

# PREFACE

In the curricular structure introduced by this University for students of Post-Graduate degree programme, the opportunity to pursue Post-Graduate course in Subject introduced by this University is equally available to all learners. Instead of being guided by any presumption about ability level, it would perhaps stand to reason if receptivity of a learner is judged in the course of the learning process. That would be entirely in keeping with the objectives of open education which does not believe in artificial differentiation.

Keeping this in view, study materials of the Post-Graduate level in different subjects are being prepared on the basis of a well laid-out syllabus. The course structure combines the best elements in the approved syllabi of Central and State Universities in respective subjects. It has been so designed as to be upgradable with the addition of new information as well as results of fresh thinking and analyses.

The accepted methodology of distance education has been followed in the preparation of these study materials. Co-operation in every form of experienced scholars is indispensable for a work of this kind. We, therefore, owe an enormous debt of gratitude to everyone whose tireless efforts went into the writing, editing and devising of proper lay-out of the materials. Practically speaking, their role amounts to an involvement in invisible teaching. For, whoever makes use of these study materials would virtually derive the benefit of learning under their collective care without each being seen by the other.

The more a learner would seriously pursue these study materials the easier it will be for him or her to reach out to larger horizons of a subject. Care has also been taken to make the language lucid and presentation attractive so that they may be rated as quality self-learning materials. If anything remains still obscure or difficult to follow, arrangements are there to come to terms with them through the counselling sessions regularly available at the network of study centres set up by the University.

Needless to add, a great part of these efforts is still experimental—in fact, pioneering in certain areas. Naturally, there is every possibility of some lapse or deficiency here and there. However, these to admit of rectification and further improvement in due course. On the whole, therefore, these study materials are expected to evoke wider appreciation the more they receive serious attention of all concerned.

**Professor (Dr.) Subha Sankar Sarkar**  
Vice-Chancellor

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# POST-GRADUATE DEGREE COURSE IN JOURNALISM AND MASS COMMUNICATION

Second Semester

[ P.G.J.M.C]

Core Course- 7 (Public Relations)

Course Writers:

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# **Module 1 : Public Relations**

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## **Unit : 1 □ Concept And Scope –Historical Perspectives- Development In India—Current Status**

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### **1.1.0 Structure**

#### **1.1.1 Learning Objectives**

#### **1.1.2 Concept and Scope**

#### **1.1.3 Vox Populi, Vox Dei**

#### **1.1.4 ‘Public be Informed’**

#### **1.1.5 Development in India**

#### **1.1.6 Current Status of Public Relations in India**

#### **1.1.7 Summary**

#### **1.1.8 Questions**

#### **1.1.9 Suggested Readings**

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### **1.1.1 Learning Objectives**

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This unit introduces the student to the basic concept and philosophy of public relations in the modern corporate world. The unit seeks to introduce students to a brief outline of the history of public relations. It draws the attention of students to the fact that some of the basic element of public relations existed in various forms from the beginning of the human civilization. The unit also traces the origin of public relations in ancient India and discusses how the practices of public relations came to be seen as an essential part of modern management particularly after the Independence.

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### **1.1.2 Concept and Scope**

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Public relations have been a major force throughout the course of history. It began when people started communicating and needed to motivate others. Early pre-historic drawings, and later, hieroglyphics and ancient manuscripts were all used to persuade- a basic goal

of modern public relations. As Edward Bernays suggested: “Modern public relations did not spring full-grown out of anybody’s brain- it has evolved from earliest times out of the needs of human beings for leadership and integration.” Yet the formal practice of what today is called public relations is less than 100 years old. Some of the basic elements of public relations like the effort to communicate, and to strike harmony among conflicting interests have been practiced since the dawn of civilization.

With the invention of writing, public relations took shape in the formal sense. Whether they are promoting their image as warriors or kings, leaders of ancient civilizations such as Sumerian, Babylonian, and Persia used poems and other writings to promote their prowess in battle and politics.

With the growth of the Hellenic world, the word, both written and spoken, exploded as a force for social integration. The Athens marketplace became a centre of public discussion concerning the conduct of business and public life.

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### **1.1.3 Vox Populi, Vox Dei**

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Edward Bernays, whom many have considered the founder of public relations, wrote “The three main elements of public relations are practically as old as society: informing people, persuading people, or integrating people with people. Of course, the means and methods of accomplishing these ends have changed as society has changed.” For Bernays and other historians, the growth of public relations has always moved hand in hand with the progress of civilization. In their eyes, much of the recorded history can be seen as the practice of public relations. Whereas primitive societies ruled mainly through fear and intimidation, more advanced cultures depended on discussion and debate. As rulers sought to build consensus, persuasion, became less and less grounded in force and more and more grinded in words.

In ancient Rome, the force of public relations was evident in phrases such as Vox populi, Vox Dei (“the voice of the people is the voice of God”), and res publicae (“public affairs”), which means “republic.” Julius Caesar carefully prepared the Romans for his crossing of the Rubicon in by sending reports such as “Caesar’s Gallic Wars” on his epic achievement as the governor of Gaul.

It was not until the Renaissance and the reformation that the foundation of the modern world was laid- and with it the underpinnings of the kind of public relations that has become vital to the management of public and private institutions. Great documents of liberty helped crystallize the power of public opinion. For example, the Magna Carta-



the thirteenth century English Charter of rights and liberties- inspired by the U.S Constitution in the late eighteenth century.

In the fifteenth Century, Johannes Gutenberg invented the printing press, making it possible to produce written works on a mass scale. By the seventeenth century, newspapers began to appear and ordinary people gained greater access to information and ideas. In response, governments and their leaders became more concerned with public opinion.

When the French Revolution (1789) arrived, the stage was set for the recognition of the power of the common man. In their Declaration of the Rights of Man and Citizens, the leaders of the French Revolution proclaimed the right of citizens to express freely. In 1792 the National Assembly of France created the first propaganda ministry. It was part of the ministry of the Interior and it was called the Bureau d' Esprit, "Bureau of the spirit." It subsidized editors and sent agents to various parts of the country to win public support for the French Revolution.

Thomas Jefferson (1743- 1862), the third president of the SA, is credited with the invention of the term 'public relations'. While drafting the Seventh Address to the Congress in 1807, he penned through the words "state of thought" in one place and replaced them with a new term –"public relations."

Public relations began to emerge as an identifiable industry, initially in America in the early part of the 20<sup>th</sup> Century when business and industry found it necessary to respond to attacks by social reformers. From the mid- 1800s onward, there had been a rapid consolidation of wealth and power into the hands of big business resulting in systematic abuses of that power on their part. By the turn of the century trade unions began to merge in order to protect workers. In time, public opinion became highly skeptical of the new corporations and there were calls for stringent regulations on corporate power.

This was the era of America's wild and woolly development as the centre of capitalist enterprise, when industry, the railroads, and utilities exploded across the face of the country. Industrialists practiced word manipulation and advertisements for one-way transmission of messages with consumers; their only goals being to sell the product and to react to crises.

In those early days of mass production era, business tycoons betrayed an ugly lack of human feelings. They looked upon society as a private hunting ground for business exploitation. Vast technological progress was achieved with little or no regard for the public interest involved. Big businessmen cared more about profits than about the safety and the health of the people. They saw no need to modify their inhuman action.

Unfamiliar to ways of mutual understanding and public interest, they first turned to advertising and lawyers. Some sought to buy up the press. They agreed to give advertisement in the friendly newspapers and threatened to withdraw support from the critical section. Man carried advertising campaigns to gain some respectability and restore public confidence in big business. Some turned to press agents to refurbish their black image. These hired people presented their clients in the best possible light, no matter whether their action or policies were in public interest. The people soon saw through the dishonest and deceptive approach.

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### **1.1.4 ‘Public be Informed’**

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Out of the desperate need to win the confidence of society, came the first manifestation of public relations as an organized part of business planning. Captains of industry came to realize the importance of combating hostility and courting public favor through responsible action and two-way communication. It signified a new approach based on mutual trust and confidence. The sneering contempt for the people and society, typified by the expression ‘public be damned’ came to be replaced by a transparent and refreshing attitude. Public relations entered the era of ‘public be informed.’

The first decade of the twentieth century was a time of expanding mass media- growing number of newspapers, more and more news agencies and an embryonic film industry- that breathed life into public relations. Its organized practice stemmed from this decade in America. The practice of public relations was pioneered and shaped at this stage by men such as Ivy Lee (1897-1934) and Edward Bernays (1891-1995). Lee was a journalist who moved into handling press relations for standard Oil and railroad companies. Up until then, companies when faced with a crisis such as a railway accident had tended to do their best to cover up accidents and problems, engendering an oppositional attitude and hostility from the press. Lee initiated bold and refreshing measures by allowing journalists access to accident scenes, defusing press hostility and in the press, perhaps exercised mild influence over coverage. Lee espoused a philosophy consistent with what has sometimes been called the “two-way-street” approach to public relations. It consists of helping an organization listen as well as communicate messages to their publics.

Lee described himself as a “physician to corporate bodies” and believed that corporations should not conceal the truth from the press and that business leaders should not shun publicly. His principles helped to make American business more public-spirited and

humanitarian. His approach to public relations consisted of helping clients listen as well as communicate messages to their publics. One of his first clients was Pennsylvania railroad. In 1906, he invented the “press release”- to distribute the company’s “news” about an accident before reporters received other versions of the story. It worked like magic. Corporations quickly learned the value of combating hostility and courting public favor through professional public relations.

Bernays, on the other hand, was the profession’s first theorist. He tried to put public relations on a scientific footing, often applying lessons he had learned from his uncle, Sigmund Freud. Bernays drew many of his ideas from Freud’s theories about the irrational, unconscious motives that shape human behavior. Bernays authored several books, including *Crystallizing Public Opinion* (1923), *Propaganda* (1928) and *The Engineering of Consent* (1947). Bernays saw public relations as an “applied social science” that uses insights from psychology, sociology, and other disciplines to scientifically manage and manipulate the thinking and behavior of an irrational and “herdlike” public.. During World War I, Bernays served on the U.S. Committee on Public Information, a vast American propaganda machine set up to advertise and sell the war as one that would “make the world safe for democracy.” The committee established the mould in which marketing strategies for future wars were shaped.

The precursors to public relations can also be found in publicists who specialized in promoting circuses, theatrical performances, and other public spectacles. Many practitioners have also been recruited from the ranks of journalism and have used their understanding of the news media to ensure that their companies receive favorable media coverage.

The First World War helped stimulate the development of public relations as a profession, particularly in the U.S. Meanwhile in England, the main impetus for the development of public relations came from the necessity to explain government policies to the people. The post of the Press Secretary to the king was created in 1918. A chief Press Liaison Officer was appointed in the Prime Minister’s office in the same year.

With the post-World War II economic boom, public relations prospered as never before in the industrially advanced countries. New and old institutions of business, government, and not-for-profit enterprise had seen what public relations had done for the war effort, and they wanted to tap its evolving power for purposes of publicizing their products and services for the burgeoning consumer markets, both at home and abroad.

In Europe, too, professional public relations mushroomed after World War II as diplomacy and mass communications became central to the stability and reconstruction of scores

of countries. In the post-war era, the great powers also embarked on the ideologically changed Cold War, propagandizing their views through a host of intermediaries and enlisting the media, domestically and globally, to further their arms. The struggle between the U.S. and U.S.S.R dominated the headlines for nearly 50 years.

In the late 1940s and throughout the 1950s and 1960s, public relations as an important management function grew rapidly. Its growth and usefulness became evident in the formation of national professional associations in South Africa, Australia, India, Nigeria, and Western Europe. Despite differences in language and culture, these and the other organizations showed a remarkable consistency in programmes and activities. U.S. influence was the strongest, but there was general agreement regarding the basic principles and practices of public relations; e.g., the power of public opinion, the need for relationship-building between institutions and their publics, the influence of the Press as a force for free speech, and the value of corporate citizenship. Public relations increasingly borrowed from and redefined philosophical concepts such as human rights, fairness and social freedom.

In the 1980s and 1990s, new issues arose to spark other manifestations of activist militancy—much of it focused on environment and quality-of-life issues. Business and government became the primary targets for initiatives aimed at curbing air pollution, water pollution, deforestation, and the general threat of ecological disaster caused by global warming and the destruction of the world's natural habitats.

Here, too, public relations practitioners were called upon to assist in addressing these highly charged issues, and, more important, in communicating what their employers or the organizations they represented were doing to improve matters. This period also witnessed the growth and extension of consumer activism around issues such as unfair labor practices and unbridled corporate expansion and market control.

Looking back, professional public relations has more than fulfilled its role in society despite many setbacks that seem to go hand in hand with the practice from time to time. What began as mainly a U.S. enterprise in the early 1900s, with a few agencies and a few hundred practitioners, has grown, almost inexorably, to become today a global enterprise, far surpassing what even the most visionary of its early proponents imagined.

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### **1.1.5 Development in India**

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The first faltering steps towards the practice of public relations began in India with the Indian Railways. The Great Indian Peninsular (GIP) Railways, for example, carried on a

press campaign in England to attract tourists. Inside the country, its publicity unit introduced a travelling cinema that held open-air shows at fairs, festivals and other social gatherings. From its offices in London and New York, the Bureau undertook extensive advertising in newspapers. It also participated in exhibitions to promote tourist traffic.

A full-fledged Ministry of Information and Broadcasting came into being soon after the independence to look after the public relations need of the new Government.

Meanwhile, the new and social –political conditions that emerged after the transfer of power compelled the multinational companies to take note of the growing aspirations of a young nation. In the new and democratic environment, industrial giants like the Burmah Shell, Caltex, Dunlop, Phillips, ICI, and Lever Brothers felt the need to communicate with the Indian people in the native idiom and language. In order to adjust their corporate policies to the new democratic culture, these companies increasingly turned to public relations. Among the Indian companies, the Tata Steel was the first to set up a regular public relations department in 1943 , headed by Minoos Masani.

The 1950s saw the rapid growth of the public sector. The economic statement of the government, in the wake of the Five Year Plans, made a strong plea for taking the people into confidence and sharing information for their greater involvement in these enterprises. The idea was reflected in the corporate philosophy of the public sector. The first public sector units in the country like the Sindri Fertilizers and Damodar valley Corporation started their public relations wing from the very beginning. By the mid 1950s, giant steel plants, multipurpose river dams, ONGC, BHEL, Hindustan Cable, and SEBIs paved the way for public relations in India to grow.

All these were Greenfield projects, signifying the transition of a predominantly rural economy to industrial economy. From the public relations point of view, the immediate task was to inform, persuade and obtain the support of the people for the success of these massive enterprises. New patterns of life rapidly emerged. The enforced rhythm of the industry and the stress of urban life were new. Public relations evolved in this new situation as a crucial corporate function to reduce the consequent friction between the new and the old way of life. There was also a growing consciousness among the public relations executives to induct greater professionalism into the practice. Enterprising professionals in Mumbai set up the Public Relations Society of India (PRSI) in 1958 to promote professional practice. Its activities, however, were confined within the city. Similarly, Kolkata saw the birth of the Public Relations Circle in 1965 with similar objectives. Both the bodies eventually merged into the national association after its formation at the first All-India Conference in Delhi on April 21, 1968. The event also marked the

beginning of the professional public relations practice in India. The day is marked as the National Public Relations Day to commemorate the event.

In course of time, as a group, these practitioners, both male and female, became more alike in their education, knowledge, and skills. On the job, they became the promotional voice for thousands of public and private interests, performing a wide variety of management and communication functions aimed at swaying the views of customers, employees, stockholders, taxpayers, investors, and legislators. What began as mere publicity has grown today to include many other uses, from interpreting public opinion and its impact on an organization to researching ways of helping the business to maintain its goals.

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### **1.1.6 Current Status of Public Relations in India**

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Public relations is a thriving profession in India. There are hundreds of large and small PR consultancies in the country, employing thousands of practitioners. Most companies in private sector and almost all companies in the public sector have public relations departments. According to a survey conducted by the Associated Chamber of Commerce and Industry in India (Assocham, 2012), the PR industry in India is growing at an annual rate of 32 percent. Many believe the definition of traditional PR has undergone a change. PR in its new avatar not just encompasses media relations and employee communication, but is used increasingly for strategic communication, brand building, customer relations and crisis management. From an executive function, PR is now becoming a part of the high-level management job touching upon the core values of an organization.

PR in India is fast emerging as an institution especially with its growing acceptance as a skilled and specialized profession.

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### **1.1.7 Summary**

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In this unit we have discussed about the historical developments of Public Relations in India. We have also discussed about the current status of Public Relations in India.

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### **1.1.8 Questions**

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1. Discuss how some of the basic elements of modern public relations were present in the philosophy and activity of the ancient world.
2. What are the factors that led to the growth of public relations in the modern era?

3. Give a brief outline of the events that led to a change from the attitude of public be damned' to 'public be informed'.
4. Trace briefly the growth of professional public relations in India

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### **1.1.9 Suggested Readings**

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1. Lesley's Public Relations Handbook by Philip Lesley, Engelwood Cliffs, N.J. Prentice Hall, (Jaico Edition), 1995
2. Public Relations by Sanat Lahiri, Public Relations Society of India (Kolkata Chapter), 1994
3. Public Relations by James Norris, Englwood Cliffs, N.J.: Prentice Hall, 1987.

# Module I

## Public Relations

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### **Unit - 2 □ Principle of Public Relations : - Nature, Role, Functions And Definitions – Popular Misconceptions – Image Projection – Ethics in Public Relations**

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#### **1.2.0 Structure**

#### **1.2.1 Learning Objectives**

#### **1.2.2 Nature, Role and Functions of Public Relations**

#### **1.2.3 A Management Function**

#### **1.2.4 Definitions**

#### **1.2.5 Popular Misconceptions**

#### **1.2.6 Image projection**

#### **1.2.7 Ethics in Public Relations**

#### **1.2.8 Questions**

#### **1.2.9 Suggested Readings**

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### **1.2.1 Learning Objectives**

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This unit produces the student to the basic concept and philosophy of public relations, particularly its role and functions in the modern corporate world. After reading the various sections in this unit, the student will gain a detailed knowledge of the several aspects of public relations as a management function. The unit discusses the leading definitions in the field with an analysis of the each to enable students to decide about their applicability in different contexts. The unit takes a close look at the real nature of public relations as opposed to misconceptions that many people nurture as a result of their ignorance. The unit impresses upon the students the essential nature of ethics in public relations.



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## **1.2.2 Nature, Role and Functions of Public Relations**

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We live today in a democratic society. Today, as never before in or history, people are led by their own consent, guided by their own opinion. The command of a king or a tycoon is no longer the law, automatically obeyed. It is now necessary to obtain the acceptance of those being ordered. What Ivy Lee, a pioneer in public relations field, had written in 1914 is applicable to our country today. He wrote: "The people now rule. We have substituted for the divine right of kings, the divine right of the multitude. The crowd is now enthroned."

Throughout history, industrial goals have been realized frequently at the cost of social welfare. While it has brought along some material prosperity, industrial development has severely disturbed social and ecological equilibrium. Today, public expectations are continuing to change the standards within which business must operate. Increasingly, corporations are being held to account not just for their profitability but what they do about an endless agenda of social problems.

People are increasingly concerned today with how corporate policies and performance affect them as shareholders, employees, consumers, community neighbors and citizens. They no longer believe that their peace of mind is contingent upon getting their shirts brighter than their neighbors or relief from headache in ten seconds instead of twenty. They desire to know how a product is made, how the business is run and the impact of the business policies on their daily lives. They are also concerned about its impact on their social and physical environment.

Indeed, the survival and the growth of business in the contemporary world depend essentially on the quality of its interaction with the rest of the community. Business today can prosper only if executive decisions are guided by sensitive responses to change in public opinion. Therefore, an organization today must constantly try to ascertain whether it is living up to the expectations of society. If it cannot do everything, it must at least, explain why.

Today companies have to justify their actions to investors, employees, consumers, and to society as a whole. They face a growing public expectation to maintain consistently high standards in all their functions, before being forced to do so through legal enforcement. Today, society expects business to behave as responsible corporate citizens. It expects business to contribute to its quality of life.

The emerging imperatives of a radically different environment call for a more enlightened response. Complexities of a changing business environment, felled by a growing public demand, make it essential for all organizations to find out some credible means of fostering mutually beneficial relationships with at least those groups in society that can make or mar their business prospects. As a result, almost an organization that has a stake in how it is portrayed in the public arena employs at least one public relations manager. Good public relations and honest communication practice is now at the heart of every successful organizations throughout the world.

The broad scope of public relations is the inevitable result of the growing complexity of society in general and of the communication system that holds it together. All organizations have public relations whether the consciously practice it or not, just as all human beings have personalities, no matter whether they are aware of it or not. Like individual personality, organizational public relations too can be improved by dint of hard effort over a period of time. Public relations is necessarily long term and is, in fact, a corporate personality dealing with 'publics' rather than with individuals.

Business and industry started the practice of public relations not out of the interest for the welfare of the society it served. Sheer survival instinct made them think of some means of earning public confidence in the face of scathing attack for their failures to live up to public expectations. Heedless self-interest, captains of industry came to understand, is more likely to succeed if it is trusted.

Public relations believe that business is no longer an entirely economic function. It has a social dimension as well. Business no longer operates inside the bubble of pure economic theory. It has to make the way in a world of flesh and blood and has to do with people including all their feelings, emotions, and attitudes. It exists in the context of its relationship with diverse social groups, critical to its success. At its best, public relations not only tell an organization's story to its publics, it also helps to shape the organization and the way it works. Through research, feedback communication and evaluation, the practitioner needs to find out the concerns and expectations of a company's publics and explain them to management. It helps or complex, pluralistic understanding among groups and institutions. It serves to bring private and public policies into harmony. One cannot choose whether or not to have public relations; one can only choose the degree to which those relations will be managed.

Public relations is an extension of the democratic principle to the field of economic activity. It is a direct outcome of the industry's efforts to minimize maladjustment between

the industries on the one hand and society on the other. Public relations is a philosophy that believes power in modern society flows not from the barrel of the gun but from the enlightened cooperation of the people. It derives its strength only from a democratic society where people have the freedom to debate and make decisions. It seeks to earn the understanding and support of society and influence the opinion and behavior of the people. Public relations is about reputation- the result of what you do, what you say and what others say about you. It is the discipline that looks after the reputation of an organization.

Profit, no doubt, is an indispensable measure of business performance. Yet, in the larger context of society, it is not an end in itself; it is only means towards realization of human values. As the country has adopted the idea of growth with social justice as a national policy, there is all the more need for business to change its priorities.

Public relations is already being seen as a means to gain a competitive edge in the corporate world. Indeed, in these days of declining product differentiation, consumer confidence is won not only by the quality of products but by the perception and the attitude of the people. This unprecedented transformation in the hitherto prevailing social pattern, giving power and position to the common man, has led to the growth of public relations in the post-independence India.

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### **1.2.3 A Management Function**

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Public Relations is, simply stated, the art and science of building relationships between an organisation and its key audiences. The corporate goals themselves are shaped by external environment. The public relations practitioner acts as an adviser to management and as a mediator helps the organisation translate private aims into reasonable, publicly acceptable policy and action.

As a management function, public relations encompasses the following:

- Anticipating, analysing and interpreting public opinion and issues that might impact, for good or ill, the operations and plans of the organization.
- Counseling management at all levels in the organization with regard to policy decisions, courses of action, and communications, taking into account their public ramifications and the organization's social or citizenship responsibilities.

- Researching, conducting, and evaluating, on a continuing basis, programmes of action and communication to achieve the informed public understanding necessary to the success of an organization's aims. These may include marketing, financial, fundraising, employee, community relations and other similar programmes.
- Planning and implementing the organization's efforts to influence or change public policy, setting objectives, planning, budgeting, recruiting and training staff. Developing facilities- in short, managing the resources needed to perform all of the above.

In helping to define and implement policy, public relations practitioner uses a variety of professional communication skills. They play an integrative role both within the organization and between the organization and the external environment. They function at two distinctly different levels. As business strategists, they counsel management to adapt and adjust to the emerging trends and attitude on the basis of the feedback available through constant monitoring of the socio-economic environment. It involves gathering information, evaluating situations, making policies and putting them into practice. As technicians, they perform a host of functions embracing employees, community, investors, consumers, dealers, suppliers, and legislators.

Essentially, public relations is all about earning reputation. In the business parlance of the by-gone era, this was known as goodwill. Public relations looks after the reputation of an organization with the aim of earning understanding and support of society. An organization's reputation forms the platform, from which it seeks to earn the support of its customers, dealers, suppliers, and legislators.

Creating and retaining a good reputation is an awesome task: It is not earned overnight. It requires managerial vision of the highest order and an unwavering commitment to public welfare. It has to be carefully cultivated with integrity and honesty over a long period of time.

Reputation is a fragile product. Ears of good work can quickly evaporate if there is any gap between what is said and what is done. No wonder, the British Institute of Public Relations has defined public relations as the *“discipline that looks after reputation with the aim of understanding and support and influencing opinion and behavior.”*

The introduction to the third edition of *The Dartnell Public Relations Handbook*, one of the oft-cited bibles of the industry, notes: *“Every organization, institution, and individual has public relations whether or not that fact is recognized. As long as there are people, living together in communities, working together in organizations, and forming a society, there will be an intricate web of relationships among them.”*

The public relations activities typically fall into twelve major areas: (i) opinion research and evaluation, (ii) media relations, (iii) employee relations, (iv) community relations, (v) investor relations (vi) dealer relations (vii) consumer relations (viii) product promotion (ix) crisis communication (x) social marketing (xi) issue management (xii) special events.

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### **1.2.4 Definitions**

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The formal practice of what today is called public relations is less than 100 years old. Yet during its relatively short history, public relations has been defined in many widely different ways. The differing concepts indicate the struggle of an emerging profession seeking its unique identity. Mementos changes, embracing all aspects of the contemporary society, are compelling public relations profession to consider hitherto unknown situations that may call for a new phase of activity. Definitions of public relations, as a result, indicate wide variety of perception. In a nutshell, public relations may be described as: *The methods and activities employed to establish and promote a favourable relationship with the public.*

As public relations came to be recognised by more and more organisations as an essential management function, definitions began to include the following elements of the practice: (a) the need for research prior to initiating actions, careful planning and thorough evaluation or measurement of results; (b) a continuing, systematic process instead of a one-time or single activity; (c) multiple audiences or publics; (d) its role as an essential function of management; (e) public participation, mediation, conciliation, arbitration and accommodation as important tools; (e) the need, in most instances, for long-term commitment.

In brief, therefore, public relations can be defined as an organised communication process in which messages are transmitted through a variety of channels to relevant and targeted audiences in an attempt to influence their beliefs, attitudes and even, actions.

#### **PRSA Definition**

Many of the definitions of public relations were quite lengthy; so much so that they tend more to describe what public relations does than what it is. In 1988, in an attempt to solve this dilemma the governing body of the Public Relations Society of America (PRSA) formally adopted a definition of public relations that said: “Public relations helps an organisation and its public adapt mutually to each other.” It is not exactly a definition, but it’s a good starting point for further study. In this definition, the essential functions

of research planning, communications, dialog end evaluation are implied. Key words are “organisation” rather than the limiting implications of “company” or “business”, and “publics”. It also recognises that all organisations have multiple publics from which they must learn consent and support.

