

>> **Perceptions, Speeches, Myths  
and Realities: companies  
facing the environmental  
agenda in the Era of Reputation.**

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Unlike what happened in the past, the environmental damage produced by any company— By error, action or omission – can be **impossible to revert**, even when the appropriate measures are adopted to mitigate or remedy the disaster. A few decades ago, an adequate readjustment plan and hundreds of public petitions for apologies could allow the recovery of a good part of the credit lost amongst the possibly affected public. Nowadays no such margin exists: the experts and the actual public opinion **do not accept more mistakes in environmental matters**.

When the necessary information that we have nowadays about the impact of man on nature had still not been gathered together, **there were organizations that didn't believe** in the high level of impact of its industries: at the time people boasted that the environment was resistant and everlasting. In the paradigm of what Bernardo Kliksberg calls "**narcissistic company**", the value of a company was measured according to what it was able to invoice or by the utilities that it could generate. (*Ethics for CEOs, 2013*)

Later on in time, "**the philanthropic company**" concentrated on exceptional attention to specific stakeholders. In the present context, in **the era of reputation**, of companies that claim to be socially responsible, the results line already includes—in addition to these economic indicators— **other variables, complex and combined amongst themselves**, such as talent management, the benefit to the society in which the company inserts itself, its ethical behavior, its good corporate government and, of course, its **relation with the environment**. The company that doesn't manage adequately the risks derived from this network of factors will be able to verify how much of its reputation and its own sustainability as a business are put at risk with bad environmental practice.

WHAT WE DO, WHAT WE SAY, HOW THEY SEE US

It is the **entire corporate spectrum that** is experiencing this new paradigm. In the case of the care of the environment, it is wrong to suppose that only the so-called extract industries are exposed to a severe scrutiny of the public opinion. Even if these types of companies have been in the focus of governments and NGOs for decades, today **almost all companies of all types and sizes** are strongly questioned. This includes those that in a proactive way and with a lot of effort managed, in addition, to change their corporate standards in favor of the conservation of the environment.

They all seem to function along the same lines. What about businessmen? According to a qualitative study done by *Poliarquía Consultores* between leaders of different industries with respect to how they are supposedly seen by the Public Opinion, the idea that emerged with force was that in general **the functions and objectives of companies with regards the care of the environment are unknown**. In this sense, many businessmen accept that little is known of their role in more visible issues such as risky investments, human resources or political conflicts in business; **so it is not surprising that so little is known about their efforts in favor of the care of the environment**.

The same study also revealed that the public is very **little informed about the campaigns that the companies do through their sustainability or social responsibility plans**. This apparently occurs as much with the population that is inside as that which is outside the area of direct influence of these programs. Even with the actual employees. That fact is that, if there are not strong reasons of interest, most people are not interested in what these organizations have done or are doing in these issues; much less, what the companies think, know or do. It is a question of **corporate efforts of very little visibility, in spite of the willingness and the resources** that are devoted to these ends.

These are some of the opinions collected in this research:

- "Our actions in favor of the environment are sometimes invisible for our *stakeholders* but even also for our own employees"
- "Day to day life makes us lose sight of our corporate actions in favor of the care and protection of the environment, but not those related with human resources or the finances of the company"



- “We don’t know if the failures in our actions related with sustainability are due to the fact that they are not very original or attractive or simply because we are not communicating them adequately.”
- “The success of our actions still depends on the willingness of our internal and external clients... In general all accept that they worried about the environment, but few, very few are really prepared to do something.”

“While the environmental issue is more present in the agenda, the public recognizes lack of accurate information about the issue”

This is how these programs become repetitive events, **barely proactive or even of short duration**. What is more, if they persist, it is because in many cases they are carried out or accomplished almost like a bureaucratic obligation and with very little conscience; they contribute more to a public stance on what is **politically correct or in fashion**, than the deep-rooted transformations that the companies proclaim and/or have decided to implement.

In general, one of the obstacles has to do with the fact that companies **insist on explaining their contributions to the environment in financial or economic terms**. The secular tendency that prevails is to continue showing only the economic benefit, in a language which is also economic; then expressions of the type: “*We have invested 300 million dollars in our operation, of which we destine 2.4 % to actions that protect the environment*” come back in use. Elusive quantities, without relevant references for the public and that, on the other hand, only reflect one aspect —the economic— of the commitment that a company can assume to meet their obligations.

### INFORMATION AND ENVIROMENTAL CLICHES

The **identification of reputation risk scenes derived from environmental incidents** is a task that all companies should take on systematically. Even if the traditional communication media have usually shown themselves as avid followers of these conflicts, covering with their spectacular coverage increasingly wider audiences, they are the **social networks** where the companies become constantly visible. This is the favorite space of the youngest, a segment of society that, although it is not necessarily better informed, **it has been born with the environmental agenda installed**.

