

# **PRIZES, ECONOMIC AIDS AND SCHOLARSHIPS-GRANTS AS PUBLIC RELATIONS TECHNIQUES IN THE CSR'S SERVICE**

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## **ABSTRACT**

Prizes, Economic Aids and Scholarships/Grants are public relations techniques because they promote a new form to see and to understand the organization, and they head for as much to the internal publics as to the external ones. They are a form of being interrelated with some concrete publics although their influence indirectly also arrives to many other publics. They are a form of communicating the restlessness of the organization regarding a social, cultural, educational or scientific problem. They are a form of social, cultural, tourist, educational or scientific promotion. Definitively, a form of CSR –Corporate Social Responsibility– that contributes financing projects that deserve that attention.

## **I. INTRODUCTION**

In the face of the decision of taking the social responsibility way, most of managers and directive consider that first they should make money and, afterwards, and only afterwards, they will be able to dedicate it to non-lucrative ends. They cannot distract own resources in something that is not the own benefit. When the benefit overcomes some concrete limits, maybe they can think about a socially responsible behavior. But on the other hand, some limits imposed by the own level of collective welfare exist. Countries like Spain, that seemingly they are rich but that newly have left the poverty, they have not still consolidated a welfare generation feeling. Most of people and companies, in the Spain of the XXI century, they still consider that they don't have enough like to distribute own goods. But, it's evident that things are changing. In some countries it changes more, in other less ones. The future tendency is glimpsed toward cooperative actions among companies, investors, workers, clients and the own community (Palencia-Lefler, 2001, page 59). In spite of the current tendency to the globalization in the public context, the necessary force to be competitive will come by the community health, on the stability of the work positions and a good citizens' education. The companies, although they will follow global tendencies, will have a "State" and a human "community" to their backs. And that "community" should feel responsible for their companies and their objectives. In that sense, the creation of company wealth through their own activity –producing, creating, generating, changing, serving– it's the social biggest contribution that can make. Although it also create wealth with a pleasant labor climate inside the organization (internal publics) that values the work of their directive and employees, that offers improvement of opportunities, continuous formation and invests in their future. The companies that understand their CSR by this way promote in their employees social voluntary forms through which foment the human values, giving a bigger sense to the work and the lifestyle. Hence, the

managerial responsibility –that it begins doors inside– can expand towards outside (external publics), transforming the individual philanthropy into a collective fact.

This way, if we understand the corporate philanthropy as a generous commitment of all the people who form the organization –contributing time, talent and resources in favour of the integral development of the community– it's clear diverse options to be socially responsible:

A. Philanthropy and public responsibility: Donation / Patronage / Prizes/ Scholarships / Social Hiring

B. Philanthropy organized in a new entity: Corporate-foundation

C. Philanthropy and commercial strategy: Sponsorship / Cause-Related Marketing

Without thinking it twice, public relations should promote the CSR in the client, since the benefits that it obtains “all those that cultivate their publics” are enormous. It could be thought of a certain obligation of behaving in that way. As Uribe affirms –an Spanish public relations expert– the CSR it's another tool of the corporate communication “although their compensation is not to appear in the media but morale and ethical, so that it's returned to the society what the society has given us”, (ADECEC, 1998, p.274). Anyway, the CSR is not improvised. After a strategic decision, it exists a long planning process and a slow introducing of the new managerial style, that it affects the internal publics as the external publics. That whole process can be lead by an open and committed public relations with “all” the publics of the organization. It is necessary to affirm that Prizes, Economic Aids and Scholarships/Grants are public relations techniques because they promote a new form to see and to understand the organization, and they head for as much to the internal publics as to the external ones. Also:

- They are a form of being interrelated with some concrete publics (investigators, opinion leaders, writers, students, housewives, children, retired, etc.) although their influence indirectly also arrives to other publics (media, family of the interested ones, educational and investigation centres, social sectors, etc.).
- They are a form of communicating the restlessness of the organization regarding a social, cultural, educational or scientific problem (it transfers their concern to the experts, to the most prepared, to the most sensitive, from among which it's expected that the most appropriate responds).
- They are a form of CSR that contributes financing projects that deserve that attention.
- They are a form of social, cultural, tourist, educational or scientific promotion.

