

Review Article

# Public Relations in India - A Study of Power Sector

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## I N F O

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## A B S T R A C T

Public relations is a distinctive management function which helps establish and maintain mutual lines of communication, understanding, acceptance and cooperation between an organization and its publics; involves the management of problems or issues; helps management to keep informed and responsive to public opinion; defines and emphasizes the responsibility of management to serve the public interest; helps management to keep abreast of and effectively utilize change, serving as an early warning system to anticipate trends; and uses research and sound and ethical communication techniques as its principal tools. In this context this study tries to explore two-fold path. The first attempts to understand the way Public Relations and Corporate Communication departments are structured in organizations and the functions they perform in meeting the challenges of contingent environments. The second focuses on the management induced constraints, if any, experienced by Public Relations or Corporate Communication personnel. Core focus area of this study is: To broadly explore the organizational environments then summarize discuss and conclude the Public Relations/ Corporate Communication departments of large power industries.

**Keywords:** Relations Communication, Corporate Communication, Distinctive Management, Demand-Supply

## Organizational Environments

The power sector in India has always attracted significant attention of the public at large due to acute discomforts caused by large demand-supply asymmetries. In recent times, among others, progressive legislation has expanded private investment space, provided incentives for creation of private power organizations with supporting fuel linkages, augmentation of T & amp; D infrastructure and encouraged operation of private businesses along sound economic fundamentals with regulatory oversight for bridging the exponentially growing demand-supply gap. Players have enjoyed sufficient support from, among others, governments, the national and international investment community, public-consumers and the media.

At the other end, policy deficits and decisional dilemmas

appear on the horizon at regular intervals as irritants, pitting power sector developers forcibly against, among others, vulnerable sections of society (especially farmers, backward and tribal communities) that perceive unjust deprivation of their property rights, sustainable agrarian livelihoods, and human rights in creation of these entities. Perhaps the greatest tragedy is of these entities being caught in the crossfire between the government on one side and its accusers politicians in the opposition, civil society, the project affected and the judiciary on the other, for being co-conspirators and beneficiaries of allegedly unlawful endowments.

It cannot be denied that governments at the centre and the states have consistently faltered in exercising due diligence while filtering decisions through the laws of

the land, and failing the test of comprehensiveness in lawmaking. Civil society argues, with some conviction, that agrarian livelihoods and environmental sustainability have been unjustly compromised by the exercise of eminent domain while granting permissions for power projects that would collectively produce power way beyond local and even national needs. The haste with which decisions on expanding capacity by granting concessions and sovereign guarantees, gifting large blocks holding in their bowels scarce mineral resources without competitive bidding, granting environmental clearances in eco sensitive regions, apportioning scarce water resources not even sufficient for drinking and irrigation to power projects, among others, have reached scandalous proportions.

Ministers and civil servants have had to stand in the dock for taking expedient decisions. Some have gone behind bars along with their corporate beneficiaries in the infrastructure sector. The decision-making processes in central and state governments are becoming increasingly risk-prone and revenue depriving to the central and state exchequers. A clear criminal nexus between big government-big businesses has been firmly appended to national agendas of scandal, based on evidence provided by investigative agencies and judicial pronouncements. The government is also accused of placing the country's financial system in an acute state of distress on account of extended exposure to infrastructure sector lending, more specifically to the power sub-sector, placing depositor's savings are at risk. A decisional paralysis in government has afflicted the entire infrastructure sector. Governments and infrastructure developers together have not just suffered huge financial losses but, above all, loss of reputation. However, if the past is a reliable witness, as governments clumsily launch fresh initiatives, new scandals emerge on the political horizon, distract attention, add more problems, and force it to backtrack in dishonor.

Power developers whose projects have recently commenced operations been recently completed, face severe fuel shortages from supposedly assured sources. Limited transmission corridors constrain evacuation of even power that is produced. Compulsion to generate for unremunerative tariffs determined by regulatory commissions, mounting dues from distribution companies for power supplied, and declining demand for merchant power sales at profitable tariffs on exchanges has sunk bottom lines of power generation companies in a sea of red ink. Cynics opine that like SEBs, private power companies, are fated to blow their fuse if no serious rescue acts are attempted by the governments.

