

## CORPORATE RESPONSIBILITY AND THE MEDIA



twitter

facebook

By

David Grayson CBE

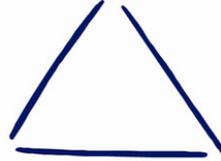
Doughty Centre for Corporate Responsibility  
Cranfield School of Management, UK

Co published with  
Centrum für Corporate Citizenship Deutschland



CCCD  
Centrum für Corporate Citizenship  
Deutschland

Doughty Centre



Corporate Responsibility

*Cranfield*  
UNIVERSITY  
School of Management

**If you would like to receive brief, termly updates on developments in the Doughty Centre please go to [www.doughtycentre.info](http://www.doughtycentre.info) to register.**

Doughty Centre



Corporate Responsibility

## **VISION**

Sustainability and Responsibility at the heart of successful management.

## **MISSION**

To inspire future and current managers with the passion for, and to equip them with the skills and outlook to, put sustainability and responsibility at the heart of successful organisations.

The Centre has been made possible by a personal donation of £3m from Nigel Doughty - one of the Cranfield alumni. Over the next five years we aim to establish a leading European Centre for the research, teaching and practice of all aspects of Responsible Business.

## **VALUES:**

- Be collaborative
- Be cutting-edge
- Be candid
- Be passionate
- Be integrating
- Be entrepreneurial

### **FOREWORD**

I'm delighted that David Grayson invited me to write the foreword to this excellent and timely paper on the media and corporate responsibility.

There is very often a conspiracy of silence within the media on their own ethics. This debate is particularly relevant, given the Guardian's current public investigation of ethics at the News of the World, and the Daily Telegraph's recent chequebook journalism revelations about the excessive expenses of British Members of Parliament.

Reading the corporate responsibility reports of big media companies around the globe, 'Sustainability' means community, diversity, disability access and environmental impacts. There's some occasional focus on encouraging media literacy, green programming or editorial coverage, but not much that's meaningful, or revolutionary. Right now, sustainability reporting in the media largely does not cover transparency, public accountability, allowing critical voices space, confessing to errors publicly and apologising for mistakes.

Almost all the big media companies produce some sort of material related to their impact on society. But currently the quality, as in other sectors, varies hugely. Some, like Guardian News and Media, Reuters, Reed Elsevier and Pearson, are making progress. Others, such as the New York Times and Trinity Mirror, are extremely weak.

### **Why does the media sector lag behind?**

So why is the media sector so poor at reporting on non-financial performance? Firstly, there's a lack of pressure on them to report. Who holds these 'watchdogs' accountable? The NGOs usually have bigger, more environmentally polluting or egregious, fish to fry. The big campaign groups hesitate to annoy the big newspapers, television and radio stations. The last thing non-governmental activists want to do is alienate the very conduits for their campaigns that the big corporate targets take notice of.

The accountability deficit extends to politics too. Politicians either don't grasp how the media works, or more importantly have no desire to make more enemies in the press than they already have. In developed nations, media freedom to do more or less as it wishes is protected by instant cries against censorship and freedom of speech. In the UK, the Press Complaints Commission (PCC) is derided as toothless. Commentators worry aloud that the rich and powerful now seek redress immediately through the courts, rather than via voluntary groups such as the PCC. This lack of both interest and action on media responsibility is at a time when the decline of quality news and investigative reporting is becoming ever more widespread.

The rise "Churnalism", quick, cheap, unchecked news, is slowly more obvious as profit-hungry media firms look to cut costs, and corners. A detailed analysis of this trend is contained in the recent book "Flat Earth News", by the Guardian's Nick Davies.

### **Media transparency and trust**

In February this year the UK charity the Media Standards Trust (MST) published a worrying report, "A More Accountable Press". The MST's report says that only 7% of the public say they trust national newspapers to behave responsibly. According to YouGov, who carried out the research, 75% of those surveyed thought that "...newspapers frequently publish stories they know are inaccurate".

For many media firms it's obvious that their current corporate responsibility focus on environment, diversity, health and safety and community – as 'Sustainability' – is too narrow and short sighted. Real sustainability links economic, human and environmental impacts into business. To put it another way: growth and survival strategy. For the media sector, getting these right in concert can help deliver them that holy grail of responsible business: lasting trust. And it is how much trust we have in the media that will determine which firms survive and prosper, and which fail, in the current business turmoil media businesses find themselves floundering in. Let us hope that media company executives will take note of the suggestions made in this important new paper from the Doughty Centre.

### **Toby Webb**

July 2009

Toby Webb is founder and managing director of Ethical Corporation. Ethical Corporation is an independent business intelligence, publishing and networking company founded in 2001.

For more information, and a free weekly e-update, take a look at: [www.EthicalCorp.com](http://www.EthicalCorp.com) or call us on +44 (0) 207 375 7575.

**CONTENTS**

	Page
EXECUTIVE SUMMARY	1
INTRODUCTION	3
HOW IS MEDIA CURRENTLY TREATING CR AND HOW MIGHT IT COVER CR IN FUTURE?	5
THE MEDIA'S OWN CORPORATE RESPONSIBILITIES?	14
WHAT IS THE IMPACT OF THE NEW MEDIA?	19
CORPORATE RESPONSIBILITIES OF THE NEW MEDIA	24
ACTION TO IMPROVE: THE ROLE OF COMPANIES AND CR COALITIONS	26
CONCLUSION	29
ACKNOWLEDGEMENTS	31
ABOUT THE AUTHOR	31
REFERENCES	32

## EXECUTIVE SUMMARY

In 2001 the EU defined Corporate Responsibility (CR) as: "A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis."<sup>i</sup> A responsible business is one that has built-in to its purpose and strategy a commitment to deliver sustainable value to society at large, as well as to shareholders, and has open and transparent business practices that are based on ethical values and respect for employees, communities and the environment.

This paper discusses how CR is covered in the media *and* the media's own corporate responsibilities, covering both traditional and new media.

- Traditional media includes news services (wires), film, print and broadcast channels
- New media includes the Internet and mobile phones, the emergent blogosphere and so-named 'citizen journalism'

Media coverage of CR has increased in recent years but much of this does not explicitly refer to the concept of CR – and nor should it in the business-to-consumer (B2C) media.

The quality of media coverage is variable. How CR topics are discussed differ between the business and management media, and the general media.

Care must be taken to differentiate between legitimate aspirations for higher quantity and quality of coverage versus self-serving, and ultimately unrealistic, pleas for unquestioning and uncritical stories about business activities.

Whilst some have criticised limited or negative coverage of CR in the media as reflecting media hostility or ignorance about business, a more balanced and sophisticated assessment might suggest that both business and the media have to work harder to find ways to explain responsible business and corporate sustainability issues that resonate and are relevant to readers – and crucially that involve more segmentation of messages and media / audiences.

Serious journalists are far more sympathetic to companies who openly describe their CR challenges and failures, and how they are trying to tackle these, than to companies that expect uncritical reproduction of corporate press releases.

Media companies, as businesses themselves, should behave responsibly. Like any other business in any other sector, they need to understand their most material and significant environmental, social and governance impacts and issues; and seek to minimise negative environmental and social impacts, and maximise positive impacts. Key CR issues for media businesses include transparent and responsible editorial policies, impartial and balanced output, freedom of expression, media literacy and the 'digital divide'.

Across the world there has been an increase of new media such as blogs, RSS Feeds, Google Books, podcasts, videocasts, online video (Youtube, blimptv, etc.) social networks, search engines, affiliate programmes, word of mouth, viral marketing, second life, online games, virtual trade shows, online communities, ebooks, etc. In practice, boundaries are blurred between traditional and new media. Newspapers and broadcasts have websites, and journalists blog – traditional media increasingly creates material originating in the new media.

The increase of new media is dramatically increasing pressure for greater accountability and transparency, and for making more information available faster.

There are, however, specific CR issues relevant to new media, such as privacy, accuracy and accessibility in terms both of freedom of information in some parts of the world and conversely protection for vulnerable groups from accessing certain websites and certain information (such as children not being able to access pornography websites).

Global media will continue to evolve rapidly and potentially in unexpected ways. It is 'a given' that companies and promoters of CR will need to be more proactive in articulating the purpose of business, the impacts of responsible business and how individual businesses are seeking to minimise negative environmental and social impacts.

**INTRODUCTION**

Business plays a major role in modern society. How business behaves, how it is run and how it interacts with other parts of society are crucial questions. The late Claude-Jean Bertrand, Professor Emeritus at the French Institute of the Press, once wrote:

“There can be no democracy without well-informed citizens. There can be no informed citizens without quality news media.”<sup>iii</sup>

Similarly, intelligent debate about the roles and responsibilities of business requires serious media coverage of these issues. The media, of course, are in an ambiguous position: they report on business but they are also businesses themselves. Media businesses have a profound impact on markets and societies through their ability to inform, educate, influence and entertain; and through their own content and the advertising they carry, they have a pervasive influence on global patterns of consumption. *As such they are critical to whether the planet achieves sustainable development.*

This paper covers four main points:

1. How is the media currently treating CR and how might it cover CR in future?
2. What are the media's own corporate responsibilities?
3. What is the impact of new media in terms of reporting CR?
4. What are the corporate responsibilities of new media?

