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Public Relations and Communication Management: The State of the Profession

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RELATIONS RESEARCH SYMPOSIUM BLEDCOM

Editors: Dejan Verčič, Ana Tkalac Verčič, Krishnamurthy Sriramesh, Ansgar Zerfass



Public Relations and Communication Management: The State of the Profession
Proceedings of the 19th International Public Relations Research Symposium BledCom
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1. Introduction by Dejan Verčič



Dear readers and colleagues, I am proud to introduce you to Proceedings of the 19th International Public Relations Research Symposium BledCom titled Public Relations and Communication Management: The State of the Profession. The papers published in the proceedings represent an overview and rich insight into the state of public relations and communication management practice.

Academics and public relations professionals from around the world have responded to the Call for Papers for 2012, allowing us to collect the best research and theoretical debates. Assessing the state of the public relations practice in several regions and countries around the world and addressing questions how concepts like corporate communications, corporate branding and strategic communication are changing the profession, the papers offer the latest insights in the field of communication management.

The proceedings also represent a major contribution to BledCom's collection of ten books, proceedings and special edition publications dealing with public relations. All the publications offer in-depth insight into research and debates which have been an important part of BledCom Symposium in the past years.

I can proudly state that BledCom became one of the most recognized symposia in the world and offers an insight into a rich world of public relations and communication management. Namely, BledCom has, in all those years, hosted an impressive number of worldly renowned professionals, academics and practitioners who work in the field of public relations, and unveiled numerous interesting findings. Those contributed to development of the public relations profession, and I am glad we enabled this.

Dear colleagues and friends, I hope the present Proceedings will offer you a new and fresh insight into public relations and inspire new ideas or encourage you to a different point of view of public relations and communication management. I sincerely hope that we meet at Bled again next year, when the symposium celebrates its 20th anniversary, and enjoy new and exciting debates on the theme.

Dejan Verčič, PhD
University of Ljubljana & Pristop

2. Authors



Estelle de Beer

Estelle de Beer received her BA(Communication) and BA(Communication) (Honours) (cum laude) degrees at the Rand Afrikaans University (now University of Johannesburg). She completed her Masters in Communication Management (cum laude) at the University of Pretoria and is currently working towards a PhD on the topic of the role of corporate communication in corporate governance, sustainability and corporate strategy. Before joining the Department of Marketing and Communication Management at the University of Pretoria in January 2003 as a lecturer, she worked in the communication management field for more than 17 years, among others as communication manager at the University of Pretoria. Other organisations for which she worked, include the Department of Environment Affairs and Tourism, the Department of Health and Population Development, the City Council of Pretoria and Telkom. She is past-president of SACOMM (the South African Communication Association) and represents this association on the Council for Communication Management (the body that represents communication related professional associations in South Africa). Estelle was also part of the research team for the King III Report on Governance for South Africa 2009. This Committee was responsible for writing Chapter 6 (Compliance with laws, codes, rules and standards) and Chapter 8 (Governing stakeholder relationships) of King III. She has facilitated the Governance Working Group for the Stockholm Accords for the Global Alliance for Public Relations and Communication Management, an umbrella body representing professional associations for communication management across the globe. It is foreseen that the Accords will guide the communication management profession on a theoretical and pragmatic level for the next few years. Estelle has presented papers at national and international conferences and has published in national and international academic journals on the topics of the governing of stakeholder relationships as well as contemporary theoretical developments in the academic field of strategic communication management. She is also a founding member of the Centre for Communication and Reputation Management at the University of Pretoria. Her research interest lies in strategic communication management, sustainability, corporate governance, corporate strategy, stakeholder relationship management and corporate reputation.



Lavinia Cinca

Lavinia Cinca spent the early years of her career in the Romanian Association of Public Relations Professionals where, as Secretary General, she interacted with the PR market and learned directly from top practitioners. Until 2009, she experienced the different facets of communication like media relations, rebranding, CSR campaigns or event management thanks to my positions at Enel and in other consultancies. Later on, she moved to Belgium for an internship in the press Unit of the Committee of the Regions and at the moment she is working at the Royal Institution of Chartered Surveyors in Brussels. She is passionate about Internet communications and she has co-presented in Austria an academic article on Belgium's country image in the online media. In my spare time, she is writing touristic articles on Travel Moments in Time. She holds a Masters' Degree in Management and Business Communication (NSPAS, Romania) and a postgraduate degree in European Studies (CIFE, Belgium). She is proficient in English, French, Spanish and Italian.

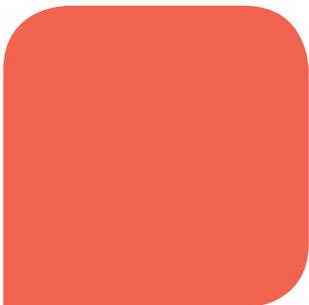


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Mojca Drevenšek has graduated in Marketing Communications (Faculty of Social Sciences, University of Ljubljana, 1999) and holds a M.Sc. in Sociology (Faculty of Social Sciences, University of Ljubljana, 2004). In 2012 she graduated in Business Law (Law Faculty, University of Maribor) with a thesis on regulatory aspects of integrated sustainability reporting.

For her Master's degree paper entitled "The Importance of Trust in Environmental Risk Communication" she was awarded the Jos Willems 2005 Award by EUPRERA (European Public Relations Education and Research Association).

She is consultant and partner at Consensus Communications for Responsible Society, working in the field of sustainability communications since 1997. She is a co-author of the books Citizenship, Environment, Economy (edited by Andrew Dobson and Ángel Valencia Sáiz, Routledge, 2006) and Community Relations (together with Darinka Pek Drapal and Andrej Drapal, GV Založba, Zbirka PR, 2004).



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Finn Frandsen (Mag. Art.) is a Professor of corporate communication since 2004, and the Director of Centre for Corporate Communication since 2001, at Department of Business Communication, School of Business and Social Sciences, Aarhus University. Frandsen has (co)authored and (co) edited more than 200 books, journal articles, book chapters, and encyclopedic entries. His primary research areas include strategic communication, crisis management and crisis communication, and environmental communication. His research has been published in international journals and handbooks such as *Corporate Communication: An International Journal*, *International Journal of Strategic Communication*, *Public Relations Review*, *Management Communication Quarterly*, *LSP* and *Professional Communication: An International Journal*, *Handbook of Crisis Communication*, *Handbook of Pragmatics*, *Handbook of Professional Communication*, and the *SAGE Handbook of Public Relations*. Frandsen has served as visiting professor at the ICN Business School (Nancy), Dakar Business School, Lund University, BI Norwegian Business School (Oslo), Aalto University (Helsinki), IULM University (Milan), CELSA (Paris-la Sorbonne), and Copenhagen Business School. He is regional editor (Europe) of *Corporate Communications: An International Journal*. He is member of the advisory boards of *Corporate Communication International* (Baruch College, CUNY) and the *European Communication Monitor*.



Alan R. Freitag

Dr. Freitag is a full professor with the University of North Carolina at Charlotte, currently serving a U.S. State Department-sponsored Fulbright research fellowship with the Poznan University of Economics. He is the lead author of the text, *Global Public Relations: Spanning Borders, Spanning Cultures*. He has published widely in the field of public relations, including a chapter in the text, *Introducing Market Economy Institutions and Instruments: The Role of Public Relations in Transition Economies*, edited by Dr. Ryszard Ławniczak. Prior to his academic career, Freitag served 22 years in the U.S. Air Force and his assignments included serving as director of media relations for the Strategic Defense Initiative Organization (missile defense) at the Pentagon and as head of media relations and press aide to the NATO military commander during the critical years 1990-93.



Urša Golob

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Dr Anne Gregory is Professor of Public Relations and Director of the Centre for Public Relations Studies at Leeds Metropolitan University, United Kingdom. Leeds Metropolitan has the largest public relations department in Europe. An internationally recognized academic researcher, Anne also heads a specialist commercial research and consultancy business from the Centre working for diverse public and private sector clients such as the UK Cabinet Office, The Department of Health, the National Health Service, Nokia and Tesco Corporate.

Originally a broadcast journalist, Anne spent 10 years as a senior practitioner before moving on to academia. She was President of the Chartered Institute of Public Relations (CIPR) in 2004, leading it to Chartered status and was awarded the Sir Stephen Tallents Medal for her outstanding contribution to public relation by the Institute in 2010.

Anne has written and edited books, including the globally available CIPR series of 17 books which she initiated. In addition she has authored 25 book chapters for other collected works and over 50 refereed journal articles and refereed conference papers. She is Editor-in-Chief of the Journal of Communication Management, and on the editorial Board of five other public relations and communication Journals. She appears regularly on national radio and in popular journals and websites and is a recognised speaker at international conferences. A committed internationalist, in 2010, she was convenor for the Management section of the Stockholm Accords, an international declaration of the role of public relations in public and organisational life launched at the World Public Relations Congress in Stockholm. In May 2011 Anne was voted Chair-Elect of the Global Alliance of Public Relations and Communications Management, which is an umbrella organisation of over 60 public relations and communication management institutes from around the world.



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Dr Mary Welch has a PhD in internal communication (Manchester Business School, 2008) an MSc in Marketing (UMIST, 2000) and a BA Hons in Social Studies (University of Liverpool, 1991). Following a career in public relations and corporate communication management in the not-for-profit and public sectors, she joined the University of Central Lancashire, Preston, UK in 2001. She is a Senior Lecturer in the Lancashire Business School and leads the part-time MA Strategic Communication course. Developed and leads a new blended learning part-time Master's for communication professionals, the MSc Internal Communication Management. She has a Postgraduate Certificate in Teaching and Learning in Higher Education (UCLan 2002), and Accreditation as a Teacher in Higher Education (SEDA 2003). She is a member of the Chartered Institute of Public Relations, the Chartered Institute of Marketing, and a Fellow of the Higher Education Academy. In 2009, she won a UCLan Livesey Award to facilitate internal communication research. In the same year, she won a UCLan Arnoux Award for a PhD studentship in rethinking internal communication measurement. Currently supervising the PhD project at UCLan on internal communication measurement and is a member of the supervision team for a PhD project at the Université Catholique de Louvain on internal communication and organisational commitment in crisis situations. Acts as a reviewer for communication, marketing and management journals. Research interests and publications focus on internal communication, stakeholder relationship management, and the communication implications of employee engagement.



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Milan Nikolić was born on 21 September 1971 in Zrenjanin, Serbia. On 3 June 1998 he graduated at the Technical faculty "Mihajlo Pupin" in Zrenjanin, Department of development engineering - mechanical engineering field. The Master's degree thesis he defended on 7 March 2001 at the Technical faculty "Mihajlo Pupin" in Zrenjanin at the Department of management. PhD thesis entitled: "Quantitative model for selecting a new product with research into relevant criteria", he defended on 3 december 2004 at the Mechanical faculty University of Belgrade at the department of Industrial engineering. He has been working at the Technical faculty "Mihajlo Pupin" in Zrenjanin (University of Novi Sad) since 1 October 1998 as assistant teacher. In September 2010 Milan Nikolić got the title of associate professor at the Technical faculty "Mihajlo Pupin" in Zrenjanin. He organizes exercises for the subjects: Strategic management, Public relations and Decision theory. The basic fields of interest of Milan Nikolić are using quantitative methods in management with a particular stress on the business decision making, product development, organizational culture and public relations. Milan Nikolić published about 120 papers in these fields.



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Currently he is communication strategy advisor for the Italian Government, mainly for the Under-Secretary for Communication and Information.

With more than 20 years of experience, he focused on stakeholder analysis and communication for public organizations. He is graduated in Physics with a master's degree in government communication. He is also Senior Partner of Npr Public Relations Agency and he is lecturer of Corporate Communication and Stakeholder Analysis at the Master in Public Relations and Communication Management of the University of Salerno and at the Business School of IISole24Ore.



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Rossella Patalano

Since 2010, she is active member of UniFerpi the student chapter of Ferpi-Italian Federation of Public Relations professionals. She's now graduating in Corporate Communication, Marketing and Advertising at Vatican's Lumsa University. Since 2011 she is coordinating Ferpi working groups for the Italian implementation of the Stockholm Accords.

In 2012 she also attended the High Professional Course in "Business Conversations" promoted by the Storytelling Observatory from University of Pavia and Ferpi.





Betteke van Ruler

Betteke van Ruler is em. professor in Communication Science at the University of Amsterdam and member of the Amsterdam School of Communications Research (ASCoR). Prior to that she was an associate professor in communication science and communication management at the Free University of Amsterdam. In 2002-2004 she simultaneously held a funded chair at the University of Twente, focused at professionalism of communication management. She earned a Ph.D. in Social Sciences from the University of Nijmegen. Her research focuses on the influence of public relations on journalism and the mediatization of organizations, on the practice of communication management, and on the organization of the communication of the organization. She is a noted consultant on questions of professionalism of public relations and communication management in the Netherlands and Flanders.

Van Ruler is Past President of the European Public Relations Education and Research Association (EUPRERA) and Past Chair of the Public Relations Division of the International Communication Association (ICA). She has been Chair of the Department of Communication Science (90 faculty) of the University of Amsterdam during 2004-2006. She is published in *Public Relations Review*, *Journal of Communication Management*, *Journal of Public Relations Research*, and in many Dutch scientific and professional journals. One of her European publications is *Public Relations and Communication Management in Europe*, that she edited in conjunction with Dejan Verčič, published by Mouton DeGruyter in Berlin. This book contains a nation-by-nation introduction of public relations in 29 European countries and presents an overview of the state of the art of public relations in Europe. Another more recent publication is *Van Ruler, Verčič and Verčič, Public Relations Metrics, Research and Evaluation*, published by Routledge; *Ihlen, Van Ruler, Fredriksson, Public Relations and Social Theory, Key Figures and Concepts*, published by Routledge; and *Zerfass, Van Ruler, Sriramesh, Public Relations Research, European and International Perspectives and Innovations*, published by VS Verlag für Sozialwissenschaften. Her most recent books in Dutch are *Communication Management, a communication scientific approach* and *Career in Communication*.



Jerry Swerling

Jerry Swerling was named "Public Relations Person of the Year 2000" by the Los Angeles Chapter of the Public Relations Society of America and has more than 40 years of experience as an educator, consultant, policy advisor, and communicator. He is a frequent speaker on trends in public relations and the state of the profession. He serves as professor and Director of Public Relations Studies at USC Annenberg School for Communication and Journalism and as Director of the USC Annenberg Strategic Communication and Public Relations Center. The Center's best-known project is the biennial *Communication and Public Relations Generally Accepted Practices (GAP) Study*, which is widely recognized as a leading source of management-related information for the profession. Jerry Swerling holds a BA from the University of Massachusetts and an MS in Communication from Boston University. He is past president of the Counselors Section of PRSA-LA and is currently a member of the Arthur W. Page Society, the European Public Relations Research and Education Association (EUPRERA), PRSA, the Educators and Counselors sections of PRSA, the Association for Education in Journalism and Mass Communication (AEJMC), and the Public Relations Section of AEJMC.



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Margalit Toledano

Dr. Margalit Toledano is currently a senior lecturer in the Management Communication Department of the Waikato Management School in New Zealand. She has been accepted as a member of the College of Fellows of the Public Relations Society of America (PRSA) in 2007, served as PRSA International Delegate-at Large and had been a co-chair of the PRSA Educational Affairs Committee (CEPR) since 2010. An MA in Communication from the Hebrew University, she studied Public Relations at Boston University on the Hubert H. Humphrey Fellowship Program (1984-85), became an accredited member of the PRSA in 1985 and served as President of the Israeli Public Relations Association in 1993-1995. As a practitioner in Israel she worked in both the public and private sectors and ran her own firm. While managing her PR firm she continued to teach public relations in Bar Ilan University, the Hebrew University of Jerusalem, and Tel Aviv University. Her Ph.D. thesis supervised by Paris 8 University, France is titled "The evolution of public relations as a profession in the changing socio-political, economic, and cultural environment of Israel". She is a member of the editorial board of Public Relations Review in which she has also published a number of articles, and is serving on the board of PR Inquiry and PRism.



Caroline Wehrmann

Caroline Wehrmann is assistant professor in Science communication at Delft University of Technology in The Netherlands. With a colleague, she developed a master program in Science Communication. Currently, she combines three tasks: lecturing in (science) communication, co-ordinating the master and a minor program and doing research. Her research focusses on professionalization in (science) communication. In her research projects she works very closely with communication consultants, educational institutes and with the Association of communication practitioners in the Netherlands (Logeion).



After graduating in Dutch language and literature she was affiliated with various universities in The Netherlands. For a long period she also worked as a communications consultant for a variety of clients.



Jelena Vukonjanski

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Donald K. Wright

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PR Week magazine has recognized him both as one of the Top 10 public relations educators in the United States and as one of the "15 Leading Lights" in US public relations. He is a long time member of the Board of Trustees of both the Institute for Public Relations (IPR) and the Arthur W. Page Society and is one of only three full-time academics ever elected President of IPRA. He is past chair of the IPR's Commission on Public Relations Measurement and Evaluation and is the founding Editor of Public Relations Journal, the world's first quarterly open-access peer-reviewed electronic research journal published by PRSA. He is a former Associate Editor of Public Relations Review and currently serves on the editorial review boards of several leading academic journals. He also a member the Board of Directors for the International Public Relations Research Conference (IPRRC).

3. Papers



Public Relations and the New Institutionalism In Search of a Theoretical Framework

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INTRODUCTION

For the last decade or so, public relations research has opened up for introducing new theoretical approaches, models and concepts belonging to other disciplines within the social sciences. An excellent manifestation of this new openness is the special issue of *Public Relations Review* on "Public Relations and Social Theory", published in 2007 and later turned into a book (cf. Ihlen, Frederiksson & van Ruler, 2009). These two publications highlight a series of 'grand theorists' (Habermas, Bourdieu, Giddens, Foucault, etc.) and their 'grand theories' demonstrating how these new theories can contribute to the study of public relations. However, one important social theory is conspicuous by its absence in both publications: the new institutionalism in organizational sociology.

The aim of this conceptual paper is twofold. First, we intend to demonstrate how neo-institutional organizational theory - in its most developed form - can serve as a useful, and in some cases necessary theoretical framework for public relations research. This applies in particular to the empirical studies of the institutionalization of strategic communication (defined as public relations or corporate communication; see also Hallahan et al., 2007) in private and public organizations that have appeared since the late 1990s (e.g. the Corporate Communication Practices & Trends surveys conducted by CCI, the Generally Accepted Practices surveys conducted by Strategic Public Relations Center, and the European Communication Monitor surveys conducted by EUPRERA and partners). These mostly quantitative studies have all contributed with an important body of knowledge concerning the employment of chief communication officers, the creation of communication departments, and the daily work of communication professionals within various disciplines or fields of practice of strategic communication. However, many of these studies do not seem to be based on a proper theoretical framework allowing us to describe and explain what is actually going on, when strategic communication becomes "infused with value" in specific types of organizations and organizational fields. Of the three empirical studies mentioned above, only the European Communication Monitor is inspired by neo-institutional organizational theory, and only to a lesser extent.

Second, we also intend to show how communication itself plays an important role in the institutionalization processes examined by neo-institutional organizational theory, and how public relations research in its own way can contribute to the further development of organizational sociology. Early neo-institutional theory was based on a very simple communication model conceiving communication as a linear *diffusion* process where the institutional context is viewed as the “sender” and the organizations as the “receiver” (a transmission model). However, in recent years, neo-institutional scholars have become more and more aware of the rhetorical, discursive and/or communicative aspects of institutionalization (cf. Green, 2004; Suddaby, 2010; Suddaby & Greenwood, 2005; Zilber, 2008).

From neo-institutional organizational theory to public relations

The new institutionalism in organizational sociology develops at the end of the 1970s and the beginning of the 1980s with the publications of a series of seminal articles: Meyer and Rowan (1977), Zucker (1983), DiMaggio and Powell (1983), and Scott and Meyer (1983) (for overviews and introductions to neo-institutional organizational theory, see DiMaggio and Powell, 1991; Greenwood, Oliver, Sahlin and Suddaby, 2008; Scott, 2008).

Neo-institutional theory has historical roots reaching back to, among others, Philip Selznick and his institutional analysis of organizations (Scott, 2008, pp. 21-23). One of the most popular definitions of institutionalization stems from Selznick’s work on leadership:

”Institutionalization is a process. It is something that happens to an organization over time, reflecting the organization’s own distinctive history, the people who have been in it, the groups it embodies and the vested interests they have created, and the way it has adapted to its environment [...]. In what is perhaps its most significant meaning, “to institutionalize” is to *infuse with value* beyond the technical requirements of the task at hand” (Selznick, 1957, pp. 16-17).

Since the mid-1980s, neo-institutional theory has developed into one of the most important organizational theories (Greenwood, Oliver, Sahlin and Sudday, 2008, p. 2); a theoretical approach that also public relations researchers can benefit from. However, so far, only very few communication scholars have applied the theory in their research (cf. Frandsen and Johansen, 2009, 2011, 2012; Grandien and Johansson, 2012; Lammers, 2003, 2009, 2011; Lammers and Barbour, 2006; Sandhu, 2009; Schultz and Wehmeier, 2010).

What is neo-institutional organizational theory all about? Neo-institutional theory can best be described as a development of the theory of organizations as *open* social systems that made its appearance in the mid-1960s (cf. Katz and Kahn, 1966). Basically, the theory is about the

relationship between organizations and their social environment, about how this environment in the shape of *institutions* penetrates, constrains and changes the organizations.

Scott (2008, p. 48) defines institutions in the following way: “Institutions are comprised of regulative, normative and cultural-cognitive elements that, together with associated activities and resources, provide stability and meaning to social life”.

Behind this definition lies a theory of the three pillars of institutions: (1) the regulative pillar where focus is on how institutions constrain and regularize the behavior of organizations by setting up laws and rules, and by introducing monitoring and sanctioning activities; (2) the normative pillar where emphasis is placed on normative rules introducing a prescriptive, evaluative or obligatory dimension into the life of organizations; and (3) the cultural-cognitive pillar focusing on shared conceptions of reality and the frames through which meaning is made (for an overview, see Scott, 2008).

Neo-institutional theory rejects the idea of formal organizations as rational and effective *instruments* for achieving specific goals (decisions, structural design, innovation, products, profit, etc.). From this instrumentalist perspective, the planned change of an organization (let’s say: the creation of a communication department led by a chief communication officer having the strategic responsibility for all the communication activities of the organization) is viewed as a rational and effective solution to be implemented, as a response, *after* the organization (top management) has identified an objective problem with a solution already in existence (let’s say: the bad coordination of the external and internal communication functions of the organization).

Neo-institutional theory views organizations as actors who are not only searching for effectiveness, but who are also, to an equally high extent, driven by a need for *legitimacy*. Organizations operate in institutional contexts and are again and again confronted with “organizational recipes”, that is, socially constructed norms for how an organization at every time must be led and/or structured. Each of the three pillars of institutions presented above provides a basis for legitimacy. From this symbolic perspective, the relationship between problem and solution is turned upside down if we compare with the instrumentalist perspective: First the organization becomes aware of a popular “solution” that is becoming more and more dominant within a specific organizational field (the creation of communication departments), and *then* the organization experiences that it suffers from a problem that has to be solved (bad coordination of the external and internal communication functions) (Røvik, 1998, p. 39).

Neo-institutional theory has developed historically through a number of different stages and in different directions. Some organizational scholars distinguish between “foundations” (1977-1983), “early years” (1983-1991), “taking stock” (1987-1991), and “expanding horizons” (1991-2007)

(Greenwood, Oliver, Sahlin and Suddaby, 2008). Early neo-institutional research is characterized by the fact that organizations to a large extent are seen as the passive receivers of “organizational recipes”, which are adopted ceremonially and in a decoupled form (cf. the concepts of myth, ceremony and decoupling in Meyer and Rowan, 1977), and which are diffused to all the organizations inside one or more organizational fields (cf. the theory of institutional isomorphism and homogeneity in DiMaggio and Powell, 1983). More recent neo-institutional research is characterized by the fact that organizations are ascribed a far more active role (cf. the concept of institutional entrepreneurship in DiMaggio, 1988) (re)acting strategically in various ways (cf. the concept of strategic response in Oliver, 1991). Schneiberg and Clemens (2006) summarize this development in the following way:

“Until recently, most analyses of institutional effects assumed homogeneity or convergence. Fields were conceptualized as organized around a dominant model or logic, effects were modeled in the dichotomous terms of adoption or failure to adopt. [...] The growing recognition that fields are often populated by multiple and competing models, logics and organizational forms complicate the character of institutional analysis, and may force a broad re-evaluation of the now canonical methodologies for measuring institutional effects. Acknowledging heterogeneity challenges conventional images of causality and pushes institutional analysis away from strong forms of structural determinism to a much greater emphasis on agency, conflict, contingency and process” (Schneiberg and Clemens, 2006, p. 212).

Other organizational scholars make a distinction between an Anglo-Saxon research tradition and a Scandinavian research tradition (Røvik, 1998, 2007; see also Greenwood, Oliver, Sahlin and Suddaby, 2008). The Anglo-Saxon tradition is first of all interested in the study of the formally decided adoption of institutionally prescribed structures and practices in organizations; this adoption of institutionalized norms is examined applying mostly quantitative surveys in large populations of organizations. The Anglo-Saxon scholars pay lesser attention to the processual aspects, that is, what happens before the formal adoption (the production of “organizational recipes”), and after (the contextualization of “organizational recipes”) (Røvik, 2007, pp. 25-30). The Scandinavian research tradition applies a social constructivist approach that doesn't treat institutionally prescribed structures or practices as “out there”, but as interpreted and reformulated during the process of adoption. The Scandinavian scholars are more interested in the processual aspects of the institutionalization process, especially inside organizations, and these aspects are examined applying qualitative case studies (Røvik, 2007, pp. 37-40).

Even though neo-institutional theory has developed through different stages and in different directions as presented above, there seems to be a growing consensus that institutions are more complex and heterogeneous than first expected.

How can neo-institutional organizational theory contribute to public relations research? The answer is: in many aspects. However, we have chosen to focus on how the new institutionalism can serve as a useful, but also necessary theoretical framework for many of the empirical studies of the institutionalization of strategic communication in private and public organizations that have been conducted recently. We will briefly present three of the most important of these studies focusing on their (lack of) theoretical framework:

Corporate Communication Practices and Trends (1999 -). The first of these three empirical studies is conducted by Corporate Communication International at Baruch College, CUNY. The surveys are carried out among Fortune 1000 companies in the United States. The first survey was conducted in 1999, and since then the survey has been repeated in 2001, 2002, 2003, 2005, 2007, 2009 and 2011. The American study has been supplemented by a series of benchmarks studies (only for specific years) in China, Denmark, Norway and South Africa. In 1999, the goals of the CCI studies were presented in the following way: “Goals of the study: Describe the current state of the art in Fortune 1000 companies; find out the responsibilities of corporate communication professionals; determine what they do; determine how the corporate communication is structured; create a benchmark for further study” (www.corporatecomm.org).

The Generally Accepted Practices Surveys (2002 -). The second of the three empirical studies is conducted by Strategic Public Relations Center, USC Annenberg School for Communication & Journalism. The surveys are carried out among almost 5.000 PR professionals working in private and public organizations in the United States. The first survey was conducted in 2002, and since then the survey has been repeated in 2003, 2004, 2005, 2007, 2009 and 2011. In 2002, the goals of the PR GAP studies were presented in the following way: “The goals of the study were to: Ascertain current Generally Accepted Practices, or GAPs, for PR; explore “Best Practices”, for instance, which types of organizational structures, staffing levels, budgets, work environments and functions are common to the most successful PR organizations; determine how organizations organize, staff, fund, utilize and perceive the value of their in-house PR departments; determine how organizations work with external public relations agencies; identify informational gaps in need of further exploration; and most importantly, provide PR practitioners with practical, applied research, especially in the areas of organizational best practices and evaluation, that would be of direct use to them, and thus, help them improve their effectiveness” (<http://annenberg.usc.edu/CentersandPrograms/ResearchCenters/SPRC/PrevGAP.aspx>).

The European Communication Monitor (2007 -). The third and most recent of the three empirical studies is conducted by the European Public Relations Education and Research Association (EUPRERA) in collaboration with the European Association of Communication Directors (EACD) and the Communication Director magazine. The surveys are carried out among private companies, public organizations, NGOs and public relations agencies in more than 40 European

countries. The first survey was conducted in 2007, and since then the survey has been repeated every year (most recently in 2012). In 2007, the aim of the European Communication Monitor was formulated in the following way: "Aim of the research: monitoring trends in communication management regarding strategic issues, fields of practice, instruments and resources; to analyze the changing framework for public relations driven by the European integration; to evaluate topics like addressing young people, innovation, trust and evaluation" (www.communicationmonitor.eu). As it appears from the presentation made above, the CCI studies, the PR GAP studies and the European Communication Monitor differ from each other in many aspects. Thus, there are important differences concerning the aim of the surveys, their target groups, terminology, number of respondents, type of organization, participating countries and the possibility of conducting comparative studies across different countries. However, there are also certain similarities. So far, the three studies have all been conducted as quantitative surveys, the methodology applied is described in details, and a series of trends are identified by the ECM researchers from survey to survey.