Power plants under construction have problems in continuum. Land allocation/purchase is the biggest bone of contention with attendant issues pushed on legal, political and civil society platforms. The issues are too

well documented to merit further mention but most important is the issue of perceptions of land value and arbitrary measures of livelihood deprivation of poor and marginal farmers, ownership rights in the case of land in possession of SC/ST beneficiaries, the presence of water bodies, nurseries, cremation grounds, roads, and other public amenities on land leased to and purchased by power projects. Water and environment issues are equally problematic. All these alleged fault lines are expediently discovered when construction is in progress. Creation of railway corridors to bring fuel to the plant site requires land, which is proving difficult to acquire/purchase. Likewise, for erecting transmission towers and stringing lines to evacuate power up to the grid reception point is not without its land related problems.

Work has been stopped at construction sites for several reasons. These, among others, include: non-issue of travel permits to overseas contractors, especially Chinese, who are EPC contractors in many projects; delays in receipts of machinery from abroad; inability of EPC contractors and their sub-contractors retaining experienced workers and supervisors; employment of land losers bereft of required skill-sets; clashes between foreign and local workers and between outside workers and local population; demonstrations and road blockades by land losers and locals preventing movement of material-laden heavy trucks; accidents at site; late receipt of government approvals and clearances. Escalating demands for social uplift of project affected persons is ever present. Fast depleting hydrocarbon resources that fuel thermal power plants, and ad-hoc policies on fuel linkage are problems that are round the corner. The list is inexhaustible.

Political parties, due to regional competitive compulsions, have opted for political mileage over honoring of legal obligations and rational considerations on issues of policies and procedures that govern the power sector. The objectives behind such behaviors of politicians of opposition parties as also some ruling party members, besides embarrassing the party/ coalition governments in power over their decisions, has also witnessed the pursuit of individual agendas with greater fervour. In fact, every project under construction had been adopted by a politician for targeted opposition. These individuals instigate local government officials, panchayat members and the community to rake up issues, factual and fictitious. Public interest litigations are filed regularly. Questions are providing to elected representatives to ask in the legislature. Dharnas are staged regularly.

Confrontation stances are on display on public platforms, and the behaviors of key stakeholders/ publics – power businesses, governments, public representatives, judiciary, regulators, civil society, the project affected, and others – emerge and remain in media spotlight. The intensity

of media attention has elevated issues to higher moral grounds. In much of public debates, those taking supposedly public interest positions get higher valence, while power sector organizations, however legitimate/ logical their positions happen to be, are compelled to engage in defense, leaving them acutely embarrassed. Public debates have created deep fissures in decision-making stances of institutions of governance, leading to decisional reviews and even revocations. Quite naturally, there is a great deal of nervousness among organizations and investors due to decisional flip-flops.

### Summarizing The Study and Discussion

The resource-endowed state of Chhattisgarh, the setting of this study, is at the epicenter of significant controversies in the recent past, having signed close to 98 MoUs signed with power developers, public and private. Chhattisgarh aspires to become the power hub of the country. The government in power, in its second term in office, is constantly challenged by its political and civil society opponents to justify this decision. Chhattisgarh, they say, is already a power surplus state with a sustainable agrarian economy and an environment whose sustainability is at stake. Singled out for mention are imminent threats from Chhattisgarh's power developers to the state's verdant forests, abundant wildlife, special sanctuaries, and innumerable water bodies.

The first rationale for this study emerges from the distillation of the literature wherein it emerges that conflict reduction, ideally resolution, is the rationale for contemporary Public Relations/ Corporate Communication deployment in response to contingencies in organizational environments. Given this scenario, the investigator's interest was aroused, on the one hand, in exploring contingencies facing power producers based on contestable issues articulated in stakeholder-publics' concerns, accusations, activism, decision-making deficits, compliance violations, journalistic investigations, etc., that have appeared in the media with regularity.

Given these contingency laden environments, investigator interest is enhanced to explore the patterns of deployment of Public Relations/Corporate Communication functionaries and whether this deployment is constraints-laden or constraints-free while managing issues in the public domain or in private persuasive transactions. The replication of the study of constraints was found necessary. The recommending rationale being that two former Indian studies, while conducted with extensive methodological rigor, sampled only the public sector, and the time interval between the first and this study is abnormally long. A lot of changes have taken place in the meanwhile. This investigative stance has been vindicated as results would show.