While the PRSA definition is accurate and short, it often needs additional explanation. A broader and more detailed definition comes from one of the field’s well known textbooks *Effective Public Relations*, by Scott Cutlip, Allen Center, and Glen Broom. It said: “Public Relations is a management function that seeks to identify, build, and maintain mutually beneficial relationships between an organisation and all of the publics on whom its success or failure depends.” This definition includes some of the most important characteristic of public relations that have made it a unique and diverse profession today.

“Management *function*”- Public relations professionals do not merely communicate the decisions of management, but also advise management on those decisions in terms of their impact on relationships;

“Identify, *build and motivation...relationships*”- The essence of public relations, as the name should imply, is relationships. The work of public relations practitioners, therefore, is to identify for an organisation the varied publics with whom relationships are necessary. With this unique perspective or paradigm, public relations professionals then build and maintain relationships with these various publics. Publicity and other communication tactics are not the defining framework for the profession, but merely the tools used to accomplish its larger objective of relationship building and maintenance;

“Mutually *beneficial*”- Another way the public relations profession distinguishes itself from other disciplines is the way we talk about relationships. While organisational objectives are important, a public relations perspective considers the benefits to the various publics. Often a counsellor would advise an organisation about change in its policy or behaviour to satisfy a public with whom it has a relationship;

“*Organisations*”- Public relations professionals work not just for corporations and business, but for non-profit organisations, government agencies and officials, schools, and countless other organisations in all labour sectors;

“*Publics*”- The focus of public relations goes far beyond customers. Public relations professionals consider employees, dealers, investors, community members and many others who may or may not have a financial stake in the organisation;

“Success or failure depends”- The work of public relations has a direct impact on the “bottom-line” of an organisation, even though it may not always be immediate or numerically measurable.

### **BIPR Definition**

John E. Marston, an American scholar, defines public relations as the “*Skilled communication of ideas to the various publics with the object of producing a desired result.*” However, communication by itself is not adequate to convince people unless accompanied by sound action. Marston, therefore, further modified his ideas and suggested that public relations is finding out what people like about you and doing more of it and also finding out what people do not like about you and doing less of it.

The London-based British Institute of Public Relations defined public relations in 1987 “*the planned efforts to establish and improve the degree of mutual understanding between an organisation or individuals and any group of persons and organisations with the primary object of assisting that organisation to deserve, acquire, and retain a good reputation.*” The Institute also suggested: “*Public relations is the state of mutual understanding between an organisation or individuals and any groups of persons or organisations, and the extent and quality of the reputation that exists.*”

The International Public Relations Association (IPRA) at its World Congress in the Mexico City in 1978 defined Public Relations as : “*the art and social science of analyzing trends, predicting their consequences, counselling organisation leadership and implementing planned programmes of action which serve both the organisation’s and the public interest.*”

The definition emphasises that research is essential before embarking on any public relations programme. It also brings out the advisory functions of public relations. The words “public interest” emphasise that public relations is not about making something seem right, but the correcting the flaw and then communicating the results. It highlights the role of public relations as the social conscience of the organisation.

Many scholars have tried to describe public relations within a smaller but specific area of activity. Sanat Lahiri, the first Indian to become the Chairman of the international Public Relations Association (IPRA), liked to explain public relations as “*negotiating the changes with the minimum of friction.*” John Hill, an American expert, thought of public relations as “the management function that gives the same organised and careful attention to the asset of goodwill as is given to any other asset of business.” *Some of the smart expressions about public relations catch at least one aspect of the subject. Some*



*of these are: “The winning of public acceptance by acceptable performance.” “Good conduct, coupled with good reporting.” “Doing the right thing and getting credit for it.”*

Looking through different definitions of public relations, we can make the following conclusions:

- Public relations is an essential managerial function, based on two-way communication.
- Public relations consists of regular interaction between an organisation and various groups in society whom we call “publics”.
- Public relations activities are concerned with the reputation of an organisation within society, its perceptions of image of organisations and corporate identity.
- It is based on organisational policies and performances;
- Planned and deliberate public relations activities are based on public interest.
- To sum up: Public relations is a management function that seeks to establish and maintain mutually beneficial relationships between an organisation, commercial or non-commercial, and the audiences or “publics” on which the success of these entities depends. These publics may include any of several possible constituencies: customers, investors, local community, employees, media, dealers, suppliers, legislators, government officials and other influential sections of society.

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## **1.2.5 Popular Misconceptions**

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The term public relations’ is in the everyday conversation of thousands of people. It is mentioned casually as the reason for the success or failure of products, companies and cause. Many people have a tendency to manufacture their own meanings of the term. It is a familiar but much-misunderstood subject. Very few of those who toss around the words casually or confidently, have any real idea of what it means. They seldom care to study the true nature of the subject.

It was the English philosopher John Locke who observed in his *An Essay Concerning Human Understanding* that: “new opinions are always suspected, and usually opposed without any other reason but because they are not already common.” Public relations is comparative long as a management discipline. It is still undergoing the pangs of growing up: of being misunderstood, being scoffed at, and having a certain degree of cynicism. As Locke apprehends, it suffers from many popular misconceptions.



Media frequently use public relations as a verb. In their lexicon, 'PR' means to make an essentially ugly object appear seemingly attractive through superficial gestures. The media refer to 'public relations gimmick' or 'ploy' to imply a hollow and insincere action. The misinterpret public relations as a euphemism for white washing any black deed.

Many people seem to think that public relations, like cosmetics, can cover all imperfections of an organization. Malicious hacks charge that public relations people are hired to tell lies for their companies. It seeks to create an impression that in public relations smiles are not quite real, laughter not quite spontaneous, and attitude not quite sincere. In a nutshell, it is all about creating a superficial impression without any worthwhile action.

The myth has been further strengthened by the 'quacks' in the profession. In the absence of any professional expertise, they stoop to manipulative tactics and seek to pass off any dishonest move as public relations. This has given rise to the misplaced stereotype of a public relations person with an uncanny ability to fix almost anything by pulling strings. It misrepresents public relations as a euphemism for any dark deed. This is also the irony of public relations. A profession that seeks to promote the good image of others has, apparently, a negative image.

Misconceptions about public relations are so widely prevalent because in our country one can easily pass off as a public relations executive without any professional and academic standards. The two words 'public relations' are in the public domain. In most other professions, law defines the criteria for the practice with economic sanctions for those who transgress. There is no compulsion as yet to register with any professional body before one can start the practice. There is no system of compulsory certification or accreditation. Nor is anybody answerable to any regulator body- there is none. As a result, a whole new tribe of fixers and hustlers has taken to haunting the corridors of powers with the public relations title. Persons of dubious background who specialize in 'getting things done', no matter how questionable the means, call themselves public relations officers. Such frauds embarrass the professional in the field.

Without any kind of regulation or accepted form of measurement to judge professional competence, public relations will continue to harbor fools and wise men. Pillars of probity and masters of duplicity, charlatans as well as saints –and, few outsiders will be able to tell the difference. Rigid insistence on professional qualifications and licensing with economic sanctions for unethical practitioners may perhaps forbid spin-doctors and similar anti-social elements to misuse the term public relations.

Manipulative practitioners of public relations, called spin doctors, ignore the collective wisdom of the people. Abraham Lincoln saw this and expressed it succinctly:” You may fool all of the people some of the time; you can fool some of the people all of the time; but you cannot fool all of the people all of the time.”

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## **1.2.6 Image projection**

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Image, to put it in the simple words, is what the people think of the organization. It is the picture of the organization as reflected in the minds of the people. It is, essentially a matter of mental perception. It is the cumulative result of the impression people form about the company, based on their knowledge and experience. Public relations includes ongoing activities to ensure that the organization has a strong public image. Public relations, like the title implies, is about managing the public’s perception of an organization. Image of a company contributes vitally to its public standing. It is also an essential part to gain public support for its policies and programmes.

Yet , much of the understanding and confusion about public relations can be traced to its alleged role as an image-builder Edward Bernays, one of the founding fathers of the profession, wanted to exclude the word ‘image’ from the public relations parlance because dictionaries define image as mental picture of something not real or present. He argued that image suggests illusion, whereas public relations concerns itself with reality.

Creating a desired corporate image, therefore, is not just a matter of giving a face-lift to the company’s otherwise sagging image. The desired image of an organization can correspond only with reality. The image of an organization is directly related to its performance. It is erroneous to think that a favorable image can be forged with skilful graphics and artful words. Good image is based on solid performance, not on flimsy façade.

Public relations, by itself, cannot create any favorable image or reputation for a company. A good image is the direct outcome of a company’s genuine commitment to strike a balance between the interests of the company as much as that of society. It can evolve on lot of a sincere effort to match words with deeds. Public relations can only suggest such policies and programmes that would enable the organization to earn and deserve a good image. No organization can bestow upon itself a good reputation nor tap a reservoir of public goodwill on demand. Goodwill has to be earned, nurtured and maintained. It accumulates over a long period of time like stalagmites. Reputation cannot be created overnight.

Yet, many people speak of seeking a favorable image. Some again talk glibly of polishing a tarnished image. When the company performance does not live up to expectations, they would consider image making a solution for the problem without bothering to find out the real case behind the undesirable situation. What they fail to realize is that in this age of investigative journalism, no image can be forged with the help of lights and mirrors.

To build a favorable image, public relations should seek to remove first the barriers that exist between the organization and society so that both sides can see each other for what they are really worth. In other words, it should first try to discover what is really wrong within the organization and counsel the company to set it right rather than try to create a false impression that everything is O.K. The primary task of public relations is to sensitize management to public images and expectations rather than attempting to manipulate public opinion.

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### **1.2.7 Ethics in Public Relations**

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Ethics is a branch of philosophy that deals with issues of right and wrong in human affairs. The field of ethics involves systematizing, defending, and recommending concepts of moral behavior. If public relations is all about winning the confidence of society, then there is no issue more critical to its success than ethics. Success in public relations demands strict intellectual honesty and integrity in all aspects of one's professional conduct. Honesty and integrity must be practiced at all times in public relations in order to maintain credibility.

Ethics in the field of public relations goes beyond knowing right from wrong on a personal level. A public relations practitioner must not only come to terms with his or her own value system, but know how to deal with value systems that are incongruent with his or her own. The public relations practitioner serves many masters. He or she should be loyal to his or her company; but at the same time he should have enough of conscience to persuade clients to make decisions for the good of society. This may not always happen. Practitioners, as with professionals in other fields, are sometimes tempted by money, power, and greed.

Professional ethics and code of conduct lie at the heart of any respectable profession. They remind the members of their moral responsibilities to exercise sensitive professional and moral judgment in all their activities: To serve the public interest, honor the public trust and strive to reinforce public confidence. A true public relations professional, however, will take the International Public Relations Association (IPRA) or PRSA member Code

of Ethics seriously, make a conscious and deliberate effort to live by it, and make sure that others do, too.

Throughout its existence the IPRA has always sought to provide intellectual leadership for the public relations profession. A key part of this has been the development of a number of Codes and Charters seeking to provide an ethical framework for the activities of the profession. Upon joining IPRA all members undertake to uphold these codes and in doing so benefit from the ethical climate that they create. The IPRA code is binding on the members of the Public relations Society of India (PRSI).

## **Code of Venice**

### **A. Personal and Professional Integrity**

1. It is understood that by personal integrity is meant the maintenance of both high moral standards and a sound reputation. But professional integrity is meant observance of the Constitution rules and, the code as adopted by IPRA.

### **B. Conduct towards Clients and Employers**

1. A member has a general duty of fair dealing towards his/her clients or employers, past and present.
2. A member shall not represent conflicting or competing interests without the express consent of those concerned.
3. A member shall safeguard the confidences of either present and former clients or employers.
4. A member shall safeguard the confidences of both present and former clients or employers.
5. In performing services for a client or employer a member shall not accept fees, commission or any other valuable consideration in connection with those services from anyone other than his/her client or employer without the express consent of his/her client or employer, given a full disclosure of the facts.
6. A member shall not propose to a prospective client that his/her fees or other compensation be contingent on the achievement of certain results; nor shall he/she enter into any fee agreement to the same effect.

## **C Conduct towards the Public and the Media**

1. A member shall conduct his/her professional activities with respect to the public interest and for the dignity of the individual.
2. A member shall not engage in practice which tends to corrupt the integrity of channel of public communication.
3. A member shall not intentionally disseminate false or misleading information.
4. A member shall at all times seek to give a faithful representation of the organization which he/she serves.
5. A member shall not create an organization to serve some announced case but actually to serve an undisclosed special or private interest of a member or his/her client or employer, nor shall he/she make use of it or any such existing organization.

## **D Conduct towards Colleagues**

A member shall not intentionally injure the professional reputation or practice of another member. However, if a member has evidence that another member has been guilty of unethical, illegal or unfair practices, including practices in violation of this code, he/she should present the information to the Council of IPRA.

A member shall not seek to supplant another member with his employer or client.

A member shall co-operate with fellow members in upholding and enforcing this code.

**(Adopted in Venice-May, 1961)**

## **Code of Athens**

CONSIDERING that all member countries of the United Nations Organisation have agreed to abide by its Charter which reaffirms “its faith in fundamental human rights, in the dignity and worth of the human person” and that having regard to the very nature of their profession, public relations practitioners in these countries should undertake to ascertain and observe the principles set out in this Charter.

CONSIDERING that, apart from “rights”, human beings not only have physical or material needs but also intellectual, moral and social needs, and that their rights are of real benefit to them only insofar as these needs are essentially met.

CONSIDERING that, in the course of their professional duties and depending on how these duties are performed, public relations practitioners can substantially help to meet these intellectual, moral and social needs.

And lastly, CONSIDERING that the use of techniques enabling them to come simultaneously into contact with millions of people gives public relations practitioners a power that has to be restrained by the observance of a strict moral code.

On all these grounds, the PRII hereby declares that it accepts as its moral charter the principles of the following Code of Ethics and that if, in the light of evidence submitted to the Council, a member of the Institute should be found to have infringed this Code in the course of his professional duties, he will be deemed to be guilty of serious misconduct calling for an appropriate penalty.

Accordingly, each member of the PRII:

**Shall endeavour:**

- To contribute to the achievement of the moral and cultural conditions enabling human beings to reach their full stature and enjoy the indefeasible rights to which they are entitled under the Universal Declaration of Human Rights
- To establish communication patterns and channels which, by fostering the free flow of essential information, will make each member of the group feel that he/she is being kept informed, and also give him an awareness of his/her own personal involvement and responsibility, and of his/her solidarity with other members
- To conduct himself always and in all circumstances in such a manner as to deserve and secure the confidence of those with whom he/she comes into contact
- To bear in mind that because of the relationship between his/her profession and the public, his/her conduct - even in private - will have an impact on the way in which the profession as a whole is appraised

**Shall undertake:**

- To observe, in the course of his/her professional duties, the moral principles and rules of the Universal Declaration of Human Rights
- To pay due regard to, and uphold, human dignity, and to recognise the right of each individual to judge for his/herself

## **PRSA Professional Values**

### **ADVOCACY**

We serve the public interest by acting as responsible advocates for those we represent. We provide a voice in the marketplace of ideas, facts, and viewpoints to aid informed public debate.

### **HONESTY**

We adhere to the highest standards of accuracy and truth in advancing the interests of those we represent and in communicating with the public.

### **EXPERTISE**

We acquire and responsibly use specialized knowledge and experience. We advance the profession through continued professional development, research, and education. We build mutual understanding, credibility, and relationships among a wide array of institutions and audiences.

### **INDEPENDENCE**

We provide objective counsel to those we represent. We are accountable for our actions.

### **LOYALTY**

We are faithful to those we represent, while honoring our obligation to serve the public interest.

### **FAIRNESS**

We deal fairly with clients, employers, competitors, peers, vendors, the media, and the general public. We respect all opinions and support the right of free expression.

- To establish the moral, psychological and intellectual conditions for dialogue in its true sense, and to recognise the right of the parties involved to state their case and express their views
- To act, in all circumstances, in such a manner as to take account of the respective interests of the parties involved: both the interests of the organisation which he/she serves and the interests of the public concerned
- To carry out his/her undertaking and commitments, which shall always be so worded as to avoid any misunderstanding, and to show loyalty and integrity in all circumstances so as to keep the confidence of his/her clients or employers, past or present, and of all the public that are affected by his/her actions

**Shall refrain from:**

- Subordinating the truth to other requirements
- Circulating information which is not based on established and ascertainable facts
- Taking part in any venture or undertaking which is unethical or dishonest or capable of impairing human dignity and integrity
- Using any manipulative methods or techniques designed to create subconscious motivations which the individual cannot control of his own free will and so cannot be held accountable for the action taken on them

**PRSA Code**

The following Public Relations Code of Ethics presents the core values of PRSA members, and, more broadly, of the public relations profession. These values provide the foundation for the member Code of Ethics and set the industry standard for the professional practice of public relations. These values are the fundamental beliefs that guide or behaviors and decision-making process. We believe our professional values are vital to the integrity of the profession as a whole.

**1.2.8 Questions**

1. Describe your idea of public relations as a modern management function.
2. How can public relations be useful for an organization in modern society?
3. Analyze at least any two leading definitions of public relations and discuss their suitability for today's society.



4. What are the steps a company should employ if it desires to develop a favorable image for itself?
5. What are the different misconceptions sometimes laymen generally have about public relations and why?
6. Why is ethics an indispensable part of the public relations practice?
7. Highlight the major features of the Code of Venice.
8. Critically examine the PRSA Code and point out, in which ways, it differs from the Code of Athens of the IPRA.

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### **1.2.9 Suggested Readings**

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1. *Managing Public Relations* by James Gruning and Todd Hunt, Holt, Rinehart and Winston, New York, 1997.
2. *Effective Public Relations* by Scott Cutlip, M.Center, H.Allen and Glen.M.Broom, Englewood Cliffs, N.J.: prentice Hall, 1996
3. *Public Relations Today* by Subir Ghosh, Rupa &Co, Kolkata, 2001.
4. *The Management of Public Relations* by Robert D. Ross, John Wiley &Sons, New York, 1995.
5. *The Practice of Public Relations*, edited by Sam Black, Butterworth Heinemann, London, 1995.
6. *Public Relations: An Introduction* by Shirley Harrison, Routledge, London, 1995.
7. *Planning and Managing Public Relations Campaigns* by Anne Gregory, IPR, London, Kogan Page, 2000.
8. *Experts In Action* by Bill Cantor, Longman, New York, 1992.
9. *All about Public Relations* by Roger Haywood, McGraw Hill, New York, 1991.
10. *Modern Public Relations* by John Marston, McGraw Hill, New York, 1979.
11. *The PR business* by Q.Bell Kogan Page, London, 1991.

# Module I

## Public Relation

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### Unit - 3 □ Qualities of a Public Relations Professional

#### Public Relations: How It Differs From: - A. Advertising B. Publicity C. Lobbying D. Propaganda E. Marketing

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#### 1.3.0 Structure

#### 1.3.1 Learning Objectives

#### 1.3.2 Qualities of a Professional

#### 1.3.3 Public Relations and Marketing

#### 1.3.4 Public Relations and Advertising

#### 1.3.5 Public Relations and Publicity

#### 1.3.6 Public Relations and Propaganda

#### 1.3.7 Public Relations and Lobbying

#### 1.3.8 Questions

#### 1.3.9 Suggested Readings

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### 1.3.1 Learning Objectives

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This unit introduces the student to the essential qualities a public relations person must have or at least acquire to succeed in the profession. We are also going to learn how the public relations differ from other disciplines, especially those with strong communication functions.

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### 1.3.2 Qualities of a Professional

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What kind of individual does it really take to become a competent public relations executive? Despite the stereotype no such thing as a public relations personality exists.

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Men and Women of all type- extrovert or introvert, analytical or intuitive –may develop into expert public relations officials, provided they have a set of managerial skills, supported by an infinite capacity to work hard and the temperament to remain calm under the most provocative situations.

### **Who is an ideal P R professional?**

**A public relations executive today is supposed to possess a broad academic record which include, a wide study of semantics, economics, history, sociology, philosophy, political science, and law; great qualities of adjustability, elasticity of mind, the capacity to get along with people of different racial stocks, in environment very different from those in which they had been brought up, an intimate knowledge of human psychology, the vagaries of mass mind, an adaptability to comprehend the basic impulses, aspiration, the fears that move and unmove human beings. All these are considered some of the most essential qualities which a public relations executive must possess.**

Courtesy: Mr. K.S. Neelakandan, Past President, PRSI

Public relations requires a firm base of theoretical knowledge, close acquaintances with management principles, sound communication skills and most of all, an uncompromising attitude of professionalism. It involves assessing the public mood, counseling management to act in response to public opinion, dealing with the media and different stakeholders and long hours of reading, writing, and making delicate decisions.

The ability to put information and ideas on to paper clearly and concisely is essential. In fact, some companies still prefer public relations people with a journalistic background for two reasons. First, experience in the media would enable them to communicate effectively and second, they would know how the media function. However, if writing skill and knowledge of the media are vital so are training in management and organizing ability, skills not generally acquired on a reporter's beat.

### **Norman Burttt of the Lever Brother listed the following qualities of a PRO**

1. Total honest with employees, public and the media
2. Ability to be at ease with people from all walks of life
3. Ability to spot possible developments from what, at first glance, seems a situation of real danger.

4. Ability to identify people and areas where relationships need to be established.
5. Realization that there is no substitute for a face-to-face relationship
6. Have the courage to admit errors.
7. Have a sense of humor and use it.

Indeed the skills and techniques used to manage the public have also expanded over the years. According to the PRSA : “ Examples of the knowledge that may be required in the professional practice of public relations include communication arts, psychology , social psychology, sociology, political science, economics, and the principles of management and ethics. Technical knowledge and skills are required for opinion research, public issues analysis, media relations, direct mail, institutional advertising, publications, film and video productions, special events, speeches, and presentations.”

According to a survey undertaken by the Cranfield School of Management and the IPR, the following skills and qualities are important if one is considering working in public relations:

**Ability to:**

- analyze management needs
- Counsel management
- Identify cases of problems, analyze future trends and predict their consequences.
- Research into public opinion, attitudes and expectations and advise on necessary action
- Plan, organize, and co-ordinate tasks
- Monitor and follow up
- Set goals and objectives
- Motivate and influence others
- Work effectively with journalists
- Communicate effectively with individuals and groups in meetings and through presentations
- Establish financial controls
- Write and edit press releases and reports

- Identify major social misses affecting organizations and to resolve conflict
- Work with others.

Fundamentally, public relations requires the ability to share the management perspective. It must, at the same time, remain sensitive to the public's point of view. One has to study facts, plan, convince the top management about its usefulness and then, execute it. Execution of the plan calls for the ability to coordinate and work in harmony with others. Teamwork and leadership qualities- the ability to motivate others- are the two essential attributes in this area. Other major requirements for success are stability, common sense, intellectual curiosity, unbounded energy, open-mindedness, flexibility, creativity, stamina, management skills, and of course, tolerance for frustration.

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### **1.3.3 Public Relations and Marketing**

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Public Relations, advertising and marketing use strong communication skills to get across their message, apply psychological principles to understand and influence target audience, and utilize basic data analysis to assure that they are hitting their target markets. In addition, these fields require the use of creativity to generate the ideas and messages as well as critical thinking skills to make sense of market research. It is easy to become confused about these terms: advertising, marketing, public relations and publicity. The terms are often interchangeably. However, they refer to different- but occasionally overlapping activities.

Public relations may be used to promote a particular product but often it is employed in pursuit of a slightly different goal. Marketing (including advertising and promotion) is about selling products and services whereas public relations is concerned with selling ideas, persons, government policies, corporations, and other institutions. In addition to marketing products, public relations has been variously used to attract investment, raise companies' public profiles, put a positive spin on disasters and to gain public support for a cause.

Marketing is the wide range of activities involved in making sure that one is continuing to meet the needs of his customers and getting value in return. These activities include market research to find out, for example, what groups of potential customers exists, what their needs are, which of those needs you can meet, how you should meet them, etc. Marketing also includes analyzing the competition, positioning or new product or service (finding or market niche), pricing or products and services, and promoting them through advertising, promotions, public relations and sales.

Literally defined, public relations is the marketing of an organization while marketing is the selling of a tangible service or product. Within the four Ps of marketing (product, price, place, promotion), public relations helps meet the marketing communication needs of promotion (along with components of the other Ps) to advance sales of products and services. Public relations plays a role in advertising, publicity packaging, point-of-sale display, trade shows, exhibitions and special events.

The marketing guru Philip Kotler has introduced two additional Ps besides the conventional four Ps of marketing. These are 1. Political power and 2. Public Opinion. Kotler writes: “Marketers are always looking at economic factors and rational factors. They should examine the conflicts, the special interests and pressure groups, vested interests, political realities, and create appeal in those areas. Public relations can certainly help marketing create a favorable environment in those areas and find out a more economic way of reaching people.

Public relations is both a complement and a corrective to the marketing approach. As a complement, it provides information and techniques that support marketing efforts. The techniques of communication used in public relations are available to marketing and can be used in support of product and sales promotion. Introduction of a new product and putting new life into the old products are important marketing functions. Public relations can work closely with marketing in these areas. Both Public relations and marketing can support and reinforce each other with a synergistic force, if planned and coordinated as part of the total communication strategy of a company.

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### **1.3.4 Public Relations and Advertising**

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Public relations, in contrast to advertising and sales promotion, generally involves less commercialized modes of communication. Its primary purpose is to disseminate information and opinion to groups and individuals who have an actual or potential impact on a company’s ability to achieve its objectives. Public relations activities include helping the people to understand the company and its products. The aim of public relations is to establish two-way communication, provide knowledge and create mutual understanding between an organization and its publics on whom its failure or success depends. In short, the primary aim of advertising is to increase awareness about a product and prompt the consumer to buy while public relations may encourage certain actions, but its primary aim is to inform and persuade.

Advertising is bringing a product or service to the attention of potential and current customers. Advertising is typically done with signs, brochures, commercials, direct mailings or e-mail messages, personal contacts, etc. It is primarily a tool of marketing. Public relations does, of course, provide support to marketing activities but it has a wide perspective and flows through the entire gamut of a company's activities. Public relations is a corporate function while advertising is a marketing function.

With advertising, you pay a media outlet to spread your positive message. Public relations is the art of getting free advertising in the form of a news story rather than an advertisement. A claim made in a paid advertisement or commercial is likely to be met with skepticism. An identical claim made by the news media will be perceived as non-biased and objective. That credibility gap between the two is what makes public relations so powerful and worthwhile. Paid advertising increases name recognition; media relations credibility. When people read a story about the excellence of an organization in a newspaper or see a story praising a company on television, they are much more likely to have a favorable impression of you, it is easier to attract and hold their attention while you tell your story.