Concerning the theoretical framework of the three studies, neither the CCI studies, nor the PR GAP studies have made any explicit account of such a framework (cf. Goodman, 2006). The European Communication Monitor is the only study that has defined a theoretical framework. In the reports published in 2009-2011 (but not in the reports from 2007-2008), a "research framework" is presented consisting of five (sets of) variables: (a) *Person* (Communication Professional) (demographics, job status, education, professional perception), (b) *Organization* (structure, culture, country), (c) *Situation* (present), (d) *Perception* (future), and (e) *Position* (cf. Zerfass et al., 2011). In the journal articles published in 2009 and 2010 by the ECM researchers, a theoretical framework clearly inspired by neo-institutional organizational theory, is presented more in details (cf. among others Tench, Verhoeven and Zerfass, 2009 and Moreno, Verhoeven, Tench and Zerfass, 2010).

There is no doubt that the three empirical studies presented above have contributed with a series of important insights concerning the institutionalization of strategic communication in private and public organizations, enabling us today to follow trends and developments over time and to conduct comparative analyses across types of organizations and across countries. However, we claim that the theoretical framework can still be improved: *either* by formulating the theoretical framework in a more explicit way (the CCI studies and the PR GAP studies), *or* by developing an already existing theoretical framework (the ECM studies) introducing new theoretical and methodological insights and approaches (cf. above concerning the development of neo-institutional theory, especially the Scandinavian research tradition).

Below, we have set up a research program comprising some of the key assumptions and research questions to which neo-institutional organizational theory may bring an answer:

Research Program (A)

We assume that strategic communication can be defined as an "organizational recipe" consisting of a complex set of institutionalized norms for how private and public organizations should be led and structured concerning strategic communication as an organizational function or practice.

We also assume that this complex set of institutionalized norms include the following aspects: 1) type of management and leadership (e.g. various types of communication management), 2) the structural design of the organization (e.g. various types of communication departments, autonomous or merged with other organizational functions such as marketing or human resources), 3) information and communication technology (e.g. the new social media), and 4) various disciplines or fields of practice within strategic communication (e.g. corporate branding, CSR communication, issues management, etc.).

Based on these two key assumptions, we claim that neo-institutional organizational theory – in its most developed form, cf. above – can serve as a useful and necessary theoretical framework for *the empirical study of how strategic communication over time has been and are institutionalized in private and public organizations*, and that it can be instrumental in helping us answering the following set of research questions (the list is not exhaustive, simply a starting point):

- How does a process of institutionalization typically unfold? Is it possible to identify specific stages (including the stage of de-institutionalization)?
- From where do organizations get the initial inspiration for institutionalizing strategic communication? Where are the forums where they are confronted with the institutionalized norms?
- How homogeneous or heterogeneous is the process – and the result of the process – within the individual (private or public) organizational field and across organizational fields?
- To what extent does the individual organization interpret, adapt or even invent the institutionalized norms in accordance with its local organizational context?
- Which kind of legitimacy (pragmatic, moral or cognitive legitimacy, cf. Suchman, 1995) does an organization obtain when institutionalizing strategic communication, and which kind of stakeholders confers this legitimacy?

Finally, concerning research design and methodology, we claim that the research program presented above cannot be turned into reality without applying a *multi-method* approach combining quantitative and qualitative research designs and techniques (surveys, case studies, organizational ethnography, etc.). The CCI studies, the PR GAP studies as well as the European Communication Monitor are all based on a quantitative research design.

From public relations to neo-institutional organizational theory

In the first part of this paper, we raised the question: How can neo-institutional organizational theory contribute to public relations research? We demonstrated that neo-institutional theory can serve as a useful and necessary theoretical framework for many of the empirical studies of the institutionalization of strategic communication in private and public organizations that have been conducted recently. In the second part of the paper, the perspective will be reversed, when we bring up the question: How can public relations contribute to neo-institutional research?

Early neo-institutional theory was rather unaware of the important role that communication plays in processes of institutionalization. In most of the early studies, the rhetorical, discursive and/or communicative aspects are either neglected, or the research is based on a simple transmission model. As Scott emphasizes:

"Early research tended to view diffusion as a rather mechanical process: the movement of technologies, models and ideas from one place to another. Attention to the intermediary role of carriers, with the recognition that the mode of transmission affects the message transmitted, has helped to correct this problem. [...] Even more important, there is increasing recognition that the end-user also alters the innovation, sometimes in small and other times in major ways. Institutional effects are not one-sided and determinant, but multifaceted and related to a nonergodic world" (Scott, 2008, p. 133).

However, a few neo-institutional scholars within the Anglo-Saxon research tradition have highlighted, directly or indirectly, the importance of communication. Hoffman (2001) has examined how corporate environmentalism has been institutionalized in the United States from the beginning of the 1960s until the beginning of the 1990s. Hoffman makes a distinction between four loosely defined stages in the institutional history of corporate environmentalism: (1) industrial environmentalism (1960-1970), (2) regulatory environmentalism (1970-1982), (3) environmentalism as social responsibility (1982-1988), and (4) strategic environmentalism (1988-1993). According to Hoffman, the history of corporate environmentalism unfolds in such a way that it follows the three pillars of institutions (cf. Scott, 2008): "a direct reflection of the coercive rules, normative standards, and cognitive values of the organizational field" (Hoffman, 2001, p. 8). From 1970 until 1982, the dominant model of institutions was "regulative". From 1982 until 1988, the dominant model was "normative". Finally, beginning at the end of the 1980s, the cultural-cognitive model started to dominate. This does not mean that there are no environmental management institutions at the regulative or the normative level, but at the end of the 1980s, many aspects of environmental management have become taken-for-granted aspects of corporate behavior. Hoffman (2001) claims that public relations plays an important role when the cultural-cognitive model starts to dominate:

"As environmental management institutions reach the cognitive level, it becomes imperative that firms project an image of environmental responsibility. They become trapped into incorporating a public relations component into their environmental strategies. For some this reflects actual internal change. For others it amounts to *greenwashing*, the merely symbolic adoption of standard practices and procedures" (Hoffman, 2001, p. 14).

However, Hoffman (2001) neither describes nor explains, to any considerable extent, how institutions and public relations interact in and outside organizations. The only hint is that it has something to do with corporate branding ("image of environmental responsibility").

Traditionally, the Scandinavian research tradition seems to pay more attention to the rhetorical, discursive and/or communicative aspects of institutions than the scholars belonging to the Anglo-Saxon tradition. Many of the Scandinavian scholars are in particular inspired by the sociology of *translation* invented by Michel Callon and Bruno Latour (Greenwood, Oliver, Sahlin and Suddaby, 2008: 17). Where diffusion is based on a transmission view of communication, translation is based on a view of communication as a complex and dynamic process where organizations are no longer the passive receivers of new regulations, norms, values, and cultural-cognitive beliefs, an approach that is implicit in the idea of institutional isomorphism (cf. DiMaggio and Powell, 1983). On the contrary, organizations are viewed as *active* contributors to the process of institutionalization. They interpret and reformulate the institutions they "receive" making interventions in the processes of institutionalization in accordance with their own local organizational context.

However, in recent years, also the Anglo-Saxon scholars have started to study how institutions communicate. Green (2004) has established a rhetorical theory of diffusion conceptualizing diffusion as a process where "managers play an active role in the diffusion process, because what managers say and how they say it matter a great deal". One of the key findings of his research concerns the relationship between the diffusion of a managerial practice, the number of justifications (persuasion), and the level of taken-for-grantedness (or level of institutionalization). "[W]e can expect an increase in supportive justifications to occur at the beginning of a managerial practice's diffusion and prior to that practice's achieving taken-for-granted status. As the practice becomes more widely diffused and accepted, the frequency and amount of justification should decrease" (Green, 2004, p. 656).

Greenwood and Suddaby (2005) have examined the role of rhetoric in legitimating institutional change or shifts in institutional logics (in this case: an accounting firm has purchased a law firm triggering a struggle within accounting and law over a new organizational form, multidisciplinary partnerships). Based on their study, the two researchers conclude that rhetorical strategies contain two elements: (1) institutional vocabularies, that is, "the use of identifying words and referential texts to expose contradictory institutional logics", and (2) theorizations of change, that

is, teleological, historical, cosmological, ontological, and value-based “theories” by which “actors contest a proposed innovation against broad templates or scenarios of change” (Greenwood and Suddaby, 2005, p. 35).

Recently, Suddaby (2010) has tried to define some important “challenges” and a “future research agenda” for neo-institutional theory. According to Suddaby, the central point of neo-institutional theory is to understand “why and how organizations adopt processes and structures for their meaning rather than their productive value” (Suddaby, 2010, p. 15). In his future research agenda, he lists up four promising areas of activity. One of these areas is *language*: “Perhaps the most promising development in recent institutional theory is in contemporary efforts to analyze the role of language in institutional processes and effects” (Suddaby, 2010, p. 17). This area also includes public relations: “Organizational theorists pay too little attention to the critical role and function of corporate public relations professionals in contemporary business organizations” (ibid.).

So far, Lammers (2011) has made the most important contribution to the study of how institutions communicate. Inspired by Douglas (1986), Lammers develops a theory about “how institutions communicate” focusing on institutional messages and the role of communication in replicating and diffusing institutional logics. His goal is to bridge between the micro-level (the world of organizational communication and sensemaking) and the macro-level (the structures named institutions).

He focuses on the concept of message, although he recognizes that from an early communication theory viewpoint this concept may be said to belong to a transmission approach to communication and to the conduit metaphor of organizational communication. His main construct - *institutional message* - is defined as “a collation of thoughts that takes on a life independent of senders and recipients. It may have the force of rules and is spread intentionally or unintentionally via multiple channels to narrow or wider audiences” (Lammers, 2010, p. 171). To him, institutional messages play a central role because they become carriers of institutional logics. They “have the power, through their endurance, reach, and encumbrance, to influence and regularize human conduct.” Individuals make sense of institutions and “derive logics for their action that in turn reinforce those institutions” (Lammers, 2010, p. 152).

Lammers makes a distinction between the uses of the concept of institutional message at an interactional, organizational and institutional level within academic research. In studies of interaction (institutional interaction, conversation analysis, speech acts), focus is often on the management of conversation and the talk at work rather than on the message content of these conversations. Institutional message is implicated by the setting (the context) in which the institutional interaction takes place as well as from the roles of the interactants. In studies of organizational phenomena, institutional message refers to the efforts of aligning organizational messages and activities.

It is used to carry core values and rules to apply to internal audiences, as a representative narrative to promote an organization to external audiences (expressed as institutional voice), or to specify particular kinds of broadcast messages such as very general statements to inform about a particular organization. Finally, in studies on institutional message used as an artifact of the institution, it is understood as “a message created in an interorganizational environment that transcends particular settings, interactants, and organizations” (Lammers and Barbour, 2006). For instance, it appears in phenomena such as the contrasting of the institutional knowledge (spread by educational practices and enforced with rules and guidelines) versus indigenous knowledge (culturally embedded in traditional practices); as institutional message events (e.g. protests specified as large meetings or public hearings); the consultant as the carrier of institutional memory; or the institutional message as policy.

From these different studies, it appears that institutional messages have four characteristics: they are independent and have some life of their own beyond particular individuals and organizations; they reflect some measure of power; they are exchanged with varying degrees of intentionality; and they vary in reach. This diffusion is a form of communication, and in this way Lammers shows how communication contributes to a neo-institutional view of organizations.

However, according to Suddaby (2010), three important issues are “missing” or need to be further developed. First, the view of institutions, as reflected in the construct of institutional messages, is too narrow. Institutions and organizations are viewed as agentic entities, and it is not stressed how institutional messages are crafted and that they serve specific purposes and interests. It matters to show that individuals and interests are actually underpinning institutional agency and action, and that communication is not just a “passive vessel or conduit for logics” (Suddaby, 2010, p. 185). Second, Lammers is accused of overlooking new streams of institutional theory. Especially the role of rhetoric and persuasive communication, and how it is used strategically by actors to “construct legitimacy, enhance the diffusion of institutionalized practices or to manipulate institutional logics”. But also the research within “institutional work”. Like institutional messages, communicational or organizational genres also contribute to the maintaining of the institutionalized order within an organization, as well as they convey legitimacy, authority and norms of appropriateness. Finally, Suddaby argues that “logics and institutions are as much the product of, or are determined by, patterns of communication as they are causal elements” (Suddaby, 2010, p. 187). This means that he suggests a move from Lammers perspective on “how institutions communicate” to “how does communication institutionalize” (ibid.). To Suddaby, institutional theory, at its core, is a theory of communication.

Below, we have set up a second research program comprising some of the key assumptions and research questions to which public relations research may bring an answer:

Research Program (B)

We assume that communication in general, and strategic communication (defined as public relations or corporate communication) in particular, not only reflects but also contributes to the institutionalization of various types of “organizational recipes” in private and public organizations. This contribution involves all types of rhetorical, discursive and/or communicative aspects, from the textual micro-level (words and texts) to the contextual macro-level (communication as a strategic management function) in the organization.

We also assume that both the “senders” and the “receivers” of institutions, that is, the institutional context and the organizations, act as active interpreters that reformulate or even “reinvent” institutionalized norms or “recipes”, as they are institutionalized by organizations.

Based on these two key assumptions, we claim that public relations – in its most developed form, that is, from a *co-creational perspective* (Botan and Taylor, 2004) – can serve as a useful and necessary framework for the empirical study of how strategic communication contributes to and reflects the institutionalization of regulations, norms and values, and cultural-cognitive beliefs in private and public organizations, and that it can be instrumental in helping us answering the following set of research question (once again, the list is not exhaustive):

- Which kind of roles does strategic communication (public relations or corporate communication) play in a process of institutionalization?
- Do these roles vary according to the various stages through which a process of institutionalization develops (before, during, and after)? Is there always more communication at the beginning of the process, and less communication at the end of the process, when the new institution is taken-for-granted (cf. Greens rhetorical theory of diffusion)?
- Does the type of institution – regulative, normative and cultural-cognitive institutions, cf. above – have an impact on how strategic communication reflects or contributes to the process? Is there a special relationship between strategic communication and cultural-cognitive beliefs?
- Is it useful to distinguish between a) the institutionalization of communication, 2) institutions in communication, that is, communicative genres (based on ongoing communicative interactions), and 3) the communication of institutions (Frandsen and Johansen, 2012)?
- To what extent can corporate branding be studied as an integrated part of many processes of institutionalization?
- To what extent can the new co-creational perspective in public relations research account for the heterogeneity and the local interpretations when a process of institutionalization starts within a specific (private or public) organizational field, or across organizational fields?
- Would it be possible to replace the transmission and translation models with the co-creational perspective?

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The role of public relations in developing and implementing corporate integrated reporting: a conceptual analysis

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ABSTRACT

The existing model of corporate reporting was developed in the 1930s for the industrial world and consists primarily of a past-performance oriented business overview and possibilities for value creation in the short term. Today we need additional information and a broader perspective of business performance. We have to take into account among others the burning environmental (e.g. climate change, decreasing drinking water sources, waste management and biodiversity conservation etc.) and social (hunger and malnutrition, ageing, health, human rights etc.) issues. The existing corporate reporting model does not provide adequate medium- and long-term information for different stakeholders (e.g. customers, local communities, employees, NGOs, investors, business partners etc).

A possible solution arises from a new approach to corporate reporting, referred to as integrated reporting. The main principle of integrated reporting is that it combines, interconnects (i.e. integrates) the information on financial performance of a company with non-financial (also called sustainability) information on corporate governance, environmental and social accountability, all integrated into the heart of business performance. Integrated reporting is far more than just about preparing an integrated (annual/sustainability/social responsibility etc.) report, also named One Report. It is primarily an internal management process with huge effects also on organizations' (external) relationships with stakeholders.

Paper discusses the role and importance of public relations in fostering planning and implementation of integrated reporting practices in corporations and other organizations. After analyzing possible overlaps between key characteristics of late modern public relations as defined by the reflective paradigm and the guiding principles as proposed by the International Integrated Reporting Councils' (IIRC) Framework it argues about the different dimensions of importance of public relations in this process. Throughout the paper examples of some of the key elements of integrated reporting from different companies' corporate reports are included. This way practical

illustration is given as to how the integration of financial and non-financial (sustainability) information (also referred to as triple-bottom line), determination of internal and external factors and trends that affect business performance, and key material issues (also referred to as materiality mix) are conceptualized in existing corporate reports with a tendency towards integrated reporting.

Need for renewed corporate reporting practices and role of public relations

It becomes clear today that in the long run corporations cannot succeed in a world that is collapsing and where trust in organizations is seriously damaged (Eccles and Krzus, 2010). Therefore we need to rethink and adapt different managerial approaches, systems and tools that maybe seemed perfectly adequate only a decade ago, but today they are not anymore. This includes also the present corporate reporting system that mostly offers a past business-performance oriented overview and does not give enough information for taking decisions in today's world. In existing corporate reports there is »/.../ not enough focus on the need of investors, analysts, and the wider community of stakeholders. In many corporate annual reports, there is little substantive disclosure about strategy, innovation, people, customer loyalty and the business risks related to climate change, water scarcity, and evolving public policy and regulatory issues« (Krzus, 2011, p. 274). Integrated reporting (as a management process and not only a preparation of an annual report) brings with it several new challenges, dilemmas and questions, among other of regulatory, managerial, accounting, auditing, and also communication kind. One of the key challenges is the question of standards or guidance and rules regarding integrated reporting on economic, governance, environmental and social aspects of business performance. Despite open questions and dilemmas many countries have decided to encourage mandatory sustainability or integrated reporting in different ways through laws or regulations, e.g. Denmark, Sweden, United Kingdom, South Africa, etc. (Danish Commerce and Companies Agency, 2009; Integrated Reporting Committee of South Africa, 2011; Ministry of Enterprise, Energy and Communications Sweden, 2007; Ioannou I. & Serafaim G., 2011). This is mainly due to the benefits that integrated reporting brings to corporations and also to the national, as well as the global economy (Eccles & Serafaim, 2011). There are also several activities being implemented on the level of the EU, UN and standardization organizations (UN Principles for Responsible Investment, 2011; European Commission, 2011; Eccles, Cheng & Saltzman, 2010). Some EU and multinational corporations and other organizations are involved in the International Integrated Reporting Council (IIRC) that is currently running a pilot integrated-reporting project with more than 60 organizations worldwide (see www.theiirc.org).

In 2011, IIRC has published a discussion paper "Towards Integrated Reporting: Communicating Value in the 21st Century" and therein proposed a draft International Integrated Reporting

Framework, defining i.a. five guiding principles that underpin the preparation of an integrated report and six key content elements that such a report should include. As already the discussion paper's title indicates *communication* is of central importance in the integrated reporting process. Therefore (if not for other reasons as well) it is logical that the question about the role of public relations profession in this context arises. "Why is the integrated reporting process so important to the public relations profession?" is the title of a December 2010 blog-post by Toni Muzi Falconi (Falconi, 2010). As Falconi explains, any communicative organization (private, social, public) strives to undertake a conscious effort to deliver and discuss with its stakeholders an ongoing, continued, multichannel, and tailored-to-diverse-stakeholder interests reporting activity. To achieve this, it is necessary that the organization integrates its financial, hard and soft assets and governance reporting with its economic, environmental and social reporting. As Falconi concludes, "effective and sustainable stakeholder policies /.../ imply a communicative process that sees listening and reporting as a parallel, interrelated and converging process." (Falconi, 2010) Finally, Falconi asks whether the public relations profession "will be up to the challenge?".

This paper does not bring an answer to this questions (as it does not deal with the question of whether we will be up to the challenge) but elaborates on the arguments if and what relevant input PR professionals can bring into the integrated reporting process regarding the key characteristics of our existing (corporate communication) functions in organizations as seen through the lens of reflective paradigm (Holmström, 2004). Nevertheless, the concluding remarks do touch also the question of some of the key conditions for our ability to do so.

Integrated reporting: short introduction and key benefits

Integrated reporting is a nascent managerial practice, implemented today by only a few forward looking corporations at the global level. Integration of financial and non-financial (environmental, social, governance) information on business performance is a comprehensive approach that makes it possible for the stakeholders to more deeply understand the functioning of corporations and the long-term effects of its decisions and activities, not only on corporations itself but equally also on broader society. Integrated reporting is possible only in organizations where sustainability is embedded into the core of organizations' vision, mission and strategy and where the top management is truly planning and implementing all business decisions in a sustainable manner.

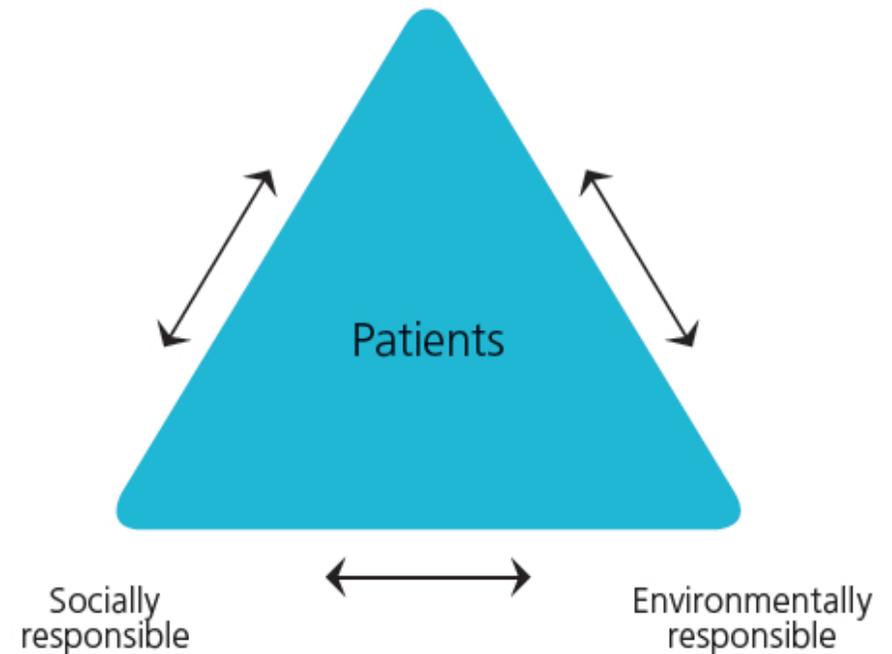
Integrated reporting transparently discloses the interrelations between business strategy, management and business model on one hand and environmental and social circumstances the corporation functions in on the other hand. Interconnections between key impacts business has on the environment and society and between relevant opportunities, risks and functioning of the whole value chain are presented (FEE, 2001). For an example see the conceptualization in Novo Nordisk's

2011 Annual Report regarding the interrelations between financial and economical responsibility, social and environmental responsibility (called Triple Bottom line). The internationally operating pharmaceutical company with headquarters in Denmark is one of pioneers in integrated reporting.

Figure 1:
Novo Nordisk's Triple Bottom Line approach

Our Triple Bottom Line approach

Financially and economically responsible



Note. Novo Nordisk's approach to integrating financial/economic, social and environmental dimensions of business performance. Further elaborated in Novo Nordisk (2011, p. 21).

Also interesting is the conceptualization of Triple Bottom line approach (carbon management through value chain) by AkzoNobel, the Dutch multinational, active in the fields of decorative paints, performance coatings and specialty chemicals.

Figure 2:
AkzoNobel's approach to value-chain life-cycle carbon management



Note. AkzoNobel has set its carbon management processes through its whole life-cycle and taking into account its whole value chain. »People, planet and profit are often referred to as triple bottom line. We strive to combine these three into our daily decision-making. That's how we work to ensure our company's long-term sustainability.« (AkzoNobel, 2011; see interactive infographics at www.akzonobel.com/sustainability).

From the company point of view integrated reporting has at least a twofold role:

- It is an important *tool* for expressing the organizations' attitude and orientation towards sustainability issues and corporate responsibility in relation to different (external or otherwise) stakeholders.
- On the other hand, and even much more importantly, it is a continuous *process* and a guidance for the corporation to establish, maintain and constantly improve a comprehensive, long-term sustainability orientation.

»Integrated external reporting is impossible without integrated internal management. One Report is both a tool and a symbolic representation of a company's commitment to sustainability.« (Eccles & Krzus, 2010, p. 4).

There are also other important dimensions of integrated reporting that are relevant for the topic of this paper. Integrated reporting also presents an important shift from merely periodical (e.g. annual), static, one-way and printed report-publishing to reporting as a continuous corporate activity that enables stakeholder engagement and dialogue. Especially important here are the opportunities brought by web 2.0 and web 3.0 tools and technologies. With integrated reporting, we are moving away from the field of mostly *talking* to a field of constant *listening and talking and debating*, which is one of the key changes and benefits of this approach to corporate reporting. Summarized, the key benefits of integrated reporting are: greater clarity and better understanding about the relationships between financial and non-financial performance, better management decisions, deeper engagement and lower reputational risk (Krzus, 2011; KPMG, 2011, Deloitte, 2012).

As the theory and practice of integrated reporting are still evolving, we have no clear directions for companies who are considering the integrated reporting path. Of course the existing annual, sustainability, corporate responsibility, environmental etc. corporate reports, together with some guidelines for sustainability reporting, like GRI G3 (Federation of European Accountants, 2011), make a good starting ground. The next key step is for top management to define, if, how and in which business segments sustainability is already incorporated and where only planned (and where none of these).

This makes a starting point for further planning of key (business) areas and activities, its contribution to corporate sustainability and the way of showing results (reporting in the narrower sense of the word). Setting clear, measurable goals and regularly, fairly and transparently monitoring their realization is of crucial importance.

Role(s) of late modern public relations: strategic reflection

Looking at integrated reporting as a possible solution for corporate reporting (and for business-as-usual in general) in the 21st century and trying to define the role public relations might have in establishing, implementing and improving this way of reporting we have to take into account one of the theories/paradigms that define public relations' role in this century.

We start from the point that public relations practice is » /.../ increasingly moving away from its 20th century focus on communicating predetermined messages to specific target audiences, in an effort to persuade them to align their attitudes/behaviours more closely to those desired by

the organization« (Steyn & de Beer, 2011, p. 2). New conceptualizations, public perceptions and day-to-day practice of public relations in the first ten years of this century include among others the European societal/reflective approach.

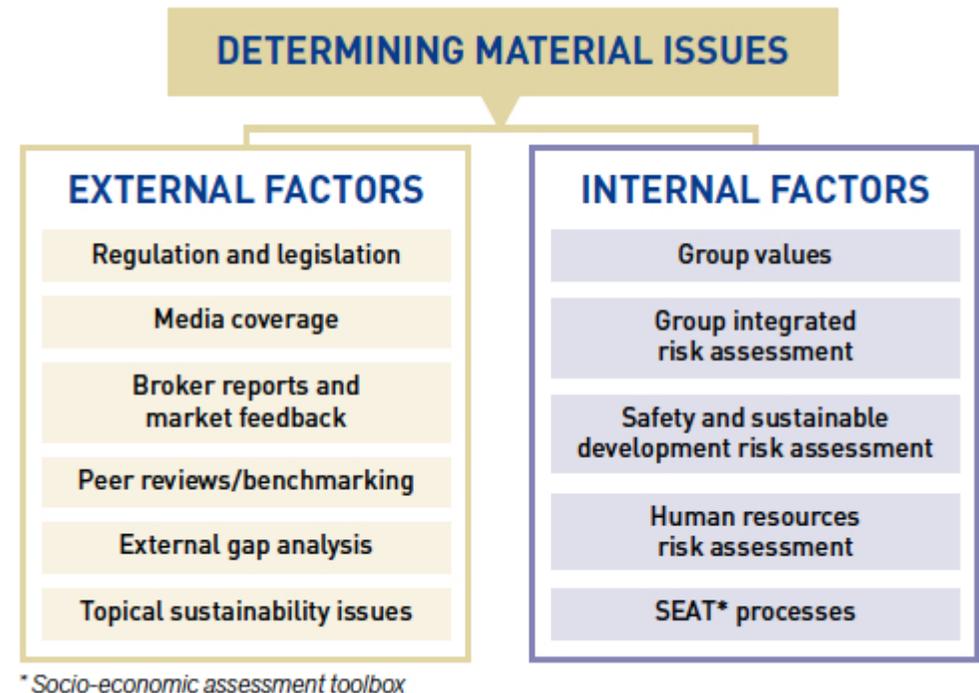
Steyn (2009 and 2011, p. 3) regards the strategic role of public relations as *strategic reflection*, i.e. providing top management with a societal perspective by interpreting the expectations, interests, concerns, fears etc. of organizational and societal stakeholders regarding the strategies, goals and functioning (behaviour, including performance and impacts in different areas, e.g. business/economic, environmental, social/societal, cultural) of organizations. »PR is thus moving away from playing a mere tactical role to a strategic PR role at the top management or societal level – assisting organizations to achieve a balance between economic and social goals.« (Steyn & de Beer, 2011, p. 3).

Looking at public relations evolution and its conceptualizations in the 21st century from the other, societal point of view, we have to discuss the changing character of society’s legitimating processes. It is assumed that to understand organizational legitimacy, the overall analytical framework must be the constitution of society and here the analytical focus is the social communication processes, which constitute society as well as organizations (Holmström, 2004). »We can define reflection as the core demand on organizational legitimacy today and public relations as a specific reflective structure. Accordingly, the reflective paradigm is seen as part of the new forms of society’s coordination, implying self-regulation of organizations within a poly-contextual reference.« (Holmström, 2004, p. 121-122).