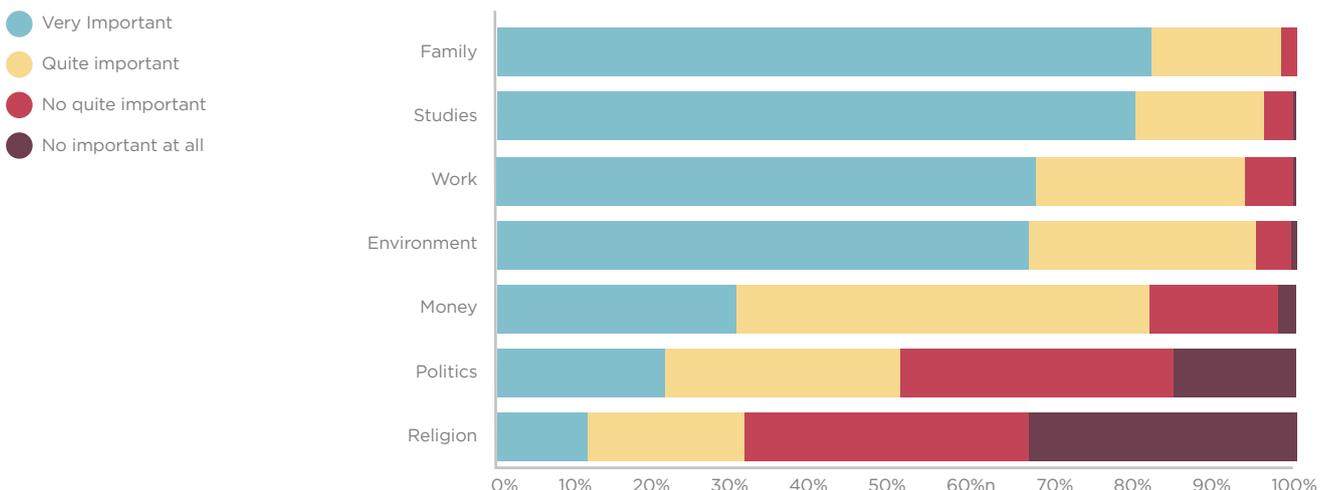
One of the reasons that explains this type of communication has to do with the fact that a **strong speech and a self-referential way of looking still prevails** in the management dedicated to these questions, an obstacle of the “narcissistic company” which Kliksberg speaks about. As some businessmen mentioned between lines in the study of *Poliarquia Consultores*, there are organizations that believe that they are doing the correct thing in environmental or sustainability matters however much the results of the impact of their program indicate something else. There is even a **divorce between the corporative standards and the specific actions of the communities**.

Quantitative studies done by *Poliarquia Consultores* have been able to account for this: the valuation of the environment as a focus of concern amongst young people is above others such as money, politics or religion, at the same level as work and only below the family and studies. In effect, **an ever increasing number** of young people under 18 of the metropolitan area of Buenos Aires seem to be worried about the environment which they recognize as something “very” or “quite” important. Indeed, what should be evaluated is how many of these answers contain the “politically correct component”. However, it is worth remembering that young people today endeavor less and less to achieve this correction, something which is positive in terms of the necessary sincerity that is required for the generation of realistic actions in favor of environmental care.

A similar situation repeats itself **within the companies** when it comes to implementing and evaluating more environmentally-friendly behavior. The tendency is to set up practices of energy saving, water consumption reduction, waste or recyclable materials separation, but these actions are rarely accompanied by other complementary ones that **fix or develop the concept of sustainability** between those who participate in the programs.

However, we should also remember that on going into more depth on the level of concern or knowledge on the subject, young people seem still to be guided by impressions, more than by information. In such a way that they admit that they

“I’m going to read you a list of things that have to do with your life, for each of them I ask you tell me if it represents something very important, quite important, unimportant or no important at all in your life”



do not know a lot about these issues and they reveal, at the same time, that worrying about the environment “**is what everybody does**”. The same expression of political correction can be found between adult groups: **a fertile field for clichés or uninformed expressions** on which the campaigns of certain organizations are based and which consider false dichotomies between certain industries and their ecosystems.

A high degree of ignorance exists about the concept of the environment that, on the contrary, is full of prejudices, fundamentally towards companies. In particular, everyone says they are concerned about the environment, but **there is not a clear notion about what this means or about what each social actor should do** in favor or against the possible environmental conflicts. In the absence of precise and accessible information, the images of alleged infringements committed necessarily by the companies enjoy wider acceptance or the phantom that industrial activity conspires against the environment.

