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NEW SOCIAL COMMUNICATION TOWARD THE RELATIONAL CAPITAL CREATION

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Summary

Corporate social responsibility is an example of an approach to management that emphasizes the importance of organization's influence exerted by the company on a number of diverse groups called stakeholders. CSR sets new functions for social communication. In this paper chosen examples of social activities communication of Polish mining companies has been addressed. The main risks for the use of contemporary forms of communication as well as possibilities which are the results of application of modern management model has been indicated.

Keywords: social responsibility, CSR, management, public relations, communication

Introduction

Corporate Social Responsibility (CSR) is a concept which makes it possible for organizations to voluntarily take social interests and protection of the environment, as well as relations with various groups of stakeholders into consideration at the stage of building strategy. Responsible business involves strategic, long-term approach based on the rules of social dialogue and searching for solutions beneficial for both the organization and its whole environment, employees, all stakeholders and communities in which the organization functions. In other words, corporate social responsibility is an efficient strategy of management, which through social dialogue on the local level contributes to growth of competitiveness of companies on the global level and at the same time to forming conditions for balanced social and economic development. Communication in such organizations is a crucial element for the achievement of socially responsible goals.

Communication as interpretation of CSR

Communication is the basis of proper social relations and is necessary for the proper development of every organization. The essence of the process of social communication is the flow of information between various actors of the social life stage. Already in the 1960's researchers from the Palo Alto school P.H. Watzlawick, J. Beavin and D. Jackson emphasized that every action, or utterance — but also the lack thereof — is a form of communicating (Hauser, 2001). Communicating is successful only when the definition of a particular situation is understood in the same way by all participants of the process of exchange of information. Such action called information symmetry means taking into consideration the opinions and needs of citizens, surveying public opinion and providing feedback on the obtained information to the people responsible for strategic decisions (Habermas, 1999).

Communicating is not among social phenomena which are easy to define and it is often replaced with such notions as "exchange" or "passing on" information. However, distinguishing these terms plays a special role in all research on communication from the moment when its theoretical foundations started to take shape from C. Shannon and W. Weaver, who assumed quantitative interpretation of information¹ , up until contemporary theories (A.M. Mattelart, Ch. Baylon, X. Mignot) suggesting that the subject of communication theory is too broad to be limited to basic exchange of information (Wendland, 2012).

Communicating as one of the pillars of properly implemented CSR strategy makes it possible to popularize ethical activities of organizations and constitutes a basis of harmonious coexistence of a company and its stakeholders. Stakeholders, a crucial word in CSR, means all persons and units which participate in the life of an organization. Good relationship with the stakeholders, based on dialogue, constitute a source of competitive advantage and a basis for building long-term strategy and value of a company. In the CSR strategy it is possible to distinguish various communication goals, depending on the intended recipients of the messages.

CSR — a challenge for the contemporary economy

There is no unequivocal definition of corporate social responsibility either in literature on the subject, or in practical activity. Various interpretations of CSR are assumed in various areas of interest. What has also been observed is a clear evolution of the interpretation of the term. The fact that it is hard to come up with an unequivocal definition stems above all from the researcher's subjective approach to a more or less theoretical view, or a strictly practical aspect of the issue. A. Dalhsrud analyzes this diversity in one of his works by juxtaposing 37 definitions of corporate social responsibility. The author says: *Despite countless attempts to work out a clear and unbiased definition of corporate social responsibility, there is still no certainty how CSR should be defined* (Dalhsrud, 2006). His analysis reveals common characteristics of particular definitions. It turns out that most of them concern the following five dimensions: the need to get stakeholders involved and to run a dialogue with the stakeholders (88% of the total number of definitions), social dimension (88%), economic aspect (86%), dimension of voluntariness of CSR initiatives CSR (80%), environmental aspect (59%).

What forms a company's corporate social responsibility is a series of actions in many areas: communication, corporate governance, relations with stakeholders, responsibility for the natural environment, economic responsibility, society, human resources. CSR, in order to be authentic, credible and efficient should cover all the above-mentioned areas. This comes straight from the complexity of the environment — in the contemporary reality every organization participates in dozens of interactions every day. In its actions it has to take into consideration the needs and expectations of clients, but it also has to take into consideration other factors determining its activity: social issues, legal regulations, political decisions, environmental problems, etc.

Together with a very broad range of other areas of business activity CSR forms an exceptionally important identity of a company, which is influenced by:

- mission, strategy, philosophy of activity, organizational culture, company's personality,
- manner of presentation — system of visual identification,
- way of communicating — model of integrated communication functioning in a company (Pluta, 2001).