The reflective paradigm: key characteristics from the integrated reporting point of view

One of the basic characteristics of public relations defined from the reflective paradigm point of view is the function of *transforming*, i.e. translating and mediating between different rationalities. And it is in this context that we can identify the 21st century public relations practice (Holmström, 2004; Steyn & de Beer, 2001). This means a transition from a narrow, mono-contextual perspective, enabling the organization to see itself as part of a broader, societal context, which includes defining, monitoring and reporting also on environmental and social issues (not only economic ones). »The organization finds its specific identity, acting mechanisms in its decision-making processes in recognition of the interdependence between society’s differentiated rationalities – such as politics, economics, law, science, religion and mass media.« (Holmström, 2004, p. 122). For an example of the transforming function that involves monitoring of the environment and defining key internal and external material issues affecting company’s business performance and vice versa, as incorporated in an annual report, see conceptualization of the material issues’ determination process in Kumba Iron Ore integrated report.

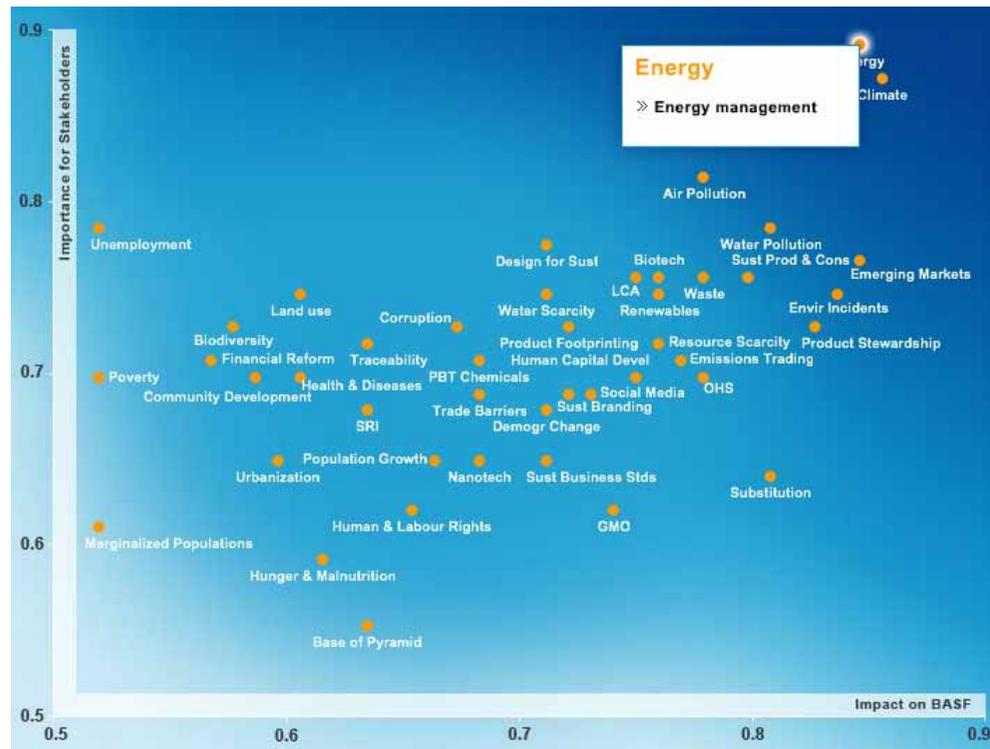
Figure 3:
Kumba Iron Ore’s approach to determining material issues



Note. Company Kumba Iron Ore in its 2011 Integrated Annual Report elaborates on determining its key material issues through analysis of external and internal factors. »Kumba recognizes the subjective nature of the threshold at which an issue is deemed to become material and that this involves a combination of financial factors and potential reputation impacts. It is a reflection not only of the company’s view of the world, but also that of its stakeholders, and takes into consideration the level of stakeholder concern and interest, the impact of the issue on the company and the impact of the company on the issue (Kumba, 2011, p.17).

It is also interesting to see the detailed materiality matrix as developed by BASF, the multinational chemical company headquartered in Germany, as it explicitly defines several economic (e.g. trade barriers, financial reform etc.), environmental (e.g. air pollution, waste, renewables etc.) and social (e.g. hunger and malnutrition, population growth etc.) issues relevant for BASF performance (and vice versa).

Figure 4:
BASF's elaboration of materiality

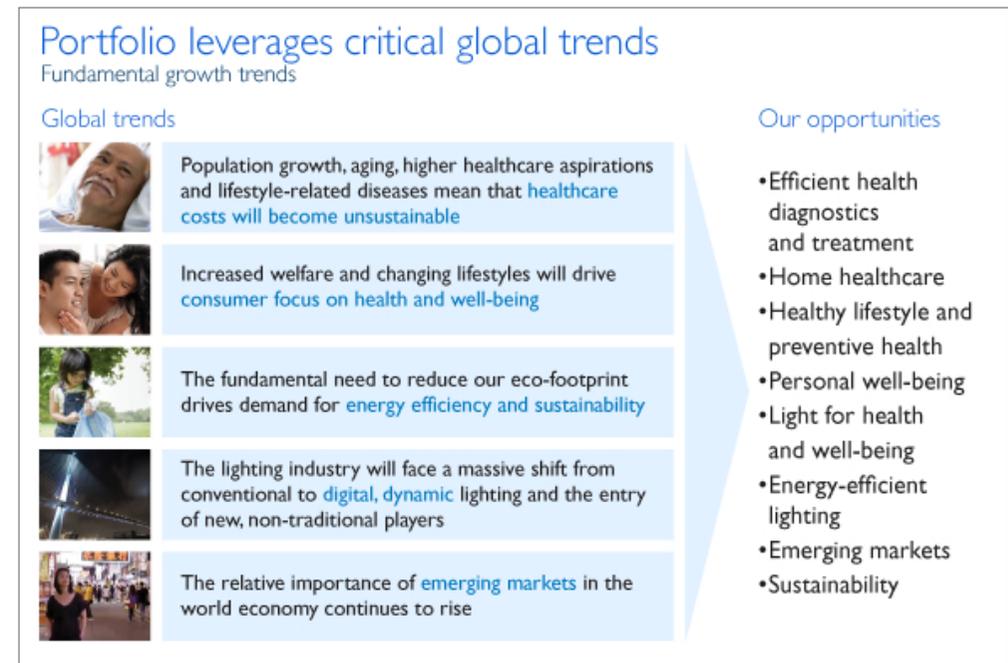


Note. BASF's materiality matrix defines economic, social and environmental issues relevant for BASF performance because of their impact on BASF and/or their importance for BASF's stakeholders. The interactive matrix available on BASF web page links issues with concrete company activities, results and further goals regarding their management (retrieved from: www.basf.com/group/corporate/en/sustainability/management-and-instruments/global-materiality-matrix).

This kind of reflection opens up the possibility of transforming conflicts into productive dynamics and in this way we see an evolution within business from a narrow economic rationality towards a broader perspective which takes into consideration more values than only the economic one. Nevertheless, the basic activity of business (i.e. to produce and function as the economic foundation of society) does not change, only the societal conditions in which the 21st century organization functions, do. »/.../ (R)eflection is an evolutionary developed social capability of

foreseeing potential conflicts between social systems, of evaluating their consequences, and of transforming the reflective observations into organizational learning processes /.../.« (Holmström, 2004, p. 125). For an example of the importance of reflecting the broader societal circumstances (in this case named »global trends«), see the conceptualization of the interconnection between global trends and business opportunities as set by the Dutch multinational electronics company Philips.

Figure 5:
Philip's conceptualization of interconnections between social trends and business opportunities



Note. In its 2010 Annual Report company Philips explicitly elaborates on the interconnections between global social, economic and environmental trends on one side and company's business opportunities on the other.

Holmström (2004) identifies four basic organisational characteristics of public relations practice as seen from the reflective paradigm perspective:

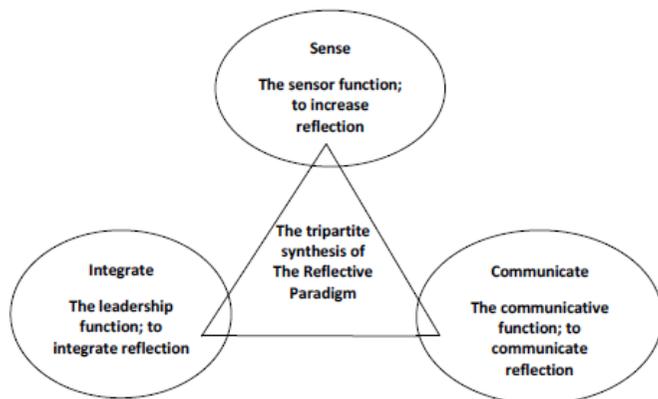
- first is the **poly-contextual understanding of the environment**: the company is no longer the centre but only one of several poly-centered interacting socialities;

- second is a specific approach and practice of **reflective interrelations** where environment is seen to be respected (consulted, involved, engaged in decision-making) which means building partnerships, establishing participatory decision-making, running negotiations etc. instead of persuading, forcing or other one-way asymmetrical communication practices;
- third is an (internal) **clarification of company's identity, role, responsibility and function in society** that takes into account the above mentioned poly-contextuality and interrelations with stakeholders;
- fourth is **internal and external communication** of above mentioned identity, role, responsibility and function, based on reflective interrelations and understanding of poly-contextuality.

The four basic characteristics are summarized and schematically presented by Holmström (2004, p. 129) in the so called SIC (acronym for Sense, Integrate and Communicate) synthesis of the reflective paradigm (see Figure 6) that combines the poly-contextuality, reflective interrelations, identity clarification processes and communication in a tripartite synthesis of the following three organisational functions of public relations:

- **sensor function:** reflects the organisation in the larger societal context and increases its poly-contextual sensitivity through establishing reflective interrelations;
- **integration (leadership) function:** focus is on value and identity policies which means an integration of reflection (gained through poly-contextual sensitivity) in the organisational strategy and decision processes; and
- **communication function:** communicating the reflective corporate self-understanding.

Figure 6:
Reflective paradigm and SIC synthesis (Holmström, 2004)



In order to analyze the role late modern public relations might have in planning and implementing integrated reporting we will check for possible overlaps between the key characteristics of public relations (as seen from the reflective paradigm perspective) on one side and those of integrated reporting on the other.

Reflective paradigm and strategic guidelines for integrated reporting: conceptual analysis of possible overlaps

The idea of analyzing possible overlaps between public relations functions and integrated reporting guidelines is not new in public relations literature. Steyn and de Beer (2011) analyzed the IIRC Discussion Paper (IIRC, 2011) and extracted some sections of the paper (3.2, 3.3 and 3.4) as the focus of the conceptual analysis. Their aim was to clarify (both to top management and senior PR practitioners) the contribution that public relations theory can make regarding the specific elements and to provide theoretical and practical guidelines for the integrated reporting process. Their focus was on activities constituting public relations strategic role with regards to three major (overlapping) public relations/organisational processes, namely (1) environmental assessment, (2) enterprise strategy and (3) public relations strategy development. They found the processes to be interlinked. »A senior PR practitioner in the role of 'reflective strategist' operating at the top management level, doing environmental assessment and contributing to enterprise strategy development is critical to organizational effectiveness. It is the outcomes of the environmental assessment processes (scanning, stakeholder engagement, issues and risk management) that provide the social and environmental intelligence from which the material information with regards to stakeholders, issues and risks can be extracted for purposes of the organization's integrated report.« (Steyn & de Beer, 2011, p. 25-26).

In this paper we take a closer look at possible overlaps at a more general level, namely between the integrated reporting strategic guiding principles (IIRC, 2011) and the key functions of public relations as seen from the reflective paradigm perspective, SIC synthesis (Holmström, 2004).

The following table summarizes these connections whereby the primary (main) overlapping public relation function is written first and the secondary (supporting) function is put in parenthesis. Namely, it is hardly possible to ascribe only one of the public relations functions to a particular integrated reporting guiding principle.

Table 1
Overlaps between IIRC Framework (IIRC, 2011) and dimensions of reflective paradigm's SIC syntheses (Holmström, 2004)

International Integrated Reporting Framework (IIRC, 2011) guiding principle	Dimensions of reflective paradigm - SIC synthesis (Holmström, 2004: 129) covering the particular guiding principle	
	Primary overlap (main)	Secondary (supporting) overlap
1. Strategic focus	Integrate	Sense
2. Connectivity of information	Sense	Integrate
3. Future orientation	Sense	Integrate
4. Responsiveness and stakeholder inclusiveness	Communicate	Sense
5. Conciseness, reliability and materiality	Communicate	Integrate

Arguments for the above stated overlaps are given through detailed interpretation of each IIR Framework guiding principles. Where same or similar content appears in two or more guiding principles, the content taken into consideration for the purposes of this conceptual analysis is put in italics so that not the same guiding principle's content (although it appears in the IIR Framework) is taken into account twice. E.g. the content regarding »the relationships on which the organization depends« appears in two guiding principle's of the IIR Framework: firstly, in »strategic focus« principle, and secondly, in »connectivity of information« principle. In a similar form (»organization's relationships with its key stakeholders«) it also appears in a third guiding principle on »responsiveness and stakeholder inclusiveness«. We avoid this inconsistency for the purpose of our conceptual analysis so that we take this specific content into consideration only once (for this example, see part of text in italics in the second strategic guideline, i.e. connectivity of information).

The interpretations of key contents of guiding principles that result in overlaps with the three dimensions of SIC synthesis are as follows:

- **Strategic focus:** An integrated reporting (IR) provides insight into the *organizations strategic objectives*, and how the objectives relate to its ability to create and sustain value over time

and the resources and relationships on which the organization depends.

- **Connectivity of information:** An IR shows the connections between the different components of the organization's business model, external factors that affect the organization, and the various *resources and relationships on which the organization and its performance depend*.
- **Future orientation:** An IR includes *management's expectations about the future*, as well as other information to help report users *understand and assess the organization's prospects and the uncertainties* it faces.
- **Responsiveness and stakeholder inclusiveness:** An IR provides insight into the organization's relationships with its key stakeholders and *how and to what extent the organization understands, takes into account and responds to their needs*.
- **Conciseness, reliability and materiality:** An IR *provides concise, reliable information that is material* to assessing the organization's ability to create and sustain value in the short, medium and long term.

As can be seen from the above interpretations (see especially parts of definition in italics) of guiding principles (IIRC, 2011) there is a high level of overlaps between key functions of late modern public relations practice (as seen from the reflective paradigm perspective) on one hand and the five guiding principles of integrated reporting on the other. None of the guiding principles remained »uncovered« by the public relations functions and vice versa. For the purposes of this paper this confirms a connection between the two concepts and therefore the importance of the role of public relations in planning, implementing in evaluating integrated reporting processes. It seems logical to dig further into the possible overlaps between reflective paradigm and IIR Framework, that is to analyze also the key integrated reporting content elements as »/.../the principles should be applied in determining the content of an Integrated Report, based on the key (content) elements summarized below /.../« (IIRC, 2011, p. 12):

- **Organizational overview and business model:** What does the organization do and how does it create and sustain value in the short, medium and long term?
- **Operating context, including risks and opportunities:** What are the circumstances under which the organization operates, including the key resources and relationships on which it depends and the key risks and opportunities it faces?
- **Strategic objectives and strategies to achieve those objectives:** Where does the organization want to go and how is it going to get there?
- **Governance and remuneration:** What is the organization's governance structure, and how does governance support the strategic objectives of the organization and relate to the organization's approach to remuneration?
- **Performance:** How has the organization performed against its strategic objectives and related strategies?

- **Future outlook:** What opportunities, challenges and uncertainties is the organization likely to encounter in achieving its strategic objectives and what are the resulting implications for its strategies and future performance?

By further analyzing the key content elements proposed by IIRC we can conclude that there is a quite strong overlap between the IIR Framework guiding principles and the key content elements, as can be seen from the table below.

Table 2
Overlaps of IIR Framework’s 6 key Content Elements (first column) with the 5 Guiding Principles (second column) and with the 3 dimensions of SIC synthesis (third column)

International Integrated Reporting Framework – Content Elements (IIRC, 2011)	International Integrated Reporting Framework – Guiding Principles (IIRC, 2011)	Reflective paradigm/SIC synthesis (Holmström, 2004: 129) dimension
1. Organizational overview and business model	Strategic focus	Integrated (sense)
2. Operating context, including risk and opportunities	Connectivity of information	Sense (integrate)
3. Strategic objectives and strategies to achieve those objectives	Strategic focus	Integrate (sense)
4. Governance and remuneration	Strategic focus	Integrate
5. Performance	Connectivity of information	Sense
6. Future outlook	Future orientation	Sense (integrate)

A general conclusion regarding the structure and content of the IIR Framework is that key content elements are formulated very similar to the guiding principles and therefore make the analysis of possible overlaps with the dimensions of the SIC synthesis redundant. But there is another observation more important for the purposes of this paper.

As can be seen from the above table the analysis of overlaps between key content elements of integrated reporting as defined by IIRC (2011) and different functions of public relations from the reflective paradigm perspective (Holmström, 2004) shows that only two (*sense* and *integrate*) of the three functions are included. The third function - *communication* is not directly covered by the key content elements of integrated reporting although the significance of this function was confirmed during the analysis of overlaps with IR guiding principles.

This calls for developing a new explanation (model) of public relations functions when viewed from the integrated reporting perspective. In it, special focus is given to the *communication* function as we must understand it as a common denominator of all main functions of public relations professionals. When compared with SIC synthesis we do the following three moves to develop this new model:

- First move: we raise the communication function up to the general (common denominator) level of the proposed model.
- Second move: we partly rename the three main public relations functions (in comparison to SIC synthesis) so that they more exactly explain their particular importance from the IR point of view.
- Third move: we especially stress the cyclic nature of key public relations functions from the IR perspective.

Regarding the second move we can turn for a possible solution to Holmström’s distinction between reflective and expressive task of PR (Holmström, 1997; Steyn & de Beer, 2011, p. 10). The reflective task means *inward communication* (the »sense« dimension of the SIC synthesis): spanning the boundary between the organization and its stakeholders; »/.../ selecting information from the outside environment on what is considered socially responsible (and sustainable) behaviour and transmitting it to the organization in order to adjust its standards, values, strategies and behaviour accordingly /.../ (Steyn & de Beer, 2011, p. 10). On the other hand the expressive task of PR is *outward communication* which means to widely distribute information on the organization in the external but also internal environment based on reflection, implemented by the inward communication: »/.../ to ensure that there is a socially responsible image of the organization in the public sphere (based on the organization’s behaviour/strategies and not on ‘spin’); and to achieve greater understanding and support in those public spheres that the organization needs to be in contact with.

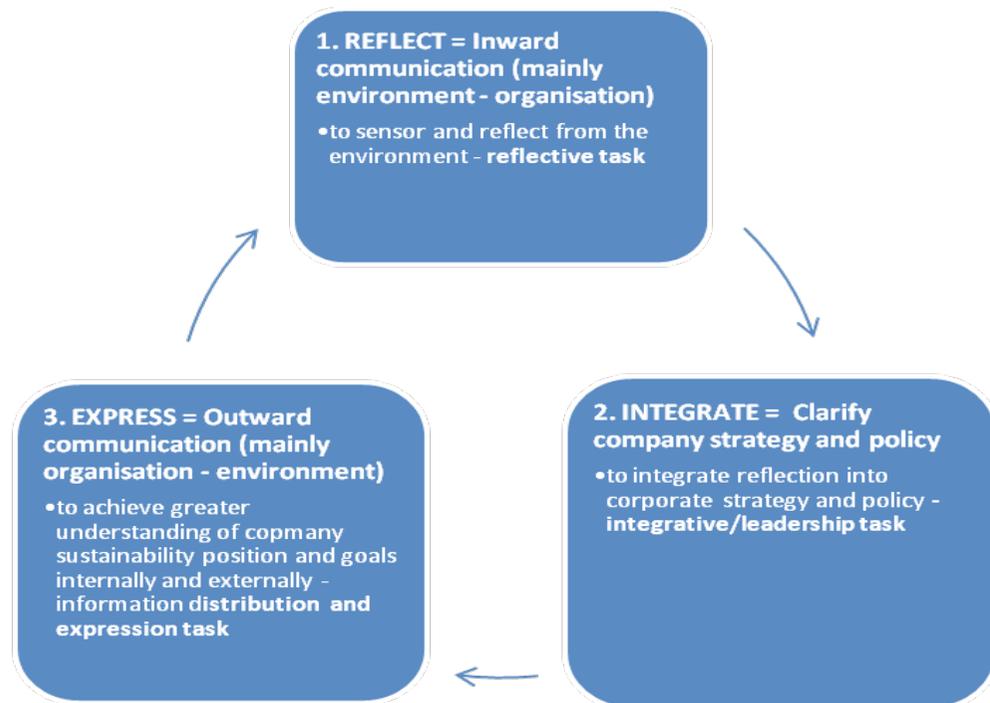
So the proposed three key dimensions of public relations functions in planning and implementing corporate integrated reporting processes, based partly on SIC syntheses of the reflective paradigm (Holmström, 2004) and partly on their relationship with the guiding principles of the International Integrated Reporting Framework (IIRC, 2011) are the following:

- **reflect** = inward communication, mainly from environment to organization (the reflective task);

- **integrate** = clarify company strategy and policy (the integrative/leadership task);
- **express** = outward communication, mainly from organization to environment (the information distribution and expression task).

Figure 7

The proposed new RIE model of public relations functions in the integrated reporting process: the continuous communication cycle



The key new challenges that the integrated reporting process brings for public relations professionals from the point of view of three functions in the RIE model, can be seen in Table 3.

Table 3

Key new challenges the integrated reporting process brings for public relations professionals from the point of view of three functions in the RIE model

Key dimensions of PR roles/tasks in integrated reporting processes	Key new challenges for public relations professionals
<p>REFLECT Inward communication – reflective task</p>	<ul style="list-style-type: none"> • new strategies and techniques for effective environmental monitoring and reflecting the social/environmental etc. circumstances under which the organization operates (especially participatory approaches for defining key stakeholder dependencies and value drivers that are directly linked to business performance from economic, environmental and social perspective).
<p>INTEGRATE Integrative – leadership task</p>	<ul style="list-style-type: none"> • involvement in preparing business strategy, strategic goals etc. not only at the communication-support level but on the general sustainable strategy business level with the aim of creating and sustaining value in the short, medium and long term through engagement of key stakeholders; • tight cooperation (based on understanding at least basic premises of their work) with key other departments/functions involved in integrated reporting, i.e. accounting, financial, legal, HR and auditing; • raising awareness in the organization (through different communication channels) about the connectivity of information (how different external factors affect the organization’s business performance and vice versa).
<p>EXPRESS Outward communication – information distribution task</p>	<ul style="list-style-type: none"> • support to the multidisciplinary integrated reporting team in communicating internally and externally what is sufficiently material (reporting not only positive news!) and reliable, consistent through time and comparable between organizations; • helping to prepare concise integrated reports with detailed information in separate reports or web page sections targeted at key stakeholders with specific interests (i.e. communication based on incorporation of reflection and organization’s self-understanding).

Concluding remarks

Integrated reporting as a managerial process and not only preparation of an integrated (annual/sustainability) report brings with it several new challenges also for the public relations professionals. As the overlaps of the key functions of late modern public relations (as defined in the SIC syntheses of the reflective paradigm; (Holmström, 2004) with the guiding principles of the International Integrated Reporting Framework (IIRC, 2011) show, public relations can play an important role in fostering the processes of integrated reporting planning and implementation in organizations. But as these processes are new and not strictly defined yet there are several challenges in front of public relations experts, especially in the fields of:

- monitoring and reflecting the status and changes in the organization's environment,
- integrating these reflections in company strategies and policies and in
- two-way communications with external as well as internal stakeholders about this integration of reflection.

As shown through the proposed RIE model of public relations functions in the integrated reporting process, the key challenge for public relations in the integrated reporting arena seems the overcoming of the notion that our function is limited only to outward communication also referred to as »Expressive task« or information distribution, which in practice means mostly one-way communication and persuasion of stakeholders about company's positive, "sustainable" image. So the question posed by Falconi about whether our profession is up to the challenge of integrated reporting (see the beginning of this paper and Falconi, 2010) is the key dilemma public relations professionals entering the integrated reporting processes are facing. Therefore our success in trying to become equal members in the decision-planning and decision-making coalition with other key organizational functions involved in integrated reporting does not depend so much on the new knowledge or techniques we have to acquire but mainly in our ability and willingness to change from distributors of positive messages and images to strategic communication support in all key integrated reporting phases:

- monitoring and reflecting the environment,
- integrating this reflection in company's key strategic documents and
- communicating about company's strategy and actions internally and externally.

In all phases this must be accompanied by our constructive critique of our and others (including top-management's) work and decisions and, when necessary, by our uncompromised redirection of everyone and every action involved in the integrated reporting process that does not meet the basic standards of transparency, materiality, reliability, and conciseness.

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Cultural Dissonance in Transnational Public Relations: How Host Culture Practitioners Respond When Innate Cultural Values Differ from Their Transnational Corporation's Values

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INTRODUCTION

This paper examines cultural tensions that sometimes surface between transnational corporations and the communication professionals who represent them in various locations around the world. Like virtually all organizations, transnational corporations have innate values and missions, which most often are established and reflected by the founders or leaders who attempt to spread them throughout their employee ranks and then less directly to other stakeholders (Collins & Porras, 1994; Trompenaars & Hampden-Turner, 1998). The corporations typically expect their communicators to understand and then to inform the stakeholders about this company core and all the products and services that emanate from it. For the transnational entity, such communication must transcend a broad variety of cultural, political, and economic borders, thus increasing the complexities of the task (Verčič, 2009; Molleda, 2009).

As transnational corporations increasingly originate from virtually anywhere and stretch throughout the world (Sirkin et al., 2008), intercultural communication becomes ever more important and provides more and more opportunities for public relations practitioners. Those who have attained the requisite professional and intercultural competence to represent a transnational corporation serve as valuable cultural facilitators between the parent organization, other units within the organization, and their own local environments (Cambié & Ooi, 2009; Freitag, 2002). The most successful of these transnational public relations programs seem to take full advantage of the intercultural expertise, incorporating their communication professionals into a sort of horizontal team working cooperatively on global and local levels to spread consistent but adaptive messages and to scan the political, social, and commercial environment for threats or opportunities for the organization (Molleda, 2009; Wakefield, 2001, 2008, 2009).

One challenge for local public relations officers in transnational organizations is the dissonance that can arise in their minds about certain corporate behaviors or decisions that differ culturally

from their own values. As those who have worked for any organization are fully aware, such value differences can occur even among employees at headquarters who come from similar cultural backgrounds; but across multiple cultures, particularly where public relations people must represent foreign cultural philosophies to their own communities and cultures, the tensions that arise over these differences can become more acute. While corporate values generally arise from the inherent cultures of the entity's founding executives, as just mentioned, each public relations officer around the world also comes into the position out of his or her own cultural upbringing. Usually, the cultural basis for thoughts and actions of a local practitioner is the same that frames the other employees and community in which the practitioner functions.

So, if a geographically-based or specialized unit of a transnational is located in Timisoara, its communications staff likely will also come from Romania or nearby and will reflect to at least some degree the cultural values and mores of that region—but their functions still require that they represent the foreign entity. Of course, in the more effective transnational organizations, local units have the autonomy to make their own daily decisions. Even then, the time inevitably will come when headquarters or the parent company wishes to impose its desires on local units in given situations, and therefore it seems that the potential for circumstances of cultural dissonance would still exist within most transnational corporations.

If these assumptions are accurate, they should lead to a few questions. For instance, what happens when the innate worldviews of the host unit communication professional differ from the culturally implanted philosophies and decisions of the senior executives of the corporation? Or, supposing that the communicator is able to navigate these differences in his or her mind, what if she or he knows that the host community stakeholders will not accept foreign mandates that could negatively affect them? Do the practitioners always feel obligated to side with the parent corporation, or do they revert to doing things in the way they've naturally been taught from their cultural background? Either way, what are the consequences for the practitioner, for the practitioner's community, and for the transnational organization? If the answer to these questions is that the practitioner departs from any rigid either/or stance and functions within some range of response possibilities, where do most of her or his daily decisions fall within that range?

This paper discusses a study conducted among seven communication professionals who serve in transnational corporations or public relations firms in various parts of the world. The paper seeks answers to the above questions through objective and open-ended questions supplied to each respondent, and then assesses what the results of the study might mean to communication practitioners in transnational organizations. We believe that ultimately more responses are needed to complete this study, and therefore we view the results as preliminary. The ultimate goal is to use the results and related theories to devise a model that can help scholars and professionals in the public relations industry to better understand the potential for cultural dissonance in host unit practitioners and to guide them toward becoming better cultural facilitators in their respective companies and communities.