The following ten points just scratch the surface of the many differences between the two:

## **1. Paid Space Vs Free Coverage**

### **Advertising**

The company pays for the advertising space or time. You know exactly how and when that advertisement will be on air or be published.

### **Public Relations**

There is no charge involved for press publicity. From news conferences to press releases, you are focused on getting free media exposure for the company and its products or services.

## **2. Creative Control Vs No Control**

### **Advertising**

Since you are paying for the space and time, you have creative control on what goes into that advertisement within, of course, the law of the land. The media cannot interfere otherwise.

## **Public Relations**

You have to control over how the media present or information, if they decide to use or information at all. They're not obliged to cover or event or publish or press release just because o have sent something to them.

### 3. Save Life

#### **Advertising**

Since you pay for the space, you can run your advertisement over and over for as long as your budget allows. An advertisement generally has a longer shelf life than one press release.

#### **Public relations**

You only submit a press release about an event or a new product once. Normally, you can hold a news conference on a particular issue only once. The exposure you receive is only circulated once. An editor will not publish your same press release three or four times in his publication.

### 4. Wise Consumers

#### **Advertising**

Consumers know when they are reading an advertisement that advertisers are trying to sell a product or a service. They know that an advertisement is always partial in favor of its sponsor.

#### **Public Relations**

When someone reads a third-party article about your product or views coverage of your event on TV, they are seeing something you did not pay for. It generates some sort of third-party 'endorsement' by independent media sources. It can create credibility for the message of the company.

### 5. Vocabulary and style

#### **Advertising**

Advertising messages are generally emotive, strident and loud. It is a little melodramatic with garish stage make-p and high pitch, clamoring for attention. It is particularly notable for exaggerated claims and mild boastfulness like: 'it has arrived', 'never before', 'unique',



and ‘world famous’. Besides, ‘Buy this product’, ‘Act now’ ‘Call today’ are all things you can say in an advertisement, One may use these buzz words to motivate people to buy your product

### **Public Relations**

Public relations messages are written in a no-nonsense news format without any adjectives and tall claims, generally. The appeal of public relations messages is largely a matter of credibility. House Journals will look unreal if they resemble sales catalogues. The appeal of public relations messages lies in their freedom from bias in their trustworthy information, and ultimately, in their interest and value to the public.

6. Different target audiences

### **Advertising**

Advertising is addressed to external audiences, primarily consumers of goods and services.

### **Public Relations**

Public relations presents its messages to specialized external audiences and internal publics. For instance, while advertising of a product like health drink may be targeted at mothers, its public relations messages may include the staff members of the company, doctors, dieticians, distributors, local community, media, ministry of health, and many others. Besides, one is unlikely to advertise an industrial product in a women’s magazine. In public relations, one has to search an angle to justify to the editor why should he run or release or cover or event.

7. Creativity Vs Nose for News

### **Advertising**

In Advertising, you get to exercise your imagination in creating new advertisement campaigns and materials.

### **Public Relations**

In public relations, you should have a nose for news and the ability to express yourself in a simple but forceful style. You can, of course, exercise some degree of creativity in the way you search for the news material and present it to the media.

8. In-house or out of the town

## **Advertising**

If you are working in an advertising agency, your main contacts are your clients and co-workers. If you buy advertising time and space on behalf of your clients, then you are interacting with the marketing section of the media units.

## **Public Relations**

You have to interact primarily with the editorial departments of the media and develop a close relationship with journalists.

### 9. Limited or unlimited contact

## **Advertising**

Account executives and senior managers have, generally, direct contact with the clients. Others like copywriters and graphic designers in the Agency may not meet the client at all.

## **Public Relations**

In public relations, you are always visible to the media. If there is any very important yet unexpected development in the organization, you may have to give a statement or on camera interview to journalists. You may even represent your organization at an event.

### 10. Special Events

## **Advertising**

If you are sponsoring an event, you would not perhaps like to take out an advertisement giving yourself a pat on the back for being such a great company. This is where the public relations department steps in.

## **Public Relations**

If your company sponsors an event, you can send out a news release and the media might pick it up. They may like to run the information or cover the event.

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## **1.3.5 Public Relations and Publicity**

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Public relations and publicity are not synonymous. In fact, publicity is only a part of the many-sided activities of public relations and is far from the sum and substance of the practice. A publicist works on only one area of public relations. Publicity, however,

is the earliest form of public relations and still, the most widely practiced. Moreover, it is also the most visible part of public relations and hence, usually the most talked about. In effect, publicity is one-way sending out of the messages. Public relations, by contrast, strives to initiate dialogue and feedback. It is a more complex and comprehensive discipline.

In a nutshell, publicity is making something known through mention in the media. It is the spreading of information to gain public awareness of an idea, product or a service. Often, public relations is conducted through the mass media that is, newspapers, radio, television, magazines, etc. The principle instrument of publicity is the press release, which provides the mass media with the raw material and background for a news story. A good publicist knows how to work the angles for free media coverage. When people read a story about the excellence of an organization in a newspaper or see a story praising a company on television, they are much more likely to have a favorable opinion of the organization. However, regarding publicity, journalists decide what and how the message will be published. Organizations have little control over the final shape in which the message is published or aired in the media

It is quite possible to get wide, even favorable publicity and still, not achieve good public relations. A company may be quite well known but its public perception may be far from desirable. A highly visible company may also be a highly vulnerable one. Publicity can sometimes be good or bad and even, controversial. Frequently, the over-abundance of publicity may cause adverse reaction instead of good.

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### **1.3.6 Public Relations and Propaganda**

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Propaganda is a specific type of message presentation directly aimed at influencing the opinions of people, rather than impartially providing information. To start with, “propaganda” was a neutral term used to describe the dissemination of information in favor of a certain case. Over a period of time, however, it acquired the negative connotation of disseminating false or misleading information in favor of a certain case. Strictly speaking, a message does not have to be untrue to qualify as propaganda, but it may omit so many pertinent truths that it becomes highly misleading.

The aim of propaganda is to influence people’s opinions actively, rather than merely to communicate facts about something. For example, propaganda might be used to garner either support or disapproval of a certain position, rather than to simply present the position. What separates propaganda from “normal” communication is in the subtle,

often insidious was that the message attempts to shape opinion. For example, propaganda is often presented in a way that attempts to deliberately evoke a strong emotion.

The fundamental purpose of public relations is to establish mutual understanding. It is based on facts and information. Propaganda is designed to manipulate the beliefs and attitude of the people through colorful half-truths. It foments prejudice and incites tension on the basis of caste, community and religion to serve narrow interests. The prime propagandist of the Nazi German Josef Goebbles used to describe propaganda as an instrument of politics, and a power for social control.

Public Relations flourishes only under a climate of free expression. Propaganda thrives under dictatorship. Public relations most often tries to convince the public of something using a wide array of reasonable and realistic arguments, while propaganda usually relies on visceral emotions like love, fear, loyalty, prejudice, and others , to control a population. The primary objective of propaganda is achieving control over the “hearts and minds “of the audience, regardless of the means.

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### **1.3.7 Public Relations and Lobbying**

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Lobbying is the professional practice of public affairs advocacy with the goal of influencing a governing body by promoting a point of view. A lobbyist is a person who is paid to influence legislation. Lobbying seeks to persuade individuals or groups with decision-making power to support a position you believe is right. Lobbying can be used to influence anyone with some power. For example” Parents can lobby the school governing body to provide after-car at school. Shoppers can lobby the manager of the local supermarket to stay open for longer hours. States can lobby the central Government to write off arrears. Some groups can lobby the President to abolish the death penalty.

Many companies and political interest groups hire professional lobbyists to promote their interests as intermediaries; others maintain in-house government relations or public affairs departments. They aim to lobby through regular releases of detailed reports and supporting research to the media for dissemination. Lobbying is in many countries a regulated activity, with limits placed on how it is conducted, in an attempt to prevent political corruption.

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### **1.3.8 Questions**

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1. What are the essential qualities for a successful public relations person?

2. How is public relations different from: (a) Marketing, (b) advertising, (c) publicity, (d) propaganda, and (e) lobbying? Point out the similarities, if any.

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### **1.3.9 Suggested Readings**

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*This is PR: Realities of Public Relations* by Dog Newsom and Alan Scott, Wadsworth, California, 2002.

*Business Communication Today* by Sushil Bahl, Wheeler, New Delhi

*Public Relations: Problems & Prospects* by Anil Basu, Space Age, New Delhi, 1983

*Handbook for Public Relations Writing* by Thomas Bivins, Lincolnwood, IL:NTC Business Books,1988.

*The Practice of Public Relations* by L.Roy. Blumenthal, New York: The Macmillan Co., 1972

*Successful Public Relations in a week* by Claire Austin, Rupa & Co. Kolkata. 1992.

*Successful Public Relations* by Jim Dunn, Longman, New York, 1994

*Public Relations: A scientific Approach* by Baldeo Sahai, Scope. New Delhi, 1980

*Public Relations Practice* by Samar Basu, Booklore, Kolkata, 1995

*Online Public Relations* by David Philips, Kogan Page, (IPR), London, 2001

# **Module I**

## **Public Relations**

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### **Unit - 4 □ Public Relations Process: - Organizing a Campaign – RACE formulae – PR as a Marketing tool – PR tool for PSU and Private Sector –**

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#### **1.4.0 Structure**

#### **1.4.1 Learning Objectives**

#### **1.4.2 Public Relations Campaign**

#### **1.4.3 Public Relations Process**

#### **1.4.4 RACE Formula**

#### **1.4.5 PR as a Marketing tool**

#### **1.4.6 PR tool for PS and Private Sector**

#### **1.4.7 Questions**

#### **1.4.8 Suggested Readings**

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### **1.4.1 Learning Objectives**

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This unit introduces the student to the process of public relations and the steps a practitioner has to take serially before embarking on a programme. The unit dwells upon research on public relations process in public relations and its essential role in carrying out any public relation activity. The unit takes a close look at the ways to conduct a public relations campaign. The unit also helps the student to make a close acquaintance with the RACE formula.

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## 1.4.2 Public Relations Campaign

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Public Relations is described as a process because it involves a series of actions, changes, and functions that brings about a change. The word 'campaign' comes from the vocabulary of the arm. In public relations, campaign signifies a planned and organized effort to overcome a problem or create a desired social environment. The process of creating corporate goals and the strategies by which those goals may be achieved are the corner stones of success for any organization.

Public relations campaigns become necessary for the industry and other organizations under man kinds of circumstances. For instance, a plant has been casing industrial pollution and has come under fire from the public and the media. The firm now wants to convince the public that it is dedicated to protection of the environment. A government agency promoting awareness and prevention of AIDS can also run a public relations campaign.

A campaign not only specifies what goals need to be set and what changes need to be made in the relationship between the company and its publics. It also lays down an action plan and how this can be implemented over a specific period of time to overcome the problem. If systematically dealt with, public relations can see the organization through a trick phase, help establish reputation for fair dealing, cut down on absenteeism and improve the caliber of its recruits.

A major corporate hose in the high-technology business had set the following goals for running a campaign: (1) to promote the company's capability and achievements in advanced technology, (2) to create a high level of awareness among target groups in prospective market area for technological excellence of its products and () to consolidate the company's corporate identity and improve its current image among the defined target audience.

A planned and scientific campaign will therefore seek to pt all the basic elements of planning into a composite and cohesive whole. These are, stage wise :

- a) Research
- b) Objectives
- c) Strategies
- d) Tactics
- e) Evaluation

The plan for a campaign specifies the following basic elements

Analysis, research and defining the goal

Drawing up a strategy, an action plan and a budget

Programme implementation and communication

Monitoring and evaluation, feedback, modification of programme plan, if necessary.

Defining the campaign goal and setting clear objectives are essential for the groundwork of a successful campaign. It is here that research has an important role to play by defining the problems, setting a benchmark for the existing perception and providing a basis for determining the most appropriate forms of communication.

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### **1.4.3 Public Relations Process**

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Public relations is described as a process because it involves a series of actions, changes, or functions to bring about a change. In their seminal work *Effective Public Relations*, Scott Cutlip, Allen Center and Glen Broom describe the first step in public relations process as “Defining Public Relations Problems,” usually in terms of a “situational analysis, “or what public relations professionals call a SWOT analysis (Strength, weaknesses, opportunities, threats). This should answer the question, “What’s happening now?” It is the systematic gathering and interpretation of information to discover the strength and weakness of an organization.

The SWOT analysis helps take the guess work out of public relations. The physician must diagnose the malady before any medicine is prescribed for recovery. Similarly, problems and their possible causes must be identified first before any plan is made. This, in other words, is known as research. It seeks to discover first where do we stand today, where do we intend to go and asks what do our target audience think of us and why. Research is the springboard for launching any cost-effective public relations activity as well as a mechanism to measure the success of a campaign.

Research is a tool to achieve three things, primarily; (a) describe a process or a situation, (b) explain why something is happening and (c) predict what will happen, if timely action is not taken. For instance, research can help answer: what are the factors retarding the growth of a company today? Is there more than normal rate of employee turnover? Does the company consistently get a bad Press? If so, why? Does it have a poor internal communication system? Research alone can answer all these questions. However, research, after all, is a tool and the real challenge in running a public relation campaign lies in



properly utilizing the fruits or findings of research: knowing when to do what, with whom, and for what purpose.

The next step in the public relations process is “planning and management.” the main focus at this stage is formulating a strategy. This step should answer the question: What should we do and say, and why? It will also suggest broad approaches to solve the problem at hand, including the strategy and the tools to be used. The final strategy for a long-term campaign may well include qualified objectives for year one, detailed aims for years two or three, outlined aims for any issues which are expected to arise in years two to five and broad aims for any other issues that may arise in the long term. If positive shifts in attitudes are to be achieved and sustained, planning should be done on a long-term basis. This is quite unlike advertising where instant results are sought and preferred.

The third step in the process is “taking action and communicating.” Also known as “Implementation.” This step should answer the question “How and when do we do and say it?” Once the strategy is clear, the third element requires the plan to be put into action over an agreed time scale and within a budget. In other words, this is the time for activating the plan when the details of the operating tactics have to be implemented, specific activities have to be undertaken and people entrusted with particular responsibilities. This stage forms the most delicate and difficult part of the entire campaign.

This is also the stage when one determines and start work on what media and what tools will be used in relaying the message, such as press releases, brochures, websites, video news releases, news conferences, outdoor media, corporate advertising and in-house publications. To reach the desired audience, an organization has to compete with thousands of other messages from various groups and interests in the market. The ability to carry the relevant message to the target audience and interact with them- to communicate, in other words- is integral to any business enterprise.

The final step in Cutlip, Center, and Broom’s Four – Step Public Relation process is “Evaluating the Programme “or making a final assessment, which should answer the question “How did we do.” This is where public relations professionals make a final analysis of the success of their campaign. This is also known as performance review stage. This should not necessarily await the implementation of the entire plan. Periodical review of the progress and impact of the plan should be carried out from the outset to ensure that there is no deviation from the goal. The Specific method of evaluation may include pre-testing of the audience attitude or an image survey, content analysis of media

coverage, sales figures, response to the direct mail, etc. In any case, feedback is essential to ensure that the campaign is one the right course.

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#### **1.4.4 RACE Formula**

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While trying to find out an easy formula for the different stages in public relations functions, John. E. Marston, an American scholar and a practitioner, suggested that stages in public relations process can be defined in terms of for specific functions. He identified the key elements in any public relations activity as: (i) Research, (ii) Action, (iii) Communication and (iv) Evaluation. The acronym RACE that combines the initials of the four functions is a poplar way of describing the process.

The process involves carrying out research (what is the problem?) on public attitudes on a particular issue. Identifying the strategy and implementing action programmes (what is going to be done about it?) that will address the issue, communication (how will the message reach the people?) that will address the issue, communicating those programmes to the target audience to gain understanding and acceptance and finally, evaluating (was the audience reached and if so, what is the outcome?) the effects of the programme through public feedback.

Some Scholars argue for expanding the acronym to embrace planning in order to make the process more comprehensive, Seen from this perspective , public relations is both a condition and an activity: a non as well as verb. When we say that an organization has good public relations, it generally means, we have a favorable mental perception of that organization. On the other hand, when we say an organization practices good public relations, we generally refer to a wide range of its public relations activities.

The activities typically fall into twelve major areas: Opinion research and evaluation, Media relations, employee relations, community relations, investor relations, dealer relations, consumer relations, product promotion, crisis management, social marketing, issue management, special events.

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#### **1.4.5 PR as a Marketing tool**

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Marketing is the wide range of activities involved in making sure that one is continuing to meet the needs of his customers and getting value in return. These activities include market research to find out, for example, what groups of potential customers exists,

what their needs are, which of those needs you can meet, how you should meet them, etc. Marketing also includes analyzing the competition, positioning or new product or service (finding or market niche), pricing or products and services, and promoting them through advertising, promotions, public relations and sales.

Literally defined, public relations is the marketing of an organization while marketing is the selling of a tangible service or product. Within the four Ps of marketing (product, price, place, promotion), public relations helps meet the marketing communication needs of promotion (along with components of the other Ps) to advance sales of products and services. Public relations plays a role in advertising, publicity packaging, point-of-sale display, trade shows, exhibitions and special events.

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### **1.4.6 PR tool for PSU and Private Sector**

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The public sector was launched in the country without defining its basic concept. Its performance was measured by its immediate profitability. Hence, it came to acquire a negative image right from the start. The under utilization of capacity, excess staffing large gestation period, lack of professionalism are sense of the ills pointed out by the media. In short, public sector, in the eyes of the common man was synonymous with inefficient production and a loss of making organization.

## **Specialized Role of Public Relations in Public Sector Unit**

It is against the above mentioned backdrop that we must examine role of public relations in the Indian public Sector. The PR activity has the function of projecting the other, less known, but positive, macro image of the public sector that it.

- Contributes to national economy
- Is a profitable and productive core sector
- Has social commitment
- Contributes to revival of sick nits
- Is self reliant in the key sector of economy

In addition, the individual enterprises activity must also be highlighted about the policies, programmes, targets, capacity utilization, achievements and socially beneficial schemes. These facts can be used to counter adverse criticisms and the influence public opinion in favor of public sector enterprises.

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### **1.4.7 Questions**

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1. What is the role of research in public relations?
2. Why is public relations described as a process? What are the different elements in the public relations process?
3. Why would you like to conduct a public relations campaign and how?
4. Discuss the RACE formula, critically.

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### **1.4.8 Suggested Readings**

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Dartnell Public Relations Handbook by Dartnell, Chicago, 1990

Public Relations & Communication Handbook by Dr. C.V. Narsimha Reddy, CVN PR Foundation, Hyderabad, 2002

*Online Public Relations* by David Philips, Kogan Page, (IPR), London, 2001

# **Module -2 Media Relations**

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## **Unit - 1 □ Media Relations - The Need For Effective Media Relations. Co-operation And Collaboration - How To Obtain Better Coverage – Tools And Techniques.**

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### **Structure**

- 2.1.1 Learning Objectives**
- 2.1.2 Need for Media Relations**
- 2.1.3 How to Obtain Better Coverage**
- 2.1.4 Cooperation and Collaboration**
- 2.1.5 Tools and Techniques**
- 2.1.6 Summary**
- 2.1.7 Questions**
- 2.1.8 Suggested Readings**

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### **2.1.1 Learning Objectives**

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The unit introduces the students to the need for maintaining a sound relationship with the media. It tells about the way the media function and how a friendly media can immensely benefit the organization. In a nutshell, the unit seeks to make students familiar with the basic rules in dealing with the media and dwells on the tools and techniques of media relations.

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### **2.1.2 Need for Media Relations**

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Media relations has emerged today as one of the areas in public relations practice. Relationship with the media is so central to public relations because the media, as gatekeepers, control the information that flows to the rest of society. The growth of the

media during the past decade has been phenomenal by any standards. Today, the mass media, virtually, are woven into our daily existence.

They illuminate the social fabric of our world. They bring us news beyond the range of our vision and knowledge. We depend on them all the way from choosing our hairstyle to which candidate to vote into office. Modern life would be inconceivable without them. It is against this background that media relations has become an important aspect of public relations in business and industry.

Business and industry have emerged as a major force in society in the post liberalization era. Functioning of corporate bodies, major educational institutions and even voluntary organizations has a significant impact on millions of people in modern society. It may involve anything from supply of essential commodities to environmental problems. Besides, the bulk of the fund to set up and run these industries has also come from the people. Naturally, people have the desire to know about the performance, prospects and problems of these organizations.

To satisfy the information needs of the people, news on business and industry, therefore, get high priority nowadays even in the general-interest newspapers and television channels. Most newspapers allot at least four pages for the business coverage. Product quality, export performance, takeover bid, financial results, distribution policy and employee relations, in fact, anything related to trade and industry which is of interest to the people, is also important to the media. There are in India as many as five daily business newspapers (The Economic Times, The Financial Express, Business Standard, The Hindu-Businessline and the Mint) and numerous business magazines devoted exclusively to the coverage of news about the business, commerce, trade and financial matters. Quite often, the only source of information for them is the public relations departments of the industrial and commercial organizations operating in these fields.

For the corporate sector, communication with the media is one of the most effective ways of getting its message across. There is, of course, no automatic choice to news coverage. But the media need, and indeed, welcome editorial inputs from the business and industry. In return, they provide an avenue through which the company can reach society at large. In general, an editor will print or news release at no charge provided it is of interest to the readers. Cooperation with the media, therefore, is a very important aspect of public relations.

The corporate sector, as we have seen, cannot live in isolation in an age of information and communication revolution. To ensure its long-term survival it must connect with

the world outside. As it is not possible to fully communicate with each target group, not to speak of each individual, through its own channels, corporate houses must make use of the media (Press, Television, Radio, Internet, and so on) for getting their messages across to a wider public. It is through the various kinds of media that a company can reach an audience which otherwise it cannot. Hence, maintaining close relations with the media and media men is very important part of a P.R. professional's job. In fact, to some P.R. persons it is the most important part of their job. Some organizations employ officials who exclusively deal with media relations. The better the media contacts of a P.R. person, the better the chances of his success in the profession.

As with the other publics, the basic aim of media relations is to create better understanding between media and business, based on mutual interest. The P.R. Deptt. serves as the link between an organization and media. As Sam Black points out, "confidence and respect between an organization and the Press (media) is the necessary basis for good Press (media) relations."

If that mutual "confidence and respect" have not always been there, it is because of differing perceptions. Many companies treat, at least used to treat, journalists as a nuisance who want to intrude into the area of business, of which they understand little. Mediemen are often looked upon as a hostile bunch of ill-informed people, always seeking some sensational news and who almost invariably misquoted people.

Journalists, on the other hand, complain that business houses and their leaders are not aware of how media works. The latter always expect that the media will only carry "positive" news, meaning whatever in the official Press Release.

It is the P.R. person's job to remove this air of misunderstanding between the two sides. He is part of the company and its spokesman, interpreting it to mediemen. At the same time, it is also his duty to persuade the management to be friendly and open with the media. Only a close relationship with mediemen can ensure that a company's message is conveyed to the widest public at the quickest time and the lowest cost.

Some companies (and P.R. professionals, too) think that pampering media men by regularly 'wining and dining' (i.e. entertaining them) and showering them with gifts is the best way of bidding for effective media relations. While mediemen are vulnerable human beings not above temptation, what they value more is information which they can use. If ignoring or avoiding the media is undesirable, so is over-pampering.

## **Ten Commandments of Media Relations**

1. Help reporters to submit a story. They will be always grateful for stories that are timely, topical, accurate and available in a ready-to-publish form.
2. Be candid. Give accurate and complete information even if it is not flattering for or organization. Give both sides of the picture- good as well as bad- preferably with a perspective.
3. Answer questions. There are only three possible answers: (i) Here it is. (ii) I don't know but I'll find out for you,(iii)I know but I can't tell you at this stage.
4. Protect exclusives. If a reporter has found a story on his own, don't give it to others. The one working on a 'scoop' deserves full support and needs to be given credit.
5. Trust the reporter. Rarely will they let you down.
6. Do not insist on either getting a story published or 'killing' it. It is undignified and unprofessional.
7. Do not grumble about minor errors. It may be unintentional and part of the price journalist pays in the race against clock.
8. Do not maintain a high profile unless it is backed up by high performance and can be sustained over a long period of time.
9. Do not feel frustrated and complain if our story is not used. There could be several reasons for this, from lack of space to sudden arrival of more important items with greater news value. The next one may get there.
10. Be available. You are the spokesperson for an organization. It is your responsibility to be accessible at all times. Key reporters should have or mobile telephone number.

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### **2.1.3 How to Obtain Better Coverage**

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All news and features start with an idea. In most cases, the ideas for the news and features are generated within the media units. Sometimes the idea may come from elsewhere and this is where public relations departments may come in. You stand a better chance of expanded coverage, if o can offer an idea for a story that is different from the ordinary. Journalists call this an “angle” or “news peg”.

Sometimes newsworthiness occurs only when it is made to occur. It can be organized around an event like the Foundation Day or a day earmarked for that particular industry



or the first shipment of an export order. All these events have a visual angle also and therefore suitable for the visual media. The public relations person is often responsible for the publicity generated by the event, as well setting up the event itself.

Public relations people are staunch allies of journalists in retaining people's right to information. Public relations is a philosophy that believes all business in a democratic society begins with public permission and exists by public approval. Public relations people have a special stake in a free press. They know how a free Press is essential to all or other freedoms.

Journalists as a group are generally committed to their calling: bringing facts to light for public consumption in an impartial manner. A serious journalist believes that he and his medium are guided by public interest and their primary responsibility is to the viewers and readers and viewers.

Those who fear the risk of communication with the media have a tendency to label secret much information that enterprising reporters, if they take the trouble, can obtain anyway from public documents or other sources outside the organization. Indeed, the only way an organization can convince the media that it is doing its work well is through demonstrated performance-the facts have to be there- and making those facts broadly apparent. For an organization, therefore, dealing with the media requires a reassessment of attitudes and even of corporate policies over the disclosure of information. Some pieces of information, it is true, may not always be possible to disclose for strategic reasons but often much respect can be earned by sharing relevant and interesting information.

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### **2.1.4 Cooperation and Collaboration**

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Public relations has been described as the art of making friends when you don't need them. Regular contacts with correspondents and keeping them aware of the various aspects of the industry, not necessarily for immediate publication, is always appreciated. A reporter always values a good story above everything else and remains grateful for any professional assistance to that end. A good working relationship is based on mutual respect and each other's ability and professionalism. One can earn the respect and the cooperation of the media in a number of ways: preparing professional materials, being accessible, remembering deadlines, facilitating one-to-one interviews with top corporate executives, being honest and returning telephone calls-even when one knows that the reporter wants to know about last quarter's dismal earnings report.

Journalists work under the pressure of time: respond late and it is pointless, since nothing is as stale yesterday's news. If there is a call from a journalist, one must make sure to note his name, the paper he represents, the details of the information sought, how soon an answer is needed and his telephone number. Any pressure or temptation to answer immediately to the query should be resisted. It is quite reasonable to call back with the authentic answer in a short while. This gives one the time to find out and check the fact, draft factual answers and think through the implications of the question and the probable consequence of the answer.

