



PRécis

A journal of the Public Relations Society of India, Chennai (for private circulation only)

April 2010

CSR must be a long-term initiative, says AYUSH secy

Corporate social responsibility is a must and must be dynamic so that it can change with time and prevailing social conditions, says Dr S.K. Panda, joint secretary, Department of AYUSH, Ministry of Health. CSR is emerging as a long-term empowerment-based imperative; it is not a short-term charity, he points out.

Corporate social responsibility (CSR) is yet to gain roots in India, according to Dr S.K. Panda, joint secretary, Department of AYUSH, Ministry of Health. Dr Panda, who is the author of the book, *CSR in India Past, Present and Future*, was addressing members of the Public Relations Society of India, Chennai Chapter, on Mahatma Gandhi's

martyrdom day, on the topic: 'PR role now extends to CSR too'.

"Today's market does not recognise CSR... but it will come, it is an evolving process. Take the example of quality - today we go by the brand name and the reputation, unlike years ago when we purchased what was offered. In the Indian context, which is an evolving society, we will choose, as far as investment is concerned, the corporate that is socially responsible," said Dr Panda, adding, "CSR is driven by the person at the top. A deputy manager driving CSR may not work. How the corporate takes the employees along is left to itself. There are lots of examples like the Tatas who have taken all the stakeholders with them."

Dr Panda stressed it was for the government to care since it had the major responsibility. "But in a democratic country it is slow, because of larger issues that are beyond our



Dr Panda (left) and T.T. Ashok in discussion.

control. The solution does not lie in India not being a democracy. There are constraints. The success of democracy lies in civil society. The more civil society gets active, the more democracy gets into order." He was for companies planning business processes, making profit and then focusing on CSR.

Outlining the Indian scenario, Dr Panda said literacy, public awareness, Panchayati Raj, and print and electronic media had together raised high expectations, leading to frustration, anger and violence. There were market limitations in ensuring growth with equity, he said, pointing out that poverty alleviation was slow while relative deprivation was widening.

The question Dr Panda asked the audience was: Who will do it? Is there a Constitutional provision? Can business afford to remain a mute spectator? "CSR is a must and must be dynamic, so that it can change with time and prevailing social conditions.



Florence Macdonald has a question for Dr Panda.



T.T. Ashok releases Dr Panda's book and presents a copy to Suganthy Sundararaj.

It is emerging as a long-term empowerment-based imperative; it is not a short-term charity," he said, adding that commitment and involvement on a long-term basis were vital.

According to Dr Panda, CSR has been making a difference in the lives of people in health, nutrition, education and sanitation. He referred to the examples of the Akshay Patra Foundation and initiatives by Biocon, Lifeline Foundation, Axis Bank and L&T Foundation.



A student presents a bouquet to Dr Sundari as a token of appreciation for the latter's work in PR.

Dr Panda also dwelt on the paradigm shift in modern business that laid emphasis on the 'triple bottom line' approach and called on PR practitioners to view CSR as a means towards attaining long-term empowerment of organisations. He added that the key to optimisation of CSR goals was adopting a synergy of action where government, corporates and civil society converged to "encourage and facilitate".

Earlier, in a packed hall made up of

many PR students from Stella Maris College, T.T. Ashok, managing director, Taylor Rubber, who is chairman, CSR Sub-committee, Confederation of Indian Industry (Southern Region), and member, National Council, CII, released Dr Panda's book. Ashok has been elected deputy chairman, CII (Southern Region) for 2010-11. Former PRSI, Chennai Chapter chairman V.S. Ramana, active in CII's CSR programmes, spoke about Ashok's passion and commitment to CSR, the recent initiative, e-LAWN, which had ably taken off under Ashok's leadership in Chennai, Madurai, Coimbatore and Tuticorin. For Ashok, it was yet another occasion to connect with friends at PRSI, Chennai.

Dr Panda, a postgraduate in chemistry and a PhD in Economics, a topper all through his academic innings, joined the Indian Forest Service in 1976. Later, he joined the Manipur-Tripura cadre of the Indian Administrative Service.



Mariam Andrews presents a memento to Ved Prakash of ICFAI - publisher of CSR in India - Past, Present and Future.



V.S. Ramana speaks about T.T.Ashok's commitment on CSR.



Era. Raju Arumugam presents Dr Panda a memento as R.K. Dharan looks on.

Sr ITC officer urges companies to aim for sustainable, inclusive growth

The PR challenge, according to Nazeeb Arif, vice-president, Corporate Communications, ITC, is to embed sustainable, innovative practices that create value for the customer and shareholder, and also to create livelihoods. Arif cites poverty and income inequities, diminishing environmental resources and lack of sustainable practices as chief reasons for the malaise affecting India.