Polish companies are changing as a result of changes in ownership and the economic environment. This often requires reformulating the strategy of management, including human resource management, changing directions of activity, changing ways of thinking about business activity. The availability of adequate quality potential of human capital, as well as managing it properly constitutes a prerequisite for efficient implementation of the CSR rules. It also builds organizational culture of an organization as an element of a given company's system of values. In the widely known Schein's model (Koźmiński & Piotrowski 2006) organizational culture is a set of basic assumptions and convictions shared by the members of a particular organization, which determine its existence. Thus, it can be defined as a "normative binder" connecting all members of an organization. Organizational culture now serves not only an integrating, but also an adapting function making it possible to adapt the actions of a company to the requirements of the environment, certainly facilitating this way the functioning of the rules of social responsibility in a company. It also constitutes an integral element of structural capital² which also includes a company's intellectual property, databases, management processes, IT infrastructure, company's reputation, shareholders, organizational concept, or documentation of particular management processes. Structural capital is the knowledge which has been gained and incorporated in the company's structure, its processes and culture. From the perspective of CSR paradigm it is exceptionally significant, as it exerts a positive influence on improving key competences, supports the process of organizational improvement, serves the purpose of creating innovative solutions, enabling the establishment of links between the company and its environment. Thanks to this, it is possible to more efficiently use the intellectual potential of employees and thus build a company's advantage on the market.

Models of social actions

The results of research carried out in 2008 by OnBoard PR and PBS DGA show that 76pc of Poles are convinced that business resorts to social actions only for the sake of gaining attention. 73Pc of respondents think that companies often, or almost always spend more on the publicity of their charitable activities more than on social actions themselves (Dymowski & Szymańska, 2009).

For this reason contemporary research in the relations between CSR and PR has worked out three basic models of these relations:

1. Model of strategic charity — company gets involved in social engagement initiatives, mainly through charitable activity. The motivation for CSR are goals associated with image. (A.B. Carroll, M. Porter)
2. Model of stakeholders — the model of running business activity by building transparent, long-term and stable relations will all interested parties. The main goal is building relations (E. Freeman, P. Drucker).
3. Model of innovativeness — innovations and partnerships are the result of cooperation with the stakeholders. The company understands and wants to take advantage of its role in the society, it is focused on innovations. The goal is building durable value and development through solving social problems (CED, S.L. Warbrick, P.L. Cochran, D.J. Wood) (Kuraszko, 2010).

The application of a given model of communication determined practical functions of public relations and its relations with CSR activities, as they support symmetrical communication in building the culture of creating value flowing from interdependence and dialogue. However, identifying CSR only with PR is a threat which leads to a situation in which CSR is regarded as a negative phenomenon lacking credibility, which is supposed to keep journalists quiet and keep public opinion blind to sensitive issues. The implementation of the idea of CSR requires comprehensive change of functioning and integrated actions in the whole structure of a company. Its efficiency depends above all on consistency and long-term approach. What can guarantee this are tested, widely recognized and verified CSR standards, also in the area of reporting, which contribute to the development of social dialogue. (Kompendium CSR, 2009). What socially responsible business and public relations have in common is the long-term goal

— raising company's competitiveness by building its friendly image and strengthening it in the minds of consumers and partners.

Based on the concept of PR models built by J.E. Grundig and T. Hunt in 1984, it is possible to distinguish three types of communicating about activities from the area of CSR:

- strategy of informing stakeholders — where the process is unidirectional in character and is based on disseminating information, not necessarily in order to persuade,³
- strategy of listening to stakeholders — characterized by bidirectional, but asymmetrical communication, where there is disproportionate influence of the company on the stakeholders,⁴
- strategy of getting stakeholders involved — bidirectionally symmetrical in character, where dialogue is real and not just apparent (Roszkowska, 2011). Such form of communication activity, despite apparent antagonism of goals, is beneficial for the company, as it develops under influence of external stimuli.

In the process of formulating and implementing CSR strategy systems of assessment and disclosing information about the activity of an organization, The goal of reporting is communicating about the achievements which are beneficial for identified groups of stakeholders: clients, employees, owners, suppliers, society. Balanced reports point to both financial (eg. expenses, payouts, spending on investments) and non-financial value carriers (Adamczyk, 2009).

Practice of social communicating

In 2009 consulting company Braun& Partners Polska and PKPP Lewiatan carried out a research on the transparency of CSR activities of 39 biggest Polish companies. It turned out that companies from the fuel sector have the most credible CSR, mining companies placed only 8th (Fudala, 2009). Author's own research concerning the practical functioning of CSR in coal mining industry, carried out in 2012⁵ show that all companies think that the paradigm of social responsibility is present in the management of a contemporary mining company. The surveyed respondents pointed out that in coal mining companies the priorities of activity have changed over the last 20 years and now companies are paying more attention to the role of the human factor — better treatment of the employee and the surroundings — understood as natural environment. Respondents also pointed to the fact that contemporary mines and coal companies also pay attention to company image.