Media relations, in the ultimate analysis, is like treading on the razor's edge. A public relations officer, after all the hard work that he has put in sincerely, can never be sure that his story will get through in the way he wants. There is always the possibility that something can go wrong somewhere, sometimes in the eleventh hour. But one can, at least, do his best. If one receives a desirable coverage regularly, one must also be read for hard times and take the hard with the smooth. A highly visible company is also a highly vulnerable company. A high profile must always be tempered by modest and backed up by creditable performance. One has to smilingly reconcile to the weird and wonderful was of the editor's policy, whims of the news editor and the occasional sadism of the sub-editors.

A reporter who files the story cannot always be held responsible for distortions that might creep into the report at a later stage. Limited space and lack of time often lead to mistakes and incomplete reports. Sub-editors are often obliged to drastically reduce the size of the report owing to lack of space. Similarly, if the story does not appear at all, it is quite probable that the story has been 'killed' in favor of other stories with greater news value. Sub-editors, in a way, form the backbone of a newspaper. They are the unsung heroes of the newsroom. Yet they have to take hard decisions, particularly on an eventful day.

The job of the reporter ends when the story is published. He has no accountability for the consequences of the report, except perhaps to the editor or the owner of the paper. The owners of newspapers allow total editorial freedom to journalists as long as their business and political interests remain unaffected. Public relations officials, on the other hand, have the task of counseling stakeholders about the company's stand, in case any controversial point is raised in the report.

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## 2.1.5 Tools and Techniques

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Some companies (and P.R. professionals, too) think that pampering media men by regularly ‘wining and dining’ (i.e. entertaining them) and showering them with gifts is the best way of biding up effective media relations. While mediemen are vulnerable human beings not above temptation, what they value more is information which they can use. If ignoring or avoiding the media is undesirable, so is over-pampering.

What is important is to maintain a regular flow of information to the media by sending Press Releases, House Journals, Annual Reports, and other publications as well as by personal contacts. Primarily, it is the P.R person’s job to maintain these contacts but if a reporter is keen to meet the CEO or any other senior official that should be treated as an opportunity, not a problem. With the mushrooming of the business publication and business news channels, this pressure will mount. Modern day CEOs will have to learn to live with this. They cannot afford to be media-shy any more. And it’s always advisable to follow an “open door policy” in regard to the media and tell the truth in times of crisis. Half truth is more dangerous than truth, because the former can boomerang.

Two of the formal ways of interacting with the media are (i) organizing Press conferences and (ii) sending press Releases, both of which are responsibilities of the P.R. Dept.

Press Conferences are organized on Special occasions e.g. to announce new developments such as setting up a new project or unit, launching new products, entering into a new collaborations, mergers, etc. Press conferences are also organized on the occasion of the Annual General Meeting.

Letters are sent to media organizations inviting their representatives to attend the Press conferences. The letter must clearly mention the venue, date and time of the conferences. On arrival, the journalists are given Press kits that contain all relevant information. A Press conference is usually addressed by the CEO or a top official of the company, who should be prepared to answer reporters’ questions.

Press Conferences, however, are organized only on special occasions. A more regular and less expensive way of communicating with the media is sending press Releases. Press Release is a descriptive and informative note sent or handed over to the media (i) narrating an event (ii) announcing new policies /programmes (iii) informing of any achievements (iv) clarifying certain situations

The responsibility of preparing these releases lies with the P.R. Dept., of course with the approval of the management.

Though Press Releases have been an accepted means of communication with the media, these are often prepared with less than adequate care and written in a way that is not always interesting. Sometimes they contain information which is of little news value, and not worth media time and space. Many of those who prepare and send them tend to forget that these releases will have to compete with hundreds of other items for the editors' attention.

An ideal Press Release should be written in a way an ideal newspaper story is written using short sentences, short words, and short paragraphs. It should avoid jargon, clichés. It should usually be brief and, if possible, should be limited to one page.

The release must be typed in double space, using good stationary. Though these releases are generally written in English, it is advisable to send them in the regional languages to the Indian language newspapers. It must contain the date of the release and the name and phone no. of the contact person (usually the P.R.O).

If an adverse report appears in the media, there are several ways in which a company can seek redress. It can write a letter to the editor of the concerned newspaper, issue a Press Release, or even a Press Conference. If, even after all efforts, the newspaper in question refuses to carry the company's version, it can approach the Press Council of India, the watchdog of the Press in India, entrusted with the task of looking after such grievances.

It is, however, not advisable to approach the Editorial Dept., which is responsible for publishing news and views, through the Advertising Dept. of the concerned newspaper. It is far less advisable to threaten the newspaper (or the TV channel) to withdraw advertisements.

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### **2.1.6 Summary**

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Media relations has emerged as one of the key areas in public relations in today's society. Public relations and the media have a relationship of interdependence. Both need the other. The media need public relations as a steady source for supply of news. While public need the media for reaching out to a wide cross section of society. It is primarily a relationship of cooperation and collaboration. However, a proper understanding of each other's role cannot only minimize conflict but also forge a professional relationship based on mutual need.

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### **2.1.7 Questions**

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1. Media relations has emerged today as one of the key areas in public relations practice-Discuss.
2. How to obtain better coverage for your organizations through more efficient and imaginative use of public relations.
3. Write short notes on : (a) Ten commandments of public relations, (b) Tools and techniques of public relations

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### **2.1.8 Questions**

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1. Effective Public Relations by Scott, Cutlip and Center
2. Applied Public Relations in the Indian Context (edited by C.K.Sardana), HarAnand Publications, New Delhi
3. Media Relations by Subir Ghosh ( Public Relations Society of India, Kolkata Chapter), 1994.

# Module 2

## Media Relations

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### Unit - 2 □ Preparation/ Transmission/Language Specific/Issue Specific News Release: - Features, Interviews, Fact Sheets, Backgrounders

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#### 2.2.0 Structure

#### 2.2.1 Learning Objectives

#### 2.2.2 News Release: What it is?

#### 2.2.3 Writing a News Release

#### 2.2.4 Format of a News Release

#### 2.2.5 Importance of Interview

#### 2.2.6 Features

#### 2.2.7 Backgrounders

#### 2.2.8 Factsheets

#### 2.2.9 Summary

#### 2.2.10 Questions

#### 2.2.11 Suggested Readings

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### 2.2.1 Learning Objectives

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The unit introduces the student on the writing style of a news release and the occasions when it may be necessary. It is one of the most essential elements of media relations which students will be expected to write frequently once they join the profession. It also intend to provide students with elementary knowledge of the format and components of the news release.

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### **2.2.2 News Release: What it is?**

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Press release, often called news release, is a written communication directed at the news media for the purpose of announcing something claimed as having news value. It is an instrument for quick “delivery” of the news to a large audience. It can spread the information about the company’s activities and events and is the most efficient way to gain public attention. There are strategic issues that are to be taken into consideration before writing a press release, and the questions that need to be answered before you actually start writing the text. Before you write a press release, you should define your goals and whom you want to influence.

The main influence of any press release is to depict something newsworthy and interesting about an organization. News consists of those things that happen each day. The public relations person must be careful to distinguish between news and newsworthiness. Newsworthiness is that quality of news that endows it with excitement, interest and memorability. These events have varying degrees of general interest- a Railway accident in any state, the Union budget, major changes in education policy or the latest about an ODI match score. There is also far more specialized news, of interest to limited groups of people, but news nevertheless: a new development in the power sector. It may be an event or a social affair organized by the company. News releases develop a kind of communication between the organizations and its customers within the framework of a news story format. While there may always be two sides to any message, it is the job of the public relations officer to ensure that their messages are put forward in careful and concise manner to avoid misunderstanding and misinterpretation.

Your excitement about something does not necessarily mean that others too will find this interesting. Think of your audience. Will someone else find the matter interesting? Is it newsworthy? In other words, the information offered by your organization should be of some interest to newspaper readers or television viewers. This is the most essential condition to make the release acceptable to the media.

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### **2.2.3 Writing a News Release**

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News releases should be written in journalistic style. A news release is intended to tell, not to sell. If a press release reads like an advertisement, rewrite it. A news release, like a news story, keeps sentences and paragraphs short, about three or four lines for every paragraph. Press release writers must remember that this is not advertising, so they

have to learn not only to write like a reporter, but to think like a reporter. In other words, press releases should be written in the third person and must avoid all hypes and metaphors. It must tell the reader about “what, where, why, when, and how” in one go with the usage of the “inverted pyramid”, the most information at the top.

Do not use your press release to try and make a sale. Stay away from hype-bloated phrases like “breakthrough”, “unique”, “state-of-the-art”, etc. Press releases overloaded with promotional promises such as “the best ever”, “one-of-a kind”, “changing or life forever”, “never before”, etc., are always declined by the editor and immediately rejected. Press release writers must remember that this is not advertising, so they have to learn not only to write like a reporter that this is not advertising, so they have to learn not only to write like a reporter, but also to think like a reporter. There are strategic issues that are to be taken into consideration before writing a press release, and the questions that needs to be answered before you actually start writing the text.

### *Writing a News Release*

- 1. Tell the audience that your information is useful and give a couple of reasons why they should go on reading it to the end.*
- 2. Always write it from a journalist’s perspective. Never use “I” or “we” unless it’s in a quote.*
- 3. A brief description of the news must always come first. Not the other way around.*
- 4. Ask yourself, “How are people going to understand this?” your story should not only be interesting but also easy to understand.*
- 5. The first ten words of or press release are the most important. If readers do not like it from the very beginning or efforts are in vain. So make sure or first sentences are effective and catchy.*
- 6. Make the presentation short and simple. Avoid sing too man adjectives and fancy language. Wordiness distracts.*
- 7. Stick to the facts.*
- 8. Provide as much contact information as possible: addresses, phones, faxes, emails, Web site addresses.*



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## 2.2.4 Format of a News Release

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Components of a news release may be divided into four areas. They are: (i) the headline, (b) opening paragraph, (c) the body and (d) the closing paragraph.

### (i) The headline

The task of the headline is to grab editors' attention with about seven to ten words. It should summarize the information of the press release. If the headline is not interesting, chances that this press release will be read are lower. A headline is like a window to a news release. A headline briefly describes the content of story in no more than 8-10 words. It helps the news editor to take a quick decision about whether the release is newsworthy. Editors are so swamped with press releases everyday that they spend less than 10 seconds on each one deciding whether or not to use it. Your headline and first paragraph should tell the story.

### (ii) Opening paragraph

The opening paragraph summarizes the information of the press release and the following paragraphs provide the details. It should also contain a "hook". Hooks are actually factual statements that make the audience want to read the story to the very end. Tie your news to current events and social issues, if possible. It must be understandable and interesting to the audience and to the news media.

A news release, unlike a detective story, tells us the most important thing first. The first ten words of your press release are the most important. If readers do not like it from the very beginning or efforts were in vain. So make sure or first sentences are effective and catchy. The opening sentence in a press release contains the most important information in about 10 words or less. The very first paragraph of any press release must be critical and answer "the five W-and one H questions"- who, what, where, when, why and how.

### (iii) The body:

Unlike other items, the body has its own structure: the most important information of the press release and quotes must be written first. This strategy is called the "inverted pyramid". It is done with the purpose of putting the useful information at the start. If editors need to cut the story because of space crunch, they can cut from the end and important information will not be lost. The second paragraph should provide the important information (name of the activity, date, time, place, etc.). Two or three additional paragraphs should describe the event. A quote from someone involved in the event would lend authenticity to the news release. Avoid using too many adjectives and fancy language.

There is no room for embellishment and exaggeration in a press release. Ask yourself, “How are people going to understand this?” make your story not only interesting but easy to understand. Shorter is better.

(iv) The closing paragraph:

The closing paragraph must include contact information, which means the name of the person, his or her phone number and/or e-mail address. The bottom of each release usually marked with ### or **-End-** to signify the end of the text.

Other points to remember

- The copy should be computer generated. Always give double space and margins should be wide on each side so that subeditors can comfortably carry out corrections on the margin.
- The top of the first page should show the place from where the release is being issued and the date on which it is issued. The top portion of the page must also contain the name and address of the organization.
- In a multilingual country like India, it is not enough to issue a news release in only one language. Apart from English, depending on the location, the release should be written in the major languages. Too. For instance, a corporate body in Kolkata should send out news releases in English, Bangla and Hindi.

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## **2.2.5 Importance of Interview**

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Interviews often make news and it is part of a journalist’s job to interview people and write stories based on the interviews. Interviews can be a source of lively, human story, but they have to be properly handled.

For an interview to be fruitful from the point of view of a newsman, it should be properly planned. If the interviewee is an important person, the reporter should know about his/her background and then prepare a list of probable questions in advance. He should know how to be polite yet firm while persisting with questions. But nothing should be done that would irritate the interviewee.

While writing it up, the main point should be picked up first. Then will follow the details, including a few sentences on the interviewee’s personality, his dress and surroundings.

The writer will always have to be fair to the interviewee and should not quote anything out of context. The answers can be reported totally in the third person, or it can be a mix of the third person speech and direct quotes. An interview can also be written in a question-and answer form with a brief introduction.

A journalist is often required to report speeches by people, most of whom are important persons. A speech, in itself, is not always a news item. It is always lengthy and wordy. A speech is to be reported only if it has news value and, even then, it has to be summarized in all but very few cases. A speech is seldom reported word for word. A reporter has to decide which is the main news-point in a speech and that should come in the beginning. The important point may be half way through a speech, or even at the end. The report should always begin with the news. The setting, sometimes even the name of the speaker, can come latter.

There is, however, always a place for description in speech reporting. Such details as what the speaker wore, how the audience reacted to the speech, if he/she was gesticulating will always interest the reader. But such descriptions must always be fair.

Each story in a newspaper has a dateline. This indicates the place of origin of the item as well as the date on which it is sent.

**Few guidelines:**

1. Almost never plunge in with tough questions at the beginning. Instead, break the ice, explain who you are, what you are doing, why you went to him or her.
2. Get the person talking, set up a conversational atmosphere. This will provide you with important clues about his or her attitude toward you, the subject and the idea of being interviewed.
3. Watch and listen closely. How is he or she reacting? Does he seem open or secretive? Maybe interrupt him in the middle of an anecdote to ask a minor question about something he is leaving out, just to test his reflexes
4. Start through your questions to lead him along a trail you have picked. One question should logically follow another. Lead up to a tough question with two or three preliminaries.
5. Listen for hints that suggest questions you had not thought of. Stay alert for the possibility that the theme you picked in advance is the wrong one, or is only a subsidiary one. Remain flexible. Through an accidental remark of his you may uncover a story that is better than the one you came for. If so, go after it right there.

6. Keep reminding yourself that when you leave, you are going to do a story. As she talks, ask yourself: Do I have enough information to write a coherent account of the anecdote she just told me?
7. Do not forget to ask the key question the one your editors sent you to ask, or the one that will elicit supporting material for your theme.
8. Do not be reluctant to ask an embarrassing question. After going through all the preliminaries you can think of, the time finally arrives to ask the tough question. Just ask it.
9. Get in the habit of asking treading water questions, such as “What do you mean?” or “Why’s that?” This is an easy way to keep the person talking.
10. Sometimes it helps to change the conversational pace, by backing off a sensitive line of inquiry, putting your notebook away, and suddenly displaying a deep interest in an irrelevancy
11. Do not give up on a question because the subject says “no comment.” That is only the beginning of the fight. Act as if you misunderstood her and restate the question a little differently. If she still clams up, act as if she misunderstood you and rephrase the question again.
12. Occasionally your best quote or fact comes after the subject thinks the interview is over. As you are putting away your notebook and are saying goodbye the subject often relaxes and makes a crucial but offhand remark. So stay alert until you are out the door

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## **2.2.6 Features**

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A feature is a piece of writing that is not concerned with the spot coverage of news or daily reporting. All readers are interested in what is called “hard news”, but there are stories or events beyond these daily reporting which are likely to draw their attention. if properly presented. They are also interested in analyses of events and background information.

A report on a road accident is “hard news”, but if a newspaper carries with it a write-up on the bad conditions of our roads which cause accidents, it will be in the nature of a feature. When a leader of the stature of Indira Gandhi was assassinated, every daily carried much more than the spot news. It was full of other items: her obituary, an assessment

of her leadership, stories on her family, Indira as a person, and so on. Many of these will come under the category of features.

Features can be on any subject / topic, ranging from transport, health, roads, and educational institutions to business, entertainment, women affairs and crime. But, most importantly, they should be about people. There is nothing quite so fascinating to write about people. Features can be written on all sorts of personalities- writers, actors, scientists, singers, men with usual professions and spouses of celebrities. Readers will always be interested to know what it is like being married to famous persons, what is politician's normal routine or what it is like running a big company, to give a few examples. these features are often based on interviews. Readers are very much interested to know only about who topped the merit list in the Higher Secondary Examination but also about his /her family, how he/ she had prepared for the examination and what the topper wanted to do next.

Almost all newspapers have their regular feature pages devoted to specific areas like entertainment, science, law, industry and business, health, women, etc. They carry write-ups on the concerned subject.

A feature is different from an article in the sense that the latter is generally argumentative and opinionated, whereas the former is not so. An Article relies on facts and reasoning to build up a case for or against a particular issue. Every piece of writing is written with an objective, but in the case of a feature the objective may not be so obvious. It is more concerned with painting a picture with making a direct point.

A feature is written in a style which is different from that of a "hard" story. While the rule of simplicity and brevity is applicable here as well. The main point need not always be in the first paragraph, there is scope for gradually building the story and creating the necessary ambiance. The nature of the headline will also be somewhat different, matching the tone of the story. A headline such as

### **IT'S NOT ALL WORK AND NO PLAY FOR RANVIR SINGH**

will never suit a hard news story, but would be quite a good one describing a day in the life of the busy actor.

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## **2.2.7 Backgrounders**

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A backgrounder is intended as a reference tool for the media. Backgrounders generally provide a perspective to the topic under discussion. They do not have immediate news

vale as in a news release. They provide background information and are comprehensive in the treatment of information. They are meant not so much to inform instantly as to enlighten and understand in the long term. A backgrounder generally contains a short history of the organization, past performances, the state of the industry, statistical comparison and any other items of the information that will help the reporter to understand the organization in a broader perspective.

Backgrounders are not meant to be used in their entirety; rather they are designed to provide an understanding into the working of the organization reporters often find useful for their future stories and may even quote from the backgrounder to substantiate their point. Backgrounders are generally written in a descriptive and narrative form and follow the pattern of an article.

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### **2.2.8 Factsheets**

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Factsheets are printed sheets or booklet giving information about something. It is an information summary planned to help reporters get the information facts about an organization and get them accurately. Factsheets have two basic uses: (i) as background information about an organization and, (ii) as background material about an event. Organization factsheets should explain the organization- its nature and objectives, what it does, how it does, who the key people are, what they do, and how the company is organized. History and future trends and plans might well be included.

Factsheets about events are generally included in the press kits that are given to reporters in a news conference. These fact sheets may include basic information about the organization but they are usually edited especially for each particular event.

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### **2.2.9 Summary**

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News release is an essential part of media relations and perhaps the most frequently used. Unlike a detective novel, the most essential point in a news release comes first and other elements in the report follow in a descending order of importance. The format of the news release is as important as the writing skill and should be given adequate attention. A news release in the video format has become the standard practice in the days when television channels have emerged as a major source of news. Besides news release, we have also discussed about Interviews, features, backgrounders and factsheets.

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### **2.2.10 Questions**

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1. What are basic rules of writing a news release?
2. Write a news release based on your experience of an event.
3. Discuss the ground rules a reporter should follow while taking an Interview for a newspaper.
4. Discuss the different types of Feature Writing
5. Write short notes on : (i) backgrounder, and (ii) Fact sheet

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### **2.2.11 Suggested Readings**

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Public Relations: Strategies and Practice by Wilcox, Ault and Agee, Harper and Row, New York, 2002

Public Relations Practice by Samar Basu, Booklore, Kolkata, 1995

Public Relations: A Scientific Approach by Baldeo Sahai, SCOPE, New Delhi. 1980

Lesly's Public Relations Handbook by Philip Lesly, Jaico edition, 1995

## **Module 2 : Media Relations**

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### **Unit - 3 □ News Conference, Media Briefing, Media Kit- Its Uses, Ready Reference Material-Photographs And Their Uses.**

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#### **2.3.0 Structure**

#### **2.3.1 Learning Objectives**

#### **2.3.2 News Conference**

#### **2.3.3 Organizing a News Conference**

#### **2.3.4 Media Kit**

#### **2.3.5 Media Tours**

#### **2.3.6 Photographs**

#### **2.3.7 Summary**

#### **2.3.8 Questions**

#### **2.3.9 Suggested Readings**

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### **2.3.1 Learning Objectives**

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The unit intends to introduce students to the art of organizing a news conference, one of the major tools of media relations. The unit dwells on the reasons why a news conference should be called in the first place and what are those areas that would require special attention to organize a successful news conference. Along with the news conference, the unit seeks to introduce students to media kits, and media tours. The unit also discusses about the use of eye catching photographs.

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### **2.3.2 News Conference**

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A news conference gives an organization the opportunity to explain in person any technical, controversial or commercial information that may require some explanation. There are some advantages to a news conference over a press release. The news conference dramatizes the announcement by giving it a live presentation and by linking it to a specific time and



place. Press conferences provide an excellent opportunity for speakers to control information and who gets it; depending on the circumstances, speakers may hand-pick the journalists they invite to the conference instead of making themselves available to any journalists who wishes to attend.

A press conference consists of someone speaking to the media at a predetermined time and place. It is also assumed that the speaker will answer journalists' questions at a press conference, although they are of course not obligated to. However, it is in the speaker's interest to answer journalists' questions at a press conference to avoid appearing as if he has something to hide. But questions from reporters- especially hostile reporters- detract from the control a speaker has over the information they give out. For even more control, but less interactivity, a person may choose to issue a press release.

Success from a news conference comes, primarily from having a good story to tell and, of course, from telling it well. But organizing a successful news conference calls for elaborate planning. At the planning stage one should try to identify major issues related to the theme of the conference. One should try to anticipate all the possible questions that may be raised by the media in this connection, well in advance. Questions should be passed on to the chief executive so that he can rehearse and prepare himself for the event. This will considerably reduce the embarrassment of an unpleasant situation.

Though few reporters will deliberately intend to embarrass the chief executive, some may use intimidatory gesture as part of the journalistic techniques. Very often sharp reaction resulting from probing questions may lead to disclosure of meaningful material. The chief executive must maintain his poise even under the most provocative situation. Once angry, he may lose control over his temper as well as tongue. An angry reaction would always provide a 'juicy' cop for the reporters at the expense of the organization. An organization which invites reporters to a news conference offers to tell the whole truth. If it has anything to hide, it may find that suspicious circumstances may be exposed. This is the inevitable price an organization has to pay for getting an opportunity to make a presentation to the media. Naturally, calling a news conference calls for the highest degree of tact and preparedness.

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### **2.3.3 Organizing a News Conference**

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Generally, it is the chief executive who holds the centre stage during the news conference. His speech is often accompanied by an audio-visual presentation on the subject. However, it is customary for the public relations person to begin the news conference with a

welcome speech. He also takes this opportunity to introduce the media representatives with the chief executive and other senior officers of the organization who may also be present on the occasion. They do not normally take part in the deliberations but may speak only when invited by the chief executive to clarify a point or explain a certain point of view. One of them may propose vote of thanks at the end of the conference.

Invitation for attending the news conference, clearly specifying the place, date and time should be sent to the media to the media houses at least for days before the occasion. It may be alright to serve a gentle reminder to the news editor a day prior to the event. In any case, one should plead for any coverage. News editors have reasons to make their own decisions. However, on days when there is a shortage of staff, he may request the public relations executive to send in a report after the news conference. One must be read for such an eventuality and virtually act as a surrogate journalist.

Attention to minor details or lack of it can make or mar a conference. Therefore, even the smallest item should be planned beforehand, leaving no room for uncertainties. The conference should be held in a place centrally located. It may be held in a big hotel or even the office or the guest house of the company, provided all the facilities like a big room with acoustic system, video conferencing, Wi-Fi are provided.

Given a choice, a news conference should be held on a less crowded day. This would increase the chance of a fair coverage for the event. The time for the conference should be convenient for reporters. Generally, any time between 3pm and 5pm is suitable for all of them. It gives them enough time to go back to the office with adequate time to report.

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### **2.3.4 Media Kit**

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At the news conference, it is a general practice to provide a media kit to all the journalists. The idea of the media kit is to provide reporters with information about the organization. This may be presented to them in a small bag or a large folder. The kit contains a rather elaborate news release giving the full story that is discussed in the conference, an approach paper that provides a brief history and current analysis of the issue, a copy of the annual report, latest issue of the house magazine, official brochure of the company and any other relevant background material.

In addition to the written material, the media kit should also contain appropriate photographs related to the topic of the news conference. However, mere still photographs may not be enough for the television reporter. The need to be given a background videotape- for example, one that shows activities related to the subject.

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### **2.3.5 Media Tours**

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A media tour is somewhat like a travelling news conference. It is a valuable tool for giving wide publicity to the company's activities. A press tour may be organized on a variety of occasions. It can be at a time when the company is going to set up a new plant, inaugural journey of a super fast train, the progress of work in a remote location or even rural development programmes. Such tours provide access to the scene of the company's activities that reporters might not see otherwise. Seeing, after all, is believing. A visit to the location by the media representatives is far more convincing than all the press briefings and news conferences taken together.

The key to a successful press tour is faultless planning. Utmost care should be taken to ensure that everything moves with clock-work precision and according to a time table of events, circulated beforehand. The chief executive should welcome the party and every member should be made to feel the warmth of hospitality of the organization. At the plant level, responsibilities for showing them around may be given to a senior officer who is well-versed with all the technical and administrative details. In planning the tour, one has to take special care about travel plans and hotel arrangements. Any failure in these areas may destroy the effects of all the good work done so far.

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### **2.3.6 Photographs**

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Photographs can add interest, introduce variety and often explain things much better than words alone can do. Public relations officials should constantly think of ways to use photographs to supplement news releases or to add substance to feature articles. There is an old saying that "a good picture is worth a thousand words." Like most axioms, it has some validity. Readership studies show that photographs capture a reader's attention and create far more impact on his mind than the cold print.

As with news releases, the test for a good photograph from a public relations angle is whether it has some news value. The best news picture involves people- not just the heavy equipment or a machine. Look for the angle and one can discover even poetry in the drab machineries. With some thinking, an action photo can be taken of any situation. One can add interest to a machine by showing someone operating or examining it. One can generate more interest by focusing on that part of the machine that has an unusual design or looks visually appealing.

A good photographer would always like to eliminate unwanted background when he frames his subject.

