Relational Corporate Social Responsibility: Public Relations Implications in Culturally Confucius China

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Abstract

Confucius China evaluates corporations in the manner of rites and rituals beyond consideration of big mouthpiece of public relations. The organizations that behave in the manner of a good corporate citizen through fulfilling the ethical, legal, philanthropic and economic expectations of the society are behaving in accordance of Corporate Social Responsibility(Carroll, 1991).Corporate organizations which consider their public relations as corporate social responsibility during their operations, earn more reputation among the consumers in Confucius China. The article discussing the process and similarities of public relations and corporate social responsibility in Confucius relational implication. The study develops an understanding of communication and image management program in China for corporate world, and will lead academicians for further research directions.

Key Words: Corporate Social responsibility (CSR), China, Public Relations (PR), rites and rituals.

Introduction

Confucian rationale stands with the rites-bearing nature of human civilization that doesn't recognize by the libertarians, humans are ritualized-beings (Fan, 2010). It nourishes the relationship of internally authoritarian corporations through the essence of rites and rituals to the society. Historically, the relationship movement of corporate world with society starts in the mid of nineteenth century and in the early twentieth century it enters in to the critical times when the big businesses starts engulfing the business of small merchants and producers. Corporate monopolies, the atrocious exploitation of work force, and deceitful business practices were the target of intense hits from investigative journalists and progressively more offended public (Ewen, 1998).However, the division becomes more widen when movement enters in to the rightist and leftist political wings, rightist positioned at policymakers and investors' side whereas leftist at victimized and consumer. It was right time for the relational practice that could bridge up gaps of communication between society and corporations. During the 1920, Edward L. Burney gave a twist to spin of relationship through coining the term "Public Relations" (Tye, 2002). Modern public relations theories and models are based on significance and roles of PR in the relations of organization and environment, and they all have features of ecology (J. Grunig, 1993).

Whereas, social ecology refers symbiosis of human being and their social environments that address the biological, psychological, social and cultural influences which forms the performances of individuals and their surrounded groups, communities and organizations and relates it with the collective development(Germain & Bloom, 1999). Scott M.Cutlip and Center brought forward model of adjustment and accommodation in 1952, and then Grunig put forward symmetric model of PR practice in 1984, which was revised in 1992 and both models belong to ecological views. In addition, there have been many schools in field of public relations that include systematic management, interpretive semantics, integrated marketing and relational management(White & Mazur, 1999), which reflect more or less entrepreneur relational research with individual, and society is missing element in it.

L'Etang & Pieczka (1996) figure out the relationship of consumer, entrepreneur and society and finds the historical roots of public relations with corporate social responsibility through arguing that increased power meant increased responsibility and increased obligation which discourage exploitation or take advantages of individual and community. Public relations itself only as image management program characterized by superficial symbolism by J. Grunig (1993) and Grunig argue that behavioral relationship of organization with its' publics could achieved long term goals and objectives. Public relations as corporate social responsibility are the behavioral relationship of entrepreneurial practices within the set norms of society where society evaluates the corporate world. The article discusses the process and similarities of public relations and corporate social responsibility in accordance of Confucian doctrine of rite and ritual bearing nature of public relations and evaluates through survey method that how Chinese respondents see corporations.

Public Relations or Relation with Publics

Public relations field observed almost a century as professional practice and since the beginning several terms were coined by many professionals similar with the public relations. Seitel & Rockefeller (2001) argue that public relations is not recent phenomena, it has its roots in various ancient cultures and societies. Historically, first practice of cross cultural public relations in the world found along Silk Road in China where first Buddhist, then Christians and Manicheans and finally Sufi Muslims take their "spiritual goods" in to the new cultures, in return to whom they could get assistance and fellowship and could establish the relationship in the outside the world (Foltz, 2000).

