

Media and Corporate World: Challenges and Opportunities

***Justice G.N. Ray**

Dear friends, I congratulate all of you and media fraternity on the occasion of National Press Day. As you are aware we decided to hold this function in the Secretariat this year, in view of the sudden indisposition of the Hon'ble Information and Broadcasting Minister who was to inaugurate the National Press Day celebrations. Thus, at a short notice it would not have been possible to organise the celebrations at bigger level in the capital.

The media scenario of India in the last 62 years has undergone sea change. The major factor which has shaped the growth of this powerful medium of communication is Globalization, the new economic order of the world, which has opened the floodgates to a cut throat competition virtually in every sphere of our activities. The media and communication industries have immensely contributed in facilitating overall globalization. The impact of globalization is not merely an economic phenomenon, dictated by the market dominated corporate capitalism but also very powerful cultural content, shaped by the inseparable interweaving of advertising, television and internet.

With the rapid growth of business activities some of the business concerns or companies have grown in unbelievable size. There has been both horizontal and lateral expansion in activities of same companies. For corporate house, silence is not golden - Corporate communication is essentially an exercise in public relations to bring in public domain the objectives and achievements of the

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given corporate house and to obtain a feedback from its 'client' to understand their attitude and requirements to achieve corporate goals.

As every action, inaction or lapse of a corporate house is watched by public or a good cross section, it is more and more becoming imperative for the corporate house to reach the people effectively and to address to public perception of its functioning.

The usual and well-accepted and effective mode of corporate communication is achieved through advertisements, reporting in print and electronic media. Articles and critical evaluation of functioning of the corporate houses published in print media and holding of talk shows about functioning of a corporate house in electronic media, opening of website by the corporate house catering various information about its functioning, its aims and objectives, expansion programmes and other relevant news backed by material showing comparative advantage over other players in the field which the corporate house intends to communicate to public, definitely serve the intended purpose of communication.

With massive corporatisation, corporate communication through advertising has reached new heights and broken new grounds. Due to the extent to which corporate communication through advertising has touched the lives of the people coupled with the proliferation of the media, especially electronic media, carrying such corporate communication to the people, the same has started beginning to have direct impact on our value system, our culture and our social fabric. Every such phenomenon has its pros and cons and hence the time has come to ponder on the question of ethics in such corporate communication in the context of what is being practiced today by the corporate houses. It is important that public has the right perception of corporate houses who enter into

public equity markets for making investments. It is, thus essential that corporate communication be fair and transparent.

Corporate Governance - Media

Corporate governance issues and challenges have emerged in present scenario due to extensive expansion of firms, because of separation between ownership and control has increased and because millions of investors have to bear losses owing to Corporate Scandals and misbehaviour of executives. Corporate governance is concerned with the owner and management relationships, distribution of power and accountability in corporations.

The media's role in corporate governance is of utmost importance. Media is a vital tool in pressurizing corporate to behave in socially acceptable ways. Media plays an active role in shaping corporate policy as media selectively reduces the cost of acquiring and verifying information. This information is crucial in shaping the reputation of key players who determine the corporate policy.

The media can play a role in corporate governance by affecting reputation in at least three ways. First media attention can drive authorities to introduce corporate law reforms or enforce corporate laws, (ii) Media attention could affect reputation through standard channel that most economic models emphasize and (iii) further media attention affects not only Manager's and Board Member's reputation in the eyes of shareholders and future employees but media attention affect their reputation in the eyes of society at large.