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### **2.3.7 Summary**

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News conferences are one of the most effective tools for media relations because they offer an opportunity for face-to-face discussion, particularly for complex or controversial matters. However, it calls for meticulous and elaborate planning, including a practice session by the chief executive who addresses the conference. Media kit provides the supporting material in a news conference but they are very helpful for the reporter who intends to make a comprehensive story. The importance of a media tour cannot be overemphasized since it affords an opportunity for the organization to show the media how the factories operate, generally in places far from the urban areas. Photographs and video clipping can enhance the visual appeal and are essential for all occasions to which the media are invited.

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### **2.3.8 Questions**

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1. How would you go about organizing a news conference?
2. How would the programme go? What role the chief executive and the public relations executive are supposed to play in a news conference?
3. What are the various steps involved while organizing a news conference?
4. A good photograph is worth thousand words.- Discuss

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### **2.3.9 Suggested Readings**

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1. Managing Public Relations by James Gruing and Todd Hunt, Holt, Rinehart and Winston, New York, 1997
2. Management of Public Relations by Robert D. Ross, John Wiley and Sons, New York, 1995
3. Public Relations in India by J M Kaul, Nayaprakash, Kolkata, 1997

## **Module 2 : Media Relations**

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### **Unit - 4 □ Media Tours : Letters To The Editor : Rejoinder And Clarification**

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#### **2.4.0 Structure**

#### **2.4.1 Learning Objectives**

#### **2.4.2 Letters to the Editor**

#### **2.4.3 Rejoinder**

#### **2.4.4 Summary**

#### **2.4.5 Questions**

#### **2.4.6 Suggested Readings**

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### **2.4.1 Learning Objectives**

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Newspapers have to work under tremendous pressure of time. It is therefore expected that some errors may occasionally creep into news copy. In case a newspaper gives wrong information and deviate from facts while reporting about an organization, letters to the editor is an avenue that may help the organization to rectify the error. The unit introduces students about how to seek redressal of grievances of his organization in case of a wrong report in a newspaper.

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### **2.4.2 Letters to the Editor**

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Newspapers regularly publish letters to the editor, usually on the editorial page. These letters generally reflect the views of the readers on various issues and events in the country and are in the nature of a mirror of public opinion. It is thus an open forum for discussion of an issues concerning public interest. The column also offers an excellent opportunity for public relations executives to point any factual inaccuracy about the organization and put the record straight.

There are many kind of journalists –an extraordinary range in terms of technical competence, objectivity and sincerity. As in other professions, journalism too has its share of superficial

elements. Some journalists like conflicts and confrontation. They believe in producing good copies by annoying people. Some journalists seek only such information that will reinforce their subjective perception. Sometime, facts are wrong.

What should a public relations person do when a blatantly wrong and distorted news items appear in the media? The first task is not to react sharply and immediately. Attacking the media is never a good idea. None can win an argument against the media. The slant and shape of stories, in the long run, is determined by the media. When you notice an editorial or news item that is factually incorrect or blatantly unfair, you can write to the newspaper in the hope of getting your letter published. The letter should be addressed to the editor and signed by the head of public relations department. The letter must be clear, factual, and above all, temperate and gentle yet firm.

Journalists work normally under tremendous pressure of time. And because of that sometimes minor and technical mistakes may happen. A good reporter is just as remorseful about a mistake as the public relations executive.

One must try to find out how important it is for the company to get the error corrected in print. If it is a factual error, damaging to the company, one should first contact the concerned journalist, explain the error and offer a prompt but polite response or rejoinder without any trace of bitterness. Most newspapers, like the majority of human beings, do not like to publicly admit to have made a mistake. Many editors have a way of tucking contradictions and their regrets, in rare instances, when they do express regrets, in some obscure corner of the paper.

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### **2.4.3 Rejoinder**

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If it is a major case of misreporting, angry rebuttal will hardly offer any relief. One must not lose his cool. The impulse to snub the offender, however, strong should be controlled. On the contrary sustained efforts have to be made to persuade, preferable the same reporter, to write another story in which he includes the correct information, in order to repair the damage. This would look less offending to the journalist's ego and the credibility of the newspaper than a straight forward correction.

The problem arises, in some cases, when the error is not a factual one but simply a matter of interpretation. The best recourse then, if one feels strongly enough, is to write a letter to the editor. This should not be seen as an opportunity to criticize the journalist. Instead, to maintain an easy relationship, the point of view of the organization may be

explained to the same reporter and his help should be sought to get the letter published. But if the paper persists in its hostility, one would perhaps guess that there could be reasons other than journalistic.

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### **2.4.4 Summary**

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Letter to the editor column is an effective mechanism for correction of errors in a newspaper report. However, while minor errors may be ignored, one needs to take a firm attitude while seeking a correction through the letters to the editor column. Efforts should be made to get the letter published after taking the offending reporter into confidence and he should be persuaded to understand the problem his report has created and efforts should be made to get the letter published through his cooperation.

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### **2.4.5 Questions**

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1. What exercises a public relations official do if a newspaper carries wrong information about the organization? Explain the reasons behind the proposed steps in this connection.
2. Draft a Letter to the Editor clarifying the position of your organization about a factual error in a report in a newspaper. You can use imaginary but relevant facts in this regard.

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### **2.4.6 Suggested Readings**

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1. Public Relations Principles, Cases and Problems by Moore, Frazier and Kalupa, Surjeet Publications (Indian Edition), New Delhi, 1987
2. Public Relations by Frank Jefkins, Pitman, London, 1992
3. This is PR: The Realities of Public Relations by Dog Newsom and Alan Scott, Wadsworth, California, 2002
4. Dartnell Public Relations Handbook Dartnell, Chicago, 1990

# **Module - 3 : Corporate Communication**

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## **Unit - 1 □ Definition, Concept, Scope of Corporate Communications: - Competitive Environment, Emerging Corporate India, Challenges of Public Relations in the changing Business Environment.**

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### **3.1.0 Structure**

#### **3.1.1 Learning Objectives**

#### **3.1.2 Definition, Concept and Scope**

#### **3.1.3 Competitive Environment**

#### **3.1.4 Emerging Corporate India**

#### **3.1.5 Challenges of P.R in the Changing Business Environment**

#### **3.1.6 Questions**

#### **3.1.7 Suggested Readings**

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### **3.1.1 Learning Objectives**

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The objectives of this unit is to try and define the concept and scope of Corporate P.R.; to familiarize the student with the competitive business environment in India that the corporate houses have to face today in the wake of the new policies , and to list the challenges that this changing environment has thrown up for the P.R profession.

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### **3.1.2 Definition, Concept and Scope**

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Public Relations is one of the most misunderstood concepts and that is what makes defining it so difficult. The differing concepts indicate the struggle of an emerging profession seeking its unique identity. Mementos changes, embracing all aspects of the contemporary society, are compelling public relations profession to consider hitherto unknown situations



that may call for a new phase of activity. Definitions of public relations, as a result, indicate wide variety of perception. In a nutshell, public relations may be described as: *The methods and activities employed to establish and promote a favourable relationship with the public.*

As public relations came to be recognised by more and more organisations as an essential management function, definitions began to include the following elements of the practice: (a) the need for research prior to initiating actions, careful planning and thorough evaluation or measurement of results; (b) a continuing, systematic process instead of a one-time or single activity; (c) multiple audiences or publics; (d) its role as an essential function of management; (e) public participation, mediation, conciliation, arbitration and accommodation as important tools; (e) the need, in most instances, for long-term commitment.

In brief, therefore, public relations can be defined as an organised communication process in which messages are transmitted through a variety of channels to relevant and targeted audiences in an attempt to influence their beliefs, attitudes and even, actions.

The definition offered by Professor Sam Black also helps us to understand the concept and scope of P.R. He defines P.R. as “the establishment of two-way communication to resolve conflicts of interests by seeking a common ground or areas of mutual interest and the establishment of understanding based on truth, knowledge and full information.”

When we talk of Corporate P.R. we have in mind the public relations as practiced by corporate houses or business houses. A corporate organization is a body legally constituted by a group of persons to conduct business by investing money. It's a legal entity and a “citizen.” Its aim is to produce products or services and sell them to consumers at a profit.

“Profit” is often a misunderstood words and confused with “profiteering.” Profit is nothing but surplus of income over expenditure of an organization. There is nothing illegal about it. No company, or for that matter, no organization can survive in the long run if it fails to produce this surplus. Though part of the profit is distributed among the shareholders as dividends, much of it is re-invested in the company to achieve future growth.

But, for far too long, companies were concerned with only profits and ensuring maximum returns for the shareholders, neglecting the needs of the other stakeholders, including consumers, dealers, employees, and the community at large. Even economists like John

Maynard Keynes and Milton Friedman thought that “the business of business is to better business” and nothing else. They frowned at the idea of the corporate social responsibility. Wrote Friedman, “Few trends could so thoroughly undermine the very foundations of our society as the acceptance by corporate officials of the social responsibility other than to make as much money for their stockholders as possible.”

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### **3.1.3 Competitive Environment**

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The Indian business scene is not what it was even a couple of decades ago. It has undergone a sea-change following the ushering in of the New Economic Policy of the Government of India. It is no longer a closed economy as it used to be, -but an open one. It is far more integrated with the world economy than ever before. More importantly, perhaps, it is no longer a command economy where the commanding heights are controlled by the state or the Government. It is an economy which is more dependent on market forces. The new mantra is privatization, not nationalism, as it used to be in the “Sixties and seventies of the last century.

There is no now more acceptance of not only Indian private sector companies but also of multinationals, though xenophobia is not altogether absent. In the ‘seventies’ we banished both IBM and Coca Cola. We have also embraced Kentucky Fried Chicken and McDonald’s- the fast food chains and symbols of the new economic era.

The changed business scenario has resulted in a more competitive environment for corporate India. Few industries today enjoy the benefits of protection. Even the small sector is losing its ground. There are more players now producing more products and services to consumers. Take almost an industry and one can see how things have changed. The Indian automobile industry provides an excellent example.

Moreover, the lowering of the import duties and easing of the import restrictions have resulted in the entry of foreign goods on a large scale. The Information revolution has also contributed to bringing about this change. Today, not only are there more newspapers and magazines, their sales are also increasing. There are thousands of media platforms, many of them 24 hour news channels, social media platforms. Some of them are exclusively devoted to business. The internet has emerged as a new, powerful medium. Almost all business companies have their own websites for communicating with their publics.

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### 3.1.4 Emerging Corporate India

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The Indian corporate sector in recent times has proved their apprehensions wrong. Far from being overwhelmed by the “invasion” of MNCs, it has risen to the occasion and met the challenge successfully. There has been a continuous growth in both manufacturing and services sectors.

All indications say that Indian industry has become more competitive now. The manufacturing sector shows a remarkable increase in productivity. Exports feel that this growth in productivity explains nearly half of the growth in the country’s Gross Domestic product (GDP). There has been a remarkable increase in Indian industry’s overall profitability and market capitalization.

Increasing competition, improvement in financial intermediation, Information Technology Revolution and improved infrastructure are among the reasons behind the growth in productivity. There has been a surge in exports, contributing to the rising reserves of the country’s foreign exchange. Indian is now a major destination of foreign direct investment (FDI). Many Indian companies are listed in international stock exchanges and raising money abroad for their expansion programmes.

The rise in the number of Indian billionaires in the global list of the super rich is also indication of the growing prowess of the India Inc, because the basis of their wealth is the market value of the shares they own in their companies.

The Indian Corporate Sector is also now more aware than ever before about Corporate Social Responsibility (CSR) and more eager to share its prosperity with the community. A large number of Indian corporate houses are contributing voluntarily to several causes. These range from philanthropic acts to larger social causes like promotion of primary education, vocational training, health care, adoption of villages, uplift of the disadvantaged section of the society and welfare of the physically and mentally challenged.

Almost all companies- large and medium- are now engaged in CSR activities of various kinds. Corporate giants like the Tatas, the Birlas, Godrej, ITC, Infosys and leading Public Sector undertakings (PSU) like ONGC, Indian Oil Corporation have elaborate CSR programmes. Many of them carry out these programmes through separate foundations set up for the purpose. Indian industry seems to be realizing the essence of what J.R.D. Tata, one of its greatest leaders, said several years ago-”There is no doubt that the technical resources and managerial talents of organized industry have a function in society and

obligation to the community much wider than the mere discharge of their primary business function”

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### **3.1.5 Challenges of P.R in the Changing Business Environment**

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The changing business scene has meant new challenges for the P.R profession. The competitive environment has ensured that none of the publics- the employee, the consumer, the dealer, the shareholder, the media the community – can be taken for granted for anymore. The reputation that an organization enjoys among the general public plays a vital role in sustaining its growth in the long run. It is the job of the P.R. professional to see it that the reputation management is done properly. There is now demand for more accountability and transparency.

Employee relations have now assumed greater significance because there are now more companies to work for and a shortage of qualified, skilled manpower. The attrition rate has gone up in most companies.

Similarly, the transition of the economy from a sellers’ market to a buyers’ market has meant consumers have a much wider choice P.R. support to marketing and customer relations has become more vital.

Globalization has meant that Indian companies now have members of the financial public not only in India but also overseas. Foreign Institutional Investors (FII) are investing, billions of dollars in Indian Markets. This has added to the responsibilities of the P.R. Deptt.

As Indian corporate hoses acquire more and more companies abroad and became MNCs themselves, their PR strategies and communication programmes are taking international dimensions. They have to increasingly think not only of the domestic publics but also of international ones.

This is a new challenge for P.R. because communication strategies will differ from country to country, taking into account the local culture and mindset. One of the oft-repeated sayings nowadays is “think global but act local.” A foreign bank operating in India emphasizes this point when it identifies itself as the “World’s local bank.” The communication strategies of giant MNCs like Pepsico and Coca Cola in India are not just a replica of their U.S. strategies, but are more India-specific. The advent of the new media has resulted in more coverage of business news. This is generally a welcome development. All companies now have their own websites. Creating and maintaining

them come under the purview of the P.R. Deptt. The P.R. Deptt. has to get the website designer and arrange for the contents. The website contains information about the company's activities which can be easily accessed by anyone who is interested. The website serves the same purposed as does a printed corporate profile or a corporate video.

But more newspapers, magazines, and TV and radio channels also mean that media relations will have to be more elaborate. The P.R. professionals have to keep in touch with a larger number of media persons. The advent of 24-hour news channels gives much less time to the organizations to react and prepare their responses to various developments. Now, whatever happens, be it a crisis or any other event, it is immediately broadcast, and the views of the company concerned will have to be made available immediately.

However, even though the business scene has remarkably changed and new tools are available for communication, the basics remain the same. Solid performance and constant alertness, accompanied by innovative ideas and creativity, remain as important as ever. If anything, the need for better communication and transparency has become more urgent.

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### **3.1.6 Questions**

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1. Define Corporate P.R. and examine its scope.
2. "There is no conflict between making profits and discharging social responsibility."  
Discuss
3. What kind of challenges the P.R. practitioners are facing in the changing business environment?

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### **3.1.7 Suggested Readings**

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1. *Practical Public Relations* by Sam Black, Universal Book Stall, New Delhi, 1994.
2. *Modern Public Relations* by John Marston, McGraw Hill, New York, 1979.
3. *Corporate Public Relations* by K.R. Balan, Sterling Publishers, New Delhi, 1992
4. *Making P.R. Work* by Sushil Bhall, Wheeler Publishing, New Delhi, 1994.
5. *Public Relations in India* by Sanat Lahiri, Public Relations Society of India, Kolkata, 1994.

6. *The challenges of Public Relations* by C.K. Sardana, Sterling Publishers, New Delhi.
7. *The Corporate Peacock: New Plumes for Public Relations* by Rita Bhamani, Rupa & Co. , Kolkata, 1994.
8. *Media Relations* by Subir Ghosh, Public Relations Society of India, Kolkata, 1994.
9. *Public Relations Today* by Subir Ghosh, Rupa & Co, Kolkata, 2001.
10. *The Practice of Public Relations*, edited by Sam Black, Butterworth Heinemann, London, 1995
11. *Lesly's Public Relations Handbook* by Philip Lesley, Jaico, Mumbai, 1995.
12. *Public Relations in India* by J.M. Kaul, Naya Prokash, Kolkata, 1997.
13. *Public Relations Practice* by Samar Basu, Booklore, Kolkata 1995.
14. *Hands of Social Marketing: A Step by Step Guide* by N.K. Weinreic

# **Module - 3 : Corporate Communication**

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## **Unit - 2 □ Corporate Communication : Their Importance to the organization and the need to have good relationship with the Publics - Major areas of Corporate Public Relations – Current Trends – Public Relations in Crisis Management: - What is a Crisis-Manmade and Natural Crisis - Corporate Image in Crisis Situation- Crisis Management Plan and the role of PR-Case Studies**

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### **3.2.0 Structure**

#### **3.2.1 Learning Objectives**

#### **3.2.2 Publics in Public Relations**

#### **3.2.3 Major Areas of Corporate Public Relations**

#### **3.2.4 Current Trends in Corporate Public Relations**

#### **3.2.5 What is a Crisis?**

#### **3.2.6 Man Made and Natural crisis**

#### **3.2.7 Corporate Image during a crisis**

#### **3.2.8 Crisis Management Plan**

#### **3.2.9 Role of Public Relations**

#### **3.2.10 Case Studies**

#### **3.2.11 Questions**

#### **3.2.12 Suggested Readings**

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### **3.2.1 Learning Objectives**

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This unit tries to answer the question “who are the public’s in public relations”, and identify the major areas of corporate P.R. It also deals separately with each of these major areas and examines the new trends of corporate P.R. The unit deals with crisis management and the crucial role that public relations executives have to play not only to mitigate the crisis but also to cater to the media enquiries with confidence. The unit describes at length the implications of a crisis, the nature of the crisis and what kind of crisis can be anticipated in advance to think of possible and positive step in the event of a crisis taking place. The unit also discusses about a well-thought of crisis management plan. The unit clearly spells out the role of the public relations department in this context and how best the damage control exercise can be undertaken to retain corporate reputation. It also contains some significant case studies in India and abroad.

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### **3.2.2 Publics in Public Relations**

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No organization exists in isolation. Nor does it exist for itself. A company employs men and women to produce the goods or to provide the services it wants to sell. It needs customers to buy them. It needs investors to buy its shares and debentures. It has to interact with government and local authorities for various reasons. It has to keep in close touch with the media to communicate with the wider public. It cannot forget or neglect the community to which it belongs.

When we talk of public relations we must not make the mistake of thinking that the ‘public’ is a homogeneous or a monolithic entity. We all know that ‘public’ is made up of individuals. But what many of us often forget is that the public is made up of numerous groups. Each of these groups is distinct and has different interests. The population of a country such as India cannot be called a monolithic entity. It is subdivided into various linguistic, religious, and caste groups with different identities and interests. Similarly, the public relations in a company has to maintain relations with these various groups e.g. employees, customers, shareholders, government, media, community, and so on. Each of these groups has to be cultivated separately and the organizations will customize strategies to reach each of them.

That is why when we talk of “public” in Public Relations, we don’t talk about a monolithic public, but “publics”- each of these groups referred to above is a separate public for an



organization. Maintaining proper relations with them is vital for its growth and long-term existence.

Time was when business, big or small; could get away with such attitudes as “public be damned”. A comment such as this neatly summed up the mentality of business in the eighteenth and nineteenth centuries. Those were the days of monopoly, duopoly or oligopoly, where the sellers, and the buyers, called the shots. Those were also the days when democratic ideals hadn’t taken deep roots in most parts of the world and public opinion could be brushed aside with contempt. Neither the employees nor the consumers were organized; often, they weren’t even aware of their rights.

Things began to change from the beginning of the twentieth century and business came to realize that the public couldn’t be “damned” anymore; they have to be kept “informed.” A combination of political democracy and economic democracy, coupled with media explosion, has now created a world where public opinion can no longer be neglected. As a result, each of the publics of an organization has to deal with. Viz. employees, consumers, shareholders, and so on, acquired an importance they had never enjoyed before. Good Governance and transparency have now become the key concepts for the management of far-sighted organizations. This is where the role of public relations comes in. It is the job of the P.R. Deptt. to determine and analyze the attitude of each group towards the organization, anticipate the needs and opportunities, formulate policies to improve the situation and implement them, eliminating in the process an misunderstanding that might exist.

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### **3.2.3 Major Areas of Corporate Public Relations**

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The major publics of an organization are:

Internal employees (See unit 3)

External: Shareholders and Investors (Financial Publics)

Customers

Dealers/ Distributors

Government

Media

Community

Financial Relations

Like the other constituents of the general public, the shareholders and other investors were not given their required importance for long. They were also damned and not kept adequately informed. Most of us tend to forget that, though a company may be known by the name of the promoter (e.g. Tata Motors, Birla Tyres, Bajaj Auto, Kirloskar Brothers etc.), it is not wholly owned by him. Most often, he is minority shareholder, though he may be owning a large block of shares and controlling the management, It's the shareholders who are the real owners of a company

But the investors- who bought a company's shares or debentures or lent money –were usually given a short shrift. Annual General Meetings had to be held, because it was mandatory. But not often these were routine, if not hush-hush affairs. Only small section of the investors attended the meetings and fewer of them were allowed to ask questions or raise issues of importance. The Annual report, another mandatory requirement, hid more than it revealed and was perfunctorily published.

The term financial public now includes the following:

- Shareholders

- Holder of debentures

- Banks & other financial institutions (FI)

- Foreign Institutional Investors (FII)

- Mutual Funds

- Merchant bankers

- Stock Exchanges and stock brokers

- Financial analysts

- Financial media

The goodwill and support of each of the above are of immense importance for the existence, success and survival of a company. It has not only to keep its existing shareholders happy, but has to try hard to attract potential investors. The emergence of institutional investors and mutual funds have added new dimension to the financial P.R. management. Properly briefing and keeping the financial media and analysts have assumed importance as their comments and analyses can influence the decisions of the investing public. As has been rightly said, maintaining good relations with all of them is not just good P.R. but also sound financial management plan.

One of the major instruments of financial P.R. is the Annual Report

Every limited company (public or private limited) is obliged to bring out the Annual Report at the end of every financial year of the company. It must contain the following:

- i. Director's Report (An overview of the company's activities during the year)
- ii. Profit & Loss Account (a statement of income and expenditure, showing profit or loss)
- iii. Balance Sheet (a statement of assets and liabilities of the company)
- iv. Auditor's Report (Report of Chartered Accountants after scrutinizing the company's accounts)
- v. Salary statements of top people in the company. Earning salaries above a certain limit.

Some companies include a statement by the Chairman in the Report, wherein he explains the organization's policies and expresses his views on wider economic issues facing the country. But this is not mandatory.

The Annual report has to be sent to every shareholder along with the notice of the Annual General Meeting sufficiently in advance so that they can come prepared to ask questions at the AGM.

At the AGM, the chairman addresses the shareholders (this is later published in the newspapers/magazines as advertisements and also as a booklet). The agenda includes adoption of the Director's report and the accounts, nominations of directors, if any, passing of some statutory resolutions, and last but not the least, announcement of dividends.

Besides the Annual report, it is also obligatory for the companies to publish in newspapers quarterly financial results for the information of the investors.

Before issuing shares to the public, companies release advertisement giving price and other details of the new issue. To keep in regular touch with the financial public, some companies send to them periodic newsletters, informing them of the developments in the organization.

There are many reasons why financial P.R. is becoming increasingly important. As in other areas of economic activity, there is now competition here as well. More companies are now in the market with an eye on the investors' money. So, attracting investors, who now have a wider choice, has become comparatively more difficult. There are now

more investors in the market and many of them are new ones. Companies have to woo them as well. Companies are now depending more on the share holders' money than on the borrowings from the banks.

With the market capitalization (total number of a company's shares multiplied by their current price) becoming a new benchmark of its performance and standing, financial public relations has assumed a greater importance in the eyes of the management.

### **Customer Relations**

Companies nowadays swear by the customer. As we have already seen, it was not always so. The growth in the importance of the customer has been directly linked with the growth in competition.

It's useful to remember that business exists because there is a customer. The purpose of business it has been said is "the production of goods/services to the satisfaction of the customer for a reasonable profit." It's not for nothing that companies are coming out with such slogans as "customers first- at all times" or "Where you come first."

Every company would like to maximize its profits by increasing sales. The success of a product/service depends on its quality and price and it must meet a consumer's need. But that isn't always enough. Customer Satisfaction is no less important. A customer wants value for money. He is concerned if he is getting his money's worth. He does not want to be overcharged and is in constant fear that he may be cheated. He is not averse to companies making profits, but he wants a transaction where both parties benefit. When we talk of customers, we generally think in terms of individuals. But groups, companies, organizations can be customers, depending upon the nature of the product.

For instance, a company producing fast moving consumer goods (FMCG) like soaps and detergent sells mostly to individuals. But among its customers will be such institutions as hotels and offices. Similar will be the case with a company that makes air conditioners/refrigerators. But a company that manufactures heavy machinery will have only other companies as its customers. It's important for a company to know who are its customers and make marketing plans accordingly.

Customer Relations Management or CRM has become an important activity of a company.

A vital links in the marketing chain are the wholesalers /distributors /dealers/retailers.

Most companies don't sell their services/products directly to the customers. There are many intermediaries between a company and a consumer. Companies would sell their

products to wholesalers, who in turn would hand them over to the distributors, from whom our neighborhood retail shops would get their supplies. It's usually from these shops that we buy our daily or monthly requirements.

No company can afford to ignore or neglect this vital link. Dealers/retailers can play a crucial role in the success of a product, which depends a great deal on how strongly they push it. Unless they are satisfied about a product, they would hardly try to convince the customer about its quality and other aspects. It is important to make it available to the customer when he needs it. There is where the role of the dealer/retailer becomes significant. They are often the bridge between a company and its customers.

So, companies now take extra care to keep the communication channels open with them. They have to be kept informed about all developments regarding the existing as well as new products. It's from them that a company will get the required feedback about the customer response.

Customer relations are primarily the responsibility of the Marketing Division, but the Public Relations Deptt. has an important role to play. There is little doubt that the quality, price and availability determine in large measure the success or otherwise of a product, but the overall reputation or image of the organization that produces it influences the purchasing decisions of consumers. The companies are trying to make use of the reputation that has built up over the years and this reputation is based not only on the quality of the products but also on its overall image. As we have seen, reputation management is the job of the P.R. professionals.

Besides helping build the right image of the company, P.R. helps customer relations in other ways as well. It supports marketing by helping it get publicity in the media. If the company desires to hold a media meet to launch a product, the P.R. Deptt. will be required to organize it properly. It will also have a role in organizing such events as dealers' conferences and the like.

But, more importantly, P.R. plays an important part by influencing target groups and helping the marketing men to understand and tackle public opinion. When a company enjoys a good reputation in the market, selling becomes easier. In ordinary times, a company may not feel what kind of role P.R. can play here. But in times of crisis this role assumes vital importance. Take for instance, the controversy about the presence of insecticides in the cola drinks. The moment the news found its way to the newspaper pages and television screens, it is no longer remained a marketing problem but became a P.R. issue. If the consumers voice their grievances through the media or at the other

forms, it's the P.R. Deptt. which will be called upon to deal with them. Keeping in touch with them and addressing their concerns is the responsibility of the P.R persons.