Prizes, Economic Aids and Scholarships are techniques very near to the Patronage because they are looking for a continuity –contrary to the donation that is punctual–. On the other hand, they are characterized to condition their support to the possible beneficiaries through some prerequisites (age, genus, professional condition, social condition, studies, academic qualifications, nationality, local-national-international projection, etc.) that they stigmatize the final result, although they transform it into a selective share in which many publics are outside of the reach of the technique. Somehow, and contrary to most of *corporate social action* characterized by a certain outrage, in this case, the “Participation Bases” of Prizes, Economic Aids and

Scholarships mark some important distances for the great majority of publics and it makes something more objective and undoubtedly that a donation or a sponsorship action. On the other hand, all those public relations techniques are very outstanding and clearly bidirectional since they give the public protagonism to the winners and not of the promoters. And that generosity to hand over the protagonism reverts –almost always, if everything is made correctly– in the organization promoter. The professionals of public relations will work so that the consolidation of the Prize, Economic Aid or Scholarship be completed quickly and it is translated in a public interest to participate or to be part of those favored.

## II. PRIZES

If the Organization is about getting a certain leadership in a branch of economic activity, to create a Prize can be a good support technique to get that purpose. Somehow, it's looked for that the winners get a certain fame, but at the same time, it's about showing the social implication of who pioneers it. Doubtless, by means of a Prize, the Organization opens up to the exterior and it contributes to create an establishment image whose main characters are not only their employees but also diverse, qualified and interesting people. In that way, the Organization can show them as leaders of the own organization. The most inclined organizations to the Prize technique are usually the financial entities –in their CSR politics' mark–, the Foundations, the Corporate-foundations, the Professional Associations, the Public Administrations –mainly the local public administrations–, the University, among the most outstanding. The Prize should be understood, not as expenditure but like an investment. And like Arceo wonders: "How is the profitability of that investment measured?: in terms of fame, image, attitude and favourable intention. The Prize, so that it completes the public relations objectives must have, at least, three fundamental characteristics: a) it should be relative to a topic of social or cultural interest; b) it should be substantial –regarding the funds–; c) it should have an seriousness and credibility image." (Arceo, 2003, page 149) In the Prizes typology, two well differentiated groups exist:

- Those that it is indicated in their "Participation Bases" the clear way to get the Prize –necessity to compete–.
- Those that can be granted without competing, because Participation Bases don't exist –although exist an internal Regulation that marks the approaches–.

Regarding the first ones, the Organization can reward the investigation, the arts, the urbanism, the quality, the CSR, the competitiveness, the internationalization, of all those people, companies, investigators, young students –with academic brilliant records–, citizens with projects and people enterprising, children or diverse professionals with those merits. By means of the convocation of a Competition, all those that believe to have some possibility to win the Prize submit their candidacies –singular or collective– following the instructions shown in the "Participation Bases". It is looked for to select the best project, the academic best record, the artistic best expression, the best result, among submitted candidates to grant the Prize –always can be declare "desert" a Competition although it is not advisable–. Regarding the seconds, the Organization looks for to

"distinguish" a person or an organization that, in its opinion –without mediating any Competition– it deserves its reconnaissance or support. It considers that their trajectory, their curriculum vitae or an exemplary action makes it worthy of being part of the "family" of award winning. The fact is that the Prize is governed by a certain outrage, without mediating some objective approaches that make an unappealable decision. Hence, they are usually prizes without economic quantity. In any way, the Prizes technique requires an organizational great structure –habitually well-known as Permanent Secretary– transforming it into a complex technique. The Permanent Secretary is the responsible for the global coordination of the Prize that should look after the professionalism in the management. The Permanent Secretary is the one in charge of editing and distributing the "Participation Bases", to negotiate the database, to contact with people that form the Jury, to contact with the media, to organize the event and to execute it –having the help of expert agencies– and to evaluate the results. It's convenient that the Permanent Secretary be led by the public relations department.

On the other hand, the Jury represents another of the basic symbols of the technique. It should be aspired to have most appropriate people, and if it's possible, with a certain prescription grade –social, cultural, political, educational, scientific, depending on the Prize type and their objectives–. The prestige of the Jury members reverts directly in the quality of the Prize. Regarding the offset to the winning or award-winning, the Prizes technique can decant for different alternatives:

- Exclusively economic quantity (negotiated prizes habitually for financial entities, big foundations, etc.).
- Economic quantity and symbolic reward (Nobel Prize, "Planeta" –an hispanic 600.000 € literary prize–, etc.).
- Symbolic reward exclusively (medals, artistic sculptures or diplomas to the personal merit or professional that grant the public administrations, etc.).