The pioneered concept of modern public relations was very vague for instance in 1903, P.T Barnum observed public relations as "The Public Be Fooled", Vanderbilt's "Public- Be Demand" and Ivy Lee "The Public Be Informed" (Seitel & Rockefeller, 2001) and later Edward L. Burney's "Engineered of Consent" and Walter Lippman's "Manufacturing of Consent". Critics and theorists of public relations don't support to the persuasive and informative symbolism of public relations. Chomsky (1989) doesn't believe on the mediated public relations. Chomsky argues that multinational corporations (MNCs) are pilling up the world wealth through their cross border expansions, MNCs twist public consent on their hunger for profits. However, public relations theorist J. Grunig (1993) argues that the concept of 'image' is associated with symbolism which portrayed organizational self and it doesn't effective. J. Grunig (1993) observes that the representation of the "image" intermingle with the "perception, cognition, attitude, and schema" and for long term goals and mission of organizational relationship with publics, behavioral contribution is necessary at publics part.

In recent research "publics" dominate in the public relations scholarship, an organization has to scheme variety of relationships with their several publics. Cultural models of public relations (J. Grunig et al., 1995; Cancel *et al.*, 1997; Cancel *et al.*, 1999) focus on publics through recommendations of community relations and philanthropic practices as accommodative opportunities of relationships. Early public relations German practitioners know "public relations" better than their counterparts in Unites States. Surkemper (2005) cite German term "*öffentlichkeitsarbeit*" which describe public relations as "working with the public, working for the public and working in the public". Oeckle (1964) define "working" as sustainability in the sharing of mutual trust and care which followed by planned effort. Hence, "Publics" is the central in the public relations, all social efforts for instance economical, legal; ethical which lead organization and publics toward mutual interest and shared understanding of established social reality caused good public relations.

Symbiosis of Public Relations and Corporate Social Responsibility

The concept of social responsibility evolved in the in the scholarship of business ethics in 1950s, further definitions of the morality in the business practices suggested during the 1980s and 1990s which lead toward modern day Corporate Social responsibility (CSR) Carroll (1999). The core reason behind the evolution of CSR was to find the relationship of the business and society (Klonoski, 1991), maintaining losing trust of the corporations among their publics. 19th century was the era when the concept of multinational corporations (MNCs) emerged. Cross cultural direct foreign investments bring many challenges to the host cultures and similar with the organizational reputation among natives. Management scholars split CSR in to two general school of thought, one who consider that businesses are compelled only to enhance their profits within the set law and minimal ethics (Friedman, 1970), second those who advocate a wider responsibilities toward society (Andrews, 1973; Davis & Blomstrom, 1995; Matten & Moon, 2005, p.335).

Carroll (1999) is the leading figure among the group of scholars who advocates business-society relationship through CSR. Carroll (1979) endeavor to develop following proposed definition of corporate social responsibility:

“The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point of time (1979:500)”

Pinkston & Carroll (1996) evaluates either with the changing scenario of society the priority of the organizations moved from the orientation of corporate social responsibility or not. Pinkston (1996) studied U.S. based chemical subsidiaries and examined that organizations consider the economic responsibility as top in their list whereas with marginal difference in legal responsibilities. Retrospectively, in the established paradigm of corporate social responsibility, the communication couldn't be considered, which could ultimately tend toward the image management and public relations program. L'Etang (1994) look back in to the history of corporate-society relationship. Etang (1994) argues that in the beginning the corporations were critic on the imposition of the program of corporate social responsibility. Corporations implement corporate social responsibility only on the pressure of their external publics for example consumerists, environmentalist lobbies and social activists. Etang (1994) suggest that corporations should find out their moral rationalization for their moral practices, and should ensure their corporate social responsibility in accordance to the claim made by the public relations practitioners. Frankental (2001) is judgmental when considers the compound phrase “corporate social responsibility”. Frankental (2001) evaluates the organizational factors of “corporate governance”, “market's view” and “ethical stances”, whereas also consider the factor which exist outside the organizations for instance “lack of clear definition, acceptance or denial and lack of formal mechanisms for taking responsibility and moreover placement of priority” that corporate organizations give to CSR. Hence, Frankental (2001) asserts that CSR is the invention of public relations. Corporate organizations are working in the complex world where different cultures are also dominant social reality. Corporations can operate their CSR function as Public relations because both are symbiosis of social reality and can consider one and the same.

