

# Ethical communication and citizenship assignment

[Business](#)



ALR276: Assignment 1: What significant communication and ethical issues surround corporations facing strong public opposition to their activities?

Discuss drawing on the BAGAG, WRATD and Cash for Comment case studies (one or more) and at least one major theory studied in this unit. | The aim of this essay will be to examine how social and cultural changes have forced corporations to re-evaluate many of the principles they work upon, it will open up by looking at a few of the major ethical issues that corporations must deal with when serving the needs of the community.

The essay will explore the Werribee Residents Against a Toxic Dump (WRATD) case study and highlight some of the key errors CSR made when handling the debate over the proposed landfill development. It will also suggest that the WRATD case study is a prime example of the reality of Corporate Citizenship and the idea that a business is dependent on its host community (Birch & Glazebrook 2000). The past century has seen corporations expand on a global level, this expansion has been made possible due to a number of contributing factors such as technological developments, stronger education and improved advertising methods.

However it is these same factors that have given way to a number of ethical complications that can determine the success of corporations. The same technological advances that have allowed companies to mass produce and communicate with the world have at the same time contributed to environmental issues. Technology has also given the general public easy access to information and resources that were previously unattainable, along with this corporations find themselves faced with a better informed public.

Big business is no longer a vacuum imposed upon the general population, but rather the relationship between a company and its customer has taken on a pluralistic nature. This means the company and the consumer are two separate entities, but both have access to distributed power (Abercrombie et al. 1994). Companies still have a financial, legal and in some cases political advantage over the average consumer, but consumers are no longer just recipients of the product; they are stakeholders too.

Within the capitalist structure that maintains a corporation, the consumer/stakeholder is able to express their dissatisfaction with the corporation. The consumer accomplishes this not merely by vocalising their concerns, but by boycotting the product, withdrawing shares and creating high-level media and information campaigns that can harm a company's reputation (van Moorst 2001). A corporation's continued success is dependent upon the support of its target audience, this reliance has meant large organisations have had to develop a greater sense of trust within their community.

Corporate groups are being observed on a much closer scale and are being held accountable for every decision they make within a public sphere, essentially the corporation is hostage to the demands of the consumer. It is important to note that the demands of the consumer have evolved over time, citizens are no longer preoccupied simply with what the product is and what it can offer them but also what potentially harmful implications the product can unleash. This consumer trend could be classified as a form of active citizenship, the citizen/consumer is displaying the moral obligation they feel toward their community.

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They are not merely the bearers of rights; they are the bearers of responsibilities (Hudson & Kane 2000), in reaction to this corporations have adapted to the concept of Corporate Citizenship. An ideal that goes beyond people-friendly marketing and branding tactics, Corporate Citizenship looks at informing and involving the community with its business decisions. There are three major requirements a community has of a corporation, these three ethical responsibilities (social, economic and environmental) have been categorised into something known as 'the triple bottom line' (Demetrious 2004).

Corporations who obey the triple bottom line tend to have a better public image, a more harmonious relationship with the consumer and a stronger return for their shareholders. The implications that can occur when large organisations do not practice a degree of Corporate Social Responsibility was particularly evident in the 'Werribee Residents Against Toxic Dump' case study. When big name brand CSR got involved in waste management and planned to develop a dump site in Werribee they underestimated the backlash that would come, in the process of trying to control the fire they made several PR fiascos.

One of the mistakes CSR made when they unveiled the landfill proposal was attempting to disguise the risk factors in hopes that it would create passivity within the community. In their proposal, they summarised that the landfill would be protected by a double clay liner and a leachate collection system, would be state of the art and most importantly would be monitored and regulated by the EPA. In response to this members of the Werribee

community highlighted the dangers the landfill would create, these risks included fires, spillages and dust storms that could cross contaminate crops.

As a large farming community the crops were an essential source of revenue for the local economy, it would also put the tourism industry under threat. The landfill presented economic, environmental and social risk factors and CSR failed to take the community's concerns seriously (van Moorst 2001). WRATD responded with a variety of tactics. They began a slur campaign that involved the distribution of pamphlets, newsletters and articles and encouraged people to boycott CSR products.

Along with this they gathered together various members from the community, each with unique expertise (e. g. doctors, academics, farmers) and spent a year researching and compiling information that would disprove the CSR's claims that the landfill was safe. Other members of WRATD made connections with local journalists and media who in turn covered the campaign and this allowed WRATD to gain further notoriety and support, local meetings were regularly held and number of attendants grew from a few dozen to thousands.

Over a period of two months the group collected 19, 000 signatures for a petition against the development, twelve months into the campaign local council elections were held and as a result of the campaign's popularity every candidate opposed the development (van Moorst 2001). The combination of bad publicity, political pressure and possibly most significant the drop in shares and financial profit, forced CSR to cancel the landfill development (Strangio 2001).

The major ethical issues that corporations are confronted with are based on the primary needs of the host community, these needs usually revolve around economic, social and environmental factors. What this particular case study signifies is that ethics in business is not merely an idea; rather in a society that is more informed, more skilled and more able to share information than ever before it is a necessity. CSR's landfill proposition failed so dismally because from the beginning they failed to communicate the genuine risks that were involved, furthermore they failed to negotiate an alternative that would resolve the community's concerns.

An organisation that builds its primary agenda around the theory of Corporate social responsibility can avoid many of the pitfalls CSR faced.

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