It was in 1975 that Sister Irene Mathias invited Gyan Haksar, M. Gopalakrishnan and R.K. Baratan to establish the Department of PR in Stella Maris College, Chennai. Backed by the University of Madras, the three stalwarts gave the PR department in the college a definite shape. The initiative marked a pioneering industry-college-university collaboration. Over the years, the college's PR Department has provided students a platform to share talent and skills.

The memorial lecture in honour of Haksar and Gopalakrishnan at the St Clare Centre in Stella Maris began

with a prayer and the lighting of the *kuthuvilakku*. Welcoming the gathering, Sister Jasintha Quadras, principal of the college, said that everything that was done or said was PR. "Best practice by an individual, company or organisation is not only laudable, it is the need of the hour. Any practice that is the best has to be pursued daily and continuously for it benefits not only the individual or the organisation but also creates a lasting impact on society."

Nazeeb Arif, vice-president, Corporate Communications, ITC, the chief guest for the evening, quipped about feeling terrified walking into a girls' college and the principal's office and meeting people who were very knowledgeable. Paying tribute to Haksar and Gopalakrishnan, Arif said it was because of their tireless efforts that there was a future for youngsters in PR today.

Dwelling on 'Best practices in PR', Arif said PR practitioners in India wielded enormous power. He stressed how important it was to get new ideas, stand for what you believed in, break rigid mindsets and inspire leadership. The challenge, he said, was to embed



Nazeeb Arif cuts the ribbon to inaugurate the exhibition as Dr Sr Jasintha Quadras and others wait to applaud.

sustainable practices, especially since the rules of the game had changed completely.

Speaking about "new threats" that impeded development, Arif referred to 27 million losing jobs in 2009 worldwide and millions of others in dire straits. The recession was only the tip of the problem; there were much larger issues that needed addressing. For example, in the case of household assets, the bottom 50 per cent of the population owned only one per cent of the equity. The country was home to one-third of the world's poor; there were more than 400 million people who lived in poverty, 200 million of them suffered from acute hunger, he said.

"We have all become insecure. The problem is when it starts impacting you. There is social unrest across the country. We've had fellow managers lynched; poor people do desperate acts. Half the people who are young are in situations like this; there are millions on the streets. We believe business cannot succeed in societies that fail. For 300 million who are doing well, there are 300 million living on the edge," explained Arif. He cited poverty and income inequities, diminishing



Nazeeb Arif receives a warm welcome at Stella Maris College from students and PRSI members.



Nazeeb Arif lights the kuthuvilakku.

environmental resources and lack of sustainable practices (leading to degradation of environment) as chief reasons for the malaise.

How can an organisation create value? Providing the ITC example, Arif spoke about creating value for the customer, and creating livelihoods and shareholder value through innovative practices that are embedded in business strategies. “Ten years ago, we almost closed down our paper business. There was no pulp; we could import but didn't. We conducted research and planted saplings on wasteland. We created huge nurseries and a green cover over one lakh hectares with 125 varieties (of flora). Because of the way we do business we provided employment - more than 46 million person days of employment. We worked towards zero-effluence in our plants in Bhadrachalam, eight years ahead of legislation. Our e-choupals are part of a case study conducted by the Harvard Business School.”

According to Arif, 60 per cent of villages in India have a population of less than 1,000 and do not fall in the top rung of villages. A large part of the farmer's income is spent on fertilisers. “To ensure that fertilisers are not used unnecessarily, we provide farmers information about prices so that they can decide

when to sell. Unless they see things happening, they don't believe in growing paddy and vegetables like capsicum. Our whole effort is aimed at increasing the size of the farmer's wallet. There is no written contract with farmers to bind them down. When the farmer speaks to his community it means much more than a contract. So, why can't the poor farmer also have the choice and convenience of retail?”

Giving the example of a village in Rajasthan where women have to trek three or four kilometres to fetch water, and ITC's initiative in building check dams and bringing water bodies closer to homes, Arif said the next world war could be fought over water resources. “Our costs are actually one-fifth when we do things like this. And then there is satisfaction as well. We must be able to convince others that a lot more of this can be done.”

Arif highlighted other ITC initiatives the choupal sagar that brought many farmers together and had ATMs as well as petrol stations; women in Bihar producing agarbattis, gaining empowerment and helping community development; construction of 'green buildings'; and consciously opting for renewable energy. He spoke of how Chirala in Andhra Pradesh seemed to be stuck in a time warp the India of the 1920s.

“There is enormous power in your choice of companies that are sustainable



The chief guest and PRSI members view the exhibits.

and that have a conscience. If civil society exercises preference, things can change and be sustainable in the future. Let us opt for growth that is sustainable, inclusive. Let's put India first.”

Also present at the function were Sister Colleen North, vice-principal, Stella Maris, and Chandrika Raman, assistant general manager-CSR, Murugappa Group.



A student has a question for Arif.