**Figure 1: CR and the media**

	<b>Corporate responsibility <u>in</u></b>	<b>Corporate responsibility <u>of</u></b>
<b>Traditional media</b>	<ul style="list-style-type: none"> <li>• What counts as coverage: ‘CR’ as term or issues?</li> <li>• What is meant by more coverage: uncritical reporting or serious discussion?</li> <li>• What obstacles to serious coverage and how overcome?</li> </ul>	<ul style="list-style-type: none"> <li>• Fairness, accuracy, access</li> <li>• Taste and decency and balancing competing responsibilities in multi-cultural world.</li> <li>• Who reports on CR of media businesses, especially when concentration of media ownership.</li> </ul>
<b>New media</b>	<ul style="list-style-type: none"> <li>• Consequences of ‘new media’ revolution.</li> <li>• ‘Citizen journalism’ and fewer resources for traditional investigative journalism.</li> <li>• Understanding how to use new media.</li> </ul>	<ul style="list-style-type: none"> <li>• Who polices ethics of new media?</li> <li>• Reconciling divergent national laws for internet businesses which by definition cross national borders.</li> <li>• Controlling access for vulnerable groups / Digital Divide.</li> </ul>

This paper concludes with comments on the responsibilities and roles of companies themselves and CR intermediaries, such as CCCD in Germany, for how the media covers CR.

### **Preliminary observations**

First, clarification on what I mean by 'Corporate Responsibility'.

In 2001 the EU defined CR as: "A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis."<sup>ii</sup> A responsible business is one that has built-in to its purpose and strategy a commitment to deliver sustainable value to society at large, as well as to shareholders, and has open and transparent business practices that are based on ethical values and respect for employees, communities, and the environment.

I understand CR, or 'Responsible Business', to mean that business is seeking to minimise its negative environmental and social impacts and to maximise its positive impacts. It seeks to balance stakeholder interests so that the business is run for the benefit of Profit, People and Planet.

My co-author Adrian Hodges (International Business Leaders Forum) and I argued in our 2004 book *Corporate Social Opportunity*<sup>iii</sup> that whatever the size of the business, CR must not be a bolt-on to business operations but be built-in to its business purpose and strategy. We also argued that businesses should not just think of how this commitment can reduce risks, but also how a genuine commitment to 'Responsible Business' can be a source of creativity and innovation. In short: Corporate Social Opportunity from Corporate Social Responsibility!

Corporate social opportunity is both a corporate mindset and specific products and services. I define corporate social opportunities as commercially attractive activities that also advance environmental and / or social sustainability, identifying three types of such opportunities:

- new products and services
- serving new or under-served markets, and
- the development of new business models in R&D, financing, marketing and distribution – typically involving partnerships with community organisations, campaigning non-governmental groups, or even the public sector.

UK fruit smoothies company Innocent Drinks, which has made its commitment to sustainability integral to its brand identity and values, is a

good example of a corporate social opportunity mindset. Other specific examples of corporate social opportunities have increased substantially since we wrote *Corporate Social Opportunity*. These include:

- GE's Ecomagination range of green products
- Mexican cement maker Cemex's Patrimonio Hoy initiative, which developed an innovative and profitable solution to low-income housing in Latin America
- Accenture Development Partnerships, which provides consultancy to international development NGOs
- BT's marketing of its own Internet-based environment management system

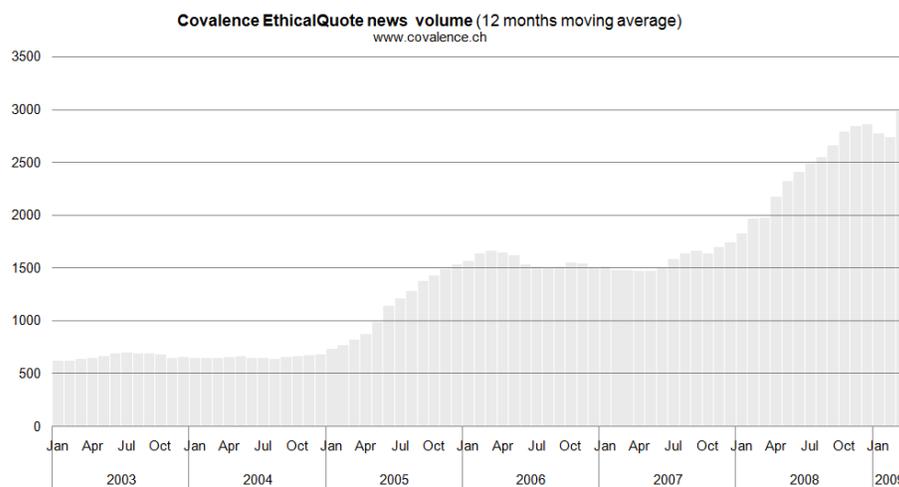
Recent reports from global consulting firms and investment banks have confirmed the potential for profitable products and services that also address sustainability and CR. For example, Goldman Sachs's SUSTAIN report (2007) analysed, sector by sector, the businesses which the bank's investment analysts believed were well-placed to exploit their sustainability advantage over laggards in the sector.<sup>iv</sup>

### **HOW IS THE MEDIA CURRENTLY TREATING CR AND HOW MIGHT IT COVER CR IN FUTURE?**

In the 2002 report *Good News and Bad – The Media, Corporate Social Responsibility and Sustainable Development* the think-tank and consultancy SustainAbility noted that:

“Anyone who compares coverage of CSR and Sustainable Development issues today with the level of coverage a decade or two ago can only conclude that there has been enormous progress.”<sup>v</sup>

Seven years later, that observation applies even more. The crude statistics do suggest rising coverage – although it is unclear how many of these references are news items from corporate and brand PR or special supplements paid for by corporate advertising.



---

Source: Covalence, Switzerland.<sup>vi</sup>

My own anecdotal experience also bears this out. I am regularly interviewed by journalists around the world about CR and have noticed a steady increase in queries over the past few years. They are generally on the ball and asking searching questions.

### What counts as a 'CR' story?

Of all the articles in the media nowadays about business in society that I would count as 'CR' stories, only a small proportion of these would count in a tally of specific media mentions of 'CR' because they don't expressly use terms like 'CSR' or 'CR'. This is similar to many businesses – especially smaller businesses – who do lots of things that count as 'Responsible Business' practice or 'CR' – but they would not recognise or employ those terms. The articles cover issues such as the impacts on business of climate change or water shortages, or the role of business in tackling obesity or age discrimination. The recent, extensive coverage of the financial crisis and the corporate behaviour associated with this (such as excessive executive compensation and rewards for failure) would be a good example of this coverage of the concepts of CR without generally employing the explicit term. Indeed, some commentators argue that discussion of CR as 'CR' should ideally be limited to the management pages as it is a management process and a business mindset. Giles Gibbons, from CR consultants Good Business, says:

“Apart from discussion of 'CR' as a management concept, any media discussion should not be about CR as a whole, but

about how (say) Nike or Coca Cola are doing on their supply chain or going about minimising their environmental impacts.”

Giles gives the example of the front page headline in the British tabloid newspaper *The Sun* about Starbucks coffee shops leaving their water taps running all the time to speed up washing crockery: “That was not a story labelled ‘CR’, but it was all about CR.” Giles Gibbons argues – and I broadly agree – that in the general media you ideally never want to see the phrase ‘CR’.

Notwithstanding these caveats – and with some notable exceptions – the traditional media does not treat CR with the importance or the seriousness that I believe the topic now deserves. Still, too often, it manages to equate CR with community involvement and charitable giving by companies. Amongst those ‘notable exceptions’ I would single out *The Financial Times*, which has consistently covered these issues with a seriousness and breadth which is distinctive. The *International Herald Tribune* – I am told – also has a serious focus on these topics. We have also seen the rise of specialist media like Ethical Corporation ([www.ethicalcorp.com](http://www.ethicalcorp.com)), Corporate Citizenship Briefing ([www.ccbriefing.co.uk](http://www.ccbriefing.co.uk)) and Ethical Performance ([www.ethicalperformance.com](http://www.ethicalperformance.com)). There are also specialist media services like ENDS Daily ([www.endseurope.com](http://www.endseurope.com)) and CSRWire ([www.csrwire.com](http://www.csrwire.com))

### Call to action

Please recognise that whilst I now hold a Professorship of Corporate Responsibility I am not an unbiased, detached academic observer! I am a long-term campaigner for Responsible Business. Therefore, of course, I want to see more serious, better-informed, more in-depth, more frequent coverage of CR, covering:

- what it means for business
- why the issues are becoming more important for business, and
- why they matter to the rest of society – to the readers and viewers and listeners, who are employees, customers, part-owners of business (through pensions and savings funds) and citizens.

I am interested in how we can get more and better coverage of CR. I recognise that some calls from business for ‘more and better coverage’ are actually ‘why won’t the media print our press releases and write nice stories about what kind people we are in our company, instead of concentrating on our unfortunate ethical lapses!’ Inevitably, media coverage is more likely to be exposing corporate irresponsibility than CR – and that is an important role the media takes in society, from the traditional Fleet Street principles of protecting society from abuses, discovering and exposing wrongdoing, and keeping a watchful and critical eye on those in authority. The threat of media exposure is a powerful antidote to bad behaviour – as the UK political class

discovered in summer 2009 with the media exposés of parliamentarians' expenses.

I am not looking for uncritical reporting of CR. Healthy scepticism is crucial for good journalism – but that is very different from cynicism. I mean more serious, in-depth pieces which explore the dilemmas which companies have to confront. The media have a mission to explain and to inform – as well as to entertain.

But we also have to recognise that, with the exception of Public Service Broadcasters (such as the BBC in the UK, PSB in the USA, ABC in Australia or ARD and ZDF in Germany), most of the media are businesses – and if over time they do not profitably provide what their consumers want, then they will go out of business.