Building a company's good image, its reputation is of great importance for the future of organization and achieving its goals. Both these values are exceptionally important variables for a contemporary company. They are very closely tied to social trust, which the environment gives (or not) and in a positive way stimulates the rule of mutuality, which is one of the main driving forces of the social system of exchange. Such activity of mining companies is significant for the maintenance of subsistence and development of an organization.

However, in the image of Polish mining industry there is a certain disharmony between taken social actions and frequently emerging corruption scandals, which is a factor undermining the image of a socially responsible organization. What is mentioned as one of the reasons for bypassing law in mining companies, in social surveys concerning the process of corruption in mining industry, is the incoherence of legal regulations. The law is unstable, subject to constant changes and adapted to current needs.

The claim about the negative image of the mining industry was confirmed by public opinion polls carried out by Marketing Research Group for *Dziennik Zachodni* newspaper in November 2011. In response to the question "what is your strongest association with the mining industry?" 59,8% of the surveyed said that they associated mining industry with danger and accidents, 46,0% associated mining with mining damages, 29,3% associated mining with welfare and 25,8% associated mining with strikes (Stadler, 2011). At the same time image, reputation and cooperation between various group of stakeholders is a way of civilizing the market and the main benefit from following this concept.

The key challenge for the mining industry nowadays is obtaining social acceptance for the conducted mining activities. The pressure on the protection of environment exerted by the public opinion has become a challenge for companies willing to develop, or even just survive on the market and none of them can afford to disregard the environmental dimension of its image, professor Lewicka-Strzałcka (Lewicka-Strzałcka, 2006) thinks. The number and scope of investments carried out by mining companies shows that for companies the protection of environment is a very important part of activity. Despite numerous investments still one of the most important environmental, but also social problems, which raise emotions and controversy, is the issue of mining damages and the methods of repairing them. This is an exceptional arena of disputed issues and lively interaction processes between the actors present on this area. What is important is that the discourse on the subject takes place not only inside the

existing structures, but also on the public arena. For this reason it brings about even livelier reactions and implies further problems.

Mining companies resort to quite a broad range of means of communication (table 1) usually quite similar to each other. It should be presumed that due to the growing and dominating role of the Internet and social media, CSR 2.0, directed through Internet channels to a broader group of stakeholders, will be playing an ever greater role. Among new tools are stakeholder panels. Such a view of CSR boils down above all to explanation and reorientation of targets ahead of business. It is a mistake to claim that the only goal of business is to bring profit or benefits to the shareholders. These are only measures to achieve the real goal which is serving the society by delivering safe, high quality products and services, which contribute to the growth of quality of life without deteriorating the condition of ecological and social systems (Visser, 2010).

Communicating about socially responsible activities and in the most comprehensive shape publishing social reports is one of the key tools of efficient CSR. The language of communication understood as an active factor of social generation serves a significant role in the process of social change. By talking we create and modify the social world. That's why a dialogue with stakeholders built on efficient communication (based on common notion categories) should take into consideration subjective treatment and equality of partners. In this respect all respondents declared that what is important is regular communication with stakeholders, which still requires improvement.

Polish mining companies don't run full CSR reporting yet and they don't prepare annual Sustainability Reports. However, it seems that it is just a matter of time and that it will be enforced by the market, social expectations, or simple legal requirements.⁶ Out of the group of surveyed entities only three: Jastrzębska Spółka Węglowa SA, LW Bogdanka SA and Tauron Wydobycie S.A. (within the Tauron Polska Energia SA group), last year (2012) prepared reports on their CSR activities as a part of their annual reports.

The need for social reporting was highlighted by the participants of a workshop in the area of CSR attended by employees of mines and coal companies responsible for tasks associated with chosen subject area of social responsibility, representatives of mining supervision, social organizations and miners' trade unions. They pointed out that reporting substantially contributes to growth of knowledge about CSR and facilitates paradigm management in a company. That's why it was emphasized that it is worth considering the rule of regular preparation of social report also in the practice of mining companies.⁷