### **Government Relations**

For a corporate hose, maintaining proper relations with the Government is always important, particularly in India, where it plays a vital role in regard to the development of industry and business. When we talk of Government relations, we include in them relations with both the Union and State Governments as well as other public authorities such as municipalities. Relations with the Government will mean maintaining good relations with the Ministers, Legislators, and officials.

The objectives of Government relations will include the following:

- i. Keeping track of Government policies , existing and emerging;
- ii. Analyzing and interpreting Government policies for the management of the organization;
- iii. Conselling the Management
- iv. Taking an advocacy position through chambers of commerce and similar institutions to influence government policies;
- v. Interpreting the company's actions to the Government, keeping in mind that it is the largest buyer in the country

Many people confuse P.R. with "Lobbying" in this context. But there are differences between the two. Lobbying is looked down upon in India. But in countries like the USA, lobbying is a legitimate and respectable activity.

Lobbying aims at persuading an decision-making individual or body to support a particular position. It is all about getting a particular point of view heard in the corridors of power. Lobbying, as practiced in the USA, is done openly and there are established lobbying firms to do particular jobs.

In India, companies often appoint liaison men to maintain contacts with various Government departments, ministers and officials. They are often accused of operating in a clandestine way and entering into unfair deals.

But the P.R. function is done in the open. It is all about communicating in a regular manner with all organs of the Government- Ministers, Legislators and officials. The tools and techniques of this communication are not different from those used in building

bridges with the other publics. Company publications are to be regularly sent to them and they should be invited to participate in the events organized by a company whenever the occasion permits- be it the inauguration of a new unit, a seminar or an exhibition.

One of the ways of building up rapport with the government is participating in initiatives undertaken by the authorities. For example, a company may help or support government programmes in such areas as family welfare, healthcare and education, and thereby boost its own image.

### **Media Relations**

The corporate sector, as we have seen, cannot live in isolation in an age of information and communication revolution. To ensure its long-term survival it must connect with the world outside. As it is not possible to fully communicate with each target group, not to speak of each individual, through its own channels, corporate houses must make use of the media (Press, Television, Radio, Internet, and so on) for getting their messages across to a wider public. It is through the various kinds of media that a company can reach an audience which otherwise it cannot. Hence, maintaining close relations with the media and media men is very important part of a P.R. professional's job. In fact, to some P.R. persons it is the most important part of their job. Some organizations employ officials who exclusively deal with media relations. The better the media contacts of a P.R. person, the better the chances of his success in the profession.

As with the other publics, the basic aim of media relations is to create better understanding between media and business, based on mutual interest. The P.R. Deptt. serves as the link between an organization and media. As Sam Black points out, "confidence and respect between an organization and the Press (media) is the necessary basis for good Press (media) relations."

If that mutual "confidence and respect" have not always been there, it is because of differing perceptions. Many companies treat, at least used to treat, journalists as a nuisance who want to intrude into the area of business, of which they understand little. Mediemen are often looked upon as a hostile bunch of ill-informed people, always seeking some sensational news and who almost invariably misquoted people.

Journalists, on the other hand, complain that business houses and their leaders are not aware of how media works. The latter always expect that the media will only carry "positive" news, meaning whatever in the official Press Release.

It is the P.R. person's job to remove this air of misunderstanding between the two sides. He is part of the company and its spokesman, interpreting it to mediemen. At the same time, it is also his duty to persuade the management to be friendly and open with the media. Only a close relationship with mediemen can ensure that a company's message is conveyed to the widest public at the quickest time and the lowest cost.

Some companies (and P.R. professionals, too) think that pampering media men by regularly 'wining and dining' (i.e. entertaining them) and showering them with gifts is the best way of biding p effective media relations. While mediemen are vulnerable human beings not above temptation, what they value more is information which they can use. If ignoring or avoiding the media is undesirable, so is over-pampering.

What is important is to maintain a regular flow of information to the media by sending Press Releases, House Journals, Annual Reports, and other publications as well as by personal contacts. Primarily, it is the P.R person's job to maintain these contacts but if a reporter is keen to meet the CEO or any other senior official that should be treated as an opportunity, not a problem. With the mushrooming of the business publication and business news channels, this pressure will mount. Modern day CEOs will have to learn to live with this. They cannot afford to be media-shy an more. And it's always advisable to follow an "open door policy" in regard to the media and tell the truth in times of crisis. Half truth is more dangerous than truth, because the former can boomerang.

Two of the formal was of interacting with the media are (i) organizing Press conferences and (ii) sending press Releases, both of which are responsibilities of the P.R. Dept.

Press Conferences are organized on Special occasions e.g. to announce new developments such as setting up a new project or unit, launching new products, entering into a new collaborations, mergers, etc. Press conferences are also organized on the occasion of the Annual General Meeting.

Letters are sent to media organizations inviting their representatives to attend the Press conferences. The letter must clearly mention the venue, date and time of the conferences. On arrival, the journalists are given Press kits that contain all relevant information. A Press conference is usually addressed by the CEO or a top official of the company, who should be prepared to answer reporters'; questions.

Press Conferences, however, are organized only on special occasions. A more regular and less expensive way of communicating with the media is sending press Releases. Press Release is a descriptive and informative note sent or handed over to the media (i)



narrating an event (ii) announcing new policies /programmes (iii) informing of any achievements (iv) clarifying certain situations

The responsibility of preparing these releases lies with the P.R. Dept., of course with the approval of the management.

Though Press Releases have been an accepted means of communication with the media, these are often prepared with less than adequate care and written in a way that is not always interesting. Sometimes they contain information which is of little news value, and not worth media time and space. Many of those who prepare and send them tend to forget that these releases will have to compete with hundreds of other items for the editors' attention.

An ideal Press Release should be written in a way an ideal newspaper story is written using short sentences, short words, and short paragraphs. It should avoid jargon, clichés. It should usually be brief and, if possible, should be limited to one page.

The release must be typed in double space, using good stationary. Though these releases are generally written in English, it is advisable to send them in the regional languages to the Indian language newspapers. It must contain the date of the release and the name and phone no. of the contact person (usually the P.R.O).

If an adverse report appears in the media, there are several ways in which a company can seek redress. It can write a letter to the editor of the concerned newspaper, issue a Press Release, or even a Press Conference. If, even after all efforts, the newspaper in question refuses to carry the company's version, it can approach the Press Council of India, the watchdog of the Press in India, entrusted with the task of looking after such grievances.

It is, however, not advisable to approach the Editorial Dept., which is responsible for publishing news and views, through the Advertising Dept. of the concerned newspaper. It is far less advisable to threaten the newspaper (or the TV channel) to withdraw advertisements.

Media today is much more open to business. They are now seeking out business people more than ever before as they have to prepare the stories to fill up the columns and screen time. Still, maintaining good media relations remains something like tightrope walking. The P.R. person has to try and maintain the proper balance between his organization's interests and those of the media. He has to be prepared both for the good and the bad.

## **Community Relations**

Community relations has been defined as “an organizations planned, active and continuing participation with and within a community to maintain and enhance its environment to the benefit of both the institution and the community. Public Relations plays an important role in achieving this objective.

When we talk of the community, we think of it at two levels. One of the immediate neighborhood of an organization and the other is the wider community or society in general. While both are important, properly interacting with the immediate neighborhood should take precedence. Without the support and co-operation of the community, the company will not be able to function in comfort. If a company has a group of dissatisfied people surrounding its office/site/project, it cannot be said to be discharging its social responsibility towards the immediate community. Almost all big projects in India today have to contend with this problem- be it a river valley project in Gujarat, a steel plant in Orissa, a new port in Andhra Pradesh or a power plant in Uttar Pradesh.

The problem begins with the acquisition of large tracts of land and the resultant dislocation of the people depending on those plots of land. The amount of compensation to be paid to them and their rehabilitation become critical issues. When political parties and NGOs take up their case, the problem gets even more complicated. It requires great sagacity, prudence and foresight to effectively deal with the situation.

A wise and far-seeing management cannot afford to wait for such a situation to develop and then act. It will anticipate such problems and initiate relevant programmes accordingly. It will not only help the economic rehabilitation of the affected people, but also take part in providing/improving the educational, healthcare and recreation facilities of the neighborhood. It will also take effective steps to prevent an environmental deterioration of the area.

One of the earliest examples of good community relations was set by Tata Iron and Steel Co. (TISCO). It is known as an organization which looks after its employees, customers and investors very well. It also looks after the community equal well. Jamshedpur, named after its founder, is a shining example of what community relations should be like. When TISCO started making steel, it, like an ideal employer, arranged for housing, healthcare, education and recreation facilities for its employees. But it also thought of its larger “family”- the people who lived in and around Jamshedpur.

Through its Community Development & Social Welfare Dept., TISCO arranges vocational training schemes, provides basic medical care, organizes sports and cultural activities

and social awareness programmes including family welfare. It has set up the Tata Steel Rural Development Society to initiate rural development schemes in villages.

The Tata Group, however, is not the only corporate house which has recognized the importance of community relations. Many other business houses have done so. Take, for instance, the Birla Group. It also has an elaborate community development programme, normally in and around the Group's project sites. It has adopted many villages where they work with villagers in several areas like education, healthcare and women empowerment.

Devising an appropriate community relations scheme is the responsibility of the P.R. Dept. Though there are some tested and accepted ways of developing such a programme, there are no hard and fast rules or norms. A programme has to be devised keeping in mind the particular needs of the concerned community. A successful model that worked in a place called A may not succeed in an area called B, because the needs and expectations of the latter may be different from those of the former. Similarly, a programme which has proved effective in an urban area may not work in a rural area

These programmes will have to be formulated with care, implemented properly and assessed regularly to see if they are achieving the desired results.

Developing and maintaining good community relations should not, however, stop at an organization's immediate neighborhood. In fact, it's just the beginning. A socially responsible corporate house will extend it gradually to larger and larger areas, depending upon its resources and outlook.

Corporate houses are now taking up programmes which cover much wider areas, even the country as a whole. They are setting up educational institutions, sponsoring cricket and football teams, actively taking part in improving the environment by initiating large scale tree planting programmes, supplementing government efforts in spreading family welfare messages, setting up electronic e-chaupals to help the farmers.

I.T. giant like Microsoft is spending millions of dollars in a number of healthcare programmes in India. Infosys, one of the leading I.T. companies in India, has taken up an elaborate programme to build up libraries in the districts.

Community relations, to be effective, should not be looked upon as charity, not even as philanthropy. A well devised community relations programme should not only aim at enhancing the organization's reputation but at the same time, bring real benefit to the people and the society by fulfilling a felt need.

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### **3.2.4 Current Trends in Corporate Public Relations**

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As corporate houses find themselves in a new situation, they are trying hard to adapt themselves to it. In a scenario that is marked by competition and a greater awareness about their rights among the various publics, business has come to recognize the need for openness, transparency and pro-active policies.

Take financial relations, for instance. The investors today are being treated in a way which most of them couldn't think of even a couple of decades ago. The annual general meetings are now more elaborate affairs and some companies are holding them in large auditoriums or even at open stadiums to accommodate as many shareholders as possible. They are organizing 'open house' at their plants/offices, where investors are encouraged to come with their families. The investors go around the plant, which helps strengthen the bond with them and the company.

The quality of the Annual Report published by a company has also gone up, both in design and content. It is no more just a document to meet provisions of the Companies Act; but has become a tool of wider public relations and image building process. It is not only better designed and printed on better paper but also contains more information that is legally necessary. The quarterly/annual financial results are now being published in newspapers in a much more attractive way. They are being used as corporate advertisements for enhancing the image of the organizations.

Investors are being welcomed with letters when they buy a company's shares. Some companies are also communicating with shareholders when they sell off their holdings, in order to know why they are doing so.

In the changed context, media relations are also going through sea changes. Corporate houses are increasingly realizing that, since media can no longer be ignored or avoided, it is easier to make use of the media as best as possible. Chairman and CEOs now are more eager to meet media persons than in the past and brief them about the company's policies and programmes.

The corporate sector is no longer anathema to the government, which is now trying to withdraw itself from business as quickly as possible. The restrictions and regulations on the corporate sector are also fewer now. Instead of an adversary relationship, we can now hear more about public-private partnership in such important areas as infrastructure. The state governments are vying with each another to attract private enterprise to their respective states by offering concessions.

The corporate sectors has not only welcomed the economic reforms initiated by the government but is pushing for more such reforms- individually as well as collectively through their representative organizations such as CII, FICCI or ASSOCHAM. Captains of the industry are now better placed to influence official decisions as many of them are part of the advisor bodies set up by the government.

There is no doubt that the corporate sector has become more aware of its social responsibility than ever before. It is adopting pro-active politics in regard to the social welfare and community development programmes. It is also promoting and sponsoring causes and ideas that are vital for the society at large. Companies are now opting for a more planned and professional approach to building up corporate relations, instead of depending on hunches and intuitions. They are going in for opinion research and SWOT analysis before finalizing a corporate relations programme and trying to get a proper feedback from the target groups about the effectiveness or otherwise of the programmes.

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### **3.2.5 What is a Crisis?**

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A crisis is an extraordinary and unpredictable event or series of events that may upset an organization temporarily and in some cases forever. No matter what the circumstances are , the reputation of the company is in jeopardy during a crisis. There are so many dimensions of what constitutes a crisis for a company or an organization. It may damage the integrity of the product; the reputation and the financial stability of an organization, the well-being of employees, the community or the consumers. Sometimes, the economic survival is at stake, and a company can lose crores of rupees overnight if the public perceives management response to the situation is marked by lack of confidence.

The word crisis comes from the Greek Krisis, meaning “decision.” We have all been there. Those harrowing and hurried moments when we are under tremendous pressure to decide a course of action almost in an instant. It can come in many forms. Some of them are man-made and some of them are part of the natural cataclysmic forces over which human beings have little control. They are: sudden crisis such as fires, explosions, chemical leaks, workplace violence, etc. Some are created by acts of nature, such as lightning that sparks a forest fire as it did in Australia or a hurricane that weeps a coast. Some crises are created by acts of nature, crises such as the bird flu or the plague in Surat or the Corona Virus in the world. These may take lives but they are not overwhelmingly violent. These may call for a different type of plan to mitigate.

Some kinds of crisis may result from deliberate acts of violence like terrorist attacks. It may lead to loss of life, destruction of property and disruption of work. Intentional crisis may also be caused by hostile takeovers, computer viruses, malicious rumor and other forms of malicious action.

Crisis management, as a specialized practice area within public relations, advises corporate bodies on how to anticipate and manage media and other aspects of a potential crisis or disaster. Business continuity management aims to ensure that crises do not occur, but should the worst come to the worst, effective crisis management can make the difference between business-as-usual or disaster.

Many crisis events are outside a manager's control, but many others can be prevented given the proper level of planning, business maintenance and care. Crisis management means having a plan in place, having identified who will do what, and having practiced the plan for most conceivable events. Management of a crisis involves a vast array of fast-moving events that demand the kind of decisions that are tough, quick and sound. It revolves round managerial issues such as analysis of the cases, interim management of development and execution of a turnaround plan, as well as legal issues and issues of communication with various internal and external stakeholders.

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### **3.2.6 Man Made and Natural Crisis**

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A crisis may come in various shapes and sizes. It may be an accident the origin of which could be traced to human negligence and failure as the Bhopal Gas Tragedy during December, 1984 or a railway accident as in Gaisal (North Bengal)... Some crisis may arise out of natural disasters like the flood, earthquake, tsunami or outbreak of a disease like the bird flu or a Corona Virus

Smoldering crises that start out small and could be fixed or averted if someone was paying attention or recognized the potential for trouble; Bizarre, like the finger in the Wendy's Restaurant Chili, a one-of-a-kind crisis; and, Perceptual Crises, such as the long-running problem Proctor & Gamble (P&G) used to have with their former corporate logo, that included a half-moon and stars, which critics would claim were symbols of devil-worship, calling for boycotts of products. The collapse of the South-east Asian economies is an example of an unforeseen crisis. Yet, regardless of the organization and the situation you are working in or with, you can predict and thus, anticipate most of the possible crisis. The key to good crisis management is anticipation.

Transport services, chemical factories, mines would be some examples of an unknown situations. For instance, an airline could have a crash but it cannot be anticipated how, when or where it will occur. There can be a number of vulnerable points through which disasters may strike. A forward-looking management always recognizes such eventualities and does not rule them out because such calamities have never struck before.

‘Unknown unknowns’ can never be anticipated. They are beyond any reasonable predictions. Yet the possibilities of crisis in certain situations should be identified. Some of these are: (a) operational hazards like industrial accidents and explosions, fires, floods, cyclones, etc. (b) Industrial relations problems like strike, lock-out, etc. (c) Financial emergencies like takeovers bids, disruption of annual general meetings. (d) Civil disorders like riot, sabotage, etc. (e) Financial scandals like evasion of taxes, misuse of public funds, etc. (f) family feuds or conflicts among the key executives of the company.

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### **3.2.7 Corporate Image during a Crisis**

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A crisis in the life of an organization is a time of intense stress, emotion, hostility, and uncertainty. It can deal a crippling blow to the financial standing of the organization and damage the corporate image of the company, change its priorities and jeopardize its future. A corporate image refers, to how a corporation is perceived. It is a generally accepted image of what a company “stands for”. The corporate image of the company can take a severe beating during a crisis. In the ultimate analysis, it could be the most crucial factor that will influence the company’s operations for all time to come.

In fact, public relations skills faces a tough challenge in times of crisis in corporate life. Lack of planning and instability to take immediate change of the situation can rapidly turn a manageable crisis into a major disaster from which the company may find it difficult to recover. Poor handling can cripple the organizations’ credibility forever. The corporate image may sink to bottomless pit.

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### **3.2.8 Crisis Management Plan**

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It is crucial that the company be prepared ahead of time if it is to survive in the long run. You need to develop a crisis management plan. You need to develop variations of the plan to cover any emergency your company might be expected to encounter.

For most companies, these include precipitous stock market drop, employee misconduct, product liability claims, manufacturing or design mistakes, accidents, or a simple community



misunderstanding. At such times, a crisis management plan affords a co-ordinated set of procedures that will ensure there is a positive, focused and effective response. Successfully diffusing a crisis requires an understanding of how to handle a crisis- before it occurs. Generally, it revolves round a four-phase crisis management model process that includes: issues management, planning-prevention, the crisis and post-crisis.

A plan in itself is not sufficient. Leadership is required as many may be traumatized by the event. A firm, rapid, and certain response will inspire confidence. The more trained and exercised the responding organizations are, the better will be their reaction.

A crisis or disaster, however caused, can strike any organization at any time. It is most devastating when it is sudden. At such times, there needs to be a well rehearsed contingency plan to ensure there is a positive, focused and effective response to protect the company from the damaging effect of a potential crisis from fire, flood accidents, or IT systems failure. With good planning, it is possible to minimize the potential impact of a disaster and ideally prevent it from occurring in the first place.

The main features of a crisis management framework should embrace the following action plan:

- Integration of the existing contingency plans and lines of communication
- Identifying the numbers of a crisis management Team and their responsibilities
- Provide the required focus for an effective response
- Manage exercises to validate plans and improve staff training and awareness.

Typically, proactive crisis management activities include forecasting potential crises and planning how to deal with them. , for example, how to recover if or computer system completely fails. Hopefully, organizations have time and resources to complete a crisis management plan before the experience a crisis. Crisis management in the face of a current, real crisis includes indentifying the real nature of a current crisis. Intervening to minimize damage and recovering from the crisis. Crisis management often includes strong focus on public relations to recover any damage to public image and assure stakeholders that recover is underway.

Crisis management also involves establishing metrics to define what scenarios constitute a crisis and should consequently trigger the necessary response mechanisms. It consists of the communication that occurs within the response phase of emergency management scenarios. It is one of the unwritten rules of crisis management that crises will occur at



inconvenient times. So, planning, preparation and thinking the unthinkable are keys to success. The following 4 steps are suggested for communicators to help steer their organization through an unexpected external issue.

### **1. Be Prepared**

It's one of the unwritten rules of crisis management that crisis will occur at inconvenient times. So, planning, preparation and thinking the unthinkable are keys to success. The core contributions that a communication function can make to a business are to ensure that a crisis plan is in place and that it has senior decision-maker buy-in.

The plan should clearly define roles and responsibilities and allow for contingencies from that out-of-town executive being non-contactable, or the office building being inaccessible, to the computer server going down preventing access to the crisis plan which was stored in only one place. (A good but basic tip is to keep up-to-date copies of the plan and emergency contact details on a USB, Flash Drive or CD away from the office).

### **2. Outside -in**

This sort of tactical preparation is best expected when communicators have already become part of strategic planning processes and business decision making because the communication leading and facilitating roles need to be established and accepted from the top of an organization down.

A corporate or brand might not only be the result of an incident or issue, but could come about through a business downturn, sales decline, poor market performance or competitive pressure. These events are hardest for organizations and individuals who have only ever known success and upward growing sales and margins charts.

To be valued and make a difference to an organization, communication should be seen as a real business tool. To achieve this, communicators need to take communication skills into the boardroom or relevant decision-making form at the earliest stage. Preparing for bad times is just as important as being proactively focused on the next promotion, product launch, contract bid or business initiative.

### **3. Inside-out**

Taking a 360-degree view of the organization is equally important. Employees and other internal audiences can be the best ambassadors or the harshest critics and skeptics in difficult times. Whether it's true due to an incident, accident or tough trading times, employees appreciate being treated as insiders. Hearing on the TV news that your company is in trouble isn't going to make your people ambassadors for your company.

The barrier of course may be knowing what information can be shared with who and when. It may even be that there are legal regulator or governance restrictions to be followed, but outside these restrictions as a rule, inclusion is better than exclusion.

The challenge is to take your employees with you, so they know enough to feel included and valued but not so much that theirs is a risk of escalating the situation by empowering your workforce to become “doom-mongers”. The solution is to ensure that external positioning and messaging is communicated internally first to build confidence, reassurance and trust.

#### **4. Earn Trust**

The challenge for communicators and managers is to earn trust ahead of the crisis, issue or event with all relevant audiences through open and transparent, business-focused and fact-based, strategic thinking and clear-headed planning and preparation for the best and worst case scenario. Think the unthinkable.

### **MITIGATION AND PREVENTION**

The goal of mitigation is to decrease the need for response as opposed to simply increasing response capability.

- Connect with community emergency responders to identify local hazard.
- Review the last safety audit to examine school buildings and grounds.
- Determine who is responsible for overseeing violence prevention strategies in your Institution
- Encourage staff to provide input and feedback during the crisis planning process.
- Review incident data
- Determine major problems in your school with regard to student crime and violence
- Assess how the school/institution addresses these problems
- Conduct an assessment to determine how these problems- as well as others-may impact or vulnerability to certain crises.

### **PREPAREDNESS**

Good planning will facilitate a rapid, coordinated, effective response when a crisis occurs.

- Determine what crisis plans exist in the district, school, and community
- Identify all stakeholders involved in crisis planning

- Develop procedures for communicating with staff, students, families and the media
- Gather information about the school facility, such as maps and the location of utility shutoffs.
- Identify the necessary equipment that needs to be assembled to assist staff in a crisis.

## **RESPONSE**

- Determine if a crisis is occurring
- Identify the type of crisis that is occurring and determine the appropriate response
- Activate the incident management system
- Ascertain whether an evacuation, reverse evacuation, lockdown, or shelter-in-place needs to be implemented
- Maintain communication among all relevant staff at officially designated locations
- Establish what information needs to be communicated to staff, students, families, and the community.
- Monitor how emergency first aid is being administered to the injured
- Decide if more equipment and supplies are needed

## **RECOVERY**

- During recover, return to learning and restore the infrastructure as quickly as possible
- Strive to return to learning as quickly as possible
- Restore the physical plant, as well as the school community
- Monitor how staffs are assessing students for the emotional impact of the crisis
- Identify what follow up interventions are available to students, staff, and the first responders.
- Conduct debriefings with staff and first responders
- Assess curricular activities that address the crisis
- Allocate appropriate time for recovery
- Plan how anniversaries of events will be commemorated
- Capture “lessons learned” and incorporate them into revisions and trainings.

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### **3.2.9 Role of Public Relations**

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One of the most important parts of your crisis management plan has to be your crisis communication plan. You hope that if a crisis occurs that no one will notice and you will be able to deal with the issues and fix the problem. Sometimes that happens. Other times someone notices and tells a reporter or posts it to a form on the Internet and suddenly it seems like the entire world is calling you or knocking on your door or sending you email.

The best way to put out a fire is to have fire engines ready. Secure the most professional media/public relations/public affairs professionals and tools available and keep them on standby. It is not always easy to anticipate a crisis (war, terror attack, act of nature, fire, scandal, bankruptcy, crime etc.) but when it does occur you should have an emergency media response team in place ready to react quickly and honestly in handling and controlling a hungry media. Have a checklist and flowcharts prepared for response measures and human tracking.

Secure all the facts. Go over the facts with operations and or legal counsel to what can be released to the media and must remain confidential. Attempt as much information as possible without jeopardizing your client's image. Coordinate morning think tank briefings with your public relations and operations staff, discuss the situation and listen to all ideas presented. Keep in constant communication with all members of the crisis management team. Have back-up emergency equipment available for internal and external communications- from mobile telephones, beepers, VHF, walkie-talkie to portable electric generators. You must be proactive. If you respond to crisis events you will find yourself crushed, overwhelmed; outpaced and out of control. The media constantly feeds on written copy and image material- print and electronic- provide an effective outlet for the dissemination of news and feature material, or news which provides your side of the story. If you don't control the news with an immediate and constant flow of facts, the media will find and circulate rumors. Prepare news releases, photographs, maps and videos. Have e-mail and fax blasters prepared to get your messages out. Request air time on TV and radio news programme; coordinate celebrity appearances for third party endorsement and street demonstrations by supporters of your cause. These elements always get a positive image in the media for your client.

But remember that the public will know only what they are told by the media, so it is crucial that accurate and complete information be conveyed to the media and the public. The public always assumes that the crisis is being mishandled that the company is holding

something from the public. The biggest challenge comes from the demands of always-on news. Companies now have to sweat not only the morning's headlines but endless blog postings and runaway video clips that can appear 24 hours a day. Even when there isn't much new information, blogs can keep a crisis alive- and smart companies must pay as much attention to them as they do to the national media.

Have crisis communications field stations prepared at every entrance to a physical crisis event site. Have Spokesperson stationed at these posts with the latest facts- avoid having police, fire and or military operational personnel speak to the media. Use only trained media professionals to convey your message. Gather the media's contact numbers to quickly and efficiently contact the media with breaking news. Set up a team whose only function is to monitor and analyze both the electronic and print media 24x7

The internet is the fastest and easiest way to upload information for editors and reporters to download and publish news. Create an Internet site which is being maintained 24x7 with the most relevant written material and images. Make sure that you have the most effective Internet security firewalls and anti-virus protection in place. During a crisis, information is critical and the management of that information and getting it disseminated properly to the public and to the media could determine life and death in many cases.