The Prize should consolidate and win prestige not only for the economic quantity –is important but not momentous– neither for the type of the artistic sculpture, but rather for the coherence of its objectives and the record characteristic of the Prize –the seriousness of the Organization promoter, the "right" to pioneer it, the "Participation Bases", the characteristics of Jury, the outrage, the award-winning ones previous, its reactions and its possible prescription, the prize delivery act, etc.–. It's fundamental, hence, to negotiate the reactions of the award-winning ones of the previous editions, with a special book (graphic and audiovisual) that allows to leave perseverance of the most outstanding facts, their opinion and their posture, their personal valuations. In the same way, the Prize should have a differentiated treatment when it completes an outstanding anniversary: their 10 anniversary, 25 years, etc. The technique should it turns reinforced with complementary public relations techniques. To the great effort that supposes to start and to organize a Prize should be added the difficulty of measuring the investment returns –as many other public relations techniques–. But, doubtless, to half term, the grade of visibility of the Organization increases notably, and influences positively in its corporate reputation. On the other hand, the temporary interval to organize a Prize supposes the election between annual editions or biennial ones, since alternative intervals (quarterly, biannual, or periods bigger than 3 or 5 years) difficultly they are justified. It's also

important the Prize definition in terms of territorial confines. In that sense, the differences among local, national or international Prize define the organizer's ambition, the complexity of the public relations technique and the answer grade of the candidates. The election of one or another confines it depends on the Prize objectives definition and it will always be advisable the moderation before the election. Also, it's necessary to remember one of the organizational Prize difficulties. It's about the uncertainty in the face of the participation answer. The lack of visibility –mainly in the first two editions–, the lack participation or the candidates' low quality, can make useless all the efforts and "burn" the technique before it ends up consolidating. Hence, it's necessary to evaluate the convenience of carrying out this technique. Not all the organizations can pioneer a Prize with some minimum securities of public answer.

It's obvious that one of the big objectives of the Prize technique is to get a highlighted treatment in the media, so much in the phase of candidates' nomination, decision of the jury –filtering those nominated with certain anteriority so that they can publish their names– like in the Prize delivery act –where has bigger importance the graphic press and the TV–. The constant work of the press and public relations cabinet is fundamental to get some good results. The difficulties are, habitually, in maintaining the journalist's interest in later editions, when they don't consider it a news. Finally, a note of the Prize technique but from the inverse angle. If the objective of the Organization is to consolidate an own certain image, one of the alternatives with those that it counts the professional of public relations is to promote the participation of the entity in prizes of other organizations and trying to be awarded. In that way, it consolidate new reconnaissance in the curriculum vitae that it increase the reputation of the Organization. But, it's true that the Prizes that the Organization can aspire are, habitually, those that are granted without competition, with a reduced group of participants, and it's exists a certain maneuver margin to "persuade" and to "convince" to the Prize promoter –without falling in the collusion or the fraud–. It's a common technique in the processes of construction of artists' and businessman's personal image, lacked of specific reconnaissance –beyond the money or the fame.

### **III. ECONOMIC AIDS**

The Economic Aids are a derivative form of Prizes –and consequently, public relations technique– although with substantial differences:

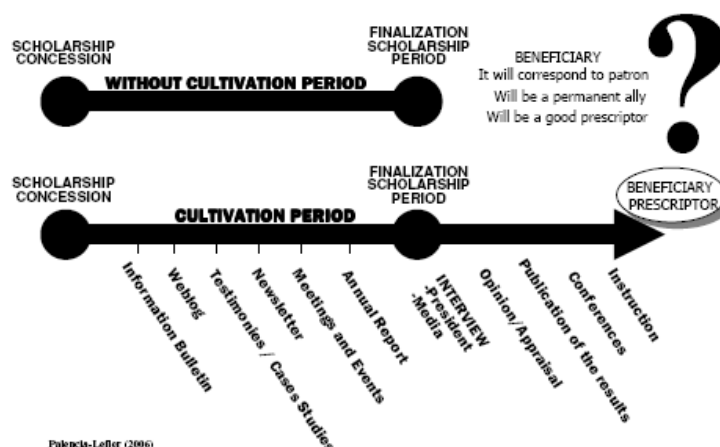
- Habitually they are granted without Competition, although some participation requirements that makes it more selective than the Prizes exist (social or professional condition, previous results, age, etc.) and a Panel –not a Jury– it should intervene to choose the beneficiaries.
- With some free and not assigned resources, it finances people, joint of people or "near" organizations to the entity promoter. Hence, that generous attitude responds to a form of CSR.
- The mission of the Economic Aid is to "support", to "push", more than to "recognize" a certain trajectory. Hence, the Economic Aid is always pecuniary, not symbolic.