The study is guided by two objectives. The first attempts

to understand the way Public Relations/ Corporate Communication departments are structured in sample organizations and the functions they perform in meeting the challenges of contingent environments in Chhattisgarh. The second focuses on management-induced constraints, if any, experienced by Public Relations/ Corporate Communication functionaries along the lines explored by Rayn(1987) and Mathur (1992, 1999).

As predicted, power projects of sample organizations either adopt classical *Public Relations* or the supposedly contemporary *Corporate Communication* nomenclature, without any discernable difference in the function's operating mandate. Organizational environments (explored in the literature survey of the power sector, and also reconstructed by critically examining the coverage of power sector issues in the Chhattisgarh media, interacting with respondents, officials, political and community leaders, journalists and middlemen)and presented above, can be safely classified as *turbulent*.

Half the sample organizations in the survey are one-person departments on the ground, reporting administratively to the project head and tactically supported and functionally supervised by senior Public relations/Corporate Communication functionaries from headquarters or regional offices of the group. The other half is made up of 3-8 person autonomous departments headed by fairly senior functionaries of the level of General Manager and Head. Most respondents appeared satisfied with both kinds of structural arrangements. However, tied to the restraints of confidentiality, the adequacy of structural arrangements could not be verified either with administrative or functional supervisors.

By reporting to the project head or an alternative senior power holder, Public Relations/ Corporate Communication functionaries in sample organizations appear to have *access to management* and by being invited and participation in managerial decision-making, have better chances of being heard on contentious issues. The literature of the field bears testimony to the fact that the function's deployment in contingent environment makes it imperative. As policy meetings go, senior Public Relations/Corporate Communication functionaries alone are invited to participate as policy and operational decisions are taken. But bosses of junior functionaries, also at senior positions in Public Relations/ Corporate Communication hierarchy, operating out of headquarters or regional offices of the group, are also invited to these meetings always.

At these meetings, senior Public Relations/Corporate Communication functionaries face virtually no constraints while engaging their management in discussions of social responsibility issues and get opportunities to argue against policies that are detrimental to public interest besides

those that have the potential to damage the organization's reputation. Junior functionaries are generally invited if necessary. Be they in senior or junior positions, Public Relations/Corporate Communication functionaries strongly believe that they have no if they speak against policies from reprisals of powerful individuals/groups within and outside the organization. A possible explanation is the dominant coalition in most business groups comprises first generation entrepreneur-promoter/s and their trusted friends in key positions. But each functionary seems to have developed his own strategy for getting important points across to the powers that be without ruffling feathers.

A vast majority of sample organizations supposedly engage their Public Relations/ Corporate Communication functionaries in government and community relations work which goes under newer nomenclature like Liaison, Public Affairs, Corporate Affairs, and out of the ambit of contemporary Corporate Communication work. The happier part of this development is that it enables Public Relations/ Corporate Communication functionaries to re-enlarge its scope and engage directly with a larger number of the organization's key stakeholders-publics directly. The changing behaviors of these decision-maker stakeholders-publics contribute significantly to contingencies in environments of sample organizations.

As the instrumental-real perspective of the discipline dominates the world views of managements of power projects in Chhattisgarh, Public Relations/ Corporate Communication functionaries are constrained from discharging their responsibilities to the organization's stakeholders-publics, with equal dedication as idealistically conceptualized. Advocacy of management policies and the objective of converting stakeholders-publics to the organization's point of view is the clear-cut unanimous operating mandate. There is also a clear consensus among Public Relations/Corporate Communication functionaries to reduce informational risks. In treating the media as adversaries to be generally avoided, and as channels to reach the public when necessary, is a giant stride in risk mitigation. It may appear severely constraining for the functionaries' ethical mandate, but non-compliance is unacceptable in managerial evaluation of Public Relations/ Corporate Communication performance. The reasons are many.