There is a perception that the public's attention span has declined, is declining and will continue to decline, that we want news and views packaged up for us in easily-digested bite-sized chunks, and that this has led to a general dumbing down of media. This is not a debate on whether this is the fault of education, the evolution of media from traditional Fleet Street or boutique publishers to big business, the general speeding up of modern life or whether the media is a follower or leader in this 'sound-bite' journalism – the point is that the end result is that stories about CR which may require analysis and contextualisation, and often cover processes rather than concrete events reporting, may suffer in the editorial meetings.

As the SustainAbility report quoted earlier notes:

"Little wonder then that CSR and SD {sustainable development} often get short shrift. They simply don't fit mainstream news preferences and patterns of coverage. They're generally about process rather than event – as Frank Allen tells us: "...these stories don't break, they ooze!" Such stories often require more space than other topics – John Nielsen, NPR {National Public Radio}'s environment correspondent reminds us that: "...with environmental issues, you really need to educate your audience; with crime reporting, you don't need to teach your listeners what a robbery is." And instead of clarity and certainty, CSR and SD offer complexity and ambiguity. Add to that a deficit of sex and celebrity and you've got a news blind-spot in the making."<sup>vii</sup>

The experienced former journalist Roger Cowe, now with the consulting firm Context, argues that there are more stories now about how companies are tackling climate change, contributing to social and economic development

and debates about access to products and services, but that: "The real difficulty – it's feature material, not news. Add to which it's mostly 'good news', which is not the stuff of mainstream media."<sup>viii</sup>

As the Chief Rabbi of the UK, Sir Jonathan Sachs, said:

"The media is a bit like a Greek Tragedy. It lives on drama and conflict; it is adversarial in nature and that sometimes fuels the problem, rather than helps with the solution... It can operate in very simple ways. Small groups who want to get publicity can do outrageous things that result in much more coverage than their position really justifies... How do you deal with it? You cannot tell the media 'please, for the sake of humanity, be boring, just tell the good news.'<sup>ix</sup>

### The impact of costs

Cost-cutting in recent years has made the problem of insufficient resources for in-depth reporting even more acute. I listened to one veteran TV news presenter at a lecture in 2006. He explained some of the subtle cost-pressures on TV news producers: do you take a live TV report from a meeting in New York, from where the costs of transmitting the material to London are small – or a report from (say) Kinshasa, where costs may be far higher and connections more problematic. What becomes 'news' for the public can depend a great deal on the costs to the media companies of getting that story to us, sometimes over the news-worthiness of the story.

Aidan White, General Secretary, International Federation of Journalists, told the Davos World Economic Forum in 2003:

"Journalism is based on scrutiny of what people say and what they actually do, but investigative scrutiny is suffering from falling investment and consolidation in the news industry. The media is too often behind the times, when it should be leading the debate."

In his book *Blessed Unrest*<sup>x</sup>, the veteran environmental campaigner Paul Hawken compares the space the *Los Angeles Times* devoted to a vandalistic spree by three unaffiliated students who damaged or destroyed 125 SUVs (sport utility vehicles) with what it gave to the landmark UN Millennium Ecosystem Assessment. Hawken calculates the *Los Angeles Times* gave 100 times more coverage to the students than the Millennium Assessment.

### Is this specific to CR?

In the same book mentioned above, Hawken also describes being asked by a *Newsweek* reporter: "Who are the leaders of the global environmental movement?" Hawken started to give a list of names, only to be stopped: "Stop! I can't use this – Americans have never heard of them!" he quotes the reporter interrupting him.<sup>xi</sup>

How far, therefore, is the relative lack of substantive coverage specific to CR? Or is it a symptom of a wider malaise in the media which often seems to prefer wall-to-wall stories of celebrities than serious debate?<sup>i</sup>

Perhaps in some countries the lack of serious coverage of CR also reflects what some see as a general anti-business bias in much of the media. The former head of the British employers' organisation (CBI) Digby (now Lord) Jones once contacted the makers of the long-running British TV soap opera *Coronation Street* to complain that a business type had been revealed to be a serial killer. "Everyone hates businessmen," he was told. That was the kind of 'irrational prejudice', according to Jones, that members of his organisation encountered every day.

Conversely, Roger Alton (Editor of *The Observer*), opening the annual PR Week PR Forum, in Chepstow, November 23rd 2005 observed:

"There is a brand and media savvy generation and as business becomes more powerful the media will be under more pressure to expose business failures and weaknesses, as they already expose those of politics and politicians. How does the media do this when the media is part of those multinationals?"<sup>xii</sup>

Is it fair to suggest that as well as hostility to business there has been a lack of interest / knowledge about business in some parts of the media? Does this at least partially explain the very limited coverage of the potential global financial crisis in advance of it happening? I understand that as a result of the global financial crisis some journalists are now castigating themselves for having insufficient knowledge of business and vowing to learn more about business in future. In the UK we have extensive and excellent media coverage of sport because we have journalists covering sport who have a real love of sport. Do we have many journalists covering business who really love business?

---

<sup>i</sup> Of course, some celebrities have used their power and status to shape and influence very effectively political / CR stories: for examples, Sir Ian McKellen (gay rights), Bob Geldof (famine/Africa), Bono (AIDS/poverty), Joanna Lumley (Gurkhas).

Obviously, the media is not homogenous and readers / viewers choose different media because their wants and needs from media are different. Individual media outlets have to understand their specific consumers. The newspaper *The Guardian* 2008 Sustainability report contains an interesting readers' poll showing the extent to which they think *The Guardian* should insert CR in a range of subjects.<sup>xiii</sup>

Companies are generally reticent to talk about their problems and failures. The *Financial Times* journalist Sarah Murray, who writes regularly on CR, advises:

“Companies need to be prepared to be more open in how they tell their CR stories, warts-and-all. The *Financial Times*, which indulges neither the alarmist exposé nor the PR puff but covers CR in terms of business risks and opportunities and management challenges, will show more interest in a company that is prepared to talk to journalists candidly about the real difficulties it faced when dealing with a particular issue, as well how it resolved those difficulties, than a company that simply wants to tell a good-news story.”<sup>xiv</sup>

In the words of one experienced former journalist: “Great journalists would be looking to expose the truth behind the green-wash, not write about the great things companies are doing.”

Whilst it may seem a technical detail, several reviewers of the *Financial Times* have commented on the importance of sub-editors and influence from owners on newspaper reporting. An ill-informed or negligent sub-editor can distort or render an article or wire story inaccurate, which when originally filed was perfectly accurate and balanced, simply by where they cut the article or by their choice of headline to sensationalise and grab attention.

We should also never underestimate the power of key individuals in particular media to influence that media's stance on a particular issue disproportionately. I have subscribed to *The Economist* since I was a teenager, but its coverage of CR for many years was lamentably one-sided in its negativity – not just in the editorial pages but also on the news pages. I am told this was heavily influenced by one particular journalist's strongly held views on the subject. Since he left in 2005 there has been a more balanced coverage – including a well-researched and balanced supplement on January 18<sup>th</sup> 2008, and a more recent news item on May 14<sup>th</sup> 2009.

And yet, as SustainAbility notes:

“CSR and Sustainable Development (SD) do not by their nature alienate or bore audiences. It’s possible to inform and engage without preaching or bashing the audience over the head. The material for good stories, for important stories – the stuff of great journalism and great entertainment even – is there. Far from being turned off or disinterested the audience welcomes CSR and SD stories. But audiences don’t relax demands for quality simply because the subject matter is worthy.”<sup>xv</sup>

### Are we our own worst enemy?

Do business and CR campaigners make life harder for ourselves, in terms of winning media understanding and coverage, because of the lack of clarity in the terms we employ? This is a point made by Harvard Business School Professor, Michael Porter.<sup>xvi</sup> Certainly, a greater consensus on the meaning of terms such as ‘corporate (social) responsibility’, ‘corporate sustainability’, ‘ethical performance’, ‘corporate accountability’ and how they interrelate would be helpful. Perhaps, more fundamentally, confusion about definitions reflects disagreement about the role that business **should** play in modern society – a debate now reignited as a result of the global financial crisis.

In some countries, like Germany, the definitional problems are compounded by there being no recognised German language versions of terms like ‘C(S)R’ and ‘corporate citizenship’, requiring writers to use the English terms.

### Other forms of media

The media also, of course, includes books, TV and cinema films. We should not forget that there have been a number of Hollywood films in recent years with a corporate responsibility, or irresponsibility, flavour. (See the box below for some of the Hollywood-based movies on related subjects.) This is important because:

- film-makers have found a way to make stories about business and society both accessible and entertaining to mainstream audiences –challenging media preconceptions that CR is not interesting for the general public;
- the fact that most of the films portray corporate irresponsibility confirms the point quoted earlier from Digby Jones about the negative media portrayal of business;
- the list of films also shows that many people get their impressions of business not just through factual reports but through fictional stories and films.

Venture philanthropist Jeff Skoll (co-founder of E-bay and subsequently of the Skoll Foundation: [www.skollfoundation.org](http://www.skollfoundation.org)) recognises the power of film to generate debate about environmental and social issues and has helped finance several of the films listed below. (See *Lunch with the FT*: Jeff Skoll: June 13th 2009.)<sup>xvii</sup>

***Silkwood*** (1983) starring Meryl Streep, about a leak at a nuclear plant and the attempt to expose the irresponsibility of the owners in seeking to suppress the issue.