Similarities and Differences in Public Relations and CSR

Several studies (Juholin, 2004; Clark, 2000; Vallentin; Ver i & Grunig, 2000; Vallentin;2004; Frankental, 2001) find some similarities in public relations and CSR. Retrospectively, public relations and corporate social responsibility scholarships developed from management/ economic-societal perspective and then societal-ethical whereas differences found on the aspects of communications. Two way symmetrical model (L. Grunig, Grunig, & Ehling, 1992)) of public relations better serves the similarities with CSR program and process, through following this model company and publics can change their attitude with better flow of communication in the socio-cultural dynamics and could behave more efficiently, more ethically and responsible toward society. Cutlip & Allen (1978) model of public relations and Clarkson (1995) of corporate social responsibility identify some similarities. Both models identify similar process but PR begins with prospects of an issue but CSR process starts with the awareness of an issue, on second step, planning is core process among PR and CSR whereas programming and analysis have differences, on third step, action taking in the terms of execution of the communication process of PR whereas in CSR action taken in terms of policy development. Finally in fourth step, whole PR program is being evaluated whereas in CSR model it is executed accordance to policy set by company as shown in Table 1.

Table1. Similarities and differences in PR and CSR process

Four-Step Model of Public relations and Corporate Social Responsibility	
Cutlip and Center (1978) Model of PR	Clarkson (1995) Model of CSR
<ul style="list-style-type: none"> • Identification of the problem or Issue (prospects) • Planning and programming • Taking action and communication • Evaluation of the program 	<ul style="list-style-type: none"> • Awareness or identification of an issue • Analysis and planning • Action in terms of policy development • Execution of the program

Cutlip (1978) and Clarkson (1995) models address the stakeholder interests, society is not the focal theme of these models, however these model provide the basic framework for further research and suggest simplest process. In pursuits of finding similarities in public relations and corporate social responsibility Clark (2000) suggest a model for the understanding of PR and CSR process on the basis of existing literature (Cutlip & Allen, 1978; Mitchell, Agle, & Wood, 1997; Miles, 1986; Lerbinger, 1988; Marston; 1979; Wartick & Cochran, 1977) as shown in figure 1.

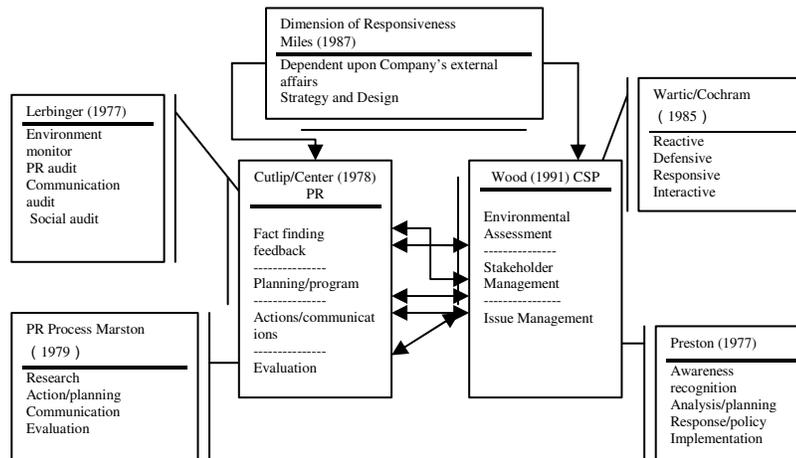


Figure1. Similarities in public relations and CSR in existing models

(Material Source: (Clarkson, 1995)