Literature Review: Conceptualization of Cultural Dissonance

One of the foundational theories that has guided public relations research internationally is the generic-specific theory, created in the early 1990s (J. Grunig, 2006; J. Grunig & L. Grunig, 2010; Verčič et al., 1996; Wakefield, 1995). This conceptualization is adapted from theoretical foundations in international business and development management (Bartlett & Ghoshal, 1989; Brinkerhoff & Ingle, 1989). The theory postulates that in the global arena, organizations will encounter a greater variety of issues and forces than they might have dealt with in their old, mostly domestic environments (Molleda, 2009). Generic-specific distinguishes between what activities need to be taken care of universally from what is best handled by geographic or specialty units. At the global level public relations officers generally will concentrate on overall mission and message consistencies that should apply similarly around the world. Each host unit then responds to various specific factors that affect that particular local environment. While it is easy to distinguish the generic and specific parts of this theory structurally, the main purpose of the distinction, according to Trompenaars and Hampden-Turner (1998) is cultural and political content, not actual location. They explained:

The centralizing-decentralizing dilemma is often experienced as consistency versus flexibility of corporate identity. Is it more important for Shell to relate successfully in the Philippines by helping peasants to raise pigs or should the strategy of being an energy company be used to maintain continuity? In practice the pig farming has helped to prevent oil pipelines being blown up by communist insurgents. If you are digging for oil in Nigeria anyway, why not find some water too and build some desperately needed wells?" (Trompenaars & Hampden-Turner, 1998, p. 190).

The generic-specific concept need not be considered exclusive to international practice; it can be applied in any organization that has different units—even in the same community. Each unit is part of the whole and should thus respond at least somewhat to the values and worldviews of that whole (the global); on the other hand, each unit also has its purposes related to its own environment. The first author of this paper learned this distinction early in his career as public relations officer for a school district in Salt Lake City which included 27 schools. The district attempted to show that all of the schools in the city offered high quality education and also cared about individual learning; each school supported this goal but also responded to the needs and desires of its community, which would differ depending on the economic and cultural aspects of the particular neighborhood and whether it was a high school, intermediate, or elementary school. The balancing act between "global" and "local" communication, as it were, was strikingly similar to what occurs on an international basis—it just was not as complex or far-flung in implementation. As a result of this experience, when exposed to Brinkerhoff and Ingle's (1989) theory on structured flexibility of transnational management, this main author readily understood the tensions between

central and local. From there it was easy to incorporate that distinction into international application of the generic-specific theory (J. Grunig, 2006).

Culture in the Generic-Specific Theory

Although the generic part of the equation—how to address and implement needed consistencies in global communications—has been largely overlooked, the specific variables are being widely studied (see, for example, the books on global public relations edited by Sriramesh and Verčič, 2003, 2009). Factors most commonly identified in the specific realm are the political and economic systems, status and influence of the mass media, and presence of activism in a given location. But the most critical factor, fundamental to the other specific factors, is culture. Of course, the construct of *culture* is highly ambiguous, with hundreds of scholarly definitions (Negandhi, 1983). But as Ridgley (2009) explained, “Culture exerts impact in virtually every phenomenon we study – from politics, to economics, to sociology, to religion. Most scholars would agree that culture’s influence is real ... [and yet] there is question as to how “culture” actually exerts its influence in the choices people make, the institutional structures they build, and the repertoires they develop to guide those institutions in their daily functioning” (para. 2). Similarly, it is easy to recognize that culture is infused into all aspects of public relations: public relations firms, client organizations, stakeholders, special interest groups, communities, and virtually any other society or entity—especially considering our increasingly globalized world. Only now are studies being conceived to determine how these influences affect the practice.

Newsom et al. (2001) said, “Today’s global environment demands a greater sensitivity to cultural nuances” (p. 650) because “culture and tradition impose a style of communication and result in certain types of behavior” (p. 652). For example, governments regulate media ownership and individual use of communication tools like telephones and the Internet. Given nations differ from others because of their economic systems and technological infrastructures, their literacy rates, the amount of activism that is culturally acceptable, and the extent to which citizens are congregated in urban areas or spread into agricultural communities. Many nations also have a dominant culture and other cultural communities whose perceptions, behaviors, and communication styles differ from the majority culture.

One potential impact of local culture is resistance to outside influences such as what the transnational entity represents—influences viewed as trampling over traditional values. “Culture is seen not as stable and orderly, but as a site of struggle for various meanings by competing groups” (Martin & Nakayama, 1999, p. 7). As Kramer and Ikeda (2008) argued, “Difference is extinguished in favor of global sameness [and] ‘local’ identity is being ... attacked as backward, feudal, obsolete, an obstacle to progress” (p. 100). So while transnationals engage local publics

to sell products, describe services, and build relationships, the publics often try to communicate with these organizations to express dissatisfaction or pressure them to change (J. Grunig, 1992). Such publics believe that transnational corporations have societal obligations wherever they operate; and when the entities fail to fulfill these expectations, or worse, exploit local communities, the publics organize to do something about it (Morley, 1988; Nigh & Cochran, 1987). Klein (2000) wrote that “counter-corporate activism” has formed around the world and “dozens of brand-based campaigns have succeeded in rattling their corporate targets, in several cases pushing them to substantially alter their policies” (p. 366).

In the middle of all of this activity sit the public relations officers of the transnational corporations’ host units. Most of them are likely hired from the local communities or regions around each host unit (we don’t know for sure; it is a presumption needing research). The practitioners help their entities implement culturally sensitive outreach programs into their local cultures, translating and adapting materials for better communication, creating many of their own collaterals, and generating additional organizational responses toward their communities—be these geographic communities or specialized industries served by the transnational corporation. They also monitor the local environment and alert the corporation to local issues, in addition to helping create and carry out cooperative global communication programs. These professionals certainly recognize the balancing act that inevitably comes between their innate cultures and those of their transnational entity. While trying to be loyal to their organization, they also must be certainly pulled toward the comfortable securities and loyalties of their native cultural upbringing in their daily corporate activities.

In the increasingly complex global world, then, it becomes more and more important for the industry to know, rather than just assume, what really happens with these host unit practitioners around the world, and to offer guidelines for useful balancing of global corporate and local societal priorities that such professionals face in their positions every day.

Competing Cultural Values and Management

Perhaps insight into the balancing act that host unit practitioners perform comes through examinations into culture and management. Trompenaars and Hampden-Turner (1998) pointed out that “organizational culture is shaped not only by technologies and markets, but by the cultural preferences of leaders and employees” (p. 161). Everyone within the organization is obliged to accept the foundational cultural values upon employment. But each employee also brings into the organization his or her own beliefs and value systems based on innate cultural upbringing and experiences. In any organization, therefore, there will always be some synergies as well as some tension between these competing and cooperating cultural systems.

Speaking of the holistic *macroculture* and the specific *microcultures* of a society or an organization, Gupta (1998) described cultural assimilation: “Culturally speaking an assimilation is the process by which microcultures become synonymous with macroculture. Either cultural patterns that distinguished them from macroculture have disappeared, or their distinctive cultural patterns have been adopted by macroculture so that there is no longer a distinct or separate culture, or the combination of the two has occurred” (p. 16). In an organization, then, macroculture would be the global or generic culture, while microculture would likely be comprised of the various specific cultures within the organization’s subunits.

Cultural scholar Jandt (2004) similarly discussed interactions between the generic and specific cultures, but he described the concepts as *subculture* and *co-culture*, referring to them as “cultures within cultures” (p. 347). The subcultures can be based on social or economic class, ethnicity, or geographic region, but they also can extend into the organizational environment, particularly within transnational corporations, where the prevailing culture exists along with varied subcultures. Each geographical unit or specialty unit would be just one set of subcultures.

A problem arises, though, when the microcultures or subcultures arise out of other macrocultures outside of the organization, such as national or community cultures in which those subunits are located. Jandt (2004) offered animals as examples of how everyone’s perceptions of the world arise out of our native cultures. For example, the Japanese live in a chain of small islands and, being surrounded by water, rely largely on fish for sustenance. The U.S., by contrast, has vast lands where there is plenty of room for cattle to feed; therefore, many Americans eat beef. In India, however, cattle are considered sacred by the Hindus, and therefore beef eating is not generally accepted. Culture also is seen in how we perceive dogs. In the U.S., dogs are often seen as household pets; in Saudi Arabia, they are useful but are never kept in the house because they are unclean; and in China, they are eaten—something that repulses most Americans.

Jandt (2004) explained that each of the cultural differences just noted can play out between cultures even within a given nation. He described a fast-food chain in the U.S. that wanted to advertise to a large community of Hispanics. “Carl’s Jr. simply wanted to translate its popular television ads into Spanish,” he wrote, “but when it took its account to one of a growing number of Hispanic advertising agencies, the agency explained that the humor in the English-language ads directed at young males would confuse mothers in Hispanic households, who typically decide where families eat. The agency produced a series of highly successful ads for Carl’s Jr. featuring Hispanic actors performing traditional dances” (p. 386).

All of these competing cultural values must be addressed by corporate management. Trompenaars and Hampden-Turner (1998) explained, “There is [an] important respect in which all the world’s managers are the same. Whichever principle they start with, the circumstances of business and

of organizing experience requires them to reconcile ... dilemmas” (p. 187). At the root of these dilemmas is cultural variance, and this frames how the competing global and local interests should be handled. Trompenaars and Hampden-Turner noted:

The centralizing-decentralizing dilemma is often experienced as consistency versus flexibility of corporate identity. Is it more important for Shell to relate successfully in the Philippines by helping peasants to raise pigs or should the strategy of being an energy company be used to maintain continuity? In practice the pig farming has helped to prevent oil pipelines being blown up by communist insurgents. (p. 190).

Competing dilemmas such as this are what helps bring about cultural dissonance among the employees of transnational corporations. Because most host unit employees likely come from their local cultural worldviews, it raises the question as to how often they are asked to deal with competing dilemmas, and where their cultural allegiance ultimately falls when too many of these dilemmas arise or are poorly addressed by their employers.

Cultural Dissonance and Public Relations

Cultural dissonance has been defined as “a phenomenon that may present itself when an individual that participates in multiple cultures [most of us] is faced with situations where s/he perceives conflicts between a set of rules from one culture and the rules of another (Montano, 2007, para. 1). It is possible for such dissonance to occur with any host unit employee of a transnational corporation. And while most employees can assimilate the cultural values of their employing organization (Sriramesh, 2007), native culture still plays a predominant role in their day-to-day behaviors. Artz (2007), for example, suggested that host country employees generally harbor viewpoints that align more closely with their own cultures than with their distant or foreign employer. “This transnational working class still lives primarily on a national level, politically constrained by national borders, laws, and state-enforced coercion, and socially susceptible to nationalism, patriotism, and localism,” Artz argued (p. 152).

Where cultural dissonance can affect host unit employees, it would stand to reason that the public relations officers of these local units would be particularly vulnerable. Public relations professionals in these units are obligated by virtue of their positions to represent their corporation or client to the community of their own cultural upbringing. They should also serve as facilitators to help the organization balance differing cultural values in both its commercial outreach and in exercising cultural sensitivities in the local market. Even when these practitioners desire to be loyal to their global corporations, they can be placed into a position of needing to explain to their employers the local cultures and their inherent ways of doing things—or to defend the behaviors of the

transnational with their own family members and acquaintances. If this occurs too often, or if the transnational is insensitive to the advice of the practitioner about host country needs, behaviors, or even attitudes toward the corporation, it can foster increasingly pent-up resentments among even the most loyal public relations staff members.

Two cases exemplify this tension that host practitioners can feel in balancing these global and local cultural values. First, in the high power distance culture of India, Sriramesh (2007) found that “even though the CEO of a private bank wanted to bring a more participative culture in his bank [sic.], there was more discomfort from the lower ranks because of their deference to authority.... The study also found that more than half the public relations managers agreed that employees lose respect for a manager who consults them before making decisions” (p. 511).

The second example comes from an investigation of public relations professionals in Wales who were employed by different transnational corporations headquartered in London (Ellis-Davies, 2010). The results of the study showed the challenges for the practitioners of Wales in helping headquarters public relations professionals in London understand that there really are distinct cultural differences even between their homeland and central England:

Striking the balance between the global and the local is as relevant ... for organisations operating in the context of the U.K. as it is for multinational organisations operating on a worldwide scale (p. 256)... Whilst respondents did not explicitly recognize culture as a key variable when explaining why organisations take a different approach in Wales, it is interesting that the importance of ‘local knowledge’ (extending beyond the realm of politics) was noted by all Welsh practitioners seem to accept the concept that people in Wales “do things differently” The lack of understanding or recognition of sub-state diversities by some organisations and PR practitioners poses a particular challenge for Welsh or regional PR teams – both in-house and external. It is more important than ever that these practitioners continue to play an advisory role in order to move organisations further towards a localized approach that can accommodate Wales’ distinctiveness (p. 264).

Despite the possibility of cultural dissonance among host unit public relations officers around the world, scant research has focused specifically on the activities of these practitioners who represent their transnational corporations or clients in local environments. This is important because such dissonance can affect not only the practitioners but also the corporations or clients they service. Given that these professionals draw perspectives from the familiar parameters of local culture, certainly others within their local societies will have no predilection for “outsider” transnational entities over their own cultural values and mores. Local practitioners can help their employers with needed intercultural facilitation and communication between the corporation and the host communities. However, if the entity ignores the cultural learning that can come from these

employees, the practitioners can become resentful themselves—thus hurting productivity and creating more negative impacts on the entity’s reputation in the given host country. Based, then, on this review of literature related to cultural dissonance in the realm of global public relations, questions can be raised about (1) whether host unit public relations professionals face cultural dissonance; (2) if so, how often does it occur; and, (3) if it does occur, what do the practitioners do about it? We sought answers to these questions through the research mechanisms explained below.

Method of the Study

Because there is little or no evidence of a specific investigation into cultural dissonance possibilities among host unit public relations professionals, this study was proposed as a qualitative exploration into this phenomenon. According to Yin (2009), “Any new ... study is likely to assume the characteristic of an ‘exploratory’ study” (p. 37). Pauly (1991) claimed that qualitative research is an “ongoing conversation” joined by each research project into a new construct within a given domain (p. 8). This study, therefore, explores whether host unit public relations professionals sense any cultural dissonance in their activities, and if, so, what they do about the dissonance they feel.

This investigation delved into a specific and fairly narrow population: public relations officers working in a host unit of a transnational corporation or for a public relations firm that services such a unit. Although lists of “international” practitioners exist in, for example, the International Public Relations Society of America, those lists also include professionals and academics who are simply interested in global public relations and do not specifically perform such functions. Therefore, we relied on our own professional contacts to find these types of individuals. One of the contacts participated in the study, but most simply helped to recommend and reach appropriate respondents in sort of a purposive, snowball sampling process.

To obtain needed responses related to the subject, we relied on a survey instrument. This method was chosen from the knowledge that the respondents sought could come from anywhere in the world, and so convenience in responding was a priority. Obviously, in-person interviews were out of the question, and time zone differences and other constraints made phoning or Skyping problematic. We developed a survey instrument formatted by Qualtrics (a company ironically headquartered just a few miles from Brigham Young University), incorporating into the instrument 24 questions. This included demographic questions and general questions seeking attitudes about representing a transnational corporation and toward cultural dissonance. We also included open-ended questions to allow for significant thoughts and examples from each respondent. It is important to note that selecting such a survey was not done with any intent to quantify the data;

rather, we believed that it would provide a general sense of patterns as well as an ability to explore and compare thoughts and experiences from the respondent base.

The research was conducted in strict compliance with institutional review board (IRB) standards and with permission of the IRB panel at BYU. Participants were given an opportunity to complete the survey with the assurance of the researchers that there would be no subsequent publication of specific names of the respondents or their organizations. Respondents also were informed that by completing the survey they were offering their consent to be a research subject. Subjects were told that the survey would take approximately 30 to 40 minutes to complete, and they were able to close out the survey instrument at any time and opt out of the study. Those who completed the study were promised that they would receive a copy of the study and its results upon completion of the research project.

As the study has progressed, it has not yet generated the number or range of responses we wanted at the outset. In a qualitative project such as this, numerous responses are not essential as long as patterns and outliers emerge to provide adequate dependability in the data (Lincoln & Guba, 1985). However, given that we used an online survey that can limit the amount of response data compared to an in-depth interview, we hoped to gather at least 15 to 20 responses. Because the study has not yet attracted that many participants, and particularly since the open-ended questions did not produce the number of desired comments, we currently view it as an ongoing investigation which has engendered only preliminary results so far.

Results: Preliminary Understanding

To the moment when this section was written, seven individuals had answered the survey. A few more participants abandoned the survey at some point and have not completed it. The data showed that participants were working with or serving transnational organizations headquartered in five nations: Egypt, Mexico, Brazil, the United States, and somewhere in Asia. The professionals that took part in the survey are fulfilling a variety of positions, all of them directly within the public relations or communications industry. Participants responded that they occupy positions such as General Director, Communications Manager, or something similar; Regional Communications Director in the Middle East; and Associate Director, Corporate Affairs and Public Relations, Asia Pacific. As for experience in the public relations field, only six answered this question. Two of the respondents had 1 to 5 years of experience, one had between 6 and 15 years of experience, another two between 16 and 25 years of experience, and one had more than 25 years of experience in public relations. The nationalities of the respondents were listed as Egypt, Brazil, Singapore, Mexico, Zambia, and the United Kingdom.

Out of the seven individuals who answered the survey, only one of them lived less than 500 miles from headquarters. Of the other respondents, three lived more than 3,000 miles away from the corporate headquarters and three more lived between 501 and 1,000 miles from headquarters. Of those seven respondents, only one has not had any opportunity to visit headquarters. The other five respondents have had at least one opportunity, and one participant has been to headquarters more than ten times.

As mentioned, the participants also were asked some open-ended questions. The first of these related to what attracted them to work in their particular organization. Some of the factors listed were the following:

1. The corporation has an “excellent science-based research culture and reputation for highly ethical business practices”
2. “It is a multinational company and [I had] a role with regional responsibilities; also [there was] an opening in my area of specialization”
3. “Their pay off line; where patients come first and the integrity shown when they voluntarily withdrew a block buster”
4. Relevance of clients for a public relations firm

The respondents were asked to list or describe the various practices to maintain communication between headquarters and subsidiaries—and the respondents were given the opportunity to select more than one item from the list. The combined responses showed that half of the communication was handled through e-mail. Another 15.83 percent was conducted through an intranet or secured online site, and only 5.17 percent of all communication was conducted on a face-to-face basis—probably not surprising given distances and cost of international travel. For most of the organizations, communication was mostly top-down, with corporate or local management sending out materials to departments under down the chain.

The main language of communication was probed, but of course this could be closely correlated with the location and culture of the corporate headquarters. The main languages for communication between headquarters and subsidiaries were listed as English, Spanish and Portuguese. Out of the seven respondents, only two had Portuguese as the main language of communication, and one more had Spanish as the main language of communication. Most of the communication between headquarters and sub-units is conducted for information exchange, while environmental and risk assessment is the next main purpose of communication. Logistics and promotional purposes were seen as less important by the respondents.

Of course, the main objective of this study has been to find out whether the participants in the survey have ever come across a conflict where their personal cultural values clashed with the cultural values of their corporation or client. All of the participants answered that question, but

two of them specified that they had never had an experience of cultural dissonance. Three reported that they had come across such a circumstance. When asked how many times they had experience cultural dissonance, two of the respondents stated that they had sensed it more than once, and one said "I've been working this job more than 20 years so I don't keep tabs."

One of the participants expanded on how cultural conflicts happen in his or her day-to-day work life, saying that most of them are not drastic issues:

It's never something major it's usually small things, cultural sensitivities, misconceptions or simply ignorance, the assumption that we are globally one way of thinking predominantly an American one at that. We are used to this so we tend to disregard most of it.... Much of our work and time is spent in editing and adapting - I assume this is the case for most people in the world; it would make sense since nobody can be versed in all cultures and their sensitivities. On the other hand unfortunately even for materials that are tailored for [our region] we still face those [cultural] issues so one does wonder sometimes.

Some of the respondents, though, reported on cultural disputes that seemed more troublesome or difficult to resolve. In the case of one respondent, this seemed to arise out of sheer cultural insensitivity to local value systems on the part of the corporation:

Sexual subjects are culturally sensitive yet in spite of that campaigns arrive on products that are not tailored to our needs so we change the messaging, promotional materials have the happy blonde American stereotypes, their life styles and their aspirations most of which we do not share.

Among those participants who had at some time faced a cultural clash, a couple reported that they gave feedback to the company about the dispute. One of them stated that the company listened to what she or he had to say but did not agree with the position in regards to the matter. Another participant explained how the company reacted whenever there was a conflict and then described how he or she handled those situations:

Most people are open to change if you explain it to them – there is no conflict in this. In many cases we just change without going back usually it's insignificant or maybe it is something we all do naturally without thinking about going back. I guess it depends on the gravity of the situation - to what extent is the change in your hands and to what extent you have the power to implement what you see as right. In my case I do have the power and when faced with a situation where I need to talk to someone people are usually open and ready to make that change. At least I can't recall conflict.

The respondent from the Middle East reported one circumstance where feedback was given to the company about global cultural procedures that made the members of the local unit feel uncomfortable. However, as the respondent explained, the local feedback was ignored by the corporation. The respondent stated:

Global meetings are set on Fridays - I for one stopped cascading this information and made note on several occasions that not only are the meetings held on our holiday but also during prayer time - they still take place on Fridays [:)] .

When it came to compromising during the process of resolution of the conflict, no one specifically pointed out what compromise occurred or how it came about. However, two of the participants who responded to this question said there was some kind of compromise from both parties that helped to resolve a given conflict, and one other participant reported that there was no compromise in the situation he or she remembered. Half of the conflicts were reported to take place at the local level and half were at the global level.

Observations and Conclusion

In analyzing the data obtained from the respondents for this study, it was disappointing to the authors that we have not yet been able to generate nearly as many comments or examples as we would have liked. As a result of this limited feedback, it is almost impossible at this time to reach any general conclusions about the data. That said, we still believe this has been – and we hope it will continue to be – an important study for a couple of reasons.

First, to our knowledge no one has broached this topic of cultural dissonance among the public relations practitioners whose role it is to represent transnational corporations in their host units. We believe that the mere process of collecting definitions, theories and principles from other scholarly domains as well as actual examples (both from the literature and from the limited data in this study) of cultural dissonance within public relations is useful for the global public relations arena. With the increasing number of practitioners who are faced with these roles of facilitating and negotiating cultural differences within the transnational and to external host communities, it is beyond time to at least begin this conversation about the potential for cultural dissonance.

The second reason that the study is important is that the responses have helped us to learn what may need to be changed in spreading this study among more potential respondents. We need to be more specific about encouraging the respondents to offer more comments and examples. Perhaps a future study would also want to probe deeper into these thoughts and examples by adding to the survey instrument some in-depth interviews of host unit practitioners. We do believe that the study confirmed that cognitive dissonance does occur; the question is how to unearth more concrete examples and more best practices in terms of dealing with such situations.

Trompenaars and Hampden-Turner (1998) foresaw the transnational corporation which “breaks with the notion that national organizations are spokes around a wheel.... The HQ’s [sic.] role becomes not so much to instruct or to evaluate as to coordinate, to make sure that if one nation has embarked in a promising direction, other nations also learn from this” (p. 191). Most likely the best global public relations teams create communication mechanisms where information and ideas are shared from unit to unit and between host units and headquarters—not handed down with mandates from a headquarters that automatically assumes its culture is “best.” Frankly, those days should be over—in a multicultural world, host unit practitioners should be valuable resources for public relations innovation, not human reservoirs subject to multiple exposures to cultural dissonance.

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International Comparative PR and Communication Management Research: The Advancement of the State Of The Art

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INTRODUCTION

Globalization is one of the key drivers allowing organizations to expand their activities from one home country across a variety of other nation states. As a consequence, the challenge of Public Relations (PR) is to span borders. In the international context, PR needs to meet the communicative needs of internationally linked stakeholders in different cultural environments. Further conditions, such as the media system, political and technological factors, and different cultures also need to be taken into account. In this article, we will systemize the conceptualizations of international PR which exist in Anglo-American and German-language research up to now, and promote a culture-sensitive approach to PR research which has thus far rarely been addressed in literature.

Research Streams and Strategies of International PR

The internationalization of PR and communication management research is a young phenomenon which has mainly been developed within the last 15-20 years (Culbertson, 1996). A prominent characteristic of existing research is that scholars have built on previous definitions and models of PR and tried to advance them by adding an international perspective. This has led to a number of terms and concepts to describe *international PR* which are influenced by the basic understanding of PR according to Anglo-American and German-language research traditions, and yet still insufficiently developed to describe and manage the underlying complexities of PR on the multinational level (Andres, 2004; Bardhan & Weaver, 2011). In Anglo-American research, international PR is defined as “the planned and organized effort of a company, institution, or government to establish mutually beneficial relations with publics of other nations” (Wilcox, Ault, & Agee, 1989, p. 395) or as a broad perspective which allows practitioners “to work in many countries – or to work collaboratively with many nations” (Grunig, 1992, p. 23). Wakefield (1997, p. 355) describes it as “a multinational program that has certain coordination between headquarters and various countries where offices and/or publics are located, and that carries potential consequences or results in more than one country”. In German-language research, Huck (2007, p. 892) uses the term “international corporate communication” to describe the transnational and cross-cultural communication management of companies in order to build up or to maintain relationships with stakeholders in different nations or cultures, with the ultimate goal of building and expanding a globally coherent reputation. Botan (1992) and Zaharna (2001) note that international PR should always be understood as cross-cultural PR, a point taken up by Banks (2000, p. 20) who speaks of *multicultural PR* in the international environment which needs to take “full account of the normal human variation in the systems of meaning by which groups understand and enact their everyday lives”.

Building on the conceptualizations of international PR/communication management employed in research so far, we can systemize existing approaches to international PR in the following *three main clusters* (Andres & Bentele, 2008; Zaharna, 2000):

1. *International PR research*, which is concerned with the PR practices, structures and processes of internationally operating organizations
2. *International comparative PR research*, focusing primarily on descriptions and comparisons of national occupational fields to reveal differences and similarities between the countries investigated (i.e. social, political, economic aspects, media system etc.).
3. *Nation PR research*, focusing on the international PR practices of nation states, respectively their governments and other national interest groups, to positively influence a country's image abroad (Kunczik, 1997). This has also been termed *public diplomacy*.

Whether we look at PR practices of multinational organizations, at country-specific aspects of PR, or nation states' activities to promote themselves abroad, all approaches to international PR ascribe high importance to *culture* as a moderating variable in the constitution of practices and elements under investigation in each of the above areas. This conclusion leads us to the field of *intercultural communication*. Findings from this field have been transferred to the study of organizations to account for three possible cultural approaches when investigating international PR: *the culture-specific approach*, *the culture-free approach* and *the hybrid model*:

- a) *the culture-specific approach*, also called polycentric (Kanso, 1992) or localized (Müller, 1992) approach, examines the specific characteristics of a particular culture and tries to determine how a country's culture affects organizational behavior (Tayeb, 1988). For PR, this implies that communication needs to be developed locally to account for all such characteristics central to a country's culture (Botan, 1992). If this approach is pursued in PR, organizations are said to follow a *decentralized strategy* (Andres & Bentele, 2008, p. 595).
- b) *the culture-free approach*, also called ethnocentric approach, which is the opposite of the *culture-specific*, aims to identify similarities and generic principles which apply across cultures, thus allowing organizations to adopt uniform global communication activities (Hall, 1959, 1976; Heller, 1988). From this perspective, the management of PR can be described as mainly consisting of the local implementation of strategic decisions made by global headquarters, which Botan (1992, p. 151) calls the “trans-border perspective of PR” and which translates into a *centralized strategy* (Andres & Bentele, 2008, p. 595).
- c) *the hybrid model* is a combination of the aforementioned two approaches, aiming to develop generic variables which can be standardized across cultures, as well as specific variables, which need to be adapted to each culture in which an organization operates (Brinkerhoff & Ingle, 1989). In this way, PR can be seen as occurring within the tension area of *pure ethnocentrism* and *pure polycentrism* on either side of a continuum (Huck, 2007). In PR strategy, we then speak of an *internationally-cooperative strategy*, if PR is developed at headquarters in cooperation with other parts of the organization. Or we refer to an *umbrella strategy*, if adjustments to PR are made on the national level according to strategic communication guidelines (Andres & Bentele, 2008, p. 595).

In the following, we will present the existing literature and research on international PR (as a broad area of research including all three, more specific sub-categories identified) using a combination of the above mentioned approaches 1 to 3, and a to c (see also Ingenhoff & Ruehl, 2013):

Until now, the most favored research paradigm for investigations of international organizations are concerned with the (c) *hybrid model* (Grunig, 2006), also known as *glocalisation* (Huck, 2007). This is especially true of the Anglo-American research field of excellence in international PR (Grunig, 2006; Grunig, Grunig, Sriramesh, Huang, & Lyra, 1995; Verčič, Grunig, & Grunig, 1996), which

tends predominantly to be (2) *comparative research*. Within the global excellence theory, scholars seek to apply Brinkerhoff and Ingle's (1989) notion of generic and specific variables to the PR environments in different countries. Starting from early analogies (Black, 1993; Culbertson & Chen, 1996), the global excellence variables were extended (Wakefield, 1997, 2000, 2007) and tested for their applicability worldwide (Y. R. Chen, 2005; de Bussy & Wolf, 2009; Gupta, 2007; Hung, 2002; Kirat, 2006; Lim, Goh, & Sriramesh, 2005; Molleda & Ferguson, 2004; Niemann-Struweg & Meintjes, 2008; O'Neil, 2003; Rhee, 2002; Sallot, Lyon, Acosta-Alzuru, & Ogata Jones, 2003; Sriramesh, Kim, & Takasaki, 1999; van Dyke, 2005). But in German-language research as well, principles of excellence have been applied to international PR research (Andres, 2004; Voss, 2007).