***A Civil Action*** (1998) starring John Travolta (as plaintiff's attorney Jan Schlichtmann) fighting the case of families of deceased children against a giant food conglomerate, with the accusation of companies being responsible for poisoning their children and afflicting them fatally with cancer.

***Erin Brockovich*** (2000) dramatising the real-life story of Erin Brockovich's first fight against the West Coast energy giant PG&E.

***The Corporation*** (2003) documentary by Joel Bakan critical of the modern-day corporation, considering it as a class of person and evaluating its behaviour towards society and the world at large as a psychologist might evaluate an ordinary person.

***Super Size Me*** (2004) documentary directed by and starring Morgan Spurlock. It follows a 30-day time period during which Spurlock subsists exclusively on McDonald's fast food and stops exercising regularly. The film explores the fast food industry's corporate influence, including how it encourages poor nutrition.

***The Day After Tomorrow*** (2004) a film focussing on the implications of global warming.

***The Constant Gardener*** (2005) based on the John le Carré novel of the same name about big pharmaceutical companies unethically testing new medicines on unsuspecting patients in Africa.

***Syriana*** (2005) starring George Clooney and Matt Damon, about oil companies interfering in the imaginary state of Syriana to replace a ruler hostile to their interests with one more compliant.

***Good Night, And Good Luck*** (2005) directed by George Clooney, tells the story of one TV station's campaign to expose the McCarthy witch-hunts in the USA in the 1950s and the commercial pressures and ethical dilemmas that the TV company faced in the process.

***North Country*** (2005) a film based on a true story of the struggle for trade union recognition of the rights of female employees in the mining sector.

***Blood Diamond*** (2006) starring Leonardo DiCaprio. A film about diamonds mined in war zones and sold to finance the conflicts.

***Thank You for Smoking*** (2006) a satire on the power of corporate lobbying generally and of big tobacco firms specifically.

***An Inconvenient Truth*** (2006) Oscar-winning documentary made by former USA Vice-President, Al Gore, on climate change and global warming.

***The Age of Stupid*** (2008) a film directed by Franny Armstrong, also about climate change.

(I recognise this is an Anglo-Saxon list and does not include, for example, the output of Bollywood – movies from the Indian sub-continent.)

## THE MEDIA'S OWN CORPORATE RESPONSIBILITIES?

The media companies are themselves businesses and this obviously has consequences not only for their drive for profitability, but for their corporate responsibilities in a broad sense as well. Like any other businesses, they need to identify where they have their most significant environmental, social and governance impacts. The most important impacts of the media concern how they source and present material:

### (i) Editorial policy and freedom of expression

- How do journalists exercise responsibility in checking their facts? In particular in the fiercely competitive, multi-channel, 24-hour news-cycle where the pressure to be first to air with a new story can be intense.
- How do editors verify the authenticity of stories? The *New York Times* was widely criticised and ridiculed in 2003 when it was revealed that their reporter Jayson Blair was caught plagiarising and fabricating elements of his stories. The then executive editor Howard Raines and managing editor Gerald M Boyd both subsequently resigned. Even the veteran USA TV news anchorman Dan Rather was caught out over reporting of allegations about the national military service record of the then President Bush in 2004; his contract was not subsequently renewed by CBS.
- How do editors ensure transparency of the editorial line? One particular grouse of mine is when the editorial line switches over from opinion-led and editorial pages into the news pages, presenting opinion as fact. The rise of 'New Journalism' in the 1960s introduced the new style of news reporting using not just facts but also personal detail and opinions when describing a factual situation – but how far should this go, especially when it becomes unclear what is opinion and what is fact. There is the danger that the media will 'make the news', not just 'find and report the news'.
- How much freedom should editors and owners have for influencing the bias or tone of coverage based on personal views? Papers are well known for being for or against different political parties, and some conglomerate media companies have owners with very clear political agendas which influence editorial policies.

### (ii) Privacy and public decency

- How does the media balance a public right to know and individuals' right to privacy? In France, for example, there are strong privacy laws. In the UK, we have had a number of high profile legal cases recently, where celebrities' privacy has been breached because there was an alleged public interest. At what point is the line drawn? The tragic example of Princess Diana's death finally brought recognition that freelance media photographers were 'out of control'. It seems when the media itself becomes negative news, only then do they stop as an industry and rethink a certain aspect of their behaviour in finding and reporting news. A positive response from the media from the Princess Diana incident was that they agreed children of celebrities and public figures were off-limits.

However, privacy is still violated for less than newsworthy news; for example in the case of the head of Formula 1 racing, Max Mosley where a story was reported on his private life which arguably had more sellability than actual 'newsworthy' content.

- What responsibility does the media have for choosing not to publish certain information or certain visual images on grounds of decency and public taste? In all the film replays of the USA 9/11 terror atrocity, the media has always chosen not to show again the horrific images of people in the Twin Towers choosing to jump to their deaths rather than wait inside the building to be burnt alive. In contrast, media around the world replayed footage from a mobile phone of the execution of Saddam Hussein.
- How should the media deal with vulnerable people who are not able to decide for themselves whether they want private information released? In the UK we had the case of a 12 year-old schoolboy who apparently made his then 14 year-old girlfriend pregnant and was publicised around the world as Britain's youngest father. His parents and the girl's parents agreed to sell the story to the media. It prompted a national debate about 'children having children' and whether we are a 'broken society'. The case became a metaphor for social exclusion. (In fact weeks later DNA tests proved that the 12 year old was not the father – that dubious distinction went to a then 14 year-old instead.) Should the media have bought the story and publicised the pictures of the children involved in the first place?
- How does the media reconcile the obligation to shine a spotlight on bad behaviour and hypocrisy whilst keeping a sense of balance and proportion? Some media organisations in Europe have argued for an equivalent of Megan's Law which is a Californian law that provides the public with Internet access to detailed information on registered sex offenders.<sup>xviii</sup> Publicising where convicted paedophiles are living will be seen by many as a public service – but could be encouraging vigilante mobs.
- Michael R Evans, Assistant Professor at Indiana University School of Journalism, talks about the Golden Rule as a guiding principle when making decisions of harm versus help: Do unto others as you would have them do unto you. However, he admits that there are tensions in decisions of what detail of a story to cover, where moral obligation should lie when you know a story will cause more harm to the innocent than help highlight the bad, and how you represent the facts versus sell the paper.<sup>xix</sup>

### **(iii) Advertising**

- What responsibility should the media take for the advertising that most of them rely on to stay in business? The CR communications company Context talks about responsibilities 'behind the camera and in front of camera' for the TV companies they advise.
- Is there any responsibility between advertising promoting more consumption and commitments to sustainable development?

#### (iv) Duty to educate and inform

- What responsibility is there for explaining and simplifying for the audience without becoming simplistic? Where does robust commentary slip over into demagoguery? In the USA the so-called radio 'shock-jocks' wield enormous power. One of them, Conservative Rush Limbaugh, was recently described by the Obama White House as the 'real leader' of the opposition in American politics.
- If there is a duty to educate, inform and entertain, then what responsibility is there towards those who are functionally media illiterate (unable to distinguish between fact, opinion, entertainment and advertising)<sup>ii,iii</sup> and their consequent social exclusion?
- What responsibility do media companies have to assess the likely consequences of publishing material? See the box below for an example.

One controversial issue in recent years was the reproduction by media companies around the world of Danish cartoons satirising the prophet Mohammed, causing offence to many Muslims. Did the media companies behave responsibly in allowing this repeated publication?

It is a slippery slope when media owners tell their editors what they can and cannot publish. But owners do have a responsibility to ensure that they appoint capable editors; that they have robust processes for vetting content; and that their media takes a responsible editorial line. The cartoons' controversy showed how media owners around the world need to regularly review with their editors their guidelines for what they will and will not publish.

Freedom of speech is a hard won ideal in a democratic society and a very important aspiration in many parts of the world. But it has never been an absolute. It is subject to laws of libel, actual malice, and negligence. In many places freedom of speech is also subject to anti-discrimination and anti-hate laws. In practice, every day editors have to balance freedom of speech versus good taste, readers' sensibilities, common sense etc. The change in portrayal of (say) African Americans in the USA media since the 1960s is an example. What is and is not deemed acceptable changes with changing social conventions and views. The *New York Post* was rightly, in my view, roundly criticised earlier this year for portraying President Obama as a dead chimpanzee (a chimp had been shot dead by police and the paper claimed

<sup>ii</sup> The UK media regulator OFCOM defines media literacy as "The ability to access, critically understand and create media in its varying forms." Tessa Jowell, during her tenure as UK Secretary of State for Culture, Media and Sport, deemed media literacy to be as important to societal inclusion as reading, writing and arithmetic.

<sup>iii</sup> *The New York Post* published a provocative and highly incendiary political cartoon on February 18th. Combining two news events of the day, one in which a Connecticut woman named Charla Nash was attacked by her 'pet' chimpanzee — which nearly ripped off her face before having to be shot to death by police (when the chimpanzee turned on them); the second event was President Barack Obama signing a highly controversial but badly needed economic stimulus bill into law — essentially within his first month in office, a nearly impossible feat, given the highly partisan divide in Congress. The *New York Post* owner Rupert Murdoch subsequently apologised.

they were linking that story to the president's performance at the time, in passing a stimulus package)

I believe firmly in the old maxim: "I disagree with what you say, but I will defend to the death, your right to say it!"<sup>xxx</sup> Nevertheless, personally, I would have exercised self-restraint and chosen not to publish the original cartoons: because I also recall the old adage: " 'Freedom they cry' when they mean licence!" The first Danish paper which did publish the cartoons subsequently made it clear in their apology that they did not intend to offend. They probably had no idea why it would when they decided to publish. However, the media which then reproduced the cartoons after the controversy began would have known. The former Italian Government minister who appeared wearing the cartoons on a T-shirt, was clearly irresponsible.