Clark viewed retrospectively Cutlip and Centre's PR management and Wood's corporate social performance (CSP) model and found similarities. Lerbinger's model provide analytical position to the PR management program which suggest that relationship couldn't exist with out environment and comprehensively "environment monitor, PR, communication and social" "audits" refers to the good relationship. "Audit" refers to all the symmetrical communication process in PR where firms are responsible for their actions and behaviors before their stakeholders. However, in Wood's CSP model "environment" is central to all Corporate Social Performance program. Environment could be defined as the coherence of social, political, economic and cultural entities within a system. Wartick and Cochran model identifies the response of the environment through their reactive, defensive, responsive and interactive behavior. Miles's dimension of responsiveness link PR and CSP though company external affairs and their strategy and design of external affairs decide the intensity of relationship. Again, Cutlip and Wood's process "Environment" and "Communication" are dominant in the whole process. Marston's PR and Preston's CSP process are the strategic management in the whole phenomenon. Therefore, PR as CSP or CSR is surrounding around environment and compressive relationship or good public relations could be obtain only on the basis of best internal strategies linked with the outer social realities.

Public Relations as CSR in Confucian Paradigm

Chinese relational system is different from the relational models and strategies discussed above that provide universal principles for public relations when they adopt corporate social responsible practices. Chinese system is based on localization which is represented as "li", metaphorically transcribe extensive behavioral patterns that are recognized as appropriate and authentic human life and code of conduct which is termed by westerns as rites and rituals, observance, conduct, etiquettes, social and political system (Fan, 2002). Carroll (1991) CSR model is also following legal, ethical, economic and philanthropy which encompass systematic set of responsibilities. Fan (2002) argues that according to Confucius, human being follow rules in cooperation rather than simply behaving through their humanistic instinct which gradually come on contract to construct society. Borrowed through (Fan, 2010., p.206-208) Confucius theory of virtue is the fundamental for the understanding of human nature which is based on "ren" means relational-centric behavior which comes to mutual understanding.

Confucius relational paradigm is against egalitarianism and principle on bioethics because cross-community moral disagreement couldn't solve through universal principles, different rituals need "dialogue" and "contact" for the shared understanding of mutual relations. According to Fan (2010, p.210), Confucius labels it as weak relation (thin relation) when common rituals are not impart whereas strong relations (thick relation) when rites and rituals are practiced when every organ of the relational paradigm is fully functioned. Additionally, though "philanthropy" weak relation could be accommodate in the community whereas Confucius refers "market" as independent principles which are governed by market. Confucius relational model is shown in figure 2. Which illustrate public relations as CSR through the practice of rites and rituals.

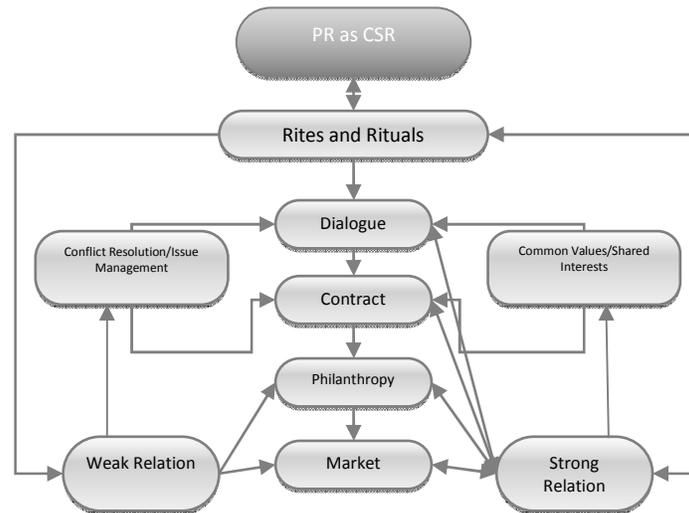


Figure2. Confucius relational model for PR as CSR

Public relations as CSR can fully function in Confucius relational model when the practice of rites and ritual will be according to the set tradition of the local/host community. The model can be function in within community and culture and cross- community or "cross district" (Fan, 2002). Cross district refers to the contract in rituals which caused conflict or issue in the relational model that refers to the weak relationship. On the other side, shared rituals caused strong relations when it comes to practice "Dialogue, Contract, Philanthropy and market". It is discussed how these four element play role in the relational model.