Other scholars have focused on (2) *comparing PR environments* with the help of different concepts to the excellence factors, focusing mainly on (a) *culture-/and environment-specific factors* (Al-Kandari & Gaither, 2011; Averbeck & Wehmeier, 2002; Curtin & Gaither, 2007; Huck, 2004; Sriramesh & Verčič, 2003, 2009; van Ruler & Verčič, 2004; Wu, 2005) in different countries. German-language research in particular is interested in (1) *multi-national organizations'* PR practices in the international arena. A review of the existing studies reveals that there has been a shift in thinking from rather (b) *ethnocentric approaches* pursued in earlier studies (Henneke, 1998; Kleebinder, 1995) to more (a) *country-specific features* of guest countries in recent studies. Even though such studies focus to a large extent on local PR practices, the authors also acknowledge some generic principles of PR and either directly relate them to the international excellence principles (Andres, 2004), or describe them as being more general or common aspects of the analysis (Klare, 2010). This notion again links back to the aforementioned overall trend of embracing (c) *glocalisation strategies* to holistically picture international PR (Johanssen & Steger, 2001; Langen, Sievert, & Bell, 2007; Stöhr, 2005).

In the field of (3) *nation PR/public diplomacy*, one can find only a couple of studies which have empirically and systematically investigated nation PR. Most research is concerned with descriptions of (a) *country specific* endeavors to promote an image abroad (Dolea, 2012; Karten, 2008; Lee & Hong, 2012; Pasquier, Weiss Richard, & Yersin, 2009) or (b) *comparative (case) studies* of nation image perception (H. Chen, 2012; Ingenhoff, Lais, & Zosso, 2013; Süßmuth, 1994; Vitiello, 2008). Some scholars investigate (3) *public diplomacy* in connection with other concepts, such as soft power (Rawnsley, 2012); however, the majority of investigations can be found in the field of business administration and marketing. The main topic of such research is the positioning of countries internationally with the help of branding strategies (Gilmore, 2002; Olins, 2002; Passow, Fehlmann, & Grahwohl, 2005) in order to attract economic investment, market national products (Nagashima, 1970) or promote tourism (Hoffmann, 2013; Lee & Yoon, 2010).

The preceding literature review reveals the wide acknowledgement of the *hybrid model* in combination with *generic* and *specific principles* of PR as proposed by the excellence project (Grunig, 2006; Grunig et al., 1995; Verčič et al., 1996), especially in the Anglo-American world.

Despite its acknowledgement, we can identify a number of scientific publications which criticize the global excellence theory as well, such as the argument that excellence research is generally based on a fragile foundation of empirical data (Pang, Jin, & Cameron, 2010), which cannot be overcome by the mere internationalization of the research (Bardhan & Weaver, 2011), and that such research offers a view on international PR which is too normative to sufficiently account for the complexities of (non-Western) culture(s) (Banks, 2000; Bardhan & Weaver, 2011; Klare, 2010).

The role of culture in International PR

Researchers agree unanimously that culture plays a central role in the international arena. Some (Bardhan & Weaver, 2011; Sriramesh, 2007) even describe culture as *the* central aspect of international PR. However, looking at various definitions of culture in existing literature, it appears that – in a similar way to international PR – no universally accepted definition of the term has been developed so far. Many researchers in social sciences adopt Tyler's (1871, p. 1) early definition of culture as consisting of “such elements [including skills, habits etc.] people share with each other and which they have acquired due to their affiliation to a group”. For example, Hofstede and Hofstede (2009, p. 4) define culture as collective phenomenon and unwritten rules or collective programming of the mind which distinguishes one group from another. In other words, culture sets the context for interpretation of social events, defines motives, values, beliefs, and identities which are continually updated, modified, shared by respective group members and passed on through generations (House & Javidan, 2004, p. 15).

One of the central problems of PR research, yet to be solved, is the question of how cultural spaces can be seized and understood internationally. Therefore, most studies (Cooper-Chen & Tanaka, 2008; Huck, 2004; Ihator, 2000; Kang & Mastin, 2008; Kim & Kim, 2010; Molleda & Ferguson, 2004; Rhee, 2002; Sriramesh, 1996; Vasquez & Taylor, 2000) see culture as an element contained within the borders of nation states, and thus equate culture with national culture, as proposed by the early conceptualization of *cultural dimensions* by Hofstede (1984).

Building on the scales identified by Hofstede, more recent research (House, Hanges, Javidan, Dorfman, & Gupta, 2004) has been able to confirm some of the initial cultural dimensions and conceptually extend them to additional dimensions. Concretely, the GLOBE study (House et al., 2004) describes culture as being inherent in societal areas which are not necessarily bound to national borders. Therefore, its findings better account for the dynamics of a globalized society in the 21st century, an area barely employed in PR research so far (Ingenhoff, Bähni, & Barth, 2013). One of these dynamics considered in GLOBE is the increased mobility of people moving across different cultural regions, also known as *de-territorialisation* of national cultures (Courtright, Wolfe, & Baldwin, 2011).

The GLOBE findings, among others, reveal that different cultures can exist within one nation state. Switzerland, for example, comprises identifiable Swiss-German and Swiss-French cultures. According to the authors, cultural areas can also be clustered into regions on the basis of their respective cultural characteristics. The authors describe the *Germanic cluster* as consisting of most German-speaking regions in Europe (Germany, Austria and parts of Switzerland), as well as the Netherlands (due to the kinship of Dutch with German). Likewise, the *Anglo cluster*, as defined by GLOBE, consists of Australia, England, Ireland, New Zealand, South Africa (Caucasian) and North America.

Despite the new and modern approach taken by GLOBE to grasp cultural spaces, not all national cultures in the countries investigated were taken into account, limiting the applicability of the findings. For example, the Italian and Rhaeto-Romanic speaking parts of Switzerland, the German-speaking part of North Italy, Quebec, as well as other subcultures in China, Malaysia, India and the United States are excluded from the analysis. In addition, the validity of the results remains limited to the findings from members of the middle-management of companies from the telecommunications, food-processing and finance industries in the countries under investigation (Chhokar, Brodbeck, & House, 2008).

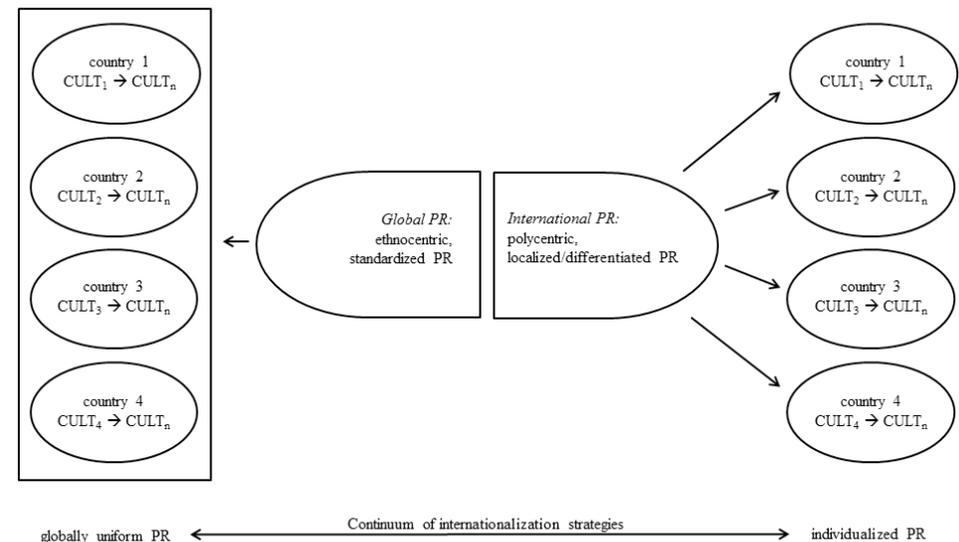
Culture-sensitive Approach to International PR Research and Communication Management

From the discussion of the research streams in international PR and the extent of culture considered in investigations of PR, it should have become clear that *culture* is seen to be the core and main determinant of international PR and international communication management research. In regard to the strategies of international PR, we have illustrated that the issue of possibilities and limitations in standardizing international PR, along the question of necessary local adjustments in a host country, resulting in a well-accepted hybrid approach, have dominated research in the past 15 years.

Even though research has been concerned with success factors of international PR in different cultures, such cultures are mostly seen as static phenomena occurring within the borders of nation states. We argue that the acknowledgements of the GLOBE study (House et al., 2004) expand to a great degree the possibilities of accommodating cultural spaces in research. In addition, the latter findings allow us to differentiate cultural regions within and across national borders, in order to better understand the dynamics shaping communication among the societal groups which strategic PR communication aims to target. Therefore, we build on Banks (2000), Botan (1992), Huck (2004, p. 18) and Klare (2010, p. 75) to illustrate international PR and the communication strategies involved on a continuum between ethnocentrism (i.e. culture-free approaches, complete

standardization of PR activities/strategy) on the one hand and poly-centrism (i.e. culture-specific approaches, complete differentiation of PR activities/strategy) on the other, as shown in Figure 1. In regard to Banks, we put more emphasis on potential multiculturalism, which can also occur within a country, than Huck and Klare did (Ingenhoff & Ruehl, 2013). Referring to the concept of glocalisation, it is imperative that international PR is effectively adapted in each country with respect to the number of existing cultures (CULT_n), alongside a generally identifiable national culture (CULT₁).

Figure 1: International PR strategies in the tension zone of ethno- & polycentrism (Ingenhoff & Ruehl, 2013).



Only if we understand the characteristics, similarities and differences between separate cultural regions or societies, and adapt international PR to meet the specific aspects identified in each culture, will PR be able to fulfil its mission to create mutually beneficial relations with publics, work collaboratively across a number of countries (Grunig, 1992; Wilcox et al., 1989) and finally manage cross-cultural communication effectively (Huck, 2007).

However, one should keep in mind that the study of international PR under the paradigm of different cultures is always concerned with the fact that the researcher's view of the research object is shaped by his or her own cultural "spectacles", and that this limitation cannot usually be

perceived consciously and might affect the applied research methodology (Hall, 1966, p. 177). At the same time, research in the field of international PR is almost inevitably dependent on dimensional categories from existing, extensive cultural studies such as the works of Hofstede and House et al. to investigate countries and cultural areas, since it is hardly possible to perform additional inquiries of each culture being studied when facing the already high complexity of international PR. Therefore, it is essential for research not only to advance investigation, but also to engage in dialogue about the appropriateness and consequences of the methodologies employed, in order to increase our awareness of cultural phenomena in and around our research. In addition to culture, we can identify other challenges faced by international PR in the globalized world, such as the important role of the *internet* when implementing PR in online communication strategy (Ingenhoff, Bähni, et al., 2013; Passow et al., 2005; Schmid, Seidenglanz, & Westermann, 2013). But the internet also poses an external challenge to international PR when it comes to issues management and crisis communication. The web allows activists to organize and communicate actions against organizations globally. Consequently, one could consider that activism has become a generic variable of PR (Wakefield, 2008), since issues need to be monitored and identified globally through the internet from now on (Ingenhoff & Röttger, 2013). The same holds true for crisis PR (Schwarz, 2013). In addition, the role that social media plays in international PR is left largely unexplored (Nah & Saxton, 2012; Zeffass & Pleil, 2012) and provides an interesting and far-reaching research field for future investigation of international PR.

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The Influence of Excellence: A Citation Analysis of Excellence Study in PR Scholarship, 1992-2011

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ABSTRACT

The present study aims to use citation analysis to present a relatively comprehensive and systematic picture of the influence of excellence study on scholarship. Specifically, it has the following objectives: 1) to explore the cited situation of excellence study and identify its shifts over the past twenty years (from 1992 to 2011); 2) to identify the topics of the journal articles citing excellence study; 3) to investigate the influence of excellence study in terms of geography and language; and 4) to explore how excellence study was applied by various disciplines and fields. A total of 1,862 excellence study citations were recorded, including 1,477 English works and 385 non-English works in 24 languages. Major findings: 1) The wide impact of excellence study is borne out by the quantity of citations in various types of works, including journal articles, books, book chapters, conference papers, and dissertations/theses over the past two decades; 2) The total amount of English citation is much more than that of non-English citation, though the gap between them is narrowing; 3) Journal publishers from 15 countries and book publishers from 14 countries have published works citing excellence studies; and 4) the disciplines citing excellence study include advertising and PR, business and economics, communications, public administration, sociology, law, and philosophy.

Key words: excellence study, citation analysis, public relations, symmetrical communication

The Excellence Study and purpose of the study

When a study reaches a certain stage of development, its researchers reflect on its history, evaluate its present status, and contemplate what the future will look like (So, 1988). Theories are no different. This purpose of this study aims to examine the status and influence of the Excellence theory, which has been considered as a dominant theoretical paradigm in the field of public relations dated from 1980s (Botan & Taylor, 2004).

In 1985, a research team headed by James Grunig, including Larissa Grunig, David Dozier, Jon White, William Ehling, and Fred Repper, began the “excellence study,” (short for Excellence in Public Relations and Communication Management), which was sponsored by the IABC Research Foundation of the International Association of Business Communicators. This 15-year study of excellence in public relations and communications management in the USA, the UK, and Canada produced an explanation of the value of public relations to an organization and a set of theoretical principles describing how the public relations function should be organized, structured, and practiced in an organization (Grunig & Grunig, 2002). Ultimately, the excellence study produced what Fleisher (1995) called “generic benchmarking”—identifying critical factors for success across different types of organizations.

This excellence study was issued in a series of three books: 1) *Excellence in public relations and communication management* published in 1992, together with 2) *Manager's guide to excellence in public relations and communication management*, and 3) *Excellent public relations and effective organizations: A study of communication management in three countries*, published in 1995 and 2002, respectively. The conceptual framework for excellence theory was detailed in Grunig's (1992) edited volume, the first of three works to advance the theory. The second and third book then reported the empirical results, both quantitative and qualitative, resulted from the study. The research team concluded that public relations increases organizational effectiveness when it builds long-term relationships of trust and understanding with strategic public constituents of the organization. Moreover, the excellence study also found that the use of the two-way symmetrical model, either alone or in combination with the two-way asymmetrical model, would be more likely to result in such relationships than would the other models, such as the press agency and the public information models.

Exploring the state of public relations research, Botan and Taylor (2004) concluded that Grunig's symmetric perspective, the key concept in excellence study, served as the dominant theoretical paradigm in public relations from roughly the late 1980s to the early 2000s. They further specified that the most prominent trend in public relations over the past 20 years is its transition from a functional perspective to a co-creational one, a key concept within the perspective of symmetrical communication. A functional perspective, prevalent during the early years of public relations

research, sees publics and communication as means for achieving organizational goals, while a co-creational perspective sees publics as co-creators of meaning and communication (Botan & Taylor, 2004). Examples of co-creational research include the shift to organizational-public relationships, community theory, co-orientation theory, accommodation theory, and dialogue theory, but the most thoroughly researched co-creational theory is symmetrical/excellence theory (Botan & Taylor, 2004, p. 652).

Previous bibliometric analysis also has demonstrated the influence excellence study in public relations research. Pasadeos, Berger and Renfro's (2010) bibliometric study that examined the public relations scholarship published between 2000 to 2005 found that the largest category of cited was classified as “excellence theory” (Pasadeos, Berger, & Renfro, 2010). Specifically and in terms of the three books resulted from the excellent study, an earlier bibliometric study examining the works between 1990 to 1995 showed the foundational excellence study, i.e., *Excellence in public relations and communication management: Contributions to effective organizations* published in 1992, ranked eighth among the most cited works, with the top seven most cited works all being published before 1989 (Pasadeos, Renfro, & Hanily, 1999). In the more recent study about citation in public relations scholarship between 2000 to 2005, Pasadeos, Berger, and Renfro (2010) found that the first book of excellence study occupied the second position among the most cited public relations works; the second book of excellence study, *Manager's Guide to Excellence in Public Relations and Communication*, ranked fourth; and the third book, *Excellent public relations and effective organizations: A study of communication management in three countries*, is the tenth most cited work in the field of public relations. Summing up the findings, Pasadeos, Berger, and Renfro (2010) concludes that excellence theory, as the dominant theoretical perspective in the field (Dozier, Grunig, & Grunig, 1995; Grunig, 1989, 1992; Grunig & Grunig, 1992; Grunig, et al., 2002), facilitated a prominent change in the public relations field: the increase in a focus on the development of public relations theory.

Viewed from the perspective of an academic discipline, public relations has been considered as a sub-area of communications discipline, which often contributes to its perception as an “interdisciplinary clearinghouse” for other fields (Craig, 1999). This implies that the field of communications research in its broadest sense is influenced by multiple disciplines outside the field (Barnett et al., 2011). Additionally, its specific sub-area disciplines (public relations, journalism, etc.) are tied to a variety of other disciplines such as psychology, sociology, and anthropology (Pasadeos & Renfro, 1992). With the recent emergence of public relations as an area of scholarly pursuit, Pasadeos and Renfro (1992) raised the question of the extent to which public relations has been able to loosen its natural bonds to other disciplines and develop its own body of knowledge. Meanwhile, as Broom (2006) has warned, the field of public relations does not really benefit from “operating in a closed system,” and researchers certainly “need to see our publications cited by scholars in other fields” (p. 149). On the other hand, however, when a new field or discipline such

as public relations matures to a certain point, it may begin to influence others. To examine the extent to which excellence study influences other disciplines/fields may shed valuable light onto the discussion.

This year marks the 20th anniversary of the publication of *Excellence in public relations and communication management*, the first seminal work in the study of PR excellence. The present study aims to use citation analysis to present a relatively comprehensive and systematic picture of the influence of excellence study on scholarship. Specifically, it has the following objectives: 1) to explore the cited situation of excellence study and identify its shifts in the past twenty years (i.e., from 1992 to 2011); 2) to identify the topics of the journal articles citing excellence study; 3) to investigate the scope of influence for excellence study in terms of geography and language, and 4) to explore how excellence study was applied by various disciplines/fields.

Method

A citations analysis, which used Google Scholar to locate the citations, was undertaken in this study. This section will first introduce the citation analysis, which will be followed by a rationale for why this study chose Google Scholar over Web of Science as its information source. A detailed depiction of this study's research method, which includes coding items, coding criteria, coding scheme, and inter-coding reliability, will then be presented.

Citation Analysis

Eugene Garfield first outlined the idea of a united citation for scientific literature in 1955. According to Garfield (1979), "citations are the formal, explicit linkages between papers that have particular points in common" (p. 1). The advantages of citation indexing include the ability to rank and evaluate literature according to how it is cited and who is citing it. Additionally, the automation of citation analysis eliminates the bias that human analysis can introduce and observing collections of citations can help one form a highly accurate view of the key literature in a field in a relatively short period of time (Garfield, 1979; Noruzi, 2005).

The use of citation counts for evaluating research is based on the assumption that citations are a way of giving credit to and recognizing the value, quality, and significance of an author's work (Borgman & Furner, 2002; van Raan, 1996). A heavily cited published work must be considered important by a large number of scholars within a discipline or across disciplines (Pasodeos, Renfro, & Hanily, 1999).

Although So (1988) argued that citation counts say nothing of the quality of a cited work and that they do not reveal an author's intention in citing a certain work, it has also been suggested

that citation counts are good approximations of quality (Cole & Cole, 1973), for citation counts have been found to correlate with scientific productivity, peer judgment of performance (Bayer & Folger, 1966; Koenig, 1983), and other measure of quality (Cole & Cole, 1973; Gordon, 1982; Summers, 1984). Furthermore, they are able to provide researchers and administrators with a reliable and efficient indicator for assessing the research performance of authors, projects, programs, institutions, and countries, as well as the relative impact and quality of their work (Cronin, 1984; van Raan, 2005). Besides, periodic studies of citation patterns not only provide a map of publishing activity within a discipline, but also help identify shifts in the relative impact of publications, institutions, and schools of thought, as well as links across disciplines (Pasadeos & Renfro, 1992).

Why not Web of Science?

Web of Science (WoS), which comprises the three ISI citation databases, has been used for decades as a starting point and often as the only tools for locating citations and/or conducting citation analyses (Meho & Yang, 2007). Nevertheless, critics note the following limitations of Web of Science database: (1) it covers mainly English-language journal articles published in the United States, the United Kingdom, and Canada; (2) is limited to citations from journals and papers indexed in the ISI database; (3) provides different coverage for research fields; (4) does not count citations from books, most conference proceedings, and other non-ISI sources; and (5) has citing errors such as homonyms, synonyms, and inconsistency in the use of initials and in the spelling of non-English names (Lewison, 2001; Reed, 1995; Seglen, 1998).

Among the disadvantages, exclusive inclusion of SSCI journals and the resulting lack of citation counts from books, conference proceedings, and other non-ISI sources create the most serious problems for future research. Consider, for example, the *Journal of Public Relations Research*, a core PR journal. Although it began publication in 1992, the SSCI database only began including it in 2008. This means articles published in the *Journal of Public Relations Research* before 2008 will not be taken into consideration by researchers if ISI is the sole information source.

Introduction of Google Scholar

The major competitor of Web of Science in the field of citation analysis and bibliometrics is Google Scholar (GS) (Meho & Yang, 2007), which is the scholarly search tool of the world's largest and most powerful search engine (Beel & Gipp, 2009). Aiming to provide a single repository for scholarly information, GS enables users to search for peer-reviewed papers, theses, books, preprints, abstracts, and technical reports in many academic areas (Sadeh & Libris, 2005). Meho and Yang's (2007) comparison of WoS, Scopus, and GS also found that GS stands out in its coverage of conference proceedings as well as international, non-English language journals. GS indexes a wide variety of document types, some of which may be of significant value to researchers (Meho & Yang, 2007).

In terms of citation indexing, Noruzi (2005) argued that GS provides most of the advantages of other citation indexes. Compared to WoS, which primarily indexes refereed journal articles, GS sometimes finds citations which are in journals and conference proceedings not indexed in WoS, especially those in continental European languages (Noruzi, 2005). In addition, the automated citation index generated by Google Scholar is a multidisciplinary index covering virtually all sciences and disciplines and not limited to a single language, country, field, or discipline (Noruzi, 2005). Accordingly, there is no bias of subjective selection of journals when using GS (Noruzi, 2005). This characteristic becomes even more important when the purpose of the study is to explore the interdisciplinary citation of certain authors or works. However, GS has its disadvantage, and the biggest one is the duplicate citations—e.g., a citation published in two different forms, such as preprint and journal article, will be counted as two citations (Meho & Yang, 2007).

Choose GS as the database for this present study

GS will be used as the information source for the present study basing on the following reasons. First, one aim of this study is to explore the influence of three seminal books on excellence theory; therefore, GS data with no limitation to refereed, high quality journals and conference proceedings will be a better choice than ISI, which indexes only journal articles in its databases. As Meho and Yang (2007) note, GS could be very useful in showing evidence of broader international impact than those found in WoS. Secondly, in most cases Google Scholar presents a more complete picture of impact than the Thomson ISI Web of Science (Harzing, 2008), especially in Social Sciences, Arts and Humanities, and Engineering. These disciplines in particular seem to benefit from Google Scholar's better coverage of citations in books, conference proceedings, and a wider range of journals (Harzing, 2008). Thirdly, this study endeavors to examine the trans-disciplinary application of the theory; therefore, the automated multidisciplinary citation index generated by Google Scholar, insofar as it breaks through disciplinary and geographic boundaries, is able to better serve the purpose of the study. Fourth and also reflecting this study's purpose, one advantage of Google Scholar is its ability to include the non-English citations in one dataset. This study develops several measures, which will be explained more completely in a future section, in order to ensure the reduction of duplicate citations in Google Scholar to their smallest possible frequency.

Research Method of this Study

Coding items. In the current study, English citations and non-English citations are dealt with in distinct ways. English citations were coded as to (1) Publication type of citing work, including journal article, book, book chapter, conference paper, dissertation/thesis, and other sources; (2) Publication name; (3) Year of publication; and (4) country of publisher (only for journal article, book, book chapter, dissertation/thesis). All non-English citations were coded as to (1) publication type, (2) year of the publication, and (3) the language used.

Coding criteria. *Publication type* was categorized as journal article, book, book chapter,

conference paper, dissertation/thesis, or other sources. Other sources mainly refer to works labeled as working papers, discussion papers, research papers, and online journal articles. Application materials, proposals, drafts, unpublished manuscripts, course outlines, and teaching materials were not included in the study. Since the search was conducted using the Google Scholar database, newspapers, magazines, and government documents, which were included in some citation analyses (e.g., Pasadeos & Renfro, 1992) did not display in the search results; therefore, these were not included in the study either. For *book*, if a book has more than one edition, only the first edition will be coded. For *book chapter*, the name of the book is coded as publication name. If Google Scholar counts an edited book and one of its chapters as two citations, we eliminated the citation of the book. Two chapters of one edited book are counted as two citations. For *conference paper*, it is possible that a journal article is developed from a conference paper, and the journal article and its former version (i.e., conference paper) are counted by Google Scholar as two different citations; in this instance, we coded the results as two citations just as Google Scholar does. As to *country of publisher*, for journal article, book, and book chapter, this term refers to the country where the publisher of the journal or book is. Few books were published simultaneously in several countries; all the countries were coded. For *dissertation/thesis*, it refers to the country in which the dissertation/thesis was submitted. For *language*, the function of "google translate" in google was used for identification. Google Scholar updates its database periodically; searches for this study ended on February 20, 2012.

Inter-coder reliability and issue of duplicate citations.

Given for most coding items in citation analysis, a reliability check was unnecessary because no coder judgment was needed (Pasadeos, Berger & Renfro, 2010), this study conducted inter-coder reliability to ensure the data quality. Twenty percent of the total sample of 1,862 citations was coded to check for coder reliability. Two coders were given instructions on how to generate the data and code in excel files separately. For English citations, the inter-coder agreement was 98% for the publication type. In the non-English part, the inter-coder agreement was 91% for the publication type and 92% for the publication year.

Intensive manual cleaning was adopted to address the potential problem of duplicate citation in GS raised by Libris (2005). Two steps were taken in this study to avoid duplicate counting. First, the duplicate problem is highlighted before coding in the coding instructions to alert the coder's attention. Second, the data were manually rechecked twice after coding – first by a research assistant and then by one of the authors. Additionally, accuracy checks of a random sample (15%) were conducted by one of the authors. Five items (approximately 0.27%) were found coded incorrectly and were corrected.

Results and Discussions

A total of 1,862 citations, including 1,477 English works and 385 non-English works were recorded. Among the English citations, 714 works cited the first book published in 1992; 347 works cited the second book published in 1995; and 416 works cited the third book published in 2002. Publication year cannot be identified in seven search results so they were treated as missing data. Among the non-English citations, 228 works cited the first book; 75 works cited the second book; and 82 works cited the third book. Publication year cannot be identified in 13 search results.

Types of Citations. Table 1 and Table 2 show the frequency of different publication types in the periods 1992-1996, 1997-2001, 2002-2006, and 2007-2011. The 2007-2011 totals of 958 citations is 41.9% larger than the 2002-2006 total of 675 citations, more than five times the 1997-2001 total of 177 citations, and nearly 30 times the 1992-1996 total of 32 citations.

The English and non-English results demonstrate a similar pattern in excellence study citations in the following aspects: (1) all types of works show a sustained increase in citation over the past twenty years (English conference papers, however, remain stable between the third and fourth five-year periods); (2) there is a sharp citation increase between the second (1997-2001) and third five-year (2002-2006) periods; (3) after the second five-year period, journal citation increases at the fastest speed, followed by dissertation/thesis citation. After the noticeable increase between the second (1997-2001) and third five-year (2002-2006) periods, journal citation maintains the highest growth rate in the fourth five-year period. The increase may be due to the fact that the third book was published in 2002, which made the excellence theory more comprehensive. Moreover, the increase also reflects that trend along with the theory evolving and maturing. The excellence study extends its impact into refereed academic journals that are usually under peer-blind reviews. Nevertheless, it should be noted that there exists a big difference in the respect of citation number between the English and non-English parts. First, it is evident that English is the dominant language in academic research. The total amount of English citation is much more than that of non-English citation, even though the gap between them reduces constantly. In the first five-year period (i.e., 1992-1996), English citations are almost ten times all non-English citations combined, while the ratio falls to three and a half to one in the period between 2007-2011.

Nevertheless, when looking at the ratio of “book citations” to “total citations,” there exists a stunning contrast between the non-English and English parts. This ratio of book citations to total citations in the non-English sample (82/372) is much higher than that in its English counterpart (90/1470). Moreover, during the past twenty years, in all non-English citations, book citations as a whole rank third, behind citations in journals and dissertations/theses. If book and book chapter citations are combined into one type, however, this category exceeds dissertation/thesis

in frequency, ranking second; although journal citation still ranks first. We may conclude that the impact of excellence study on books and book chapters in non-English citations, relative to other publication types, is much more prominent than that in English-language citations.