The world now enjoys an unprecedented degree of global connectivity – with access to TV, Internet, mobile phones etc – which means dramatic pictures can be broadcast in real-time around the world. Just as previously, successful national societies have had to learn to 'live and let live' and to respect each other's deeply held beliefs, so, now that we are truly a global village, the same has to apply to the world community.

But that does work both ways. The violent protests and threats to kill the cartoonists and others were in my opinion wrong. We need a lot more respect and mutual tolerance between people of different faiths – and of none – and that can only be based on dialogue: "Jaw, jaw," said Winston Churchill, "...is better than war, war!" At the moment, it is all too easy for the West to caricature Islam as a violent faith, and for the Muslim world to see the West as aggressive.

The other lesson I draw is that the Danish Muslims apparently tried for several months to engage Danish media and politicians in a dialogue about the cartoons – and were rebuffed. Therefore they sought international help – with results we all saw. Business would do well to learn: a local community or NGO which is raising legitimate concerns with you, if ignored, may be able to call in the 'big guns' of global NGOs and media.

Another SustainAbility report (2005), in partnership with the environmental NGO WWF, examines the media industry's corporate responsibilities. Amongst the global media and entertainment sector it ranked Guardian Newspapers Ltd (GN) first, ahead of the BBC, Pearson and Reuters in the UK, as well as ahead of international media and entertainment groups including News International, Time Warner and Vivendi Universal.

Many media businesses are seeking to become carbon neutral and tackle other environmental impacts such as how CDs, DVDs and newsprint have their raw materials sourced and how they are disposed of after use. Companies like BSkyB in the UK have taken a leadership role on climate change, committing to carbon neutrality and subsequently persuading their parent company NewsCorp to follow suit. Yet Sky's last Sustainability report (2007) did not focus on editorial impacts discussed above.<sup>iv</sup>

---

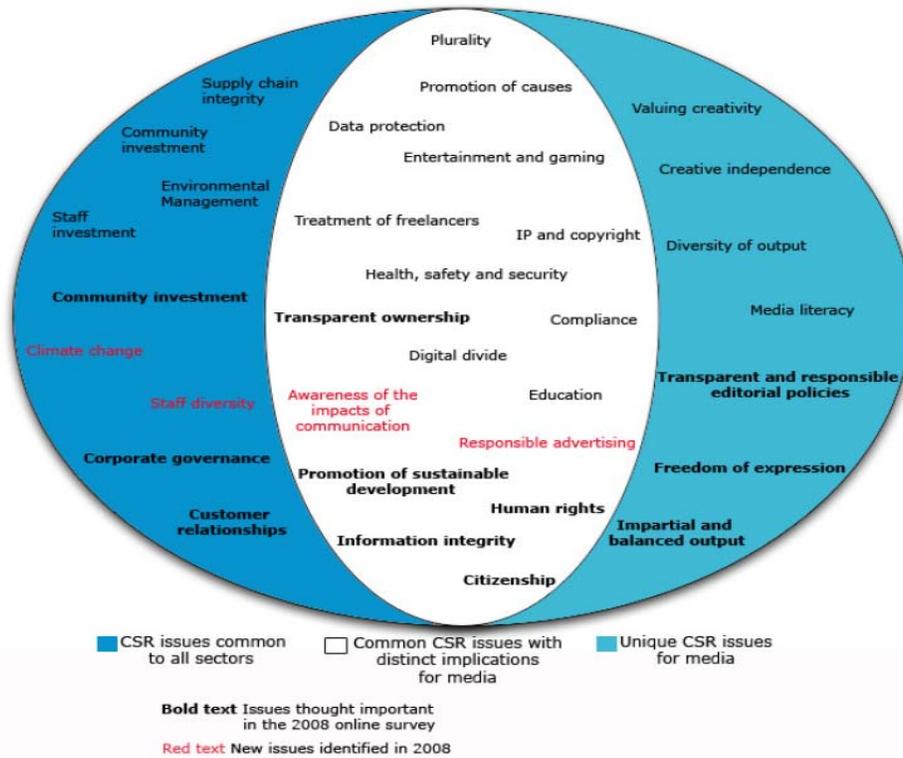
<sup>iv</sup> Now they are planning to integrate reporting with financial overview.

## Corporate Responsibility and the Media

At my university, Cranfield University, we are starting to think about how we measure our Carbon Brainprint: i.e. how do we help and support other organisations to reduce their carbon footprint through skills development, research and consultancy projects? Is there a similar carbon brainprint<sup>xxi</sup> impact assessment for media companies to make?

In the UK a group of media companies have created a 'Media Forum' to debate CR issues specific to their sector and to exchange good practice ([www.mediacrforum.org](http://www.mediacrforum.org)). A 2008 study by specialist CR consultants Acona, who co-ordinate the Forum, identified:

- i. CR issues common to all companies
- ii. General issues with a specific media sector dimension for example, treatment of freelancers
- iii. CR issues particular to the media sector – see the diagram below<sup>xxii</sup>



Does the media, for example, have a responsibility (as one respondent told the CSR Media Forum 2008 survey): "...to foster a more ecologically and socially sustainable society..."<sup>xxiii</sup>?

Who will report on the media's own behaviour and responsibility, or on the behaviour of the *owners* of the media companies? This becomes particularly important where there is a heavy concentration of media ownership, often active in different forms of media.

- For example, in Italy where Silvio Berlusconi in his simultaneous roles as Prime Minister and as a businessman, directly or indirectly controls much of Italian TV
- Or in Brazil where six firms account for 80% of television output and seven out of ten newspapers are owned by the same company

As one former journalist told me: "Media businesses are more liable to embarrassment for any shortcomings in their corporate behaviour because they look so hypocritical, but they are actually less likely to be exposed in mainstream media outlets as so many journalists depend on them for their jobs."

If in many countries the CR of the media companies themselves is unsophisticated then it is harder for them to report on the CR of other businesses in an informed way.

### **Call to action**

I hope we will see more interest in the media's own corporate responsibilities. In the UK the BBC has been a leader in many CR issues – for example, organising sustainability talks for editorial staff; championing diversity in its own staff; and thinking creatively about the power it has to educate and motivate viewers to action. It has produced compelling programming around, for example, climate change. News agencies provide a significant amount of news we see in the media and this role is growing as recession forces cost-cutting in media companies. The news agency Reuters, part of the global media company of the same name, uses 'Trust Principles' to guide conduct both in the news agency and all areas of the media company. These 'Trust Principles' include the preservation of integrity, reliability of news, development of the news business and related principles.

### **WHAT IS THE IMPACT OF THE NEW MEDIA?**

Up to this point I have been talking about the conventional media – principally newspapers, magazines, news agencies, TV, film and radio. But there has been a media revolution going on with the Internet and associated developments like blogs, viral social networking and powerful search engines like Google. Internet users have grown from 60 million in 1996 to 600m million in 2002 to a billion in 2005 and a staggering 1.6 billion users by March 2009. In China alone, there are now more than 300 million Internet users (as of end of 2008)<sup>xxiv</sup>.

In his biography of Arnold Schwarzenegger, *Fantastic*, the American writer Laurence Leamer noted the way that both President Bush and Governor Schwarzenegger recognised the decline of the traditional media, reducing their access to them and going over the heads of the traditional media outlets by using more of the new media. Last year's presidential elections in the USA showed the growing power of the Internet versus traditional media. Barack Obama's election campaign was able to mobilise millions of supporters via the Internet – not just to donate but also to go out and campaign for him.

In 2005 Rupert Murdoch told the American Society of Newspaper Editors they had all been: "...remarkably, unaccountably, complacent..." about the effects of growing Internet use on newspapers.<sup>xxv</sup> Young people – he noted – access news in an entirely different way:

"They don't want to rely on a God-like figure from above to tell them what's important."

The Pew Internet & American Life Project, which studies the impacts of technology on American society, is an initiative by the Pew Charitable Trusts, a Philadelphia-based non-profit organisation. They report that 64% of American online teens created some kind of published content in 2008.<sup>xxvi</sup>

Across the world there has been an increase in the new media such as blogs, RSS Feeds, Google Books, podcasts, vidcasts, online video (Youtube, blimptv, etc.) social networks, search engines, affiliate programmes, word of mouth, viral marketing, second life, online games, virtual trade shows, online communities, ebooks, mobile phones to receive news alerts, access the Internet, and purchase and view music and film etc. Remember also:

- USA teens watch TV 60% less than their parents and spend 600% more time online
- The average age of a network TV news viewer in the USA is 63
- Twitter membership grew 1400% in 2008<sup>xxvii</sup>
- Facebook's population would make it the world's 5<sup>th</sup> largest country<sup>xxviii</sup>
- Over 30% of Internet users in China surfed the net on their mobile phone in 2008 – i.e., 84.5 million users.<sup>xxix</sup>

"22% of Internet users in the United States said they stopped their subscription to a printed newspaper or a magazine. Why? Because they could access the same content online, according to a study released last week (April 2009) by the Center for the Digital Future."<sup>xxx</sup>

## A place for conversation

Media mogul Rupert Murdoch has argued that traditional media like his own had better get web-savvy, stop lecturing their audiences and "...become places for conversation..." and 'destinations' where 'bloggers' and 'podcasters' congregate to "...engage our reporters and editors in more extended discussions." The result, as former Xerox Park director John Seely Brown notes, is that:

"In a world when anyone can become a journalist or a commentator on the web, you move to two-way journalism. The journalist becomes a forum leader or mediator rather than simply a teacher or a lecturer."<sup>xxxix</sup>

In the book *The Search: How Google and its rivals rewrote the rules of business and transformed our culture* John Battelle, co-founding editor of Wired, writes of how he realised he had stopped reading traditional media like the *Economist* and the *Wall Street Journal* – even though he recognised that these 'organs' had previously defined standards of good writing. His explanation is fascinating and important:

"In a print-world people read their own paper then talked about the news when they got to the office or coffee shop. With the web, however, news is a conversation – fuelled by blogs, e-mail and the cut-and-paste culture. In short, even if I did read *The Journal* and *The Economist* I wouldn't discuss them nearly as freely as I would a story on Yahoo or Google News, because my friends and co-workers wouldn't be able to read what I read {because of the subscription requirements}. More and more, I find that if I can't share something (that is, can't point to something using e-mail or my own website) **it's not worth the time.** {My emphasis added!}"<sup>xxxix</sup>

Note that Rupert Murdoch, John Seely Brown and John Battelle are recognising that younger, connected people are interacting with news and media in very different ways. It is interactive, a 'conversation'.