If your organization has said, or done something which was inaccurate or clearly wrong- admit this action to the press with an apology. In a press conference, if you are asked questions that you wish to avoid or don't have the answers to respond by stating: "That's a good question; I don't have the answer, let me get back to you on that".

Expressing the facts with honesty and leadership during a crisis event is your first and last responsibility.

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### **3.2.10 Case Studies**

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Case studies serve as idea resources for public relations practitioners in solving problems. They outline a possible solution according to specific guidelines, as suggested by an existing case. Secondly, they may dissect a historical case as a learning case to determine what worked and what did not and why.

#### **Bhopal Gas Tragedy**

The Bhopal Gas Tragedy was one of the world's worst industrial disasters. It was caused by the criminal negligence of the Union Carbide pesticide plant authorities that released 40 tonnes of the deadly methyl isocyanate (MIC) gas in a thickly populated area. It led

to the growth of more than 15,000 people, according to the testimonies from doctors who provided medical assistance during the tragedy. The incident took place in the early hours of the morning of December 3, 1984, in the heart of the city of Bhopal, the capital of Madhya Pradesh. Today, more than 1,00,000 people have permanent injuries, light or severe. The groundwater around the plant area is contaminated.

There were warnings. The management was intent on cutting down expenses. The staff was reduced; educated personnel replaced by uneducated. The plant was not maintained appropriately. In 1974, cows died from drinking poisonous water from an adjacent well. In 1978, the trade unions write a letter to the managers and the MP government about the risks in the plant. In 1978, there was a large fire at the plant. Between 1981 and 1984, most of the safety systems were not functioning. Tank 610 contained 42 tonnes of MIC, much more than according to safety rules. During the nights of 2-3 December, large amounts of water entered tank 610. The resulting reaction generated a major increase in the temperature of liquid inside the tank (to over 200 degree C). The MIC holding tank then gave off a large volume of toxic gas, forcing the emergency release of pressure.

Though the audible external alarm was activated to warn the residents of Bhopal, it was quickly silenced to avoid causing panic among the residents. Thus, many continued to sleep, unaware of the unfolding drama, and those that had woken assumed many problems had been sorted out. The next day, thousands of dead bodies were lying on the streets. The corpses were collected and dumped into Narmada river. There were mass funerals and mass cremations. 170,000 people were treated at hospitals and temporary dispensaries. Within a few days, leaves on trees went yellow and fell off. Business stopped and food did not get into town. As the farmers did not dare to come close. Fishing was forbidden. There was contradictory information from the authorities.

Now owned by the Dow Chemical company, Union Carbide believes that the accident was the result of sabotage. It has never publicly named or identified the employee it claims sabotaged its Bhopal plant or attempted to prosecute.

### **Tylenol Tragedy**

In the autumn of 1982, a murderer added 65 milligrams of cyanide to some Tylenol capsules on store shelves, killing seven people, including three in one family. Johnson & Johnson recalled and destroyed 31 million capsules at a cost of over a billion dollars. The affable CEO, James Burke, appeared in television ads and at news conferences informing consumers of the company's actions. Tamper-resistant packaging was rapidly introduced, and Tylenol sales swiftly bounced back to near pre-crisis levels (Dezenhall, 2004).

Johnson & Johnson was again struck by a similar crisis in 1986 when a New York woman died on Feb. 8 after taking cyanide-laced Tylenol capsules. Johnson & Johnson was ready. Responding swiftly and smoothly to the new crisis, it immediately and indefinitely cancelled all television commercials for Tylenol, established a toll-free telephone hotline to answer consumer questions and offered refunds or exchanges to customers who had purchased Tylenol capsules. At week's end, when another bottle of tainted Tylenol was discovered in a store, it took only a matter of minutes for the manufacturer to issue a nationwide warning that people should not use the medication in its capsule form.

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### **3.2.11 Questions**

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1. What is a crisis? Why do they occur? Is there any way we can prevent a crisis from taking place.
2. How would you distinguish and differentiate between different forms of crisis?
3. Discuss the salient features of a crisis management plan?
4. What should be the role and function of the public relations department during a crisis?

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### **3.2.12 Suggested Readings**

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1. *Public Relations Today* by Subir Ghosh, Rupa & Co, Kolkata, 2001.
2. *Public Relations in India* by J.M. Kaul, Naya Prokash, Kolkata, 1997.
3. *Public Relations Practice* by Samar Basu, Booklore, Kolkata 1995.
4. *Online Public Relations* by David Philips, Kogan Page, (IPR), London, 2001
5. *Public Relations: A scientific Approach* by Baldeo Sahai, Scope, New Delhi, 1980
6. *Planning and Managing Public Relations Campaigns* by Anne Gregory, IPR, London, Kogan Page, 2000.
7. *Experts In Action* by Bill Cantor, Longman, New York, 1992.
8. *The Engineering of Consent* by Bernays, Edward L University of Oklahoma Press, Norman, Oklahoma, 1955.
9. S.M. Cutlip and A.H. Center, *Effective Public Relations* (4<sup>th</sup> ed. 1971)
10. J.F. Awad, *The Power of Public Relations* (1985).
11. W.Brody and G.C. Stone, *Public Relations Research* (1989)

## **Module - 3 : Corporate Communication**

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### **Unit - 3 □ Importance of internal PR- Responsibility for Employee Relations-Tools for Employee Communication: Bulletin board, Open- House Meetings, seminars, Pay-slip Inserts, Communication from Employee to Management- Suggestion Boxes.- House Journal: - The need for House Journal and how to produce House Journal –Writing for House Journal and News Letter.**

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#### **3.3.0 Structure**

#### **3.3.1 Learning Objectives**

#### **3.3.2 Importance of Internal P.R**

#### **3.3.3 Responsibility for Employee Relations**

#### **3.3.4 Tools for Employee Communication**

#### **3.3.5 Definition and Need for House Journal**

#### **3.3.6 How to Produce House Journal**

#### **3.3.7 Writing for House Journal and News Letter**

#### **3.3.8 Questions**

#### **3.3.9 Suggested Readings**

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### **3.3.1 Learning Objectives**

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This unit tries to familiarize the student with the importance of internal P.R. (employee relations) and the need for regularly communicating with the employees in order to create a sense of belonging among them.



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### 3.3.2 Importance of Internal P.R

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When we talk of internal P.R. we mean developing and maintaining relations between an organization and its employees. Every company must employ a number of persons (the number will depend upon the size and nature of the company) to produce and sell goods or services and to carry out various other jobs, and as such, they comprise a vital public. But employers took a very long time to recognize their importance.

Like the other publics, the employees, too, were damned. They were neglected, exploited and underpaid. They worked very long hours, without receiving commensurate wages. If the Industrial Revolution brought about many benefits, it also brought in its wake miseries for the workforce, as depicted in many works of fiction. The workers had to fight long battles to win their rights, including limited working hours and living wages. It is only in the twentieth century that companies began to recognize that the workforce is not a burden but an asset and as vital as money and materials for their survival. How the attitude of the employers has changed will be appreciated from the fact that the department dealing with the employees is no longer called the Labor dept., not even the Personal Dept., but the Human Resources development (HRD) Dept. The recognition has finally come that the employees are not mere robots, but people with emotions and sentiments, keen to communicate and be communicated to, and that they collectively constitute a resource of the organizations.

Corporate Relations, like charity, must begin at home-with the internal public. No company can survive with a workforce that is dissatisfied and the dissatisfaction is often the result of lack of proper communication. On the other hand, a satisfied and better informed workforce is the best ambassador that a company can have. Each of them can be turned into a public relations officer of the company, if he or she is properly looked after and taken into confidence by the management. When an employee speaks well of an organization, this word of mouth praise becomes much more believable to the outsiders than a full-page paid advertisement.

Sometimes the employers failed to realize that, though people worked to earn a living to satiate their daily needs, they wanted something more. They wanted working conditions that would help them produce more. The employees want to grow in their jobs and want career opportunities. An enlightened employer will take into account all these aspects while formulating its employee relations policy.

An ideal employer will nowadays not only provide his employees with living wages and other statutory benefits, but will go beyond the legal requirements. A company will

now provide medicare, housing and education facilities for the employee and his family. Among the other benefits that the employees of most corporate houses get are the Leave Travel Concession (LTC), low-interest loans and compensation for accidents during the working hours.

Some companies, especially those in the public sector, encourage participation of employees in management at various levels.

All these measures are aimed at making the employee feel that they are a vital part of the organization and the company cares for them.

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### **3.3.3 Responsibility for Employee Relations**

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The main responsibility for employee relations in an organization rests with the Human Resources Department. It begins right from recruitment: interviewing the applicants, finding their suitability, issuing appointment letters and it constitutes right up to the day when an employee retires or chooses to leave. Today, even when an employee leaves an organization, he/she is interviewed to ascertain why he/she is leaving. As long as an employee serves a company, the HRD has to look after him/her. Whenever he/she faces a problem he/she will generally come to the HRD for help. It may be some grievance regarding salaries or promotion or some other benefits he/she may be seeking. The department a particular employee is working for, of course, have a say in these and other matters, but the processing has to be done by the HRD.

The department is headed by a senior person, usually of the rank of a General Manager or an Executive Director. He reports directly to the chairman or a senior director.. The size of the department depends upon the size of the organization and the number of people, its employees.

Though, as we have seen, employee relations remain the basic responsibility of the H.R. department, it may be said that these relations are too important to be left to the H.R. managers alone. In the ultimate analysis, the responsibility will largely lie with the top management of a company, because it is the board of directors who will finally decide on employee relations policies. In any case, the H.R. department is not authorized to take any decisions which may have serious financial and other implications for the organization. If the trade unions raise demands which are apparently impossible to meet, or threaten to go on a strike on certain issues, the intervention of the top management becomes absolutely necessary.

The P.R. department also has an important role to play in employee relations. It may not be concerned with the routine tasks performed by the H.R. department, but on it lies the principal responsibility of keeping the employees informed through various means of communications (listed in the following section). It is also called upon to play a key role if and when employees strike work or company is locked out following an industrial dispute. It will have to brief the media on such developments and keep the general public informed through the media.

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### **3.3.4 Tools for Employee Communication**

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Like all communication, employee communication, to be effective, has to be will planned. One of the advantages in this case is that the target audience is very well defined and the response can be immediately assessed. The success or otherwise of the communication programme can be known more quickly than in the other cases and the programme can be adjusted accordingly.

Employee communication can be done through both informal and formal channels, though the informal channels are not easy to use in larger organizations.

Informal channels can take many forms. The grapevine (planned rumors) is one of them. It is not always reliable and may sometimes backfire, but it has been successful used by many organizations on certain proposed initiatives of the management. If the response is not favorable, then the management has the option of modifying the relevant proposal or drop it altogether, which will be difficult to do once a decision is formally communicated to the employees.

Recreations/sports clubs, cultural shows, family get-togethers also constitute informal means of communication. Many companies organize what are known as Open House meetings, when employees are asked to visit the various departments and offices of the organization. Ordinarily, they remain mostly confined to their own departments/sections and do not have the opportunity of knowing the big picture about the company. The occasion also provides an opportunity of interacting with top management people. Often, the members of the families of the employees are also invited to join. Posters and photographs are displayed on the occasion to highlight the achievements of the company and various aspects of its activities. Short films are also shown on the occasion. It is principally the P.R. department's job to organize such Open House. It provides an opportunity to the management to informally interact with the employees.

One of the disadvantages of sig informal channels is that there is always the risk of the original message getting distorted as it travels from the top through the various levels to the bottom. The more the number of levels, the greater the risk of distortion. It is one of the reasons why companies prefer to use the formal channels, where there is a little chance of such distortion.

**Bulletin Board:** Among the formal channels, the Bulletin Board is an old and trusted one. It is being used for regularly communicating with the employees on various issues. Notices, circulars, announcements are displayed on the Bulletin Board. Though other media are being increasingly used, the Board has not lost its importance.

Some companies use **pay-slip inserts** to communicate with employees. These inserts have certain, usually brief, printed messages. This is an effective tool as it is guaranteed to reach the target.

In many companies, Chairman/CEO occasionally addresses letters to all employees, especially when a company is in the midst of a crisis. Instead of an impersonal notice/circular on the Bulletin Board, a letter from the CEO is more effective as it carries a personal touch and appears more convincing and sincere.

Of the formal channels the most effective is the **House Journals/Newsletter** (explained later in the unit).

No communication, however, is complete unless it is a two-way. So, it is not enough that the management conveys whatever it has to say to the employees. It is also essential that the management gets to know what the employees think about the various aspects of the company's activities. Informal channels sometimes prove useful in this case. There are also the trade unions which voice the employees' point of view. But there may be things which don't come under the purview of the unions and yet the employees may like to express their views on them.

One of the means used by organizations is the suggestion Box. These boxes are conveniently placed at various floors/plant and the employees can put in their written comments/suggestions on various issues of their interest.

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### **3.3.5 Definition and Need for House Journal**

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The British Association of Industrial Editors defines a house journal as a "Publication issued periodically, and not for profit, by an industrial undertaking, a business house or a public service."

Ever since the first house journal, “The Lowell offering” was published in 1840 in the USA by the Lowell Cotton Mills, it (also known as house magazine, or house organ), companies have increasingly recognized the need for having such a publication for communicating with its various publics, viz. employees, shareholders, customers, dealers, and the general public. Almost all large and medium organizations have such a journal. In India, today we have a few thousand house journals and in countries such as the USA, the number is much higher.

(‘House journal’ and ‘Newsletter’ are sometimes used synonymously. Though the basic aim and the contents are the same, a newsletter is a comparatively smaller affair than a house journal, usually having fewer pages and is less colorful produced”).

The house journals are of three kinds:

- i) Internal
- ii) External
- iii) Combined

The internal house journal is meant for the internal public that is the employees of a company or members of an organization. The second kind, i.e., the external house journal, is circulated among the shareholders, customers, dealers, media, government officials, corporate executives, political leaders and the general public.

Though, ideally, it is better for a company to have two separate publications for the internal and external publics, it may not always to have both because of constraints of funds/manpower. So, many companies go in for the third kind, combining the contents of the first two.

Whatever the kind decided upon, a house journal plays an important role in the P.R. programme of an organization. Much of the time of the P.R. Dept. is taken up by this job, as it is the responsibility of the P.R. Dept. to bring out- within the stipulated time, with all current information, and attractively produced.

House journals are becoming a major tool of communication because organizations are increasingly recognizing the need for keeping in regular touch with the members of various groups. Since a house journal is a periodic publication, it reaches the target readers at regular intervals and keeps them informed about a company’s activities, achievements and policies. Even if all readers don’t read each copy of a house journal from cover to cover, it at least helps create a favorable image of the company in their mind.

The internal house journal has become a necessity as organizations are becoming larger and larger, and it is difficult to regularly communicate with them using only the traditional channels. Besides, a well produced house journal becomes a more effective tool of communication than, say, an ordinary bulletin or a circular.

The purpose of a house journal is to inform, educate, persuade, entertain, obtain feedback and, through all this, build a bridge of mutual understanding between an organization and its publics. In the case of the internal public, it plays a vital role in motivating the employees, inspiring them and creating a sense of belonging. This sense of belonging grows as the employees come to know more not only about the company itself but also about the other members of the workforce.

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### **3.3.6 How to Produce House Journal**

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Various steps need to be taken to launch and produce a house journal. Some of them are listed below.

- (i) Before a house journal is launched, the organizations has to decide on the nature of the proposed publication-whether it would be an internal, external, or a combined house journal.
- (ii) Once the nature of the publication is decided upon, an Editorial team will have to be formed. In most cases, such a team is headed by the chief of the P.R. Dept., with his assistants helping him in the job. In some companies, there is an Editorial Board that includes a Director of the company and head of the HRD Dept.
- (iii) A decision will have to be taken on the periodicity of the publication-whether it will be a monthly, bi-monthly or quarterly. The preferred periodicity is quarterly.
- (iv) The size and the average number of pages of an issue will also have to be decided upon. Most companies prefer the usually magazine size, but some others go in for tabloid (half of the usually broadsheet newspaper page) or other sizes.
- (v) The annual budget for the production of the house journal will also have to be fixed. The budget will depend upon various factors, including the number of copies to be printed, the number of pages per issue, the cost of printing and distribution.
- (vi) One of the important tasks is to decide upon a suitable name. Most companies prefer to include the name of the company in the name of the publication e.g. TISCO News, SAIL News, HM Topics. There are, however, house journals with such general names such as Fireside, rectangle or Connect.

- (vii) The name has to be approved by and registered with the Registrar of Newspapers of India. The procedure of registration is as follows: a list of proposed name, usually three or four, will have to be sent to the RNI, who will check if there are already publications with similar names.
- (viii) A declaration will have to be filed at the court of the Chief presidency Magistrate/ District Judge giving such details as the names of the Editor, Printer, and Publisher, the name and address of the printing press and the place of publication. These details have also to be included in every issue of the publication.
- (ix) A reliable printing press will have to be selected for regularly printing the house journal.
- (x) Arrangements will have to be made to distribute each issue of the house journal. In the case of an internal journal, the job is comparatively easier as the distribution is usually limited among the employees of the organization. For an external journal, however, a Mailing List will have to be prepared. Such a list will contain the names and addresses of the persons to whom the copies of the journal will be mailed. Important persons from various publics, such as shareholders, customers, government officials, politicians, media, corporate executives, are included in the list. The list, however, will have to be regularly updated.

The responsibility of bringing out a house journal rests with the P.R. Dept. Some companies, however, outsource the job to an outside Advertising Agency or a P.R. Agency. The texts, photographs etc. are handed over to the agency, who does the rest of the job (writing, editing, designing or printing). But even in such cases, it is the P.R. Dept. which supervises the whole process.

The production of house journal proceeds through various stages:

- Planning the issue
- Collecting the material
- Writing the stories
- Editing the stories
- Designing the pages
- Printing

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### 3.3.7 Writing for House Journal and News Letter

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One of the main jobs of the editor is to decide on the contents of the house journal. The contents of every publication are decided by the kind of readers it wants to target. All newspapers have some items in common, yet their contents vary in many respects.

Since the readers of an internal house journal are the employees of the organization, they will be interested in every bit of information not only about the organization but also with their colleagues. So, the pages of an internal house journal are almost wholly filled up with news about the company and the employees.

But the same pattern cannot be followed in the case of an external house journal, as the readers will be the members of the external public. They will not be interested in all the small details about the company and its employees (especially house journal will also try to convey information about the company to its readers, but it will have to offer something more to retain their interest).

While deciding upon the contents of an internal house journal it is important to remember that it is a vital tool of communication with its employees. No communication can be effective unless it is two-way. So, such a publication should not only convey the management's views but also speak about the activities of the employees.

An internal house journal will typically have the following items:

- i) Editorial- where the editor speaks about some event in the company or about an issue which will be of interest to the readers.
- ii) Letter from the Chief Executive Officer/Chairman/Managing Director-where he explains company's policies or talks about its achievements or dispels certain misinformation.
- iii) Announcement of company policies, schemes /incentives
- iv) Summary of the Annual Half- yearly/Quarterly Reports of the company.
- v) Report on the Annual General meeting
- vi) Reports on various aspects of the company's activities.
- vii) Achievements of the company, e.g., winning of Export or Quality Awards
- viii) Reports of visits by VIPs



- ix) New appointments, promotions and transfers
- x) Launching of new products/services etc.

Besides the above, an internal house journal will also have the following (items of the employees):

- i. Reports on individual achievements of the employees, including those outside the company's four walls
- ii) Reports on the recreational activities of the employees (sports/cultural events organized by /for them)
- iii. Achievements of the numbers of their families
- iv. Some internal house journals also carry news about the weddings of the employees.
- v. Creative contributions from the employees e.g., short stories, poems, travelogues, photographs, sketches etc. Some companies organize essay/short story/photograph competition among the employees and the best of them are published in the house journal.

All these are aimed at creating a sense of participation and belonging among the employees. They usually take the copies of the house journal to their homes and show them to the members of their families. If any item/photograph concerning a particular employee appears in a particular issue, it is generally preserved.

Companies have been using the house journal to educate the employees in new techniques/technologies by publishing relevant information and articles. It has also been utilized to increase their productivity.

As has been mentioned already, not all of these items can be included in an external house journal. But some of them can always find a place there. For instance, the letter from the CEO, highlights of the Annual Report of the company, a report on the AGM, major achievements of the company or its employees and the launching of new products can be included in an external journal as well.

But there should be some items of wider interests in an external house journal. For instance, an external house journal of an automobile company can always have articles on the automobile industry in general. Similarly a feature on conservation of energy can be included in the external house journal brought out by a company such as Indian Oil Corporation or Coal India. External journals published by hotels and airlines regularly carry features on travel, tourism, leisure and food; because these are all related to their

trade and indirectly help promote their business. Some external journals also publish write-ups on general management problems. In fact, in the case of an external journal, the editor has a much wider choice while deciding upon the contents.

Apart from the stories on spot events, house journals (especially the external ones) also carry features. Features are those items which are not reports of daily events. Though such reports are the staple of a newspaper/magazine and most readers are most interested in them, all publications offer to their readers stories beyond those of daily events. Readers are also interested in analysis, background information and which are known as “human interest” stories. These are sometimes called “soft news.” Though house journals have less scope for features than newspapers, they also can use features to their advantage.

But it is not enough for an editor of a house journal to receive a regular supply of stories. Equally essential is to have photographs of various events, especially of the more important ones. Ensuring a steady supply of photographs is comparatively more difficult, because a report can be written even after an event has taken place by talking to the eye-witnesses, but a photographer has to be present on the scene to take a photograph of the event ( for instance , the Chief Minister cutting the ribbon to inaugurate a new unit or the Chairman addressing a seminar).

### Golden Rules of Good Writing

A story in a house journal, like that in a newspaper, must answer the following questions. Who, What, Where, When, Why, and How (Five Ws and H).

Another important feature of news writing is that the most important part of the story should come in the last paragraph (known as the “intro”). If, for instance, you are reporting the speech of the chairman at a meeting where he has made several points, you will have to pick up the most important one (e.g., the announcement to set up a new plant) for the “intro”. The other points and details will follow.

One important difference between newspaper writing and writing for hose journals is that in the case of the former, the stories/features/articles are written by writers whose principal job is writing and who have been trained as writers. This cannot be said about all house journal writing. Most of the correspondents of a house journal are doing other kinds of job, and may not necessarily be expert writers. This puts an additional responsibility on the editorial team, as they have to spend more time on editing and rewriting the stories.

However, a feature can be written in a style which (is somewhat different from that of “hard story”. The language of a feature story will also be simple and precise; but the style can be a little more leisurely. The main point need not always be in the first paragraph. There is scope for gradually building up the story and creating up the story and creating the necessary ambience.

Unlike a newspaper reporter, who is always in a hurry, a writer for a house journal has more time to write a story. So he has less excuse than the former for making mistakes or inaccurate statements.

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### **3.3.8 Questions**

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1. Do you think internal P.R. is important for an organization? Give reasons for your answer.
2. What are the various tools of internal P.R.?
3. Define ‘House journal’ and examine its importance as a tool of communication.
4. What kind of writing is ideal for a house journal?

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### **3.3.9 Suggested Readings**

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*Practical Public Relations* by Sam Black, Universal Book Stall, New Delhi, 1994.

*Modern Public Relations* by John Manston, McGraw Hill, New York, 1979.

*Corporate Public Relations* by K.R. Balan, Sterling Publishers, New Delhi, 1992.

*Making P.R Work* by Sushil Bhall, Wheeler Publishing, New Delhi, 1994.

*Public Relations in India* by Sanat Lahiri, Public Relations Society of India, Kolkata, 1994.

# Module - 3 : Corporate Communication

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## Unit - 4 □ Event Management

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### 3.4.0 Structure

#### 3.4.1 Learning Objectives

#### 3.4.2 Event Management

#### 3.4.3 Different Departments in Event Management

#### 3.4.4 Questions

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### 3.4.1 Learning Objectives

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This unit tries to familiarize the student with the importance of event management in P.R Process.

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### 3.4.2 Event Management

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Exhibitions and trade fairs are, particularly in business-to-business and industrial markets, of great importance for contacting prospects, users and purchasers. While a company will most likely have an events manager, the function usually comes under Public Relations as conferences, exhibitions and events are designed to generate publicity as well as generate sales leads. The company may sponsor sports, arts, media, education, science and social projects and institutions and TV programmes. Events are often linked to sponsorship.

Exhibitions have over the decades become an important tool of public relations. We know that many exhibitions and trade fairs are being held in a various parts of the country as well as abroad round the year.

No Public Relations Department is equipped to design a pavilion or a stall. The job is usually handed over to an event management company which specializes in the field. The event management team is told about the brief and asked to submit a plan preferably in the shape of a model which will give an idea of how the pavilion stall would look like. When the design is approved, a contractor is appointed to implement it. It is the job of the P.R Dept. to oversee the work.

A company can sponsor an event or organise its own events, for example, for its sales team, its clients and prospects, its personnel, its distribution network etc. Increasingly the B2C market has merged, with big exhibition centres holding large events aimed at the public and with their popularity rising over the years to become an annual event around which a number of TV shows and print and online editorial are generated.

Aspects of public relations and event management are similar. Both are strategic communication functions. In public relations, the communication process is one that helps to create organizational change where as in event management the strategic communication process requires more attention to detail and builds upon the communication efforts that occur in public relations. Depending on the sector of public relations you are working in (media relations, community relations, crisis communication, etc) will determine how often event management is utilized.

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### **3.4.3 Different Departments in Event Management**

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There are different departments in event management to handle different tasks. They have various departments. The events coordinator sits at the very top of the hierarchy; therefore they have the highest level of authority and are responsible for managing all staff members below them. It is their role to coordinate the detailed work required in order to ensure the event runs smoothly and according to plan.

There are different departments in event management:

1. Event coordinator
2. Event planner
3. Client service event manager
4. Event manager
5. Event assistant's
6. Choreographer
7. Artistic director
8. Ticket sales manager
9. Catering management
10. Lighting operator

11. Sound operator
12. Director
13. Administrator
14. Production manager
15. Stage manager
16. Master carpenter
17. Scenic painter
18. Props master
19. Lightening designer
20. Electrician
21. Sound technician
22. Costumer designer
23. Wardrope supervisor
24. Dresser/maintenance
25. Front of house/box office manager
26. Marketing/publicity manager

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### **3.4.4 Questions**

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1. What is the relationship between event management and public relations?
2. What are various departments in event management?

# **Module - 4 : Corporate Social Responsibility**

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## **Unit - 1 CSR : Concept, History**

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### **4.1.0 Structure**

#### **4.1.1 Learning Objectives**

#### **4.1.2 Concept of CSR**

#### **4.1.3 CSR : History (Indian Conditions)**

#### **4.1.4 Questions**

#### **4.1.5 Suggested Readings**

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### **4.1.1 Learning Objectives**

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The unit introduces the students to the concept of corporate social responsibility and its importance for a developing country like India. Where most people lack some of the basic needs and yet, governmental efforts are inadequate to meet many of them.