1. **Dialogue:** In the relational model dialogue is vital when the model is being practiced in cross-community or within moral community setting. According to Grunig (1992) two way symmetrical communications is accommodative in the ecological environment. Whenever firms practice their PR as CSR, in the case of weak relations they should launch a dialogue in the host community through appropriate channel and come on the point which could lead host community and culture in to the shared rituals. The nature of the dialogue will be different from types of firm and their possible harm or effect at publics of the host rituals. The moral community practices the similar rituals which are practiced by firms but still dialogue is the continuous process. Moss & Warnaby (1997) argue that reputation can't attain through traditional promotional tools but it is two way symmetrical process of ongoing "dialogue" with all key stakeholders.
2. **Contract:** Contract is second level ritual; it is relational practice of conflict resolution or issue management when controversies rise in the relational model. Firms and host community can deal on the controversial issues that could shape in to "contract" for example if any chemical industry want to setup their plant near the resident area which would hazardous for the environment and eco life, firm can deal a contact on safety measure for production plant and comprehensive welfare and environment protection package to the local community though abiding the law. There are new challenges for the firm to adopt new strategies to deal with the increasing knowledge-rich environments (Huber, 1984). Through contract, firms can practice their social responsibility through publics-participatory approach; safeguard their relational interest in the community and shelter themselves from the legal boundaries.

3. **Philanthropy:** According to Confucius , philanthropy is wonderful ritual for publics in cross-district/cross-community and similar rituals bearing community and culture. Through philanthropy weak relation can come in to the strong relation, firm philanthropies for their publics. Varadarajan & Menon (1988) identify specialized areas of interests for corporate and non-corporate organizations, cause related marketing as marketing for non profit organizations, promotion mix, corporate philanthropy, social responsibility and fund-raising management and public relations. Varadarajan & Menon (1988) suggest two types of philanthropy, one which can directly contribute in to the profit of organization, second which contribute to the society at large. Carroll (1991) CSR pyramid, philanthropy equally contribute in to the corporate social responsibility. In the Confucius relational model, philanthropy of the firms can directly lead firm's weak relations in to strong relations.
4. **Market:** The exchange of goods and services in the material interest within a set framework of geography and governance system at the cost of mutual contract which is accepted by all the stakeholders called market. Markets consider their special ritual in business practices, it doesn't care about any moral divergence, whatever the community and culture they belong, it have its special law that help people to contract for shared interests which cease their personal rituals, opportunities are same for the individuals but the yardstick of the market is capital which flown toward low marginal costs (Fan, 2010: p.210). In the Confucius relational model weak relations comes to strong when relational model follow market trends for example traveling markets these days focusing on zero carbon emissions, environment friendly productions, ethically responsible and economically efficient managements in MNCs in fast moving consumer goods (FMCGs) markets through implementation of CSR, and overall emerging virtual and knowledge based markets and hi-tec goods and rising relational marketing through implementation of comprehensive corporate social responsibility. Markets reward firms at their behavior of CSR in the form of acceptance and rejection (Werther, 2005). According to Fan (2010 p:210) markets can develop by poor regions where capitalists can get more marginal benefits and communities associate to those market can relieve from the moral issues concerned with the poverty.

In Confucius relational model, weak relational practices can come into the ritual practices of contract, dialogue, philanthropy and market where as for the maintaining of strong relation practice of rituals in continuous process which considered as public relations as corporate social responsibility.

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