#### STATE, CIVIL SOCIETY AND COMPANIES

On the other hand, we must remember that the care of the environment is increasingly present **on the agenda of civil society organizations**, including both those that are and those that are not devoted to this subject. The right to have a healthy environment or the so-called environmental justice has a strong impact today on the social and political debates of the countries in Latin America. In Argentina, **a fair amount of NGOs already have well-earned spaces** in the media and in the companies themselves, with which they are even associated in sustainability or corporate social responsibility programs.

In this scenario, **the governments of Argentina and in general of all Latin America have not made progress in a realistic, coherent and long-term environmental agenda**. Nor have they accompanied the private sector with adequate policies or specific actions to improve the level of information and knowledge of the population in relation to these subjects. Nevertheless, for the public opinion, the governments seem to be —until now— less visible than the companies in the attribution of responsibilities or in the planning expectation or the solution of environmental conflicts; in fact, **the environmental agenda seems particularly heavy in the account of the companies**.

It is interesting to focus on what happened in **Australia**: the “politically correct” concern of the population for the environment derived later in actions taken by the State and by the companies themselves to solve serious and priority issues. The aspects related to climate change or water consumption were included in the case; not long after, the concern was shelved and began to decrease in favor of a parallel increase in actions of people in favor of the environment. The key issues were **the coordinated and proactive campaigns between society, State and the private sector**; in a few years the Australian population recognized that it should get away from a mere concern about these issues in order to start carrying out specific actions. (*The International Business Report, 2011*).

The truth is that in Argentina and probably in the majority of countries in the region, “political correctness” as a response

“Political correction and lack of information are a fertile field for clichés or uninformed expressions on which the campaigns of certain organizations are based and which consider false dichotomies between certain industries and their ecosystems”

is what takes precedence: **there are more expressions of concern than proactivity** on behalf of all the actors. Very few people would express openly that they do not care about the environment; at the most, they may admit “I know very little”, “I have read something” or “I think I have heard something on television”. So, the “concern for being politically correct” with little or no precise information, generates distortion, incites prejudices and spreads a contemplative attitude.

It is a contemplation that **levels downwards**, by putting all the actors on a same level of responsibility. On the other hand, it generates

**contradictions**: concern is acknowledged, at the same time as admitting that the environment is not looked after much.

#### IN CONCLUSION

Beyond the controversies, the last conference of the United Nations for Sustainable Development (Rio+20, 2012) ratified the need for the world economic growth to stop stimulating the emission of harmful gases, deteriorating the biodiversity, deforesting woods, and other planet affectations. **The challenge is real and it has been raised**.

However, the number of people who say they are worried about this panorama is less than those who claim personally do “a lot” or “quite a lot” at least in the metropolitan area of Buenos Aires, as verified by another survey of *Poliarquía*. The picture seems then to be summarized in a —proclaimed and legitimate— concern in the face of environmental risk towards which individuals remain more or less inactive and expect a lot from companies and from governments.

The risk is a cultural construction – as with taboos – and in general, all communities perceive their risks in a different way. What has occurred in recent years is that in some populations of Argentina, the same as in many other countries in Latin America, where the growth of the economy has produced an explosion of factors little understood and little explained, **the risk has become a discourse and a latent practice in the public opinion**, stimulated —with more or less innocence—by different actors. If you add to this the weight of the media or the social networks, the situation becomes even more complicated.

Cass R. Sunstein, a Harvard scholar and head of the Office of Regulation of Barak Obama, maintains that when a society lacks information about the probability of real damage – for example, environmental – instead of investigating the reality or incorporating different interpretations, it tends to look for the examples that are close or those that it has at hand. This means that the **overestimated possibility of risk** is installed rapidly.

What is more, Sunstein says that when an individual or community wants to explain what happened or what is happening now, they tend to use the worst example or the one that is most remembered, even when it is a question of something that in reality “they read in the newspapers” or that “rings a bell from the television”. This is an appeal to what is known as the “**heuristic probability**”, a mental shortcut that determines some unlikely risks seem to be very probable.

This is where the challenge of companies lies: guess correctly with their communication policies, the knowledge expectations of society, in the framework of myths, prejudices or stimuli to the contrary, **the weight of responsibility will fall**

**on the companies.** Those organizations that do not manage to communicate their efforts and their work effectively, will not be able to stick to internal actions that convince few people. It is crucial to emerge from a self-referential vision.

The same applies to those companies that do work with communities, with governments or with the actual consumers

in relation to that legitimate “concern for environmental care”. Nor will they be able to make much progress if they don’t generate real, long-lasting and strong social impact actions. Today the concept of CSR which continues to exist in the majority of countries of the region is not enough. It is a question of an anachronistic vision and one that is maybe too sustained by responsibility instead of sustainability.



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