Table 1.
Excellence Study Citations by Types of English work

Cited work	Cited times				Total (N=1470)
	1992-1996 (N=29)	1997-2001 (N=155)	2002-2006 (N=541)	2007-2011 (N=745)	
Journals	18	103	239	348	708
Books	7	9	30	44	90
Book Chapters	2	18	58	83	161
Conference papers	0	9	90	87	186
Dissertations/Theses	2	12	107	142	263
Other sources	0	4	17	41	62

Table 2.
Excellence Study Citations by Type of non-English work

Cited work	Cited times				Total (N=372)
	1992-1996 (N=3)	1997-2001 (N=22)	2002-2006 (N=134)	2007-2011 (N=213)	
Journals	2	5	42	79	128
Books	1	9	26	46	82
Book Chapters	0	2	7	8	17
Conference papers	0	0	10	15	25
Dissertations/Theses	0	2	38	53	93
Other sources	0	4	11	12	27

Most Citing Journals

Journal publications are considered to represent “actual work” done in a certain field (So, 2010, p. 232) inasmuch as journals cover various aspects and interests of research in a field. Because of the stable and consistent nature of journal publications, longitudinal data generated from this source can help discern the changes that have taken place over time. Given the important role journals play in the dissemination of scholarship, English journals citing excellence study were sorted in ascending order in accordance with citing times. In order, the top ten journals (with several ranked the same) are *Journal of Public Relations Research*, *Public Relations Review*, *Journal of Communication Management*, *International Journal of Strategic Communication*, *Public Relations Journal*, *Journal of Promotion Management*, *Corporate Communications: An International Journal*, *Journal of Public Affairs (Communication: South African Journal for Communication Theory and Research)*, *Journal of Business Ethics (Journal of Marketing Communications, Corporate Reputation Review)*, and *Journal of Mass Media Ethics*. The citations by these top ten journals account for almost two third (66%) of all English journal citations.

Since the second five-year period (i.e., 1992-1996), *Journal of Public Relations Research* has become the journal that cites excellence study most in each five-year period. During the past twenty years, citations by *Journal of Public Relations Research* and *Public Relations Review*, two SSCI journals indexed under the category of public relations, take up 36% of all English journal citations and 55% of top ten journal citations.

Among the 13 journals ranking in the top ten, six journals’ publishers are located in the UK and five journals’ publishers are located in the US. There is only one journal published in the Netherlands and one in South Africa. Publishers’ location will be examined and discussed in detail in a later part. More information about the top ten journals is listed in Table 3.

Table 3.
Journals Citing Excellence Study Most

	Country of publisher	1992-96	1997-2001	2002-06	2007-11	Total
1. Journal of Public Relations Research	US	0	30	67	57	154
2. Public Relations Review	UK	11	26	24	42	103

3. Journal of Communication Management	UK	0	2	32	17	52
4. International Journal of Strategic Communication	US	0	0	0	28	28
5. Public Relations Journal	US	0	0	0	22	22
6. Journal of Promotion Management	US	0	1	9	11	21
7. Corporate Communications: An International Journal	UK	0	2	6	8	16
8. Journal of Public Affairs	UK	0	0	4	11	15
Communication: South African Journal for Communication Theory and Research	South Africa	0	3	7	5	15
9. Journal of Business Ethics	Netherlands	0	0	5	6	11
Journal of Marketing Communications	UK	1	9	0	1	11
Corporate Reputation Review	UK	0	0	7	4	11
10. Journal of Mass Media Ethics	US	0	2	3	4	9
Citation sum of the top 10 journals		12	75	164	216	468
Citation sum of all English journals		18	103	239	348	708
Sum of the top 10 journals/sum of all English journals (percentage)		67%	73%	69%	62%	66%

Disciplines Citing Excellence Study Most Frequently

One objective of this study is to explore the citations of excellence study across various disciplines. To achieve this aim, we identified the disciplines to which the top ten journals belong for two reasons. First, compared to other publication types such as books or conference papers, the specific disciplinary focus of journals can be identified more systematically through Ulrich's Periodicals Directory or ISI. As previously indicated, citations in the top ten journals account for 66% of all English journal citations. Therefore, these ten should provide an acceptable representation of English journals.

Different databases have different standards of discipline categorization for journals. This study used Ulrich's Periodicals Directory, a standard library directory and database providing information about journals and other serial publications. Ulrich's Periodicals Directory was chosen over ISI because it makes available more uniform and comprehensive criteria compared with ISI, which offers subject categories for only four journals among the 13 journals that rank in the top ten.

Table 4 listed the disciplines to which the 13 journals belong, with discipline information offered by from both Ulrich's Periodicals Directory and ISI. Among the list, "Advertising and PR," "Business and Economics," and "Communications" are the top three disciplines of journals citing excellence study.

Table 4.
Disciplines Citing Excellence Study

No.	Journals	ISI	Ulrich
1	Journal of Public Relations Research	Communication	Advertising and PR
2	Public Relations Review	1. Business 2. Communication	1. Advertising and PR 2. Business and Economics
3	Journal of Communication Management		1. Business and Economics-Management 2. Communications
4	International Journal of Strategic Communication		1. Business and Economics 2. Communications
5	Public Relations Journal		Advertising and PR

6	Journal of Promotion Management		1. Advertising and PR 2. Business and Economics-management
7	Corporate Communications: An International Journal		1. Business and Economics-management 2. Communications
8	Journal of Public Affairs		Public Administration
	Communication: South African Journal for Communication Theory and Res		Sociology
9	Journal of Business Ethics	1. Business 2. Ethics	1. Business and Economics 2. Law
	Journal of Marketing Communications		1. Business and Economics-Marketing and Purchasing 2. Communications
	Corporate Reputation Review		Business and Economics-management
10	Journal of Mass Media Ethics	1. Communication 2. Ethics	3. Philosophy 4. Sociology

To examine the influence of excellence study upon various academic disciplines, excellence study citations by the top ten journals were analyzed at the discipline level. Basing on the disciplinary categorization in Table 4, each discipline was assigned one credit for one journal article. *Public Relations Review* provides a good illustration. One article in *Public Relations Review* will give one credit to "Advertising and PR" and one to "Business and Economics." We then totaled the credits of each discipline to generate the information in Table 5 below. With the exception of the discipline of sociology, which slightly decreased from the third five-year period to the fourth five-year period, that data indicate that all other disciplinary foci, i.e., Advertising and PR, Business and Economics, Communications, Public Administration, Law and Philosophy, continually increased over the past twenty years. Nevertheless, it is noticeable that the cumulative credits of *Advertising and PR*, *Business and Economics*, and *Communications* are far larger than other disciplines.

Table 5.
Disciplines Citing Excellence Study

Cited discipline	Percent of all cites				Total
	1992-1996	1997-2001	2002-2006	2007-2011	
Advertising and PR	11	57	100	132	300
Business and Economics (including management, Marketing and Purchasing)	12	40	83	117	252
Communications	1	13	38	54	106
Public Administration	0	0	4	11	15
Sociology	0	5	10	9	24
Law	0	0	5	6	11
Philosophy	0	2	3	4	9

Key Themes in the Top Ten Journals

Another objective of this study is to identify the topics of journal articles that cite excellence study. Key words of article citations in the top ten journals were coded and analyzed for two reasons. First, the key words of a journal article indicate its central concepts. Second, among the various publication types coded, journals are the only ones that would systematically provide key words. Nevertheless, it should also be noted that key words are not featured in all journals. Among the 13 journals ranking in the top ten, only eight journals' key word information could be retrieved. The eight journals with key words are *Public Relations Review*, *Journal of Communication Management*, *Journal of Promotion Management*, *Corporate Communications: An International Journal*, *Communication: South African Journal for Communication Theory and Research*, *Journal of Business Ethics*, *Journal of Marketing Communications*, and *Corporate Reputation Review*. Also, some journals only provide key words in certain back issues. For example, *Public Relations Review* was launched in 1976, but its articles contain key words only after 2004; similarly, *Communication: South African Journal for Communication Theory and Research* was launched in 1975, while its key words only began appearing in 2007.

A total of 932 key words were recorded, which, based upon the overarching themes behind the key words, were later excerpted into numbers of sub-themes and finally 13 key themes, i.e., public relations, communication, organization, management, relationship, crisis, ethics, stakeholder, employee, internet, and corporate social responsibility. Taking "communication" as

an example, there are three sub-themes under it, i.e., corporate communication, communication management, and integrated communication. Moreover, for those key words that were categorized as containing more than one key theme would be counted more than once and marked with a superscript asterisk in Table 6.

Besides the most frequently appearing key term, "public relations," "communication" is second in frequency, "organization" is third, "management" is fourth, and "stakeholder" (an exchangeable concept of public) is eighth. The results involving the top key words mentioned above coincide with the definition of public relations spelled out by Grunig and Hunt (1984) as "the management of communication between an organization and its publics" (p. 6). Additionally, 93% of the total 932 key words appeared in the journal articles published in the second ten-year period (i.e., 2002-2011). If, as So suggests (2010, p. 232), journal publication represents the "actual work" done in a certain field, then these key themes provide a comprehensive picture of the influence of excellence study on scholarship over the past decade.

Table 6.
Key themes in the Top 10 Journals

	Key themes	Including	times
1	Public relations	Public relations, public relations and strategic management*, public relations in Gabon/Asia/Singapore, public relations message design, public relations area/autonomy/curriculum/education/effectiveness/ethics*/excellence*/measurement/models/perspective/practices/practitioners/roles/strategy/theory/value, multicultural public relations, transnational public relations, transition public relations, excellence in public relations*, excellent public relations*, professionalism in public relations*	121

2	Communication	Communication(s), communication equality/competence/effectiveness/ethics*/management/models/strategy/systems/technologies/theory, communication management and planning*, symmetrical communication(s)*, two-way symmetrical communication*, development communication, ethical communication*, government communication, internal communication, intercultural communication, international communication, integrated communication*, marketing communication*, strategic communication, crisis communication*, website communication*, online communication*, stakeholder communication*	112
	Corporate Communication	<i>Corporate communication, corporate communication strategy</i>	17
	Communication Management	<i>Communication management, communication management and planning</i>	16
	Integrated Communication	<i>Integrated communication, integrated marketing communication, integrated marketing communications</i>	10
3	Organization	Organizations, organization performance, organization structure, organization culture, organizational-public relationship, organizational culture*/development/learning/reputation/resources/trust*/effectiveness/communication*/mission and vision	37
4	Management	Management, management education, management roles, crisis management*, Communication management, communication management and planning	35
5	Relationship	Relationship, relationships, relationship building/cultivation/decline/development/marketing/principles/theory, relationship between marketing and public relations, employer-employee relationships*, employee relationships*	34
6	Crisis	Crisis, crisis communication*, crisis leadership, crisis plans, crisis management*, crisis communication and management, and form of crisis response	26
7	Ethics	Ethics, ethical communication*, ethics training, communication ethics*	17
8	Stakeholder	Stakeholder(s), stakeholder relationship building, stakeholders analysis/communication*/management/theory	14

9	Employee	Employee attitudes/communication*/empowerment/motivation/relations/relationships*, employer-employee relationships*	11
10	Internet	Internet, online communication*, online community, website communication*	10
	Corporate Social Responsibility	CSR, CSR programmes, CSR risks	10
11	Culture	Culture, cross-culture, cross-cultural, cultural intermediary, national cultures, organization culture*, organizational culture*	17
	Excellence	Excellence in public relations*, excellence study, excellence theory, excellent public relations*, public relations excellence	9
12	Marketing	Marketing public relations, marketing communication(s)	8
	Professional	Professionalisation, professionalization, professional roles, professionalism, professionalism in public relations*	8
	Trust	Trust, trust building, trustworthiness, interpersonal trust organizational trust*	8
13	Symmetry	Symmetrical communication(s)*, two-way symmetrical communication*	6

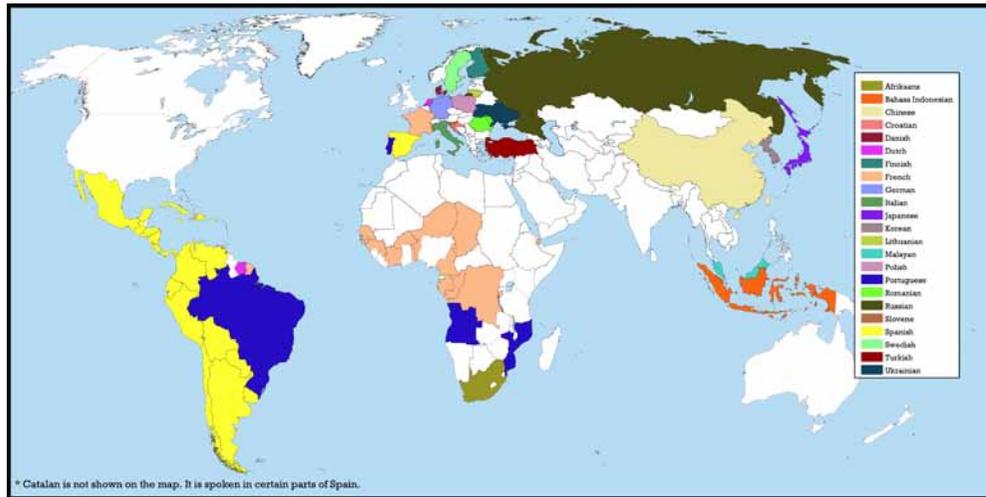
Note: * means that the term belongs to more than one key theme.

Languages

There are 385 citations from non-English publications in 24 languages including Afrikaans, Bahasa Indonesian, Catalan, Chinese, Croatian, Danish, Dutch, Finnish, French, German, Italian, Japanese, Korean, Lithuanian, Malayan, Polish, Portuguese, Romanian, Russian, Slovene, Spanish, Swedish, Turkish, and Ukrainian. The first non-English publication citing excellence study is a journal article published in the Spanish journal *Questiones Publicitarias* in 1994. To vividly illustrate the geographical locations of the 24 languages, a map (Figure 1) is drawn based on data from www.mapsofworld.com and Wikipedia.org¹.

¹ The spoken areas of the following languages are based on data from www.mapsofworld.com: Chinese, Dutch, English, French, German, Japanese, Korean, Portuguese, Russian, Spanish, Swedish, Turkish, Ukrainian and Finnish. The spoken areas of the following languages are based on data from Wikipedia.org: Afrikaans, Bahasa Indonesian, Croatian, Danish, Italian, Lithuanian, Malayan, Polish, Romanian and Slovene. Only languages spoken by more than 50% of the population are included

Figure 1.



Among all non-English publications, German takes up over one fifth (21%), followed by Portuguese and Spanish. The publications in the top 3 languages account for more than half (52.1%) of the total non-English publications citing excellence study. Languages spoken in Europe occupy nearly all the top then positions, with Chinese, Korean, and Bahasa Indonesian being the exceptions. Chinese ranks eighth and is tied with Korean. Bahasa Indonesian ranks tenth. The findings involving Chinese and Korean as noticeable results in non-English citations should echo the previous finding that international research has emerged as the largest category of new studies as Chinese and Korean scholars have exerted their increasingly important influence in international PR research (Pasadeos et al., 2010). Moreover, the international studies particularly focus on East Asian regions, such as Taiwan, China, and South Korea (Huang & Zhang, forthcoming). Table 7 shows the details of the top ten languages.

Table 7.
Languages of Non-English Publications

Rank	Language	Citing Times	Percentage
1	German	81	21
2	Portuguese	69	17.9
3	Spanish	51	13.2
4	Slovene	30	7.8

5	Swedish	26	6.8
6	Italian	20	5.2
7	French	19	4.9
8	Chinese	12	3.1
	Korean	12	3.1
9	Finnish	11	2.9
10	Bahasa Indonesian	6	1.6
	Danish	6	1.6
	Dutch	6	1.6

Geographical Scope

This study also coded the countries of journal and book publishers. The data showed that publishers of the journals citing excellence study operate out of 15 different countries, which include the US, UK, Netherlands, South Africa, Australia, Canada, India, Korea, Romania, Nigeria, Sweden, Denmark, Germany, Lithuania, and Malaysia. Publishers of the books are from 14 countries, including Canada, Germany, Australia, India, Finland, France, Netherlands, New Zealand, Italy, Singapore, South Africa, Spain, apart from the US and the UK (see Part a and Part b in Table 7, Figure 2, and Figure 3). The majority of the journals and books (including book chapters) citing excellence studies are published in the US and the UK. Canada is the third most active country in publishing studies that include such citations. Nevertheless, the gap between Canada and the US/UK is too large for comparison.

Table 8.
Geographical Scope

a. Journal Article		b. Book/book chapter		c. Dissertation/Thesis	
Country	Times	Country	Times	Country	Times
US	343	US	184	US	203
UK	283	UK	78	Australia	12
Netherlands	23	Canada	19	UK	8
South Africa	21	Germany	15	South Africa	7
Australia	12	Australia	3	Finland	5
Canada	8	India	3	Switzerland	5
India	4	Finland	2	China	4
South Korea	3	France	2	Singapore	4
Romania	3	Netherlands	2	Denmark	3
Nigeria	2	New Zealand	2	New Zealand	3
Sweden	2	Italy	1	Sweden	3
Denmark	1	Singapore	1	Canada	2
Germany	1	South Africa	1	Germany	2
Lithuania	1	Spain	1	South Korea	1
Malaysia	1			Taiwan	1
				Vietnam	1

Figure 2.
Geographical Scope of Journal Publishers

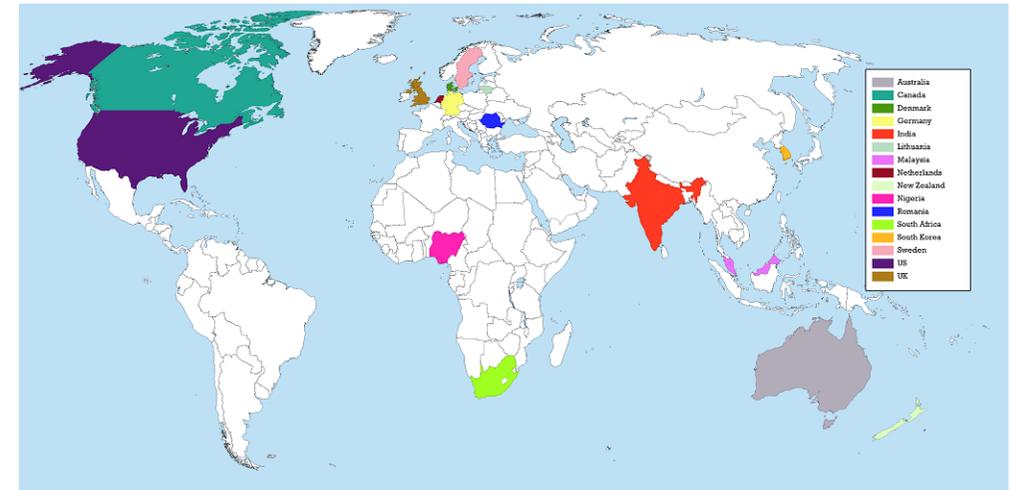
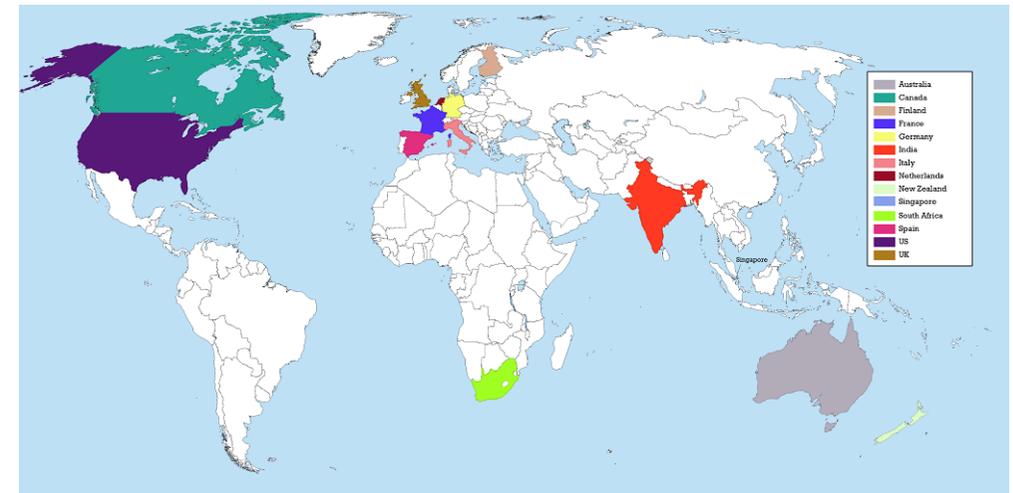
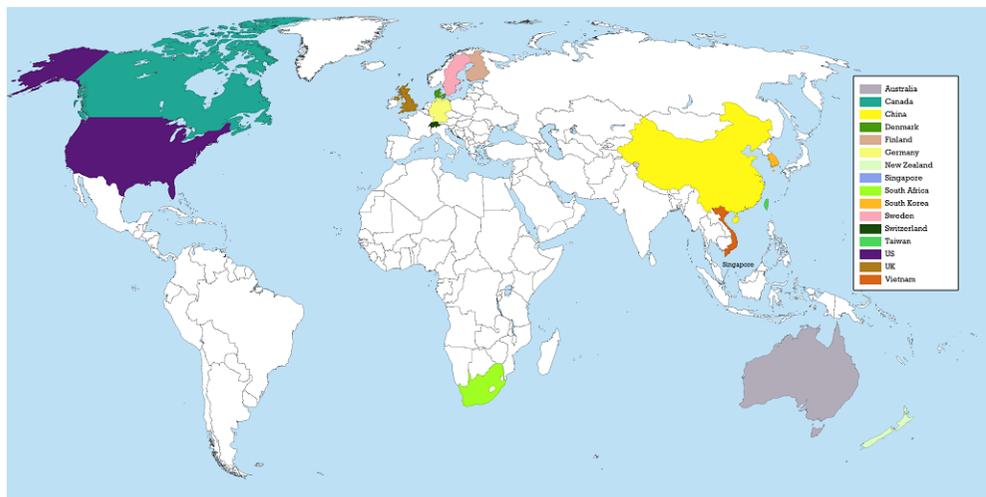


Figure 3.
Geographical Scope of Book Publishers



This study also recorded which countries excellence study has been cited in graduate theses. Results showed 16 countries as sources of dissertations and theses that cite excellence study: the US, Australia, the UK, South Africa, Finland, Switzerland, China, Singapore, Denmark, New Zealand, Sweden, Canada, Germany, South Korea, Taiwan, and Vietnam(see Figure 4). And seventy seven percent of total dissertations/theses citing excellence study are from institutions in the US. Many Asian countries (China/Taiwan, Singapore, South Korea, Vietnam) also appear in the list, which in turn echoes the prior discussion involving international studies in China, Taiwan, and South Korea.

Figure 4.
Geographical Scope of Dissertations/Theses



It should be noted, however, that in many countries, the dissertation/thesis could not be retrieved through online search functions in a database. Thus, the results drawing from the dataset may be less than the actual number. It is reasonable to say that the real influence of excellence study on higher education (including the prospective scholars) should be larger than the results in this study can show.

Conclusion

The data discussed in the previous sections clearly showed that the influence of excellence study is significant in terms of the quantity of citations by various types of works. Furthermore, significant growth in scope of influence may be measured in categories such as geography and language, as well as in disciplines or fields applying the excellence theory.

Among the several types of academic works considered in this study, the constantly rapid rise in citations by journal articles and dissertations/theses is even more remarkable. Although this rise in citation of excellence study may be explained as the result of the increasing number of journals, it essentially means that excellence study remains an important part of public relations literature. Moreover, it is also reasonable to conclude that increasing citations in dissertations/theses imply that excellence study will continue to be influential for the next generation of scholars.

Besides, the surge between the second and third five-year periods is very impressive. Why has there been such phenomenal growth in citations of excellence study since 2002? One reason may be the publication of the third book, *Excellent public relations and effective organizations: A study of communication management in three countries*, thus making excellence-study literature more comprehensive. The rising influence of excellence study may be related to the increasing academic interest in the Internet, which changed the communication environment. Phenomena such as interactivity (Hiebert, 2005), dialogic communication (Kent & Taylor, 1998), and relationship management conducted over the Internet (Stuart & Jones, 2004) are changing the contours of the profession not only for public relations practitioners but also for those who study public relations (Huang, 2011).

Another explanation is that this rise may be related to the increasing academic interest in the Internet, which changed the communication environment such as interactivity (Hiebert, 2005), dialogic communication (Kent & Taylor, 1998), and relationship management over internet (Stuart & Jones, 2004) not only for public relations practitioners but also for those who study public relations (Huang, 2012). The increasing influence of the Internet in global society over the past decade and facilitated symmetrical communication, which is the core philosophy of excellence study.

Furthermore, the data examined in the present study indicate a wide scope of excellence study's influence in terms of geography. Journals published in 15 countries have cited excellence study, and book publishers from 14 countries have published books citing excellence study. It should be noted is that the publisher indicator is more of a reference to readership and distribution than a real geographical concept. For example the *Asian Journal of Communication*, affiliated with the Asian Media Information and Communication Centre, Nanyang Technological University, is

published in the UK. Furthermore, excellence study, a theory developed out of a Western cultural context, has influenced higher education in at least 16 countries. Again, it should be noted that the results are likely underrepresented due to limited online distribution of dissertations/theses. Another research objective pursued in this study concerns the application of excellence study at the disciplinary level. Even given the limitations of the that the present study, and isolating only provides only the data derived from journal citations, the same pattern is unmistakable: advertising and public relations, business and economics, and communications are the major disciplines citing that routinely cite excellence study. Besides, public administration, sociology, law and philosophy are increasingly citing excellence study literature, which implies that excellence study has drawn increasing attention from other disciplines outside public relations scholarship. The final point to be made concerns the internationalization of excellence study. There is a total of 385 non-English works in 24 languages citing excellence study over the past twenty years. Although English remains the dominant language in academic research, the disparity between English citations and non-English citations continues to reduce. This reduction is not being caused by the decline of English works citing excellence study, but rather by the rapid and constant increase in non-English citations, which to some extent predicts a continued increase in excellence study citations in non-English scholarship in the near future.

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 6

A Longitudinal Study of How Social and Emerging Media are Changing Public Relations

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INTRODUCTION

The author of this paper has been conducting research about the impact of the internet and new media in public relations for nearly fifteen years. The earliest of these studies explored corporate communication policy and the internet (Wright, 1998) as well as the overall impact the internet was having on public relations, journalism and the public (Wright, 2001).

Each year since 2005, this research has included annually conducted surveys measuring the impact social and other emerging technologies are having on public relations (Wright & Hinson, 2006a, 2006b, 2007a, 2007b, 2008a, 2008b, 2008c, 2008d, 2008e, 2009a, 2009b, 2009c, 2009d, 2010a, 2010b, 2010c, 2010d, 2010e, 2011a, 2011b, 2012). As reported previously, results of these studies show that these new, emerging and social communication media have brought dramatic changes to many aspects of the field. Their findings also suggest that the development of various new technologies has significantly empowered a wide variety of strategic publics by giving them dynamic new media many are using to communicate effectively with a variety of internal and external audiences. The first weblogs, or blogs, appeared more than a dozen years ago. Since then these new communication media have developed into a number of different forms including text, images, audio and video through the development of forums, message boards, photo sharing, podcasts RSS, (really simple syndication), search engine marketing, video sharing, Wikis, social networks, professional networks and micro-blogging sites.

Even though social and other new communication media are changing the way people and organizations communicate, few define social media the same way. Mark Dykeman (2008) says, "Social media are the means for any person to: publish digital creative content; provide and obtain real-time feedback via online discussions, commentary and evaluations; and incorporate changes or corrections to the original content" (p. 1). For example, Joe Marchese (2007) suggests the difference between traditional media such as newspapers, magazines, radio, television and social media "is not the media itself, but the system of discovery, distribution, consumption and

conversation surrounding the media." Even though both social and traditional media have the ability to reach small or large audiences, production costs usually are large for what has become a small number of traditional media outlets while social media technologies basically give anyone with access to a computer the ability to reach a potentially global audience at little or no cost.

Impact of new communication media on public relations

The Pew Research Center (2005, 2008 & 2012) annually tracks the sources Americans use for news and for the first time in 2008 noted more people were getting their news online than from traditional mass media. However, most blend online and traditional sources in their quest for news and information. It's not uncommon, for example, to find Americans subscribing to printed editions of daily newspapers some days (especially Sundays) and reading online versions most of the other days of the week.