High contingency in corporate environments and consequent media coverage of issues big and small, places media relations at the forefront of Public Relations/ Corporate Communication activities in sample organizations. It has been frankly admitted that Public Relations/ Corporate Communication departments in sample organizations were established to handle the media. Media monitoring is a complimentary and equally important activity. Other

functions are employee communication; audio-visual communication; advertising, sponsorships, and branding; CSR publicity; and others (gifts/ calendars/ diaries, sweets), etc. Except perhaps employee communication, other activities appear to sub-serve the objective of gratifying the media. If the professional part of the relationship process is based on *information exchange* the latter can be classified as *influence exerting*, extremely critical because of its impact on information treatment, especially in case of stopping coverage of or scaling-down negative news or obtaining good coverage for positive news.

Despite being extensively courted and feted, journalists in project neighborhood and their bosses heading district and state editions remain a constant source of anxiety for the Public Relations/ Corporate Communication functionaries in sample organizations. A perverse trend is reported wherein media organizations force journalists in project neighborhoods' to write against projects that do not respond to (unrealistic) advertising and promotional demands. Journalists at the grassroots have been fixed certain revenue targets, which they are compelled to meet to survive as reporters/ stringers. Then, there are individual demands by various uninformed, unsophisticated and unprofessional journalists, which if unmet, lead to systematic negative coverage for the organizations. There are also pressures on grassroots journalists to cover certain news or utterances of local leaders, even if what is expected to be reported is not factual. Public Relations/ Corporate Communication functionaries in sample organizations spend most of their time is spent in explaining and clarifying issues to journalists and dissuading them from covering issues that they judge as newsworthy, but proved otherwise with compelling evidence or tempting inducements.

Information outputs of Public Relations/ Corporate Communication functionaries are tightly controlled. Whatever information that is released to the media for public consumption has to be approved by the CEO or a very senior designated functionary through an n-step prior approval process. This is also true of information placed in public domain by the sample organizations. Managements of sample organizations fully understand the merit of timely response to media queries which affords the presentation of the organization's viewpoint in diluting and refuting competitive contradictory discourses. The symmetry-loaded words timely, accurate, candid, or ethically rich concepts of respect of the rights of stakeholders did create a lot of discomfort, but were ultimately dismissed as frivolous on the grounds that competitive discourse itself was asymmetrical.

If information dissemination is tightly controlled, its acquisition about all aspects of the organization, including confidential and embarrassing, is virtually constraints-free.

Media monitoring and boundary spanning is encouraged acquire critical information, share it internally with the concerned, and make formal efforts to predict crisis situations before they actually occur. Information acquisition using research is not popular but not unfamiliar either. Specialized agencies have been used in the past to identify issues, opinions of key stakeholders on issues, and also to acquire information on troublemakers.

## Conclusion

Going by results of this investigation, turbulent environments certainly see intensification of Public Relations/ Corporate Communication deployment and expanded liaison functions expand and intensify its engagement with key stakeholders, beyond the mandated media representatives. Do environmental asymmetries mandate functionaries to adopt asymmetrical approaches? Many more variables need to be introduced to provide definitive answers to the way Public Relations is ultimately practiced. This study, from the constrains perspective, indicates that it is difficult to practice Public Relations as it should be ethically practiced.

Aggregating responses to the Public Relations mission, creating quick response managerial access to functionaries, and most importantly, the acquisition and dissemination of information, indications are that in high-risk environments information control is essential to mitigate reputational risks open-symmetrical communications expose organizations to. Organizations as entities in perpetuity are not ethics-averse, but are certainly compelled to exercise gate keeping options in practice of media relations activities. Silence on several issues is seen as more prudent option, and obtaining media silence is pursued vigorously, sometimes even during publicizing good deeds CSR initiatives afford. The adversaries are many, their judgments hasty, and media coverage of judgments nasty, to use the words of one of the respondents.

This study, it is hoped, makes a significant contribution to unveiling at least some layers that explain the Public Relations behaviors of Indian organizations. Indian studies with methodological rigor are rare. Future studies with larger samples carry the burden of unveiling many more layers. The compulsions of confidentiality limit some facets from being presented, could have substantially added greater value to the study. Nevertheless, all efforts have been made to ensure that the study stands erect methodologically and provides future research directions.

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