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### **4.1.2 Concept of CSR**

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The World Business Council for Sustainable Development in its publication “Making Good Business Sense” by Lord Holme and Richard Watts, used the following definition. “Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.” The same report gave some evidence of the different perceptions of what this should mean from a number of different societies across the world. Definitions as different as “CSR is about capacity building for sustainable livelihoods. It respects cultural differences and finds the business opportunities in building the skills of employees, the community and the government” from Ghana, through to “CSR is about business giving back to society” from Philippines.

Traditionally, CSR has been defined in our country much more in terms of a philanthropic model. Companies make profits, unhindered except by fulfilling their duty to pay taxes. Then they donate a certain share of the profits to charitable causes. It is seen as tainting

the act for the company to receive an benefit from the giving. The modern concept of the CSR is much more focused on operating the core business in a socially responsible, complemented by investment in communities for solid business case reasons. The new model is more sustainable because:

1. Social responsibility becomes an integral part of the wealth creation process- which if managed properly should enhance the competitiveness of business and maximize the value of wealth creation to society.
2. When times get hard, there is the incentive to practice CSR more and better- if it is a philanthropic exercise which is peripheral to the main business, it will always be the first thing to go when push comes to shove.

But as with any process based on the collective activities of communities of human beings (as companies are) there is no “one size fits all”. In different countries, there will be different priorities, and values that will shape how business act.

Corporate Social responsibility has much broader implications for the nation as a whole. It reduces dependency on the government for social change. Most governmental programmes quickly become embroiled in political manipulation, corruption, communal overtones, and bitter infighting. There is a need for public-private partnership with well –defined controls and processes for the best use of resources for social change. Social reforms driven by the community will bring people together turn the attention of the masses to tasks that benefit society, and reinforce peace and harmony.

Corporate Social Responsibility (CSR) represents the way companies achieve enhanced ethical standards and a balance between the economic, environmental and social imperatives exercised by their stakeholders. It is a concept whereby organizations consider the interests of society by taking responsibility for the impact of their activities on consumers, suppliers, employees, shareholders, communities and the environment in all aspects of their operations. This obligation is seen to extend beyond the stator obligation to comply with legislation and sees organizations voluntarily taking further steps to improve the quality of life for employees and their families as well as for the local community and society at large.

More than goodwill, corporate community involvement or a strategic corporate philanthropy, corporate responsibility is a genuine attempt by a company to build meaningful relationships between the corporate sector and the rest of society. Corporate responsibility is achieved when a corporate body adapts all of its practices to ensure that it operates in was that meet, or exceeds, the ethical, legal, commercial, and public expectations that society has of business. To be considered effective, corporate responsibility must be an integrated



part of day-to-day business, engaging all stakeholders and including strategies to support individual managers to make socially responsible decisions, confirm to ethical behavior and obey the law.

CSR is about how companies manage the business processes an overall positive impact on society. CSR is the private sector's way of integrating the economic, social, and environmental imperatives of their activities. As such, CSR closely resembles the business pursuit of sustainable development and the triple bottom line.

CSR is about how companies conduct their business in a way that is ethical. This means taking account of their impact socially, environmentally, economically and in terms of human rights. It can involve a range of activities such as:

- Working in partnership with local communities
- Socially responsible investment (SRI)
- Developing relationships with employees and customers
- Environmental protection and sustainability

There have been increased demands from employees, customers and government bodies for businesses to be more open about their activities and that they reach and maintain acceptable standards in their business practice. For employees, CSR is now seen as an important way to increase competitive advantage, protect and raise brand awareness and build trust with customers and employees.

Corporate Social responsibility can be much more than charity. An innovative way to contribute socially is for firms to spend in towns and villages, and to buy products from millions of artisans who are at the bottom of the economic pyramid. Much has been discussed about the *Fortune at the Bottom of the Pyramid* ( Author C.K.Prahalad), which calls for corporations to design products/services for the enormous population at the bottom of the pyramid. The basic assumption is that this population segment has some dispensable income and firms can still make profits on large volume.

Further, corporate spending outside large cities can help spread wealth. Large corporations can exploit hundreds of historical places in rural towns and villages for corporate training, conferences and gateways. Of course, innovative ways are needed to create decent hotels, restaurants, and basic amenities outside major cities. Government has championed building hotels to promote tourism; however, the initiatives are riddled with inefficiencies, poor service, and wasted resources. Private entities with support from several corporations can collectively build facilities on a time-sharing basis that will help invigorate economic

activity. It is necessary to create jobs and economic activity in rural communities to uplift the masses. Unless wealthy corporations and individuals spend on goods and services that touch the masses (like artisans' products), economic prosperity for most of the population will remain a dream.

One thing that is for sure- the pressure on business to play a role in social issues will continue to grow. Over the last ten years, those institutions which have grown in power and influence have been those which can operate effectively within a global sphere of operations. These are effectively the corporate and the NGOs. Those institutions which are predominantly tied to the nation state have been finding themselves increasingly frustrated at their lack of ability to shape and manage events. These include national governments, police, judiciary, and others.

There is a growing interest, therefore, in business taking a lead addressing those issues in which they have an interest where national government have failed to come up with a solution. The focus Unilever has on supporting a sustainable fisheries approach is one example. Using the power of their supply chain, such companies are placed to have a real influence.

Companies need to answer two aspects of their operations.

1. The quality of their management-both in terms of people and processes (the inner circle).
2. The nature of and quantity of their impact on society in the various areas. Outside stakeholders are taking an increasing interest in the activity of the company. Most look to the outer circle- what the company has actually done, good or bad, in terms of its products and services, in terms of its products and services, in terms of the impact on the environment and on local communities, or in how it treats and develops its workforce. Out of the various stakeholders, it is financial analysts who are predominantly focused- as well as past financial performance- on quality of management as an indicator of likely future performance.

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### **4.1.3 CSR : History (Indian Conditions)**

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Corporate Social responsibility comprises sustenance of depleting environmental resources, emergence of effective workplace practices and narrowing the gulf between the rich and the poor. The good old concept of corporate social responsibility though is taking new dimensions with more and more companies encouraging and involving their employees

in the numerous social activities and ventures being undertaken in collaboration with NGO groups and voluntary organizations. With a large percentage of the workforce being young and enthusiastic they are volunteering with utmost dedication and concern and not as a mere obligation. Even in the absence of any legal binding the concept is catching on worldwide.

Where did this concept emerge? Really speaking this concept is neither the brainchild of a single person nor of a single organization. There has always been an ethical perspective to the business strategies practiced all over. There are several moral activities organizations have been following for several decades. One such ethical perspective is the desire to offer help, being conscious of the fragility of the environment we are living in. As the plants became part of large corporate organizations with headquarters in distant cities, company executives found themselves increasingly estranged from the local people. A common reaction to this estrangement was the development of public relations and community service programs. The plant manager's role was redefined to include the function of representing the company in the community, and this meant participating in community activities along with locally based business and professional persons.

However, one tends to wonder how genuine is the concept of corporate social responsibility? There's widespread skepticism about the commercialization and publicizing of their responsibility and the authenticity of the triple-bottom line reporting. A section of the media considers these initiatives as brand building tactics echoed merely in the closed doors of executive boardrooms.

In reality, most companies have special departments to document the best practices of corporate social responsibility and integrate them into the organizational fabric. They are investing huge amounts in creating special foundations for the implementation of these practices with a view to making a huge difference to the people around them. They are also drafting special policies to ensure better working conditions and promote the family welfare of their workforce.

Satyam Foundation of Satyam Computer Services Ltd., Infosys Foundation of Infosys Technologies Ltd., GE foundation of the General Electric Company, to name but a few, stand as a testimony of the philanthropic commitment of the corporate sector in India. They have taken a keen interest in corporate activism to improve healthcare, education and living conditions, and reduce poverty. These foundations support numerous government primary schools and have developed processes and methodologies for effective change. They support hundreds of non-governmental organizations and have built orphanages, hospitals, and schools. Irrespective of the profits they are making, these foundations are

instrumental in funding health and educational facilities. Besides they are aiming at uplifting of the poor and enhancing the standard of life in the rural sector.

The Tata group has involved all its companies in some social initiative or the other. Their diverse approach towards corporate social responsibility is designed to meet the needs of environment as well as of the community. They believe in making an individual self-reliant rather than offering mere monetary assistance. Their offers of scholarships to meritorious students have encouraged and created a relief committee to deal with eventualities. In addition, there are special programmes for the welfare of women, rehabilitation projects, etc.

Infosys Foundation of Infosys Technologies Ltd. has done exceptional philanthropic work by providing shelter and assistance to destitute children and building libraries and science centers in several government schools run in remote areas. They are also providing financial assistance to artisans and their families in their endeavor to sustain and revive the disappearing art forms and the ethnic culture of rural India.

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#### **4.1.4 Questions**

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1. Explain the concept and philosophy behind the corporate social responsibility? To what extent can CSR help the company in its growth and development?
2. “CSR is about how companies manage the business processes to produce an overall impact on society.”- Discuss

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#### **4.1.5 Suggested Readings**

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1. *Managing Public Relations* by James Gruing and Todd Hunt, Holt, Rinehart and Winston, New York, 1997
2. *Public Relations Today* by Subir Ghosh, Rupa & Co, Kolkata, 2001.
3. *Online Public Relations* by David Philips, Kogan Page, (IPR), London, 2001
4. *Planning and Managing Public Relations Campaigns* by Anne Gregory, IPR, London, Kogan Page, 2000.
5. *Experts In Action* by Bill Cantor, Longman, New York, 1992.

6. *The Management of Public Relations* by Robert D. Ross, John Wiley & Sons, New York, 1995
7. *The Practice of Public Relations*, edited by Sam Black, Butterworth Heinemann, 1995
8. *Public Relations: An Introduction* by Shirley Harrison, Routledge, London, 1995
9. *All about Public Relations* by Roger Haywood, McGraw Hill, New York, 1991
10. *Modern Public Relations* by John Marston, McGraw Hill, New York, 1979

# **Module - 4 : Corporate Social Responsibility**

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## **Unit - 2 □ CSR In Present Times — Modus Operandi — Case Studies**

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### **4.2.0 Structure**

#### **4.2.1 Learning Objective**

#### **4.2.2 CSR in Present Times**

#### **4.2.3 Modus Operandi**

#### **4.2.4 Case Studies**

#### **4. 2.5 Questions**

#### **4. 2.6 Suggested Readings**

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### **4.2.1 Learning Objective**

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The unit introduces the students to the concept of corporate social responsibility in present times and its modus operandi in a developing country like India.

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### **4.2.2 CSR in Present Times**

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In recent times, a number of foundations set up by leading Indian firms, including Infosys, Wipro, Tatas, TVS, and Dr. Reddy's Laboratory, have taken a keen interest in corporate activism to improve healthcare, education, and living conditions, and reduce poverty. These foundations support numerous government primary schools and have developed processes and methodologies for effective change. They support hundreds of non-governmental organizations and have built orphanages, hospitals, and schools.

However, the challenges in India are enormous. Social responsibility should not be limited to large successful corporations; there should be greater participation from most small, medium and large businesses. The goodwill firms can generate from acts of social responsibility may, in fact, be worth far more to the businesses than the amounts they give. Corporations collectively can make India a better place for every citizen.

Corporate social responsibility is about tradition and culture. Firms can institutionalize voluntarism among employees through appropriate incentives and recognition. Internal performance evaluation of employees could recognize community work. Community work can take many forms: teaching in government schools, supporting NGOs financially, empowering women, cleaning parks, planting trees, volunteering in orphanages, protecting the abused. Many corporations in the U.S. allow employees to write about their community service as part of their annual evaluation report.

India is the first and only country to have statutorily mandated corporate social responsibility for certain class of companies but the law allows a lot of leeway. CSR spends disclosed by companies need not be vetted by statutory auditors unlike other spending. Moreover, financials of charitable trusts also come under little statutory scrutiny. This combination of factors has left the new CSR norms wide open for abuse

India is the first country in the world to make corporate social responsibility (CSR) mandatory, following an amendment to the Companies Act, 2013 in April 2014. Businesses can invest their profits in areas such as education, poverty, gender equality, and hunger as part of any CSR compliance.

Amid the COVID-19 (coronavirus) outbreak, the Ministry of Corporate Affairs has notified that companies' expenditure to fight the pandemic will be considered valid under CSR activities. Funds may be spent on various activities related to COVID-19 such as promotion of healthcare including preventive healthcare and sanitation, and disaster management.

The Corporate Social Responsibility concept in India is governed by Section 135 of the Companies Act, 2013 and Rules made there under wherein the criteria has been provided for assessing the CSR eligibility of a company, Implementation and Reporting of their CSR Policies. India having the most elaborated CSR mechanism and implementation strategy has started its journey to set a benchmark in attaining sustainability goals and stakeholder activism in nation building.

The CSR ambit is getting bigger and for upcoming years it would turn as a unique knowledge base for analyzing and achieving sustainability goals as among various large economies India is a country which has assured by mandating CSR through its legislative action.

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### **4.2.3 Modus Operandi**

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CSR is the procedure for assessing an organization's impact on society and evaluating their responsibilities. It begins with an assessment of the following aspects of each business:

- Customers;
- Suppliers;
- Environment;
- Communities; and,
- Employees.

The most effective CSR plans ensure that while organizations comply with legislation, their investments also respect the growth and development of marginalized communities and the environment. CSR should also be sustainable – involving activities that an organization can uphold without negatively affecting their business goals.

Organizations in India have been quite sensible in taking up CSR initiatives and integrating them into their business processes.

It has become progressively projected in the Indian corporate setting because organizations have recognized that besides growing their businesses, it is also important to shape responsible and supportable relationships with the community at large.

Companies now have specific departments and teams that develop specific policies, strategies, and goals for their CSR programs and set separate budgets to support them.

Most of the time, these programs are based on well-defined social beliefs or are carefully aligned with the companies' business domain.

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#### **4.2.4 Case Studies**

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##### **Tata Group**

The Tata Group conglomerate in India carries out various CSR projects, most of which are community improvement and poverty alleviation programs. Through self-help groups, it has engaged in women empowerment activities, income generation, rural community development, and other social welfare programs. In the field of education, the Tata Group provides scholarships and endowments for numerous institutions.

The group also engages in healthcare projects, such as the facilitation of child education, immunization, and creation of awareness of AIDS. Other areas include economic empowerment through agriculture programs, environment protection, providing sports scholarships, and infrastructure development, such as hospitals, research centers, educational institutions, sports academy, and cultural centers.



## **Ultratech Cement**

Ultratech Cement, India's biggest cement company is involved in social work across 407 villages in the country aiming to create sustainability and self-reliance. Its CSR activities focus on healthcare and family welfare programs, education, infrastructure, environment, social welfare, and sustainable livelihood.

The company has organized medical camps, immunization programs, sanitization programs, school enrollment, plantation drives, water conservation programs, industrial training, and organic farming programs.

### **Mahindra & Mahindra**

Indian automobile manufacturer Mahindra & Mahindra (M&M) established the K. C. Mahindra Education Trust in 1954, followed by Mahindra Foundation in 1969 with the purpose of promoting education. The company primarily focuses on education programs to assist economically and socially disadvantaged communities.

Its CSR programs invest in scholarships and grants, livelihood training, healthcare for remote areas, water conservation, and disaster relief programs. M&M runs programs such as Nanhi Kali focusing on education for girls, Mahindra Pride Schools for industrial training, and Lifeline Express for healthcare services in remote areas.

**Source** (<https://www.india-briefing.com/news/corporate-social-responsibility-india-5511.html/>)

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## **4.2.5 Questions**

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What are the areas a company may consider for implementation of its CSR policy?

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## **4.2.6 Suggested Readings**

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1. *Managing Public Relations* by James Gruing and Todd Hunt, Holt, Rinehart and Winston, New York, 1997
2. *Public Relations Today* by Subir Ghosh, Rupa & Co, Kolkata, 2001.
3. *Online Public Relations* by David Philips, Kogan Page, (IPR), London, 2001

4. *Planning and Managing Public Relations Campaigns* by Anne Gregory, IPR, London, Kogan Page, 2000.
5. *Experts In Action* by Bill Cantor, Longman, New York, 1992.
6. *The Management of Public Relations* by Robert D. Ross, John Wiley & Sons, New York, 1995
7. *The Practice of Public Relations*, edited by Sam Black, Butterworth Heinemann, 1995
8. *Public Relations: An Introduction* by Shirley Harrison, Routledge, London, 1995
9. *All about Public Relations* by Roger Haywood, McGraw Hill, New York, 1991
10. *Modern Public Relations* by John Marston, McGraw Hill, New York, 1979

# Module - 4 : Corporate Social Responsibility

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## Unit - 3 Legalities of CSR

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### 4.3.0 Structure

### 4.3.1 Learning Objective

### 4.3.2 Legalities of CSR

### 4.3.3 Questions

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### 4.3.1 Learning Objective

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The unit introduces the students to the legalities of corporate social responsibility in present times.

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### 4.3.2 Legalities of CSR

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The importance of inclusive growth is widely recognized as an essential part of India's quest for development. It reiterates our firm commitment to include those sections of the society in the growth process, which had hitherto remained excluded from the mainstream of development. In line with this national endeavor, Corporate Social Responsibility (CSR) was conceived as an instrument for integrating social, environmental and human development concerns in the entire value chain of corporate business. Ministry of Corporate Affairs had issued 'Voluntary Guidelines on Corporate Social Responsibility, 2009' as a first step towards mainstreaming the concept of Business Responsibilities. This was further refined subsequently, as 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, 2011'.

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs (MCA) in July 2011, is essentially a set of nine principles that offer Indian businesses an understanding and approach to inculcate responsible business conduct. These nine principles are:

- i. conduct and govern themselves with ethics, transparency and accountability.
- ii. provide goods and services that are safe and that contribute to sustainability throughout their life cycle.

- iii. promote the well-being of all employees.
- iv. respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- v. respect and promote human rights.
- vi. protect and make efforts to restore the environment.
- vii. when engaged in influencing public and regulatory policy, they should do so in a responsible manner
- viii. **support inclusive growth and equitable development**
- ix. engage with and provide value to their customers and consumers in a responsible manner.

These guidelines not being prescriptive in nature, nevertheless seek to guide Indian businesses to take into account Indian social and business realities and the global trends, while promoting their businesses.

Principle (viii) of the NVGs on ‘inclusive growth and equitable development’ focuses on encouraging business action on national development priorities, including community development initiatives and strategic CSR based on the shared value concept. This principle of NVG was subsequently translated into a mandatory provision of Corporate Social Responsibility (CSR) in Section 135 of the Companies Act 2013.

The 21st Report of the Parliamentary Standing Committee on Finance is one of the prime movers for bringing the CSR provisions within the statute. It was observed by the Standing Committee, that annual statutory disclosures on CSR required to be made by the companies under the Act would be a sufficient check on non-compliance. Section 135(4) of the Companies Act 2013 mandates every company qualifying under Section 135(1) to make a statutory disclosure of CSR in its Annual Report of the Board. Rule 9 of the Companies (Corporate Social Responsibility Policy), Rules, 2014 prescribes the format in which such disclosure is to be made.

### **Corporate Social Responsibility**

- (1) Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

- (2) The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.
- (3) The Corporate Social Responsibility Committee shall,—
- (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
  - (b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
  - (c) monitor the Corporate Social Responsibility Policy of the company from time to time.
- (4) The Board of every company referred to in sub-section (1) shall,—
- (a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed; and
  - (b) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.
- (5) The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy: Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities: Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.

*Explanation.*—For the purposes of this section “average net profit” shall be calculated in accordance with the provisions of section 198.

### **Financial statement, Board's report, etc**

- (1) The financial statement, including consolidated financial statement, if any, shall be approved by the Board of Directors before they are signed on behalf of the Board at least by the chairperson of the company where he is authorised by the Board or by

two directors out of which one shall be managing director and the Chief Executive Officer, if he is a director in the company, the Chief Financial Officer and the company secretary of the company, wherever they are appointed, or in the case of a One Person Company, only by one director, for submission to the auditor for his report thereon.

- (2) The auditors' report shall be attached to every financial statement.
- (3) There shall be attached to statements laid before a company in general meeting, a report by its Board of Directors, which shall include—
  - (a) the extract of the annual return as provided under sub-section (3) of section 92;
  - (b) number of meetings of the Board;
  - (c) Directors' Responsibility Statement;
  - (d) a statement on declaration given by independent directors under sub-section
  - (6) of section 149;
  - (e) in case of a company covered under sub-section (1) of section 178, company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178;
  - (f) explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made—
    - (i) by the auditor in his report; and
    - (ii) by the company secretary in practice in his secretarial audit report;
  - (g) particulars of loans, guarantees or investments under section 186;
  - (h) particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form;
  - (i) the state of the company's affairs;
  - (j) the amounts, if any, which it proposes to carry to any reserves;
  - (k) the amount, if any, which it recommends should be paid by way of dividend;
  - (l) material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;

- (m) the conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed;
  - (n) a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company;
  - (o) the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year;
  - (p) in case of a listed company and every other public company having such paid-up share capital as may be prescribed, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors;
  - (q) such other matters as may be prescribed.
- (4) The report of the Board of Directors to be attached to the financial statement under this section shall, in case of a One Person Company, mean a report containing explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made by the auditor in his report.
- (5) The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) shall state that—
- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
  - (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
  - (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
  - (d) the directors had prepared the annual accounts on a going concern basis; and
  - (e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

*Explanation.*—For the purposes of this clause, the term “internal financial controls” means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information;

- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- (6) The Board’s report and any annexures thereto under sub-section (3) shall be signed by its chairperson of the company if he is authorised by the Board and where he is not so authorised, shall be signed by at least two directors, one of whom shall be a managing director, or by the director where there is one director.
- (7) A signed copy of every financial statement, including consolidated financial statement, if any, shall be issued, circulated or published along with a copy each of—
  - (a) any notes annexed to or forming part of such financial statement;
  - (b) the auditor’s report; and
  - (c) the Board’s report referred to in sub-section (3).
- (8) If a company contravenes the provisions of this section, the company shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to twenty-five lakh rupees and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees, or with both.

The Companies Act, 2013, a successor to The Companies Act, 1956, made CSR a compulsory act. Under the notification dated 27.2.2014, under Section 135 of the new act, CSR is compulsory for all companies- government or private or otherwise, provided they meet any one or more of the following fiscal criterions[9]:

- The net worth of the company should be Rupees 500 crores or more
- The annual turnover of the company should be Rupees 1000 crores or more
- Annual net profits of the company should be at least Rupees 5 crores.



If the company meets any one of the three fiscal conditions as stated above, they are required to create a committee to enforce its CSR mandate, with at least 3 directors, one of whom should be an independent director[10].

The responsibilities of the above-mentioned committee will be[11]:

- Creation of an elaborate policy to implement its legally mandated CSR activities. CSR acts should conform to Schedule VII of the Companies Act, 2013.
- The committee will allocate and audit the money for different CSR purposes.
- It will be responsible for overseeing the execution of different CSR activities.
- The committee will issue an annual report on the various CSR activities undertaken.
- CSR policies should be placed on the company's official website, in the form and format approved by the committee.
- The board of directors is bound to accept and follow any CSR related suggestion put up by the aforementioned committee.
- The aforementioned committee must regularly assess the net profits earned by the company and ensure that at least 2 percent of the same is spent on CSR related activities.
- The committee must ensure that local issues and regions are looked into first as part of CSR activities.

Source- (<https://blog.ipleaders.in/csr-laws-india/>)

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### 4.3.3 Questions

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1. What do you understand by the legal aspects of Corporate Social Responsibility?

# Module - 4 : Corporate Social Responsibility

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## Unit - 4 □ Best Practices in CSR : Case Studies

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### 4.4.0 Structure

#### 4.4.1 Learning Objectives

#### 4.4.2 Best Practices in CSR

#### 4.4.3 Case Studies

#### 4.4.4 Questions

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### 4.4.1 Learning Objectives

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The unit introduces the students to the case studies of corporate social responsibility in India.

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### 4.4.2 Best Practices in CSR

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Satyam Foundation of Satyam Computer Services Ltd., Infosys Foundation of Infosys Technologies Ltd., GE foundation of the General Electric Company, to name but a few, stand as a testimony of the philanthropic commitment of the corporate sector in India. They have taken a keen interest in corporate activism to improve healthcare, education and living conditions, and reduce poverty. These foundations support numerous government primary schools and have developed processes and methodologies for effective change. They support hundreds of non-governmental organizations and have built orphanages, hospitals, and schools. Irrespective of the profits they are making, these foundations are instrumental in funding health and educational facilities. Besides they are aiming at uplifting of the poor and enhancing the standard of life in the rural sector.

The Tata group has involved all its companies in some social initiative or the other. Their diverse approach towards corporate social responsibility is designed to meet the needs of environment as well as of the community. They believe in making an individual self-reliant rather than offering mere monetary assistance. Their offers of scholarships to meritorious students have encouraged and created a relief committee to deal with eventualities. In addition, there are special programmes for the welfare of women, rehabilitation projects, etc.

Infosys Foundation of Infosys Technologies Ltd. has done exceptional philanthropic work by providing shelter and assistance to destitute children and building libraries and science centers in several government schools run in remote areas. They are also providing financial assistance to artisans and their families in their endeavor to sustain and revive the disappearing art forms and the ethnic culture of rural India.

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### **4.4.3 Case Studies**

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#### **Tata Group**

The Tata Group conglomerate in India carries out various CSR projects, most of which are community improvement and poverty alleviation programs. Through self-help groups, it has engaged in women empowerment activities, income generation, rural community development, and other social welfare programs. In the field of education, the Tata Group provides scholarships and endowments for numerous institutions.

The group also engages in healthcare projects, such as the facilitation of child education, immunization, and creation of awareness of AIDS. Other areas include economic empowerment through agriculture programs, environment protection, providing sports scholarships, and infrastructure development, such as hospitals, research centers, educational institutions, sports academy, and cultural centers.

#### **Ultratech Cement**

Ultratech Cement, India's biggest cement company is involved in social work across 407 villages in the country aiming to create sustainability and self-reliance. Its CSR activities focus on healthcare and family welfare programs, education, infrastructure, environment, social welfare, and sustainable livelihood.

The company has organized medical camps, immunization programs, sanitization programs, school enrollment, plantation drives, water conservation programs, industrial training, and organic farming programs.

#### **Mahindra & Mahindra**

Indian automobile manufacturer Mahindra & Mahindra (M&M) established the K. C. Mahindra Education Trust in 1954, followed by Mahindra Foundation in 1969 with the purpose of promoting education. The company primarily focuses on education programs to assist economically and socially disadvantaged communities.

Its CSR programs invest in scholarships and grants, livelihood training, healthcare for remote areas, water conservation, and disaster relief programs. M&M runs programs such as Nanhi Kali focusing on education for girls, Mahindra Pride Schools for industrial training, and Lifeline Express for healthcare services in remote areas.

**Source**(<https://www.india-briefing.com/news/corporate-social-responsibility-india-5511.html/>)

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#### **4.4.4 Questions**

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- Evaluate a few case studies on Corporate Social Responsibility.