According to these Pew Center reports, only 10 percent of American adults were using the internet in 1995 compared with nearly 80 percent today (and each year since 2009). The Center for the Digital Future at the University of Southern California's Annenberg School for Communication and Journalism (2011) also tracks internet use by U.S. adults each year and claims those use figures are slightly higher (82 percent in 2010). The Pew data also indicate 88 percent of American adults now have a cell phone and 57 percent have a laptop computer. Although internet use generally correlates with age, education and household income, huge increases in internet use have been reported in recent years in virtually all of these demographic categories. For example, nearly half of all Americans over the age of 65 currently use the internet and many of these users are extremely active including 86 percent of them with e-mail and 34 percent with social networks. The Pew studies continue to find younger Americans use the new technologies more than their older audiences and younger users also are considerably more likely to use the internet for things such as downloading music and movies, etc.

As we have mentioned in previous annual reports about this research, our studies about how new technologies and emerging media are impacting public relations practice come at a significant time for traditional news media, especially newspapers. Paid circulation figures for daily newspapers in many large American cities continue to decline resulting in the death in recent years of major city dailies such as Denver's *Rocky Mountain News*, the *Baltimore Examiner*, the *Cincinnati Post*, the *Albuquerque Tribune*, the *Oakland Tribune*, the *San Juan Star* and the *Honolulu Advertiser*. Perhaps the best information source for tracking the changing landscape of the American newspaper industry is the Newspaper Death Watch (2012) website (www.newspaperdeathwatch.com) that recently reported another emerging trend with U.S. daily newspapers continuing to publish print editions but only two or three days each week. In most cases the newspapers publish online

versions on the other days. Major city newspapers that have moved in this direction include the *Seattle Post-Intelligencer*, *Detroit News/Free Press* and the *New Orleans Times-Picayune*. In spite of a century-long tradition of excellence, the *Christian Science Monitor* stopped publishing as a daily in March 2009 in order to concentrate on publishing a weekly print edition and refining its online offerings. According to *Boston Magazine* (2009) the *Monitor's* circulation had slipped 75 percent between 1969 and 2009.

Newspapers in some of the nation's smaller, but still sizable, media markets also have moved in this direction including twice a week print publication for dailies in both Ann Arbor and Flint, Michigan as well as in Catskill, New York. Meanwhile, daily newspapers in three Alabama cities: Birmingham, Huntsville and Mobile, are in the process of reducing their print editions to three days each week. Experts who monitor these changes, including those at the USC Center for the Digital Future (2011), predict these trends will continue. Some of these predictions suggest there might be fewer than a dozen daily print version newspapers in the U.S. by the end of the current decade.

These changes are not only taking place with daily news publications. Some of the trade magazines that serve the public relations industry have done the same thing. In 2009, *PR Week*, considered by many to be the nation's most dominant public relations trade publication, changed its weekly print edition into an online format, although it does produce a printed magazine each month. Some other public relations trade publications appear to have been impacted recently, including *PR News* which now offers nearly as many public relations short courses and seminars as it does publications and *Bulldog Reporter* that has created a series of training courses it offers under the name of "PR University."

A number of books have explored how blogs, social media and other new communication media are changing the way organizations communicate with strategic publics such as employees, customers, stockholders, communities, governments and other stakeholders.

Larry Weber (2007), who has spent most of his professional career building global communications companies including Weber Shandwick Worldwide, suggests the communication world is dramatically moving in a digital direction and those who understand this transformation will communicate much more effectively than those who do not.

Robert Scoble, who authors the nation's most read business blog and runs Microsoft's Channel 9 web site, and Shell Israel, who has more than two decades experience as an expert on communication innovation, provide a road-map showing how blogs are changing the way organizations communicate with important publics, especially customers (Scoble & Israel, 2006). Brian Reich and Dan Solomon, who both have many unique accomplishments in public relations and advertising, offer tips and suggestions for companies and individuals to master the new

technology in a way that will connect with and keep audiences (Reich & Solomon, 2008).

David Meerman Scott (2008a), an online thought leadership and viral marketing strategist, says, "one of the coolest things about the Web is that when an idea takes off it can propel a brand or a company to seemingly instant fame and fortune" (p. 8).

Scott also points out although communicating via the Web usually is free – as opposed to purchasing space through traditional advertising – only a small number of public relations practitioners are effectively using blogs and other social media when communicating with their strategic publics.

Furthermore, Scott (2007 & 2008b) claims many of the differences between what he calls the "old" and "new" rules of press releases are important. As he explains, nobody actually saw the old press releases except a few reporters and editors, and the only way members of the general public would learn about the content of a press release was if the media wrote or broadcast a story about it. Scott also points out the way most practitioners measured the effectiveness of a press release was through clippings, the simplest and most basic commodity of output research. Scott's thesis about today's "new" press releases focuses on information senders now deliver directly to receivers in various target publics via the Web. He also advocates measurement based upon whether or not the releases change or reinforce attitudes, opinions and behavior – the essence of what supporters of outcome research recommend.

Argenti and Barnes (2009) say new communication media have "changed the rules of the game in every part" of strategic communication. They also claim that over the past decade these new communication vehicles have not only turned upside down everything people knew about communication but also have dramatically changed the business of managing relationships. Findings of the noted *Authentic Enterprise Report* of the Arthur W. Page Society (2007) give the new communication media credit for dramatically changing the ways in which stakeholders are empowered. The Page Society's most recent report – *Building Belief: A New Model for Activating Corporate Character and Authentic Advocacy* (2012) – examines how the roles and functions of chief communications officers of major companies are changing given advances in new technologies among other things.

Social media are being utilized on an ever-increasing basis by corporations and other organizations. McCorkindale (2010) reports more than two-thirds (69%) of the current Fortune 2000 companies are using social networking sites. Laskin (2010 & 2012) has addressed the effective use of social media in investor relations. Bortree and Seltzer (2009) have reported on how advocacy groups are advancing their public relations agendas via Facebook. Bowen (2010) has studied the importance of ethics and stakeholder management in connection with top corporate websites. DiStaso (2012)

has researched the importance for organizations to make certain Wikipedia correctly portrays information about them.

Liu (2010) has examined differences between how elite newspapers and A-list blogs cover crises. Coombs (2012) acknowledges the phenomenal potential new and emerging media provide for crisis communication practitioners. Gainey (2012) has examined new media use during crises in the public sector. Ruh and Magallon (2009) indicate the U.S. military has studied the potential of using social media for some of its internal communication campaigns. Paine (2009a, 2009b, 2009c) was one of the first to point out many organizations now are trying to measure the effectiveness of their social media communication efforts.

Another measure of the growth and development of social media in public relations is the level of social media activity currently displayed by various professional societies active in the field. In addition to web pages and e-mail communication, social media sites such as Facebook, LinkedIn and others all have pages organized by organizations such as the Institute for Public Relations (IPR), the International Public Relations Association (IPRA), the Public Relations Society of America (PRSA), the Council of Public Relations Firms, the Arthur W. Page Society and the International Association of Business Communicators (IABC).

As Kelly (2009) and Eberwein (2010) have both pointed out, the micro-blogging site Twitter frequently is the first source to provide news seekers with information about major news events including the 2008 terrorist attacks in Mumbai, India; the massive 2010 earthquake in Haiti; and the US Airways flight landing in the Hudson River on January 15, 2009. This trend has continued during the past two years with disaster events such as the assassination attempt of U.S. Representative Gabrielle Giffords on January 8, 2011; the massive earthquake that devastated Japan on March 11, 2011; the series of tornadoes that swept through six states in the American south in April 2011; the January 2012 capsizing of the Italian cruise ship Costa Concordia off the Tuscan coast on January 13, 2012; and the plane crash in a crowded neighborhood of Lagos, Nigeria, that killed more than 150 people on June 3, 2012. While he was Editor of *PR Week*, Keith O'Brien (2009), pointed out "there has been great progress in the use of social media to reach various constituencies."

At a time when current economic conditions are bringing layoffs in many aspects of the public relations industry, *PR Week* (Maul, 2009) claims the future is bright for social media in public relations. According to a survey of 285 public relations practitioners conducted by the Council of Public Relations Firms (2009), most (79%) believe social media will be included more in future public relations campaigns while more than half (59%) think technology is not used enough in public relations campaigns.

Although there were not many articles about the new technologies in the scholarly literature of public relations when we began these annual studies in 2005, much has changed since then. Duhé (2012) conducted an extensive thematic analysis of articles about new media published between 1981 and 2011. She found the bulk of this research addressed applications (47%) and perceptions (27%) with only eleven percent focused upon relationship building, nine percent being concerned with legal and ethical concerns and three percent addressing usability. Jim Grunig's research also has lamented the inability of public relations practitioners to take advantage of the potential offered by new and emerging media for the development of two-way symmetrical relationships (Grunig, 2012; Grunig & Grunig 1992).

Purpose of the study

While there are a number of published articles that have examined the huge impact new communication media are having on the practice of public relations, there are far fewer studies looking at how public relations practitioners actually are using these new media. The seven-year tracking of new media use in public relations practice reported about in this article provides one of the most extensive examinations of how social media are being implemented in public relations practice. In addition to measuring how social media are being employed in the practice of public relations, this study also explores actual new communication media use by individual public relations practitioners.

This research project also has the potential of enhancing the credibility of scholarly research in public relations because it involves a longitudinal analysis of a larger-than-usual number of subjects. As Dougall (2006) explains, the lack of a significant number of panel and trend studies in the public relations literature does not reflect positively on our field when the public relations body of knowledge is compared with research productivity in the traditional social sciences and other professions.

Additionally, since more than half of the survey research projects in the public relations literature contain reports about studies involving less than 350 respondents, and more than two-thirds of these studies have usable responses from fewer than 250 subjects, the larger-than-usual number of participants in the study at hand – 2,238 respondents during the past four years – is a plus for public relations research.

Method

The study's methodology consisted of a trend analysis using a fairly extensive web-based questionnaire. Given the many changes in the new or emerging technologies since we started this research in 2005, many of our questions have changed over the years. However, we have been asking a good number of the same questions annually since 2009, some every year since 2008 and a few each year since 2005. A few minor modifications were made in the 2012 questionnaire that included 65 questions. Most (58) of these were closed-ended questions of substance. There were three open-ended questions and four demographic measures.

The longitudinal analysis detailed in this article is based upon responses to the study's web-based questionnaire by four different large, purposive samples of public relations practitioners who took part in this survey research study in 2009, 2010, 2011 and 2012. Invitations to participate by completing the study's web-based questionnaire were extended in 2009 and 2010 via e-mail messages to purposive samples collected from membership rosters of the Public Relations Society of America (PRSA), the Arthur W. Page Society and the International Public Relations Association (IPRA). Additional subjects were gathered from donor, task force and commission membership lists of the Institute for Public Relations (IPR). During the three years prior to 2009 we conducted annual surveys of public relations practitioners measuring their use of new technologies. However, since most of the questions we asked in 2006 required significant revision before being asked again in 2009 and beyond, the research team decided to limit the longitudinal data analysis to the last four years. In those cases where data exists, results covering more than four years are reported.

Research subjects for 2011 and 2012 were selected via a random sample of PRSA members who received e-mailed invitations to participate. The first e-mail invitation in 2012 was distributed on March 4 and a reminder invitation was circulated on March 11. There were 622 usable responses in 2012 yielded from approximately 4,250 e-mailed invitations representing a return rate of about 14%. The longitudinal analysis reported on in this article is based upon a grand total of 2,238 respondents (n=574 in 2009, n=563 in 2010, n=479 in 2011 and n=622 in 2012) an average of 560 respondents each year.

Demographics

Although more than 90 percent were North Americans, subjects came from many different parts of the world representing a good cross-section of the public relations industry. Of the 574 respondents in the 2009 study, more (25%) worked with small agencies or consultancies than any other area but corporations (20%) and educational institutions (20%) also

were well represented. Large agencies accounted for 10 percent of the respondents while seven percent worked in governmental public relations positions, five percent came from the not-for-profit area, five percent were research providers, one percent worked in health care and seven percent responded "other" when asked what kind of organization they worked for.

Demographic breakdowns of the 563 respondents to the 2010 study had 24 percent working with small agencies or consultancies, 19 percent employed by corporations, 14 percent from educational institutions, 13 percent from the non-profit sector, eight percent from government, six percent from large agencies, five percent from health care and one percent from the research provider category. Nine percent of the 2010 respondents checked "other" in their response to this question.

The 2011 demographics for the 479 respondents included 25 percent working with small agencies or consultancies, 20 percent employed by corporations, 16 percent from educational institutions, 14 percent from the non-profit sector, 10 percent from government, six percent from health care, two percent from large agencies and one percent from the research provider category. Five percent of the 2011 respondents checked "other" in their response to this question.

The demographic picture of the 622 respondents to the 2012 study had 20 percent employed in corporate public relations, 17 percent in both the small agency and non-profit categories, 13 percent in non-teaching roles with educational institutions, 11 percent in government communication positions, six percent in health care public relations, four percent were university faculty, three percent worked with large agencies, one percent came from the research provider industry and eight percent answered "other" to the demographic question.

Responses were nicely distributed across various age categories in all of the years. In 2009, 15 percent of the respondents were younger than 30, 25 percent were between 30 and 39, 26 percent were aged 40 to 49, 27 percent were 50 to 59 and seven percent were 60 or older. In the 2010 study 26 percent were younger than 30, 26 percent were between 30 and 39, 24 percent were aged 40 to 49, 20 percent were 50 to 59 and four percent were 60 or older. For the 2011 respondents, 12 percent were younger than 30, 23 percent were between 30 and 39, 28 percent were aged 40 to 49, 26 percent were 50 to 59 and 12 percent were 60 or older. As for the 2012 respondents, 32 percent were younger than 30, 21 percent were between 30 and 39, another 21 percent were aged 40 to 49, 17 percent were 50 to 59 and eight percent were 60 or older. The median respondent age was 36 in 2012 with a nice age distribution ranging from under 30 to over 60.

The gender breakdown of respondents in 2009 was 52 percent female and 48 percent male, in 2010 it was 68 percent female and 32 percent male, in 2011 it was 66 percent female and 44 percent male, and in 2012 it was 74 percent female and 26 percent male.

Results

Results displayed in Table 1 clearly show public relations practitioners agree more this year than they did previously that social and other emerging media are changing the way public relations is practiced. Mean scores have increased each year between 2008 and 2012 when our subjects have been asked if these changes have impacted the way their organizations communicate, how they have communicated to external audiences and how they have communicated to internal audiences. As was the case in previous years, this impact continues to be much more pronounced for external than internal audiences.

As Table 2 indicates, mean scores in 2012 also were considerably higher than in earlier years when subjects were asked if social media have enhanced public relations practice and when they were asked if social media and blogs influence the traditional mainstream media. However, for the first time since we started asking about it in 2008, a significant mean score decline was registered this year on the item asking if traditional mainstream media influence blogs and social media.

Although results, as shown in Tables 3 and 4, continue to register higher scores for traditional news media on questions asking about accuracy, credibility, honesty, trust and truth telling, mean scores for social and other emerging media on these questionnaire items continue to rise each year, including 2012. The same also is true for questions asking about social and emerging media performance in terms of serving as a watchdog for traditional news media, impacting corporate and organizational transparency and advocating a transparent and ethical culture. Complete frequency percentage tallies for questions and answers reported in Tables 1 – 4 can be found in Appendices 1 – 5.

The time public relations practitioners spend with blogs and other social media during an average public relations and communication workday continues to increase. As Table 5 shows, more than a third (35%) of this year's respondents – up from 26% in 2011, 24% in 2010 and 15% in 2009 – spend more than 25% of their average workday with these new media. This year's figure includes nearly 15% who devote more than half of their working time to activities involving these new media.

As has been the case since we first asked the question four years ago, the communication or public relations function was found more likely to be responsible again this year for monitoring and managing blog and social media communication. As Table 6 indicates, 85 percent of the 2012 respondents listed communication or public relations when asked which function was responsible for monitoring and managing blog and social media in their organizations (or their client organizations). This was up from 83 percent in 2011, 81 percent in 2010 and 64 percent in 2009. Marketing was a distant second at 26 percent in 2012 (23% in 2011; 21% in 2010; and 20% in 2009) and no other organizational function challenged marketing for second place. Percentages

in this analysis totaled more than 100 because subjects could select multiple responses.

Results were similar when our subjects were asked which organizational function should be responsible in this category. Table 7 contains these results with 92 percent of this year's respondents indicating the communication or public relations function should have this responsibility. Marketing was a distant second at 22 percent. Responses to this question in previous years found 93 percent listing communication or public relations in 2011, 94 percent answering that way in 2010 and 85 percent doing so in 2009. The marketing tallies were 19 percent in 2011, 20 percent in 2010 and 22 percent in 2009. Once again tallies surpass 100 percent because subjects could select multiple responses.

We have asked questions about research, measurement and evaluation each year since 2006. These results can be found in Tables 8 through 11. While it is encouraging that the number of organizations measuring what members of other strategic publics have communicated about them in blogs and social media continues to rise each year, it is discouraging that this figure is not higher than it is. Our measuring instrument asks two fairly similar questions about this topic. Results in 2012 found 43 percent indicating their organizations have conducted research measuring "what members of other strategic publics have communicated about your organization via blogs or other social media," with 54 percent indicating their organizations have conducted research or measurement focusing on information employees have communicated via these media.

Answers to these questions about research, measurement and evaluation continue to reveal the emphasis is focused much more on output than outcome measures. Results tell us 54 percent of the organizations represented by our 2012 respondents have measured what external publics have communicated about them via blogs or other social media. This represents a slight increase from 52 percent in 2011, 51 percent in 2010 and 45 percent in 2009. More than half of our respondents now tell us their social media measurement includes some content analysis. Figures are considerably lower when the same questions are asked about internal audiences. These percentages drop considerably (to 30% in 2012) when questions ask if our subjects are measuring the impact this new media communication has on influentials, opinion leaders and members of other strategic audiences. The numbers are even lower (26 percent in 2012) when the question asks if people are measuring the impact on the formation, change and reinforcement of attitudes, opinions and behavior.

As shown in Tables 12-14, public relations practitioners continue to consider social networks – especially Facebook and LinkedIn – to be the most important social media in the overall communication and public relations efforts of their organizations followed (in this order) by micro-blogging sites such as Twitter, search engine marketing, video sharing sites such as YouTube, blogs, electronic forums and podcasts.

Social networks do not score nearly as high on the question asking how important each of these new media should be winding up in fifth place this year behind (in this order) search engine marketing, blogs, electronic forums and video sharing sites.

As we did in 2010 and 2011, we asked this year's subjects to tell us how frequently they accessed a list of social networking, micro-blogging and video sharing sites as part of their work in public relations. As was the case in both 2010 and 2011, Facebook topped this list again in 2012 but with less frequency of use than we recorded in previous years. The use of both Twitter and LinkedIn increased dramatically in 2012 with YouTube and My Space remaining about the same. The number of new media options we listed on this question were increased in 2012. Although results showed there is use of Google+, Pinterest, Foursquare, Tumblr and Flickr in current public relations practice the frequency of this use is minimal when compared to Facebook, Twitter, LinkedIn and YouTube. In an attempt to gauge the integrity of this year's respondents, we listed two non-existing media – "prSpace" and "PRnet" – as answer options to the new media usage question. Fortunately, nearly all respondents told us they've never used "prSpace" or "PRnet," although two or three percent said they "frequently" used them.

Demographic Differences: A variety of analyses were conducted on data sets from each of the past four years in an attempt to check for demographic differences based upon age, gender, geographical location and the kind of organization respondents worked for.

Analysis over each of these years found that the greatest number of statistically significant differences presented themselves when ANOVAs were performed comparing mean scores based upon age. Younger respondents were considerably more likely than older ones to not only advocate greater use of social media in public relations but also to use social media and other internet-based technologies in their daily searches for news and information. T-tests comparing responses from female and male subjects also revealed a good number of similar significant differences. However, since the study's women respondents tended to be younger than their male counterparts, it is difficult to tell if these differences are based more upon age or gender. Although some statistical significance materialized when ANOVA analyses were performed based upon geography or the kind of organization subjects worked for, the actual mean differences in each of the four years measured were minimal and no apparent patterns were evident.

Summary and Conclusions

Our seventh annual survey measuring how social and other emerging media are being used in public relations practice found the use of these new media has continued to increase each year. This has provided unique opportunities not only for those who practice public relations but also

for a wide variety of strategic publics who have been given dynamic new communication vehicles many are using effectively with a variety of internal and external strategic audiences. Respondents to our annual surveys firmly believe these new media have enhanced public relations practice, especially as it pertains to external audiences.

Results also indicate those who practice public relations believe social and other emerging media continue to improve in terms of accuracy, credibility, honesty, trust and truth telling. They also think these new media effectively serve as a watchdog for traditional news media, impacting corporate and organizational transparency and advocating a transparent and ethical culture. The time public relations people spend with blogs and other social media during an average workday continues to increase with 35 percent of our 2012 respondents spending at least 25 percent of their average workday with these new media while 15 percent devote more than half of their working time to activities involving these new media.

In terms of organizational governance, communication or public relations continues to be the most likely organizational function to be responsible for monitoring and managing an organization's blog and social media communication. Marketing was a distant second.

Only 43 percent of the 2012 respondents represent organizations where research is being conducted measuring what others have communicated about these organizations via blogs or social media. As discouraging as that low number is, the negative impact becomes even greater with the realization most of this research focuses upon communication outcomes such as the amount of information being disseminated. Less than a third of this measurement focuses upon communication outcomes such as the impact these messages have on the formation, change and reinforcement of attitudes, opinions and behavior.

As was the case in previous years, respondents continue to consider social networks – especially Facebook and LinkedIn – the most important social media in the overall communication and public relations efforts of their organizations (or their client's organizations) followed (in this order) by micro-blogging sites such as Twitter, search engine marketing, video sharing sites such as YouTube, blogs, electronic forums and podcasts. When asked how frequently this year's subjects accessed social networking, micro-blogging and video sharing sites on-the-job while working in public relations, Facebook topped the list followed by Twitter, YouTube and LinkedIn.

As was the case in previous years, the largest number of 2012 statistically significant demographic differences presented themselves when the independent variable was age.

Tables and Appendices

Table 1

Mean analyses of responses to the question: "Please tell us whether you agree or disagree that the emergence of social and other emerging media has changed the way your organization (or your client organizations)":							
	2006	2007	2008	2009	2010	2011	2012
Communicates?	3.27	3.38	3.44	3.81	4.02	4.10	4.24
Handles external communications?	3.23	3.35	3.40	3.69	3.97	4.06	4.18
Handles internal communication?	3.01	3.06	3.06	3.22	3.05	3.14	3.21

Note: Mean scores throughout this report are based on responses to five-point Likert-type scales where "1" = "Strongly Disagree," "Very Unimportant," "Very Infrequently," etc., and "5" = "Strongly Agree," "Very Important," "Very Frequently," etc., "Consequently, the higher the mean score the greater the agreement, importance, frequency, etc.

Table 2

Mean analysis of responses to these questions asking subjects if they agreed or disagreed with the statements.	2008	2009	2010	2011	2012
Social media have enhanced the practice of public relations?	3.69	3.94	4.09	4.06	4.24
Social media (including blogs) influence the traditional mainstream media?	4.11	4.20	4.21	4.28	4.46
Traditional mainstream media influence social media (including blogs)?	3.79	3.92	3.91	3.96	3.81

Table 3

Mean analysis of responses to these questions asking subjects if they agreed or disagreed that social media (including blogs):	2008	2009	2010	2011	2012
Are more accurate than traditional mainstream media?	2.34	2.23	2.35	2.32	2.50
Are more credible than traditional mainstream media?	2.31	2.38	2.38	2.46	2.47
Are amore trusted information source than traditional mainstream media?	2.43	2.59	2.58	2.68	2.73
Tell the truth?	2.64	2.71	2.89	2.90	2.96
Advocate a transparent and ethical culture?	3.03	3.08	3.16	3.17	3.26
Offer organizations a low-cost way to develop relationships with members of various strategic publics?	3.83	4.01	4.20	4.21	4.32
Serve as a watch-dog for traditional mainstream media?	3.64	3.73	3.65	3.55	3.70
Are impacting corporate and organizational transparency?	3.82	4.04	4.05	4.05	4.15

Table 4

Mean analysis of responses to these questions	2008	2009	2010	2011	2012
Do you agree or disagree that people who receive information from mainstream media expect these news outlets to be honest, tell the truth and advocate a transparent and ethical culture?	3.84	3.91	4.06	4.11	4.21
Do you agree or disagree that people who receive information from blogs and other social media expect these outlets to be honest, tell the truth and advocate a transparent and ethical culture?	3.18	3.17	3.38	3.36	3.49
Are a more trusted information source than traditional mainstream media?	2.43	2.59	2.58	2.68	2.71

Table 5

Responses to these questions: "On the average, approximately what percentage of your time working in public relations and communications is spent with blogs and other social media?"

	None	1% to 10%	11% to 25%	26% to 50%	51% to 75%	More Than 75%
2009	7%	48%	30%	11%	4%	dna
2010	4%	38%	34%	17%	7%	dna
2011	3%	36%	34%	19%	7%	dna
2012	3%	29%	34%	21%	10%	4%

dna = Did not ask

Table 6

Responses in 2012 to the question: "Which of the following functions IS RESPONSIBLE for monitoring and managing blog and social media communication in your organization?"

	Comm. or PR	Human Resources	Marketing	Legal	Technology or IT	Don't Know	Not Assigned	Other
2009	64%	4%	20%	3%	5%	2%	2%	4%
2010	81%	1%	21%	2%	6%	3%	8%	7%
2011	83%	1%	23%	1%	4%	2%	5%	9%
2012	85%	3%	26%	1%	5%	7%	4%	6%

Note: Percentages total more than 100% because subjects could select multiple responses.

Table 7

Responses in 2012 to the question: “In your opinion, which of the following functions SHOULD BE RESPONSIBLE for monitoring and managing blog and social media communication in your organization?”

	Comm. or PR	Human Resources	Marketing	Legal	Technology or IT	Don't Know	Not Assigned	Other
2009	85%	5%	22%	4%	6%	3%	2%	7%
2010	94%	14%	20%	4%	4%	1%	0%	3%
2011	93%	4%	19%	4%	4%	0%	1%	13%
2012	92%	4%	22%	4%	3%	0%	1%	6%

Note: Percentages total more than 100% because subjects could select multiple responses.

Table 8

Responses to the question: “To the best of your knowledge, has your organization ever commissioned or conducted a research or measurement study that focused on information employees communicated on blogs or social media?”

	2006	2007	2008	2009	2010	2011	2012
Yes	3%	11%	15%	24%	26%	25%	28%
No	77%	62%	55%	58%	59%	62%	54%
Uncertain/ Don't Know	20%	27%	30%	18%	15%	13%	17%

Table 9

Responses to the question: “To the best of your knowledge, has your organization ever conducted research measuring what members of other strategic publics have communicated about your organization via blogs or other social media?”

	2009	2010	2011	2012
Yes	39%	38%	42%	43%
No	42%	46%	45%	39%
Uncertain/ Don't Know	19%	16%	13%	17%

Table 10

Mean analysis of responses to these questions asking subjects if they agreed or disagreed that public relations practitioners should measure:	2009	2010	2011	2012
The amount of communication that is being disseminated about their organizations (or client organizations) through blogs and other social media.	4.20	4.26	4.20	4.28
And/or analyze content of what's being communicated about their organizations (or their clients) in blogs and other social media.	4.37	4.36	4.35	4.41
The impact information disseminated about their organizations (or their clients) through blogs and other social media has on influencers, opinion leaders and members of other strategic audiences.	4.27	4.28	4.27	4.32
The impact information disseminated about their organizations (or their clients) through blogs and other social media has on the formation, change and reinforcement of attitudes, opinions and behavior.	4.25	4.28	4.27	4.36

Table 11

Percentage of respondents answering “Yes” to the question asking, “To the best of your knowledge, has your organization (or a client organization) ever measured . . .”	2009	2010	2011	2012
The amount of communication that is being disseminated about their organizations (or client organizations) through blogs and other social media.	45%	51%	52%	54%
And/or analyze content of what's being communicated about their organizations (or their clients) in blogs and other social media.	55%	54%	56%	55%
The impact information disseminated about their organizations (or their clients) through blogs and other social media has on influencers, opinion leaders and members of other strategic audiences.	26%	29%	30%	30%
The impact information disseminated about their organizations (or their clients) through blogs and other social media has on the formation, change and reinforcement of attitudes, opinions and behavior.	24%	28%	29%	26%

Table 12

Mean Analysis Comparisons between 2009, 2010, 2011 and 2012 for responses to the question: “How important ARE each of the following in the overall communications and public relations efforts of your organization (or your client’s organizations)?”

	2009	2010	2011	2012
Blogs	3.35	3.31	3.22	3.31
Electronic Forums or Message Boards	3.06	2.94	2.64	2.67
Podcasts	2.82	2.54	2.43	2.32
Search Engine Marketing	3.62	3.61	3.61	3.68
Social Networks (Facebook, LinkedIn, etc.)	3.21	3.89	4.06	4.27
Micro-Blogging Sites (Twitter, etc.)	2.81	3.56	3.75	3.90
Video Sharing (YouTube, etc.)	3.19	3.57	3.72	3.77

Note: Mean scores are based on responses to five-point Likert-type scales where “1” = “Very Unimportant” and “5” = “Very Important.” Consequently, the higher the mean score the greater the perceived importance.

Table 13

Mean Analysis Comparisons between 2009, 2010, 2011 and 2012 for responses to the question: “How important SHOULD each of the following in the overall communications and public relations efforts of your organization (or your client’s organizations)?”