As the *Economist* magazine noted in a 2005 article entitled *Yesterday's papers – the future of journalism*:

"For today's digital citizens it is anathema to be lectured at. Instead, they expect to be informed as part of an on-line dialogue. They are at once less likely to write a traditional letter to the editor, and more likely to post a response on the web – and then to carry on the discussion. A letters page pre-selected by an editor makes no sense to them; spotting the

best responses using the spontaneous voting systems of the Internet does.<sup>xxxiii</sup>

The current economic crisis is accelerating an already powerful trend towards the decline of print newspapers with many long-established local and regional newspapers either closing, merging, going from daily to weekly or becoming Internet-only media. USA newspaper circulation fell 7.1% between October 2008 and March 2009, marking its biggest decline yet.<sup>xxxiv</sup>

In practice, boundaries are blurred between traditional and new media. Newspapers and broadcasts have websites, journalists' blog, traditional media increasingly uses material originating in the new media. Several smaller new media companies are capitalising on the use of traditional media – film – to disseminate sustainability messages through new media (Internet, networking sites and viral messaging). onemoreproduction.com and freerangestudios.com (using eco-tube for viral dissemination) produce short entertaining films aimed at the general public on issues as diverse as sustainable farming, recycling, rainwater harvesting, and diversifying use of raw materials (see [www.eco-tube.com/v/GAIA/The\\_Meatrix.aspx](http://www.eco-tube.com/v/GAIA/The_Meatrix.aspx) as an example).

### **Citizen journalism**

We are seeing the rise of 'citizen journalism'. Anyone armed with a camera on their digital phone can become a 24/7 media photographer. Think of those dramatic photos of the plane landing safely on the Hudson River in New York a few months ago (2009), or the photos that quickly emerged of individual instances of seeming police brutality during the recent (2009) London G20 summit protests. Apparently, the 2009 earthquake in L'Aquila in Italy was on Twitter before it had made mainstream news!



*Photo credit: Janis Krums via Twitpic.*

*The first pictures of the dramatic crash landing of a plane in the Hudson River, New York, USA were provided to the media by amateur photographers recording the event on their mobile phones.*

Global media agency Universal McCann Erickson asks how we can share influence – across from the pre-media age group to the mass media age group to the social media age group? Will 'New Intermediaries' emerge?

The Commonwealth Club of California recently launched an initiative using new media – live broadcast over the Internet of all their speaker events, which are then archived. The Carnegie Centre for Ethics in New York has just done the same and both these initiatives are presented as sources of information for the informed and active citizen, from 'traditional' organisations. Effectively, these two well-respected institutions are using their 'brand' to become trusted sources of insight – 'information brokers'.

Giles Gibbons from the CR consultancy Good Business argues that the new media revolution is forcing organisations to become more transparent and less controlling because they have no alternative:

"You cannot dictate any longer the conversation about your brand."<sup>xxxv</sup>

### **What does this mean for business?**

Companies and their PR advisers have to learn that higher standards of accountability and transparency are now required of business because of the ease with which the public can now access news – this has intensified with the rise of new media. Attempts to manipulate the media (traditional or new) are more likely to be exposed with the rise of the new media.

The question is: are companies and CR intermediaries generally ready for this? How many have interactive websites which allow debate and dialogue? According to an excellent feature in *Ethical Corporation* magazine *Campaigns 2.0* by Oliver Balch (May 2009)<sup>xxxvi</sup>, companies generally are more conservative and far less sophisticated and organised for social networking and the new media sites, than are many of their critics. Yet as the *Ethical Corporation* magazine article says:

"All the indications suggest that e-communities and social media are here to stay. If only for that reason, companies must resolve how to get on board... If companies are to tread the web 2.0 route, then they must be upfront about their core business and honest about their objectives. Integrity can't be faked. Real on-line communities work precisely because, as one leading communications expert puts it, they are real."

One business that has been more adventurous is the fruit smoothies company Innocent Drinks which, from creation, has encouraged and benefitted from its consumers participating in on-line debates about the

company's strategy, such as whether its products should be sold in McDonalds restaurants.

Balch's conclusions for companies?

"Companies must be seen to listen, to be supportive and act as a gateway to introduce like-minded people. Being active marks a second essential. Corporations can't dip in and out of the social media space. Nor can they limit their scope. Successful social networkers are everywhere... Secondly, companies must establish the objective of their online engagement initiatives from the start."<sup>xxxvii</sup>

### **CORPORATE RESPONSIBILITIES OF THE NEW MEDIA**

There are dangers of irresponsibility in cyberspace:

- Rumours being spread through blogosphere – where will hard 'news' come from?
- What responsibility do blog-hosting sites have for what is written on the sites for which they provide the technical back-up?
- How, and should, citizen journalism be policed?
- Whose national laws should Internet companies apply? In Germany there have been issues with search engines showing links to websites with content about the Nazis, which is banned in the Federal Republic.

Of course, a web 2.0-protagonist will always reply that the current self-regulation of the blogosphere is still more reliable than traditional media. Wikipedia, the online citizen encyclopaedia, is an example cited as entries created by individuals that are monitored and edited by other individuals for accuracy and non-bias. I am unsure. Once a rumour is out there, it is very hard for the truth to catch up!

Sir Tim Berners-Lee – widely described as the 'father of the Internet' – has argued for a global commission to establish the ethics of the worldwide web. Sir Tim argues that the next phase of the Internet's development will have a more profound impact on the planet than its creation, but that we need help to avoid the spread of false information since an apology no longer means or holds any value as in the time it takes to apologise the whole world can have received the wrong information.<sup>v</sup>

---

<sup>v</sup> Although in traditional media an apology is never as prominent as the initial item and by no means gets to the same audience as the piece that caused offence in the first place.

New media companies can get into trouble – should Google, Yahoo, Microsoft, Cisco etc. have entered the Chinese market with the censorship limitations placed on them by the Chinese government?

This is real CR frontier territory! On the one hand, it is generally argued that companies operating in a particular country should obey the laws of that country – and that this is an integral part of being a responsible business. On the other hand, the world is now feeling its way towards a recognition that national sovereignty in today's connected, global economy / society is not an absolute. Pollution by one country quickly affects others. Suppression of information about negligent treatment of a pandemic in one country quickly affects others. Governments cannot be allowed to practice genocide. Human Rights transcends boundaries. Freedom of information is a fundamental human right.

From July 1<sup>st</sup> 2009 all new computers sold in China are required to have 'Green Dam' software installed which automatically blocks access to certain websites; although as most computers sold in China come without software, it is unclear how the law will be implemented. The law has generated considerable criticism both inside and outside China (e.g. see China Daily June 13<sup>th</sup> 2009) and its introduction was subsequently delayed indefinitely. (Since then this ruling has been postponed.)

In practice, time and technology may create 'new facts on the ground'. It is much harder to censor millions of websites and personal blogs than it is a few newspapers and magazines and TV channels. There are already 300 million Internet users in China (as of end of 2008). More than 30 million Chinese now have their own blog sites.<sup>xxxviii</sup> Software to bypass the censors is also emerging and more than 2 million people have downloaded a free programme. A study by the Berkman Center for Internet and Society at Harvard Law School found that China managed to block 90% of websites about the Tiananmen massacre, 31% of sites about independence movements in Tibet and 83% of sites with a derogatory version of the name of the former president Jiang Zemin. In other words, a lot gets stopped but some gets through.

Google's then Vice President, Elliot Schrage admitted in the USA Congressional Hearings about the Internet and China (February 15<sup>th</sup> 2006) that this was not Google's finest hour: "...not something that we are proud of at all". It does not sit comfortably with the Google motto to 'do no evil' but I think the criticism of them is exaggerated. They do make clear on their Chinese website that the search results are screened. This may, paradoxically, mean that more Chinese searchers start to ask themselves what information might be hidden to them – and encourage them to search further.