The corporate sector is not interested in promoting freedom of press but in promoting the interest of their business and want to use the enormous clout that

media wields for its own purpose. With its comparatively large resources, it is in a position to offer competition to others and either to take them over or to force them to close down. On the one hand, it runs the press to earn profits to the subordination, if not exclusion of all other considerations and on the other it tries to expand and monopolize the market. The media has thus become business oriented rather than people oriented. The combination of the ownership of the press with the ownership of the electronic media further leads to still greater monopolization of the news and views and also dries up the alternative sources of information. The obvious consequences are the sacrifice of all values on the altar of profits, the domination of the business interests over the duty to inform and educate people, and monopolization of the news and views. While profits are necessary to enable the press to survive, to technologically update itself and to be independent, it cannot be the dominant object of the media business which has to be distinguished from other business. Functions of the media are unique and none of them is shared by others. To inform and educate the people fairly, objectively and adequately, to enable them to discharge their role as citizens effectively, to protect and promote the intellectual, mental and moral health of the society, and to safeguard and enrich the cultural heritage of the society are among others, important primary functions of the media which are irrelevant to the general business ethos. To equate the media business with other businesses, merely because some profits are necessary to run it, is highly improper and goes against the very object of the media. Those who are in or desire to be in the media business- whether they are individuals, companies or corporations must always bear this in mind.

Today, we are being virtually bombarded with a barrage of corporate communication, 24x7. Corporate communication has entered every nook and corner of every home, has become the staple for gossip sessions in leisure hours and even invaded educational curriculum. The corporate houses have never been

and are not uniform in honouring their social obligations and responsibilities while indulging in such communication. In view of tremendous impact of such communications on young and impressionable minds and on the psyche of persons, it is the bounden obligation of the corporate houses to ensure that such communications do not have any deleterious effect on the minds of persons, especially the young ones who cannot separate the grain from the chaff. This has assumed added importance today because corporate communications involve celebrities in various walks of life and particularly from the field of sports and movies. Such celebrities have a large fan following especially amongst the young and any communication made through such celebrities, if misdirected, can have tremendous adverse effect on our cultural and social fabric. It is, therefore, imperative that there should be a model code governing such corporate communication and an effective regulatory body to act as a powerful watchdog to bring to book errant communicators.

Corporate communicators also have to ensure that no communication is sent to the potential customers which has the effect of creating a false rosy picture about the merits of the products and services sought to be eulogized and conveying a message which is totally divorced from reality.

Of late, it has been witnessed that there has been rapid increase in the corporatisation of media resulting in running the media business mainly for deriving greater profits even at the cost of fair and desired journalistic practice. This problem is further aggravated when corporate house also owns media business and utilizes the media as a platform for championing the cause of corporate house which otherwise will not be expected of an independent media. The Press Council of India in 1996 considered the issue of considerable influence over the minds of the readers flowing from financial reporting by the print media and had drawn guidelines inter alia to the effect that no newspaper owner or

persons closely connected with the newspaper should use his relation with the newspaper to promote his other business interests.

Paid News

Democracy of our country is riddled with corruption that sell journalistic report stories for cash, a phenomenon known as paid news. The negative trend which emerged during the general elections held last year, has already percolated in the corporate world. As of now more and more media companies are entering into contract with the business houses called 'Private Treaties'. Such treaty helps to promote and build 'brand' of the company through print or electronic media, in exchange of media groups getting shares of the company. It has been observed that such agreements may give rise to conflict of interest and may result in dilution of the independence of press vis-a-vis the nature and contents of the news/editorials relating to such companies. This will result into biased news, imbalance reporting, inaccurate perceptions of the companies, thus it may lead to commercialization of news reports.

In the context of globalization and the corporatisation of all major organised activities, this problem will continue to haunt the thinkers, intellectuals, law makers, sociologists and jurist. Healthy debate has to necessarily go in order to ensure that practices in corporate communication are in tune with demands of the ethics thereof. At the same time setting up of an effective watchdog for the purpose of monitoring corporate communication is the need of the hour, which has to be addressed by the concerned authorities without any further delay.

Let us gracefully accept the fact that there has been deep erosion in values of life and such erosion has percolated to every strata of the society and corporate houses are no exception to this malady. But we cannot throw our

hands in despair and allow the malady to go deeper and deeper into social fabric. By conscious efforts by holding dialogues and debates for raising public awareness and inducing introspection by the corporate houses, media and advertising establishments themselves and bringing suitable legislation where it is necessary, the rot can definitely be contained. Sooner such concerted actions are taken it will be better for all of us. The vibrant society of shining India must raise strong voice of protest, which I am confident, no one can ignore.

Namaskar