Table 1. Means for communicating CSR activities used by mining companies, own materials

| Company | Company newspaper | Brochures, leaflets | Local radio station | Media | Internet | Interactive forms of communication, eg. e-mail, notice box | Newsletter (in electronic version) | Call center | Opinion surveys | Personal conversations | Meetings with the local community |
|---|-------------------|---------------------|---------------------|-------|----------|---|---------------------------------------|-------------|-----------------|------------------------|-----------------------------------|
| KW SA | + | + | + | + | + | — | — | — | — | + | + |
| JSW SA | + | + | + | + | + | — | — | — | — | + | + |
| KHW SA | + | + | + | + | + | — | — | — | — | + | + |
| LW Bogdanka SA | + | + | + | + | + | — | — | — | — | + | + |
| TAURON Wydobycie SA | + | + | + | + | + | — | — | — | — | + | + |
| PG Silesia Sp. z o.o. | N/A | N/A | N/A | + | + | — | — | — | — | + | + |
| ZG "SILTECH" Sp. z o.o. | N/A | N/A | N/A | + | + | N/A | N/A | N/A | N/A | N/A | N/A |
| Przedsiębiorstwo EKO-PLUS Sp. z o.o. | N/A | N/A | N/A | N/A | + | N/A | N/A | N/A | N/A | N/A | N/A |

Source: Own research.

GIG's other surveys confirm that various activities concerning the area of CSR are being monitored, but not viewed in a comprehensive way. The area of the protection of environment, relations with clients, or sponsoring activities are assessed separately. Such a manner of assessment to some extent disrupts the image of the entirety of activities associated with CSR and doesn't support comprehensive coordination. That's why an important form of assessment are verification audits conducted by independent entities such as eg. Warsaw Stock Exchange or Koalicja na rzecz Odpowiedzialnego Biznesu. Three coal-mining companies participated in this project in 2011: JSW SA, KW SA, KHW SA and passed the process of verification by international auditor PwC with positive results (Majer, 2013).

Summary

CSR brings benefits to both the society and the company. Among the business effects of social involvement are marketing benefits associated with human

resources management, or concerning external relations. Appropriate form of communication should be focused not only on informing, but above all on dialogue with the environment. It is also important to avoid a situation in which communication is unidirectional: organization — stakeholders. It should also be focused on receiving and processing feedback. Communication should encourage the involvement of stakeholders in the company's life. Dialogue allows them to make decisions and thus feel that they have the power to do something real. Appropriately processes feedback not only sets out paths of development following the constantly changing expectations of the environment, but also makes it possible to form these expectations.

Communicating about activities conducted in the area of corporate social responsibility by means of, for example, complex reports covering issues from the area of social responsibility (or Sustainability Reports) help organizations not only improve their reputation, but also reduce market and financial risk, or risk associated with negative influence of public opinion.

Public relations activities can support all these areas, also help achieve their targets and solve problems, as well as social conflicts. It is much easier to achieve the defined targets when you enjoy social understanding and support. Practice of PR, just as practice of CSR is aimed at achieving mutual agreement through objective, reasonable and full information, which should additionally constitute a simple message comprehensible for all groups of recipients.

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¹ According to the theory, the more information is contained in a message, the smaller the likelihood of its occurrence — *author's note*.

² Human capital and structural capital are, according to L. Edvinsson's classification, two basic forms of intellectual capital. The term of human capital is understood as knowledge, experience, qualifications and skills of employees which are significant for the effects of a company's activity. More and more often, the term of relational capital is added to these two forms. Relational capital concerns the relations within networks of partners (also market channels, relations with clients and suppliers, capital ties) their satisfaction with these relations and the level of loyalty towards the company — *author's note*

³ Here the PR publicity model (P.T. Barnum) or the model of informing public opinion (I. Lee) may serve as a prototype — *author's note*

⁴ Model of symmetric and asymmetric bidirectional communication was originally created and developed by E.L. Bernays — *author's note*

⁵ The research was carried out in association with the doctoral thesis prepared at the Faculty of Social Sciences of the University of Silesia, associated with the functioning of the paradigm of corporate social responsibility in Polish coal mining industry. In research qualitative methods were dominant (individual in-depth interview) and analysis of source texts (desk research, case study). In this article chosen conclusions from the above work are included " *author's note*.

⁶ Such propositions are already applied in eg. Scandinavian countries and such plans with regard to big, state-owned companies may soon be included in EU law, as well as international directives and standards of implementation, as Sue Bird

from the Directorate-General for Employment, Social Affairs and Inclusion of the European Union said during II Silesian CSR Round Table June 3, 2013 in Katowice. — *author's note*.

⁷ Conclusions and guidelines for the functioning of CSR in a company — workshop paper under the project „Bezpieczna praca bezpieczna rodzina. Promocja Społecznej Odpowiedzialności Przedsiębiorstw w aspekcie bezpieczeństwa i higieny pracy” (Safe work — safe family. Promotion of Corporate Social Responsibility in the aspect of safety and hygiene of work) from August 11, 2011.

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