The incident of Yahoo making information available to the Chinese authorities which led to the imprisonment of dissidents is different. Yahoo are arguably much more culpable. There was a boycott campaign. See [www.booyahoo.blogspot.com](http://www.booyahoo.blogspot.com)

As I understand it, the Yahoo problem was that the information was stored on servers physically in China. For a good discussion of the issues see *Evil doers? How Internet companies live surrounded by the great firewall of China.*<sup>xxxix</sup>

I agree with Bill Gates: the resolution to the question of censorship and the Internet cannot be left to individual companies. Hence the creation by Microsoft, Google and Yahoo of an initiative aimed at preserving free speech on the web. The Global Network Initiative (GNI) is intended to provide guidance to technology companies with regard to advancing freedom of expression and privacy in countries with laws and policies that interfere with these goals. It was launched in October 2008 following two years of discussions. In addition to the three tech companies, GNI will also include Human Rights First, the Committee to Protect Journalists, Human Rights Watch and Human Rights in China.<sup>xi</sup>

Other issues associated with corporate responsibilities of the new media include how to protect vulnerable customers: for example parental controls on access to pornographic websites, advice for young people about not posting too much personal information on social networking websites (which might encourage paedophiles or later discredit them with prospective employers), or restrictions for problem gamblers accessing on-line gambling websites. The Internet media also face increasing questions about the amount of personal data they store on customers and how this is protected and used.

Now, of course, we need to keep these developments in perspective. The traditional media remains important – and I believe that the best of traditional media will use their powerful existing brands to embrace the new media. How many of us still turn to CNN or the BBC World Service for breaking news? But the CR world should be ahead and not behind the curve on this media revolution – including discussion of the responsibilities of the new media businesses themselves.

### **ACTION TO IMPROVE: THE ROLE OF COMPANIES AND CR COALITIONS**

Finally, a few concluding thoughts on what might be done by: (a) Individual companies; and (b) CR intermediaries like CCCD.

#### **(a) Individual companies**

The main responsibility for improving the quality, extent and tone of media coverage of corporate behaviour rests with business itself. Companies themselves need to take responsible business much more seriously. It has to move from the bolt-on to business operations to be built-in to business purpose and strategy.<sup>xli</sup> This includes being more alive to the potential inconsistencies in their commitment to CR and specific behaviours – e.g. on executive compensation, on their lobbying, on their corporate tax policy or on the responsibility they accept for the misuse of their products and services.

Companies need to be much better at articulating what they are doing and why. Responsible businesses must be prepared to explain their purpose and impacts, to defend legitimate business interests – and to engage in debate:

“If businesses want to make good profits and to protect their good names, they must stand up and argue their case – for globalisation, for free trade, and for responsible corporate behaviour...”<sup>xliii</sup> (*Financial Times*)

The then global managing partner of McKinsey and Co, Ian Davis, made a similar point in the *Economist* in May 2005:

“Large companies must take the lead in explaining their contribution to society. They should define their ultimate purpose in a way that is more subtle than ‘the business of business is business’ and less defensive than most current approaches to corporate social responsibility. ...it is time for big business to recapture the intellectual and moral high ground from its critics and to build social issues into strategy in a way that reflects their actual importance to companies.”<sup>xliii</sup>

One experienced CR and corporate communications specialist John Drummond, from CR consultancy Corporate Culture, argues that:

“...businesses will be significantly more successful at securing coverage of their CSR track records when:

- they use the language of the audience segments of news products
- become better at telling stories
- become better at participating in dialogue (rather than just telling)
- understand the motives of writers and the motives of readers
- begin to cover some of the content of CR that should be out there but that they are ignoring in their CR policies (there is a huge content gap).<sup>xliiv</sup>

Additionally, companies might consider:

- When talking to the editorial boards of newspapers, do CEOs talk about CR?
- How many business leaders go to talk to journalism students in the same way they go to talk to business schools?

This includes better reporting. UK responsible business coalition Business in the Community (BITC) and management consultant Arthur D. Little produced a *Director's Guide to Corporate Reporting* (which you can download free from the BITC website: [www.bitc.org.uk](http://www.bitc.org.uk))<sup>xlv</sup> The Director's Guide tells you what you need to know to make some difficult decisions involved in developing and implementing a strategic approach to CR reporting. It makes the point that content and channels for communicating the content need to meet the needs of the particular company. I heartily agree.

Companies should also be thinking more about CR in the criteria they use for whom they choose as professional advisers – including for their PR and Communications advisers.

### **(b) CR intermediaries like CCCD**

David Fenton of communications consultancy Fenton Communications argues that the CR and sustainable development communities must work together on intensive, sustained media campaigns designed to simplify and punch through their key messages. At a time when mainstream media interest in complex issues is trending downward, he argues:

“It’s time to cut the jargon and invest in short, lively, dramatic forms of presentation.”<sup>xlvi</sup>

In the UK, the Marketing Society recently (June 2009) announced an initiative to bring together a number of leading marketers to develop some common vocabulary that could be used in communicating with consumers about climate change.

There are now more than 100 business-led CR coalitions promoting CR around the world.<sup>xlvii</sup> They need to expand their communications strategy for CR. We need more thought-leadership pieces on some of the tough, difficult ethical and practical dilemmas in CR. The CR intermediaries need to work together to try and target the major international media – for example by co-ordinating invitations to / presentations at editorial lunches and so forth. There is a particular responsibility for the umbrella organisations representing national CR coalitions – for example CSR Europe – to have a proactive communications strategy.

Mike Tuffrey from the CR consultancy Corporate Citizenship Company argues for an education programme for journalists.

- Could CR intermediaries offer short-term scholarships and fellowships to some bright young journalists to work in their organisations – or work with reputable media organisations to run such placements jointly, to build understanding of the key issues?

- Is there a role to try and persuade more media to follow the example of the BBC in arranging a series of external speakers on sustainability?
- Should we be starting even earlier by targeting those working on students newspapers and the like?
- Are any of the growing number of business school professors who are researching and teaching CR, teaching any CR modules on the journalism / media studies courses in their university?

If the new media is based more on conversation and on-going dialogue, then is there more of a role for CR experts in 'setting out our stall' and engaging in our own dialogue? Mallen Baker, formerly of BITC, and CR consultancy SustainAbility's John Elkington, for example, have their own personal websites<sup>xlviii</sup> to try and contribute to this – Mallen even twitters. But how can we collectively do more?

## CONCLUSION

As Danny Schechter, founder and executive editor of MediaChannel.org, is quoted in *Good News and Bad*:

"Media has a role in society it never had before, in part because of the power of technology. In the rich world the media are now almost ubiquitous, permeating every aspect of our existence. Thanks largely to cable, satellite and the Internet, the power and reach of the media have increased enormously."<sup>xlix</sup>

It is vital, therefore, that the media understands and covers CR – not as a stand-alone topic but as an integral part of the role of business in today's connected, global economy and society. If those of us who are concerned about CR don't feel the media is giving the topic sufficient attention, in either quantity or quality, then there is absolutely no value in just bemoaning the fact – nor to try and deflect the debate by talking about the media's own CR (although that is an important topic in its own right!).

Instead, we should be identifying the weaknesses in our own messages and communication such as:

- lack of clarity of definitions
- hyperbole
- over-complexity
- being too diffused
- insufficient targeting of messages

... and we should tackle these. The CR movement should also be paying much more attention to the impact of the new media – and changing our own communications accordingly. We are trying to do this with the Doughty Centre website; and I understand that CCCD is preparing an interactive online-platform on corporate citizenship, to be launched in October 2009.

© The Doughty Centre for Corporate Responsibility, July 2009

*This paper was presented at a seminar organised by CCCD and hosted by the BMW Foundation in their offices in Berlin on June 22<sup>nd</sup> 2009, before an invited audience of media, politicians, public officials, academics, NGOs and business.*

## ACKNOWLEDGEMENTS

I would like to thank Susanne Lang and her colleagues at CCCD in Germany for the opportunity to prepare and speak to this paper. It is partly based on a speech I gave in December 2005 for a conference in Manchester organised by Business in the Community, Leeds Metropolitan University and the consultancy Connectpoint.<sup>1</sup>

A number of people have generously commented on the current paper for which I am enormously grateful: Dr Kenneth Amaeshi (Doughty Centre), Yogesh Chauhan (BBC); Roger Cowe (Context); John Drummond (Corporate Culture); Nadine Exter (CR Advisory Services), Giles Gibbons (Good Business); Gail Greengross (Business in the Community), Adrian Hodges (International Business Leaders Forum); Dr Brian Jones (Leeds Metropolitan University); Susanne Lang (CCCD); Professor Thomas Lawton (Cranfield School of Management); Lisa Murray (Northern Ireland Business in the Community); Sarah Murray (The *Financial Times*); Christian Toennesen (Acona Consultants / CSRMedia Forum); Mike Tuffrey (Corporate Citizenship Company); Gerry Wade (Probus BNW); Toby Webb (Ethical Corporation); Chris Wyld (Foreign Press Association, London).