Students of Stella Maris mark the beginning of the memorial lecture with a prayer song.

PR can add great credibility to advertisement campaigns

S. Narasimhan, senior partner, RK Swamy BBDO, makes a connection between brand-building and PR. For most companies, PR is often the last item on the brand-building agenda, he says, adding that the PR function deserves time and effort. PR is sometimes considered a sort of free service. There has to be a fee for thinking, intelligence and research, he says and points out that PR can play a strategic role in brand-building and add tremendous credibility to campaigns.

Why is PR poorly understood by brand managers? Is there a need to bridge the gap between PR and advertising? Providing an ad man's perception of PR, S. Narasimhan, senior partner, RK Swamy BBDO, Chennai, a trainer on brands and an avid fan of Formula 1 racing, told PRSI members that often PR was an unpredictable commodity and very few practitioners

really got the formula right. "Is PR the objective of brand-building or is it the other way around?" Narasimhan asked the audience.

Providing examples of iconic and powerful brands such as Apple and Google and entrepreneurs like Steve Jobs for whom the "media waits with bated breath for the launch of an Apple product", Narasimhan said such brands had great credibility. "When media engages with brands it makes for good PR. Good PR is a prized objective. Did the media cover the brand? Did the brand get (adequate) column space? Clients want buzz in the market place."

Talking about perception in the media, Narasimhan provided the example of Air India. Although the carrier had in recent times got new aircraft, trained airhostesses and upgraded the quality of food, the company often received flak from the media. "It is in the media's mind," he said. Narasimhan gave the example of Nike shoes being produced in dingy factories in Vietnam and when the story that got around showed an image of an iconic brand not being fair to people, the company was hauled over the coals.



S. Narasimhan makes his presentation.

"Good brands attract loyal customers. But PR is a double-edged sword. The larger the brand, greater the damage. In today's age of Facebook and Twitter, news spreads like wildfire. What happens in China lands on my desktop the next day. Customers are more watchful and cynical. We do not do PR as a brand-building strategy, do not take a strategic view of PR. PR must be handled with care," cautioned Narasimhan.

Narasimhan listed out the misconceptions brand managers and stakeholders make. The first misconception, according to him, is that PR manages the media to get good coverage. "It is really moulding public opinion. We are obsessed with what the media is going to say rather than create goodwill. Is it just to get some press coverage? Yes, it is a fact. Managers do not think of the impact of coverage on the stakeholders," he said.

The second misconception: PR is all about press releases and press conferences. "There is no PR calendar. Little effort is made to create excitement; we just give out factual stuff. Do we pre-test press releases? Media is a consumer. If you do not excite that human being... why do we spend so much money and



Suganthi and Narasimhan have a word before start of the programme, while Dharan is all ears



Daniel, Jaffer Ali, Sethuraman and Ramana, part of the audience.

time over an ad?" Narasimhan wondered.

The third: PR has poor strategic capabilities. This, Narasimhan said, was because the right questions were not asked of clients. Often, the media contacts an agency; the column centimetres generated is all that matters. But the message conveyed nobody bothers. "What tools do you have to measure results or ensure results are achieved? Often, a day before launch, PR planning does not get the time and effort an advertisement gets. You meet the PR agency only before a launch; it's the last item on the brand agenda," he said.

And the fourth misconception: PR is free, so why pay for the service? Narasimhan's response: "If you want to get high-quality personnel, unless clients are willing to pay for strategic service, you can't. There has to be a fee for thinking, intelligence and research, not just execution." He mentioned Infosys as never having advertised but one of the very few companies in India to have strategically engaged with the media over ten years, making for quite an amazing story.

demonstrate they can live up to their values. We expect brands to have a purpose vision, to be rooted in values. A bad story destroys a brand's foundation. When we create brands, we give them a life, a voice. A brand stands for something. Today, brand-building is really about making connections with consumers, and the purpose is to innovate to make people happy. It's all about having a view of the world. People buy brands that provide aspiration. Brands energise."

Use brands to communicate a much larger message, Narasimhan exhorted the audience. "PR can play a strategic role in brand-building. We can add tremendous credibility to campaigns. The media has to convey a message that is overall consistent with brand strategy." He went on to list some of the fundamentals:



Narasimhan and RK Dharan share a light moment.



Vijay Xavier, Varalakshmi and K. Mayura have something to smile about.

How do you differentiate between brands, asked Narasimhan. "Only five out of 200 brands really make it in the market place. Brands today have more than just a commercial purpose. Brands espouse happiness, peace of mind and trust, and instill values. Brands must

- Be visible
- Take media seriously
- Be distinctive
- Talk about the larger purpose
- Deliver on promises
- Be transparent
- Disclose timely information
- Don't let media catch up
- Reveal the truth
- Don't manipulate media
- There has to be a basic honesty in the relationship
- Be credible
- Do not give any spin