- The resources are granted in exchange for a use justification of those resources. Without that justification, and although it has been selected as beneficiary of the Economic Aid, they won't be liquidated the foreseen funds.
- It is not contemplated any act or event for the assignment and public grant. The public relations should put the accent in communicating the process and the results to the media, and to inform in internal magazines, Intranet, corporate Web, Annual Report, Notice Board, among other support techniques.

#### **IV. SCHOLARSHIPS / GRANTS**

Somehow, the Scholarships / Grants are also a derivative form of the Prizes and the Economic Aids whose distinctive characteristic is in the objective publics and in the intervention field: the education and the investigation in the professional areas and in the knowledge areas. In general lines, the technique's objective is to head for children, youths and students of any age, and to offer them the opportunity to continue, to transfer, to change, to improve, to begin some studies or an investigation in a suitable place for it, especially in educational prestige centres (universities, investigation centers, schools) inside of and outside of the country. Habitually, the Scholarship is about covering the educational current expenditures of a course / year, although it can think about longer periods if there were reasons weight for it. It's a suitable technique for companies that seek to give an image of worried organizations by the education and the investigation. The financing of "brains" –it's also denominated this technique– it's one in the clearest ways of being shown before the public opinion as an entity that supports the education, the science and the investigation, true pillars of a society. But few companies are using this technique, mainly in Spain. And it would have to be many more to make the great bound that the country needs. The cause of the little use of the Scholarships like a CSR form is in the difficulty of measuring the investment returns. The employers complain continually before the ingratitude that they receive from those granted that, in many cases, they don't complete neither with the minimum technique's rules –some minimum rules that force the beneficiary to "mention" the name of the patron in curriculum vitae and diverse documentation–. And "it's a fish that the line is bitten": the beneficiary won't mention the company name if the Scholarship doesn't have a consolidated prestige, and the Scholarship won't get prestige if it doesn't consolidate an important number of proud and successful beneficiaries. So that the beneficiary sits down the enough pride to "announce" the name of their patron in all directions, the patron should have many attentions with him –cultivation period– until getting their fidelity and their compromise, transforming him into an entity prescriptor. It's important, mainly, to maintain him "informed" of the "organization-day-by-day", to make him participant of the reality, to fall in love with the Organization, to interview him, to give him a "paper" in the entity agenda –lecturer, instructor, tutor of the new beneficiaries–, to publish him the result of their studies or investigation, to request him that it incorporates part of their investigation or study in the professional dynamics of the Organization, among many other things.

## SCHOLARSHIPS-GRANTS INVESTMENT RETURNS



Regarding the Scholarships' characteristics, they are assimilated more to the Economic Aids than to the Prizes, since, the Scholarships are habitually granted without competition –although with some precise and demanding participation requirements–. They are also granted in exchange for a justification of the current expenditure realized –to have been carried out the study or the investigation– although, in this occasion, the trust with the beneficiary it allows to grant the petitions in advance. As for the public presentation of the event, and contrary to the Economic Aids, it usually has a reconnaissance act to some fellows that deserve, for their human, intellectuals or professional qualities, the support and the corresponding financing. To a certain extent, it's since an intimate act the main characters are those granted and their relatives and friends –on one hand– and the representatives of the Organization that it assign the scholarships –for the other one–, although it doesn't tarnish the intimacy of the event the participation of some social authority or politics that increases the excellence of the Scholarships. Just the opposite. The Scholarships technique requires a potent appraisal tool since its results are medium-term and it uses other support techniques throughout a considerable time (cultivation period), techniques that, in turn, they require a continuous appraisal.

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