## ABOUT THE AUTHOR

Professor David Grayson CBE joined Cranfield School of Management as Director of the new Doughty Centre for Corporate Responsibility in April 2007 after a thirty year career as a social entrepreneur and campaigner for responsible business, diversity, and small business development. This included the chairmanship of the UK's National Disability Council and several other government bodies, as well as serving as a joint managing-director of Business in the Community. He is a visiting Senior Fellow at the CSR Initiative of the Kennedy School of Government, Harvard. He has Masters degrees from the universities of Cambridge and Brussels, and an honorary doctorate from London South Bank University. He has been a Visiting Fellow at several UK and American business schools. His books include *Corporate Social Opportunity: Seven Steps to make Corporate Social Responsibility work for your business* (Greenleaf, 2004 [www.greenleaf-publishing.com](http://www.greenleaf-publishing.com)) and *Everybody's Business* (DK Adult 2001) – both co-authored with Adrian Hodges. He now also chairs Housing 21 – one of the leading providers of sheltered and extra care housing and care for older people ([www.housing21.co.uk](http://www.housing21.co.uk))

## REFERENCES

- <sup>i</sup> EU Commission Green Paper 2001: *Promoting a European Framework for Corporate Social Responsibility*, COM (2001) 366 Final.
- <sup>ii</sup> Claude-Jean Bertrand. *Media ethics & accountability systems*. New Brunswick, NJ, Transaction Publishers, 2000.
- <sup>iii</sup> Grayson and Hodges. *Corporate Social Opportunity: making Corporate Social Responsibility work for your business*. Greenleaf, 2004.
- <sup>iv</sup> For further material on corporate social opportunity see [www.doughtycentre.info](http://www.doughtycentre.info)
- <sup>v</sup> UNEP and Ketchum. *Good News and Bad - The Media, Corporate Social Responsibility and Sustainable Development*. SustainAbility produced this report with UNEP and Ketchum, 2002.
- <sup>vi</sup> Data provided to author by Covalence: [www.covalence.ch](http://www.covalence.ch) and reproduced with permission.
- <sup>vii</sup> SustainAbility. *Good News and Bad - The Media, Corporate Social Responsibility and Sustainable Development*. 2002.
- <sup>viii</sup> Comment to author May 2009.
- <sup>ix</sup> Jonathan Sachs. *The dignity of difference – how to avoid the clash of civilisations*. Continuum. 2002.
- <sup>x</sup> Paul Hawken. *Blessed Unrest: How the Largest Movement in the World Came into Being and Why No One Saw It Coming*. Viking Penguin, 2007: p19.
- <sup>xi</sup> Paul Hawken. *Blessed Unrest: How the Largest Movement in the World Came into Being and Why No One Saw It Coming*. Viking Penguin, 2007: p19. See Page 126 for the Newsweek quote.
- <sup>xii</sup> Author's contemporaneous note.
- <sup>xiii</sup> <http://image.guardian.co.uk/sys-files/Guardian/documents/2008/12/03/report2008.pdf> See page 12.
- <sup>xiv</sup> Exchange with author June 2009.
- <sup>xv</sup> UNEP and Ketchum. *Good News and Bad - The Media, Corporate Social Responsibility and Sustainable Development*. SustainAbility produced this report with UNEP and Ketchum, 2002.
- <sup>xvi</sup> Keynote speech to the 2003 colloquium of the European Academy for Business in Society ([www.eabis.org](http://www.eabis.org)) held at the Copenhagen Business School September 2003.
- <sup>xvii</sup> <http://www.ft.com/cms/s/2/9bdfb524-56dd-11de-9a1c-00144feabdc0.html>
- <sup>xviii</sup> [www.meganslaw.ca.gov](http://www.meganslaw.ca.gov)
- <sup>xix</sup> Michael Robert Evans. *The Layer of Magazine Publishing*. Columbia University 2004.
- <sup>xx</sup> Attributed to Voltaire (1694-1778). Originated in *The Friends of Voltaire*, 1906, by S. G. Tallentyre (Evelyn Beatrice Hall).
- <sup>xxi</sup> Mapping the landscape: CSR issues for the media sector 2008. "Brain print" the residual influence of output on audiences: CSR Media Forum 2008.
- <sup>xxii</sup> [Mapping the Landscape: CSR Issues for the Media Industry 2008](http://www.mediacrforum.org). - [www.mediacrforum.org](http://www.mediacrforum.org)
- <sup>xxiii</sup> Mapping the landscape: CSR issues for the media sector 2008. "Brain print" the residual influence of output on audiences: CSR Media Forum 2008. [www.mediacrforum.org/\\_media/documents/Media\\_CSR\\_Map\\_2008.pdf](http://www.mediacrforum.org/_media/documents/Media_CSR_Map_2008.pdf). p4.
- <sup>xxiv</sup> Soulstates (2009) [www.soul-states.com](http://www.soul-states.com)
- <sup>xxv</sup> Quoted in Washington DC, April 13th 2005. See <http://news.bbc.co.uk/1/hi/business/4697671.stm> for the BBC article.
- <sup>xxvi</sup> <http://www.pewinternet.org/Reports/2007/Teens-and-Social-Media/1-Summary-of-Findings.aspx?r=1>
- <sup>xxvii</sup> Nielson wire blog: [http://blog.nielsen.com/nielsenwire/online\\_mobile/twitters-tweet-smell-of-success](http://blog.nielsen.com/nielsenwire/online_mobile/twitters-tweet-smell-of-success)
- <sup>xxviii</sup> Paul Gillin. [www.newspaperdeathwatch.com/](http://www.newspaperdeathwatch.com/) New Communications Forum San Francisco 2009. *World without media – what will fill the void*.
- <sup>xxix</sup> <http://english.people.com.cn/90001/90776/90882/6516299.html>
- <sup>xxx</sup> <http://annenberg.usc.edu/AboutUs/News/090429CDF.aspx>
- <sup>xxxi</sup> The Media Centre, American Press Institute. *We media: How audiences are shaping the future of news and information*. [http://www.hypergene.net/wemedia/download/we\\_media.pdf](http://www.hypergene.net/wemedia/download/we_media.pdf)
- <sup>xxxii</sup> John Battelle. *The Search: How Google and its rivals rewrote the rules of business and transformed our culture*. Portfolio Hardcover 2005. See pages 173-4.
- <sup>xxxiii</sup> *The Economist* April 21<sup>st</sup> 2005.
- <sup>xxxiv</sup> <http://finance.yahoo.com/news/USA-newspaper-circulation-sees-apf-15039695.html?.v=6>
- <sup>xxxv</sup> Personal conversation with author.

- <sup>xxxvi</sup> Oliver Bach. *Campaigns 2.0. Ethical Corporation*.  
<http://www.ethicalcorp.com/content.asp?ContentID=6458>.
- <sup>xxxvii</sup> <http://www.ethicalcorp.com/content.asp?ContentID=6458&ContTypeID=>
- <sup>xxxviii</sup> US National Public Radio March 7<sup>th</sup> 2006.
- <sup>xxxix</sup> The *Financial Times* February 15<sup>th</sup> 2006.
- <sup>xi</sup> [www.globalnetworkinitiative.org/](http://www.globalnetworkinitiative.org/)
- <sup>xii</sup> Grayson and Hodges. *Corporate Social Opportunity: making Corporate Social Responsibility work for your business*, Greenleaf 2004.
- <sup>xiii</sup> The *Financial Times*, April 2001 editorial.
- <sup>xliii</sup> Ian David. The *Economist*. May 26<sup>th</sup> 2005.
- <sup>xliiv</sup> From email correspondence to author on early draft of this paper.
- <sup>xliv</sup> [http://www.bitc.org.uk/resources/publications/key\\_publications/index.html](http://www.bitc.org.uk/resources/publications/key_publications/index.html)
- <sup>xlvi</sup> [www.fenton.com](http://www.fenton.com)
- <sup>xlvi</sup> David Grayson. *Business-Led Corporate Responsibility Coalitions: Learning from the example of Business in the Community*. CSR Initiative of the Kennedy School of Government, Harvard, 2007.
- <sup>xlvi</sup> [www.mallenbaker.net](http://www.mallenbaker.net); [www.johnelkington.com](http://www.johnelkington.com); [www.davidgrayson.net](http://www.davidgrayson.net)
- <sup>xlix</sup> SustainAbility. Good News and Bad - The Media, Corporate Social Responsibility and Sustainable Development. 2002.
- <sup>l</sup> R Bowd, B Jones and R Tench. *CSR and the Media, Summary Research Report*. Leeds Metropolitan University and Connectpoint, 2005.

## **THE DOUGHTY CENTRE FOR CORPORATE RESPONSIBILITY**

### CENTRE PUBLICATIONS

#### OCCASIONAL PAPERS

Doughty Centre Occasional Papers are designed to stimulate debate on topical issues of Responsible Business and Sustainability:

1. "Who should head up your sustainability function?" Joint think-piece with D Grayson and Odgers Berndtson (2009)
2. "How to: CR Champions Networks." N Exter. First in the series of 'How to Guides' from the Doughty Centre (2009)
3. "Stakeholder engagement: A road map towards meaningful engagement." N Jeffery. Second in the series of 'How to Guides' (2009)
4. "Small is sustainable (and Beautiful!). Encouraging European Smaller Enterprises to be Sustainable." David Grayson CBE and Tom Dodd (2008)
5. "The Business of Business is...? Unpicking the corporate responsibility debate." Chris Marsden OBE and David Grayson CBE (2008)
6. "Embedding Corporate Responsibility in the MBA Curriculum." Chris Marsden OBE (2008)

#### WORKING PAPERS

Doughty Centre Working Papers aim to provide a contemporary review of academic research and to identify opportunities for further research, informed by practitioner experience and needs.

1. "Measuring Business Value and Sustainability Performance." David Ferguson. A joint research project with EABIS (2009)
2. "Non-Financial Performance Metrics for Corporate Responsibility Reporting Revisited." Malcolm Arnold (2008)

#### OTHER PUBLICATIONS

1. The Doughty Centre Year One Report to Stakeholders (2008)
2. Business-Led Corporate Responsibility Coalitions: Learning from the example of Business in the Community - David Grayson – jointly with CSR Initiative, Kennedy School of Government, Harvard (2008)

[www.doughtycentre.info](http://www.doughtycentre.info)

© 2009 The Doughty Centre for Corporate Responsibility, Cranfield School of Management