	2009	2010	2011	2012
Blogs	4.01	4.01	4.00	3.95
Electronic Forums or Message Boards	3.77	3.60	3.41	3.26
Podcasts	3.64	3.41	3.25	3.09
Search Engine Marketing	4.10	4.20	4.17	4.16
Social Networks (Facebook, LinkedIn, etc.)	3.65	4.26	4.26	4.48
Micro-Blogging Sites (Twitter, etc.)	3.48	4.05	4.09	4.24
Video Sharing (YouTube, etc.)	3.67	4.10	4.25	4.26

Table 14

Mean comparisons of responses to the question asking how important social media are and how important they should be “in your organization (or your client’s organizations).”:

2012

	How Important Are These Media in Your Orgs. PR Efforts	How Important Should They Be	Mean Difference
Blogs	3.31	3.95	-.64
Forums or Message Boards	2.67	3.26	-.59
Podcasts	2.32	3.09	-.77
Search Engine Marketing	3.68	4.16	-.48
Social Networks (Facebook, LinkedIn, etc.)	4.27	4.48	-.21
Micro-Blogging Sites (Twitter, etc.)	3.90	4.24	-.34
Video Sharing (YouTube, etc.)	3.77	4.26	-.49

2011

	How Important Are These Media in Your Orgs. PR Efforts	How Important Should They Be	Mean Difference
Blogs	3.22	4.00	-.78
Forums or Message Boards	2.64	3.41	-.77
Podcasts	2.43	3.25	-.82
Search Engine Marketing	3.61	4.17	-.56
Social Networks (Facebook, LinkedIn, etc.)	4.06	4.26	-.20
Micro-Blogging Sites (Twitter, etc.)	3.75	4.09	-.34
Video Sharing (YouTube, etc.)	3.72	4.25	-.53

2010

	How Important Are These Media in Your Orgs. PR Efforts	How Important Should They Be	Mean Difference
Blogs	3.31	4.01	-.70
Forums or Message Boards	2.94	3.60	-.66
Podcasts	2.54	3.41	-.87
Search Engine Marketing	3.61	4.20	-.69
Social Networks (Facebook, LinkedIn, etc.)	3.89	4.26	-.37
Micro-Blogging Sites (Twitter, etc.)	3.56	4.05	-.49
Video Sharing (YouTube, etc.)	3.57	4.10	-.53

2009

	How Important Are These Media in Your Orgs. PR Efforts	How Important Should They Be	Mean Difference
Blogs	3.35	4.01	-.66
Forums or Message Boards	3.06	3.77	-.71
Podcasts	2.82	3.64	-.82
Search Engine Marketing	3.62	4.10	-.48
Social Networks (Facebook, LinkedIn, etc.)	3.21	3.65	-.44
Micro-Blogging Sites (Twitter, etc.)	2.81	3.48	-.67
Video Sharing (YouTube, etc.)	3.19	3.67	-.48

Table 15

Responses to the question: "Please tell us how frequently you access each of the following social networking, micro-blogging and video sharing sites?"

2012						
	Never	Infrequently	Neither Frequently nor Infrequently	Frequently	Very Frequently	Mean Score
Facebook	5%	8%	7%	26%	54%	4.16
LinkedIn	10%	18%	18%	34%	19%	3.34
My Space	92%	6%	2%	1%	0%	1.12
Twitter	8%	8%	11%	28%	45%	3.92
YouTube	6%	17%	25%	36%	16%	3.39
Google+	42%	28%	11%	11%	8%	2.15
Tumblr	68%	17%	9%	4%	2%	1.57
Pinterest	54%	15%	11%	12%	8%	2.06
Foursquare	70%	11%	7%	7%	5%	1.65
prSpace	92%	3%	3%	1%	0%	1.15
PRnet	83%	7%	6%	3%	1%	1.31

Note: 2012 was the first year Google+, Pinterest and Foursquare were included in this question. "prSpace" and "PRnet" do not exist and were asked only in an attempt to gauge the integrity of the answers. Although Flickr was not included in this list of questions, responses to the survey-open-ended questions confirm considerable use of Flickr in public relations practice.

Table 15 (Continued)

2011						
	Never	Infrequently	Neither Frequently nor Infrequently	Frequently	Very Frequently	Mean Score
Facebook	3%	8%	7%	21%	61%	4.30
LinkedIn	4%	12%	23%	39%	22%	3.63
My Space	84%	13%	2%	0%	0%	1.19
Twitter	12%	18%	13%	22%	36%	3.52
YouTube	3%	18%	29%	40%	10%	3.36

2010						
	Never	Infrequently	Neither Frequently nor Infrequently	Frequently	Very Frequently	Mean Score
Facebook	4%	6%	7%	21%	62%	4.31
LinkedIn	8%	15%	22%	37%	18%	3.44
My Space	72%	21%	15%	1%	1%	1.38
Twitter	12%	15%	12%	23%	38%	3.58
YouTube	4%	18%	28%	38%	12%	3.35

APPENDICES

Appendix 1

Responses to the question: "Please tell us whether you agree or disagree that the emergence of social media (including blogs) has changed the way your organization (or your client organizations)":

2012						
	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree	Mean Score
Communicates?	2%	4%	5%	47%	42%	4.23
Handles external communications?	2%	5%	6%	48%	39%	4.18
Handles internal communications?	6%	26%	22%	32%	13%	3.21

Note: (a) Percentage scores might not always total 100% due to rounding. (b) Mean scores throughout this report are based on responses to five-point Likert-type scales where "1" = "Strongly Disagree" and "5" = "Strongly Agree." Consequently, the higher the mean score the greater the agreement.

2011						
	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree	Mean Score
Communicates?	2%	6%	6%	54%	33%	4.10
Handles external communications?	2%	6%	9%	53%	31%	4.06
Handles internal communications?	6%	26%	26%	30%	12%	3.14

2010						
	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree	Mean Score
Communicates?	1%	8%	6%	54%	29%	4.02
Handles external communications?	2%	8%	9%	53%	28%	3.97
Handles internal communications?	5%	30%	27%	31%	7%	3.05

2009						
	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree	Mean Score
Communicates?	3%	13%	10%	46%	27%	3.81
Handles external communications?	3%	15%	14%	47%	21%	3.69
Handles internal communications?	5%	24%	26%	33%	12%	3.22

2008						
	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree	Mean Score
Communicates?	6%	19%	13%	47%	14%	3.44
Handles external communications?	6%	17%	18%	48%	11%	3.40
Handles internal communications?	10%	24%	28%	27%	11%	3.06

Appendix 1 (Continued)

2007						
	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree	Mean Score
Communicates?	5%	21%	15%	46%	12%	3.38
Handles external communications?	6%	17%	24%	42%	11%	3.35
Handles internal communications?	6%	28%	28%	32%	6%	3.06

Appendix 2

Responses to these questions: "Do you agree or disagree that . . ."

2012						
Question	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree	Mean Score
Social media have enhanced the practice of public relations?	1%	2%	12%	45%	41%	4.25
Social and emerging media influence the traditional mainstream media?		1%	3%	44%	52%	4.46
Traditional mainstream media influence social and emerging media?		10%	18%	53%	19%	3.81

Note: A question asking "Since social media (including blogs) have made communications more instantaneous they have forced organizations to respond more quickly to criticism?" was not asked after 2009 because by then it was generally accepted that this was a reality. Also, a question asking if blogs and social media compliment traditional news media (newspapers, magazines, radio and television) was not asked after 2011 for the same reason.

2011						
Question	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree	Mean Score
Social media have enhanced the practice of public relations?	1%	5%	15%	42%	36%	4.06
Blogs have enhanced the practice of public relations?	19%	48%	24%	48%	19%	3.76
Social media (including blogs) influence the traditional mainstream media?		2%	5%	57%	36%	4.28
Traditional mainstream media influence social media (including blogs)?		8%	12%	56%	24%	3.96

Appendix 2 (Continued)

2010						
Question	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree	Mean Score
Social media have enhanced the practice of public relations?	1%	4%	14%	47%	34%	4.09
Blogs have enhanced the practice of public relations?	1%	7%	22%	50%	20%	3.80
Social media (including blogs) influence the traditional mainstream media?		3%	5%	60%	32%	4.21
Traditional mainstream media influence social media (including blogs)?		7%	14%	56%	21%	3.91

2009						
Question	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree	Mean Score
Social media have enhanced the practice of public relations?	1%	6%	20%	43%	30%	3.94
Blogs have enhanced the practice of public relations?	2%	8%	24%	43%	23%	3.77
Social media (including blogs) influence the traditional mainstream media?		2%	6%	63%	30%	4.20
Traditional mainstream media influence social media (including blogs)?	1%	4%	18%	54%	22%	3.92
Since social media (including blogs) have made communications more instantaneous they have forced organizations to respond more quickly to criticism?		2%	10%	44%	43%	4.29

2008						
Question	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree	Mean Score
Social media have enhanced the practice of public relations?	1%	15%	18%	46%	20%	3.69
Blogs have enhanced the practice of public relations?	2%	16%	23%	45%	15%	3.55
Social media (including blogs) influence the traditional mainstream media?		5%	6%	60%	28%	4.11
Traditional mainstream media influence social media (including blogs)?	1%	9%	17%	55%	18%	3.79
Since social media (including blogs) have made communications more instantaneous they have forced organizations to respond more quickly to criticism?		8%	7%	46%	38%	4.14

Appendix 3

Responses to these questions: "Do you agree or disagree that social and emerging media ..."

2012						
Question	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree	Mean Score
Are more accurate than traditional mainstream media?	9%	47%	33%	9%	2%	2.49
Are more credible than traditional mainstream media?	9%	49%	31%	9%	2%	2.46
Are a more trusted information source than traditional mainstream media?	6%	42%	30%	19%	3%	2.72
Tell the truth?	3%	22%	51%	21%	2%	2.95
Advocate a transparent and ethical culture?	5%	20%	29%	39%	8%	3.25
Offer organizations a low-cost way to develop relationships with members of various strategic publics?	1%	2%	5%	50%	43%	4.32
Serve as a watchdog for traditional mainstream media?	1%	11%	20%	49%	18%	3.70
Are impacting corporate and organizational transparency.	1%	2%	11%	53%	33%	4.16
Serve as a watchdog for behavior within Your organization (or your clients' Organizations).	3%	15%	27%	40%	15%	3.47

2011						
Question	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree	Mean Score
Are more accurate than traditional mainstream media?	13%	49%	31%	6%		2.32
Are more credible than traditional mainstream media?	9%	47%	36%	8%	1%	2.46
Are a more trusted information source than traditional mainstream media?	8%	34%	42%	15%	2%	2.68
Tell the truth?	5%	19%	58%	18%	1%	2.90
Advocate a transparent and ethical culture?	5%	20%	36%	34%	6%	3.17
Offer organizations a low-cost way to develop relationships with members of various strategic publics?	1%	2%	6%	57%	34%	4.21
Serve as a watch-dog for traditional mainstream media?	2%	13%	24%	49%	12%	3.55
Are impacting corporate and organizational transparency.		4%	13%	55%	27%	4.05

Appendix 3 (Continued)

2010						
Question	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree	Mean Score
Are more accurate than traditional mainstream media?	11%	51%	31%	7%	1%	2.35
Are more credible than traditional mainstream media?	12%	50%	29%	9%	1%	2.38
Are a more trusted information source than traditional mainstream media?	8%	43%	34%	14%	1%	2.58
Tell the truth?	5%	20%	57%	18%		2.89
Advocate a transparent and ethical culture?	7%	16%	38%	34%	5%	3.16
Offer organizations a low-cost way to develop relationships with members of various strategic publics?	1%	4%	4%	57%	35%	4.20
Serve as a watch-dog for traditional mainstream media?	2%	10%	24%	23%	12%	3.65
Are impacting corporate and organizational transparency.		3%	16%	15%	26%	4.05

2009						
Question	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree	Mean Score
Are more accurate than traditional mainstream media?	18%	48%	27%	5%	1%	2.23
Are more credible than traditional mainstream media?	12%	49%	29%	8%	1%	2.38
Are a more trusted information source than traditional mainstream media?	10%	40%	31%	18%	1%	2.59
Tell the truth?	8%	26%	54%	12%	1%	2.71
Advocate a transparent and ethical culture?	7%	23%	32%	32%	6%	3.08
Offer organizations a low-cost way to develop relationships with members of various strategic publics?	1%	6%	9%	58%	26%	4.01
Serve as a watch-dog for traditional mainstream media?	2%	10%	18%	55%	15%	3.73
Are impacting corporate and organizational transparency.	1%	3%	14%	57%	25%	4.04

Appendix 3 (Continued)

2008						
Question	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree	Mean Score
Are more accurate than traditional mainstream media?	25%	42%	26%	6%	1%	2.3
Are more credible than traditional mainstream media?	19%	45%	26%	9%	2%	2.3
Are a more trusted information source than traditional mainstream media?	16%	35%	29%	18%	2%	2.4
Tell the truth?	14%	24%	49%	13%		2.6
Advocate a transparent and ethical culture?	11%	21%	31%	30%	7%	3.0
Offer organizations a low-cost way to develop relationships with members of various strategic publics?	2%	7%	11%	62%	18%	3.8
Serve as a watch-dog for traditional mainstream media?	4%	10%	24%	46%	15%	3.6
Are impacting corporate and organizational transparency.	1%	3%	20%	58%	18%	3.8

Appendix 4

Responses to these questions: “Do you agree or disagree that people who receive information from mainstream media expect these news outlets to be honest, tell the truth and advocate a transparent and ethical culture?”

	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree	Mean Score
2008	2%	12%	11%	50%	25%	3.84
2009	1%	8%	11%	60%	20%	3.91
2010	1%	6%	7%	58%	28%	4.06
2011		4%	8%	61%	27%	4.11
2012		4%	6%	54%	35%	4.21

Appendix 5

Responses to these questions: “Do you agree or disagree that people who receive information from blogs and other social media expect these outlets to be honest, tell the truth and advocate a transparent and ethical culture?”

	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree	Mean Score
2008	3%	27%	26%	36%	8%	3.18
2009	3%	22%	35%	36%	5%	3.17
2010	1%	17%	31%	43%	7%	3.38
2011	1%	18%	32%	40%	8%	3.36
2012	1%	15%	29%	46%	9%	3.48

Appendix 6

Responses to the question: “Do you agree or disagree that public relations practitioners should measure:”

2012						
	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree	Mean Score
“The amount of communication that is being disseminated about their organizations (or client organizations) through social and other emerging media.”		2%	5%	55%	38%	4.28
“And/or analyze content of what’s being communicated about their organizations (or their clients) in social and other emerging media.”			3%	52%	45%	4.42
“The impact information disseminated about their organizations (or their clients) through blogs and other social media has on influencers, opinion leaders and members of other strategic audiences.”		1%	6%	52%	41%	4.32
“The impact information disseminated about their organizations (or their clients) through blogs and other social media has on the formation, change and reinforcement of attitudes, opinions and behavior.”		1%	5%	51%	43%	4.36

Appendix 6 (Continued)

2011						
	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree	Mean Score
"The amount of communication that is being disseminated about their organizations (or client organizations) through blogs and other social media."		3%	5%	58%	33%	4.20
"And/or analyze content of what's being communicated about their organizations (or their clients) in blogs and other social media."		1%	2%	56%	40%	4.35
"The impact information disseminated about their organizations (or their clients) through blogs and other social media has on influentials, opinion leaders and members of other strategic audiences."			8%	56%	36%	4.27
"The impact information disseminated about their organizations (or their clients) through blogs and other social media has on the formation, change and reinforcement of attitudes, opinions and behavior."		1%	8%	54%	37%	4.27

2010						
	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree	Mean Score
"The amount of communication that is being disseminated about their organizations (or client organizations) through blogs and other social media."		3%	3%	58%	36%	4.26
"And/or analyze content of what's being communicated about their organizations (or their clients) in blogs and other social media."		1%	2%	58%	39%	4.36
"The impact information disseminated about their organizations (or their clients) through blogs and other social media has on influentials, opinion leaders and members of other strategic audiences."		1%	4%	60%	35%	4.28
"The impact information disseminated about their organizations (or their clients) through blogs and other social media has on the formation, change and reinforcement of attitudes, opinions and behavior."		1%	4%	60%	35%	4.28

Appendix 6 (Continued)

2009						
	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree	Mean Score
"The amount of communication that is being disseminated about their organizations (or client organizations) through blogs and other social media."	1%	3%	7%	55%	35%	4.20
"And/or analyze content of what's being communicated about their organizations (or their clients) in blogs and other social media."			4%	55%	41%	4.37
"The impact information disseminated about their organizations (or their clients) through blogs and other social media has on influentials, opinion leaders and members of other strategic audiences."		2%	4%	58%	36%	4.27
"The impact information disseminated about their organizations (or their clients) through blogs and other social media has on the formation, change and reinforcement of attitudes, opinions and behavior."		1%	6%	58%	34%	4.25

Appendix 7

Responses to the question: "To the best of your knowledge, has your organization (or a client organization) ever measured . . ."

2012			
	No	Yes	Uncertain/ Don't Know
"The amount of communication that is being disseminated about it through social and other emerging media."	31%	54%	15%
"Or analyzed the content of what's being communicated about it in social and other emerging media."	31%	55%	14%
"The impact information disseminated about it through social and other emerging media has on influentials, opinion leaders and members of other strategic audiences."	50%	30%	21%
"The impact information disseminated about it through social and other emerging media has on the formation, change and reinforcement of attitudes, opinions and behavior."	52%	26%	22%

Appendix 7 (Continued)

2011			
	No	Yes	Uncertain/ Don't Know
"The amount of communication that is being disseminated about it through blogs and other social media."	36%	52%	12%
"Or analyzed the content of what's being communicated about it through blogs and other social media."	33%	56%	11%
"The impact information disseminated about it through blogs and other social media has on influentials, opinion leaders and members of other strategic audiences."	54%	30%	16%
"The impact information disseminated about it through blogs and other social media has on the formation, change and reinforcement of attitudes, opinions and behavior."	56%	29%	15%

2010			
	No	Yes	Uncertain/ Don't Know
"The amount of communication that is being disseminated about it through blogs and other social media."	36%	51%	13%
"Or analyzed the content of what's being communicated about it through blogs and other social media."	32%	54%	13%
"The impact information disseminated about it through blogs and other social media has on influentials, opinion leaders and members of other strategic audiences."	51%	29%	20%
"The impact information disseminated about it through blogs and other social media has on the formation, change and reinforcement of attitudes, opinions and behavior."	52%	28%	20%

2009			
	No	Yes	Uncertain/ Don't Know
"The amount of communication that is being disseminated about it through blogs and other social media."	38%	45%	17%
"Or analyzed the content of what's being communicated about it through blogs and other social media."	29%	55%	16%
"The impact information disseminated about it through blogs and other social media has on influentials, opinion leaders and members of other strategic audiences."	52%	26%	22%
"The impact information disseminated about it through blogs and other social media has on the formation, change and reinforcement of attitudes, opinions and behavior."	53%	24%	23%

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Communication Benchmark 2011: Connecting Organization and Performance of the Corporate Communication Function

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ABSTRACT

Communications departments in companies and non-profit organizations have an important role in achieving organizational objectives. But how to measure the added value of the communications function of an organization? In this paper the design of the Communication Benchmark 2011 has been described and justified. The benchmark distinguishes itself from other benchmarks in the communications domain by making the value of the communications function for the organization visible and measurable. This was possible by making use of the balanced scorecard of Kaplan and Norton (Kaplan & Norton, 2001) and to adapt it to the situation of communications departments. By working closely together with launching customers and communications consultants, and combining theory and practice (according the insights of design-based research), six organizational objectives were formulated for the communications function, each of them with corresponding critical success factors (CSFs). The scores on the CSFs for the objectives give insight into the performance of the communications departments. The benchmark design enables an organisation to compare its communications function with other organizations on the basis of various criteria, provided that there are enough participants in the benchmark. A first tentative step has been set to develop guidelines to interpret the benchmark data and find causes for poor scores. But additional research is needed to design tools for communications directors to help them decide which (combination of) CSFs will be most relevant to contribute as efficiently and effectively as possible to the organization as a whole.

KEY WORDS: communications function; corporate communications; communication benchmark; balanced scorecard

Introduction

Communications departments in companies and non-profit organizations are expected to make a valuable contribution to achieving organizational objectives. But how to organize the communications function as effectively and efficiently as possible in order to deliver maximum value to the company? This is a question that many companies in the Netherlands are facing, especially in light of the financial crisis and increasing pressure to restrict the number of communications professionals and the communications budget.

The Science Communication section of Delft University of Technology in The Netherlands was commissioned by communications consultancy Boer & Croon to design a benchmark that provides insight into how the communications function of large companies and organizations in the Netherlands is organized, and to find heuristics for the development of the communications function that actually contributes to the success of the organization.

An important principle in developing the benchmark is that the benchmark should be able to yield measurable results of the success of the communications function and connect the activities and composition of the communications function with the performance of the organization. Existing surveys on the corporate communications function (e.g. EACD, IABC) are often based on the assumption that financially successful organizations are also communicatively successful (Watson-Wyatt, 1999). To avoid mere correlations and instead obtain an insight into causality, we have based our benchmark on the Balanced Scorecard (Kaplan & Norton, 2001). The balanced scorecard considers strategic objectives of an organization as a series of explicit and testable causal relationships and lists the conditions that will lead to the desired results (Critical Success Factors). These CSFs are characteristics of the organization necessary for the success of the organization and therefore of specific interest.

The purpose of this paper is to describe and justify the design of the Communication Benchmark 2011, and to discuss how the outcomes of the benchmark could be interpreted by communications directors in order to be able to decide about the structure and management of their department and to contribute as efficiently and effectively as possible to the organization as a whole.

The structure of this paper is as follows. Section 2 describes the principles and design of the benchmark. In section 3 we will show some main outcomes of the Communication Benchmark 2011: we will describe how our respondents indicated their capability of achieving objectives for the corporate communications function and show how their corporate communications departments are structured and managed. In section 4 we will propose two ways to connect relevant data in order to detect possible causes of poor scores on achieving the given objectives. Section 5 contains a reflection on the benchmark set up, the on-line survey, and interpretation of the data. The paper ends up with conclusions (Section 6).

Methodology

Directors of communications departments are looking for ways to meet the expectations and demands of their managers to prove and improve the added value of the communications function for their companies. They have to take decisions on the size and structure of their communications department, the level of professionals in the department and the focus on certain communications disciplines, but to date it is unclear which of these factors contribute to the success of the organization as a whole, and how.

Businesses and non-profit organizations in the Netherlands appear to have found a wide range of solutions for the organization of their communications function. Because there is not (yet) a normative theory for the structure and size of the communications function, we decided to design a benchmark to analyze and value various practical solutions. In this way heuristics could be developed for organizing a successful communications department.

There is widespread agreement on the insufficiency of the tools currently used for the evaluation of corporate communications (Lindenmann, 2003, 2006). This insufficiency is due to the fact that, up to now, the measurement of outputs, outtakes, and outcomes has helped to improve only the effectiveness of communications. Whether in fact the goals, objectives, and accomplishments of the company or organization as a whole have been achieved cannot be proved. The crucial level of outflow of communications – the creation of economic value by building up corporate reputation, stable relations to important stakeholders, and other intangible values (Kaplan & Norton, 2004) – is not dealt with by current measurements. For these reasons theory and practice have led to the suggestion that the balanced scorecard (BSC) should be used in corporate communications.

Balanced Scorecard

Since Robert Kaplan and David Norton first developed and introduced the concept of the balanced scorecard as a new framework for measuring organisational performance it has evolved systematically. It was originally proposed to overcome the limitations of managing only with financial measures. Financial measures report on outcomes, which are lagging indicators, but do not communicate the drivers of future performance, the indicators of how to create new value through investments in customers, suppliers, employees, technology, and innovation. The balanced scorecard provides a framework to look at the strategy used for value creation from four different perspectives (Figure 1):

1. Financial. The strategy for growth, profitability, and risk viewed from the perspective of the shareholder.

2. Customer. The strategy for creating value and differentiation from the perspective of the customer.
3. Internal processes. The strategic priorities for various organisation processes, which create customer and shareholder satisfaction.
4. Learning and growth. The priorities to create a climate that supports organisational change, innovation, and growth.

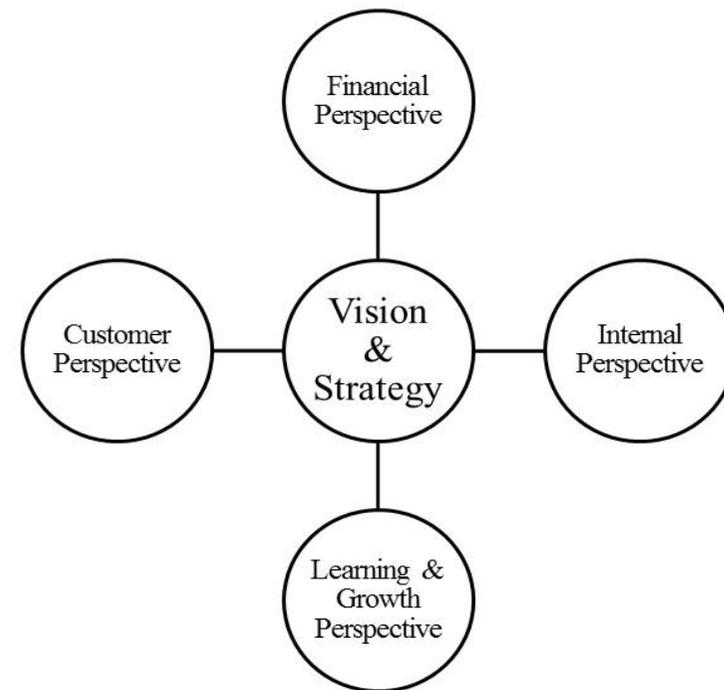


Figure 1. Strategic Perspectives of the Balanced Scorecard

The architecture of the balance scorecard has a top-down logic (Figure 2), starting with the desired financial outcomes and then moving to the value proposition, internal processes and the infrastructure that are the drivers of change. It organises financial, customer, and internal process objectives by strategic themes, financial strategies, value propositions and critical internal processes. Based on these analyses the learning and growth strategy defines the intangible

assets needed to enable organisational activities and customer relationships to be performed at ever-higher levels of performance. The cause-and-effect linkages in the balanced scorecard describe the path by which improvements in the organisational capabilities of intangible assets get translated into tangible customer and shareholder outcomes.

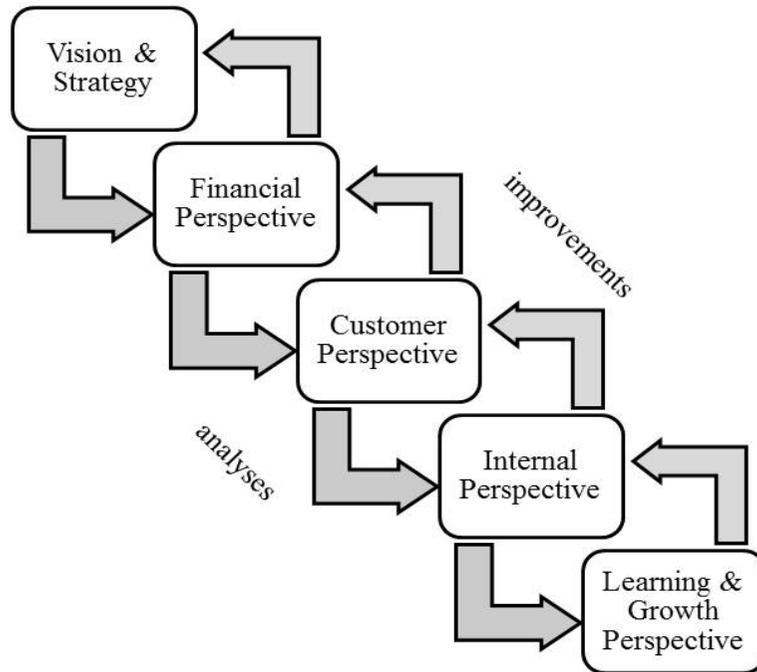


Figure 2. Hierarchical Structure of the Balanced Scorecard

Most non-profit and government organizations have difficulty with the original architecture of the balanced scorecard, where the financial perspective is placed at the top of the hierarchy. Given that achieving financial success is not the primary objective for most of these organizations, the architecture of the balanced scorecard may be rearranged by placing an overarching objective at the top of their scorecard that represents their long-term objective, their mission. In a private sector transaction, the customer both pays for and receives a service or product. In fact these are two complementary roles. But in a non-profit or government organization, donors provide the financial resources – they pay for the service – while another group, the constituents, receives

the service. Who is the customer – the one paying or the one receiving? Again the balanced scorecard for these organizations may be adapted by placing both the donor and the recipient perspective at the same level (Figure 3). A non-profit or government institution may have three high-level objectives for their “customers”: create value, at minimum cost, and develop ongoing support and commitment from its funding authority. From these three, these organizations may proceed to identify its objectives for internal processes and learning and growth that will enable them to achieve the objectives in its three high-level perspectives.

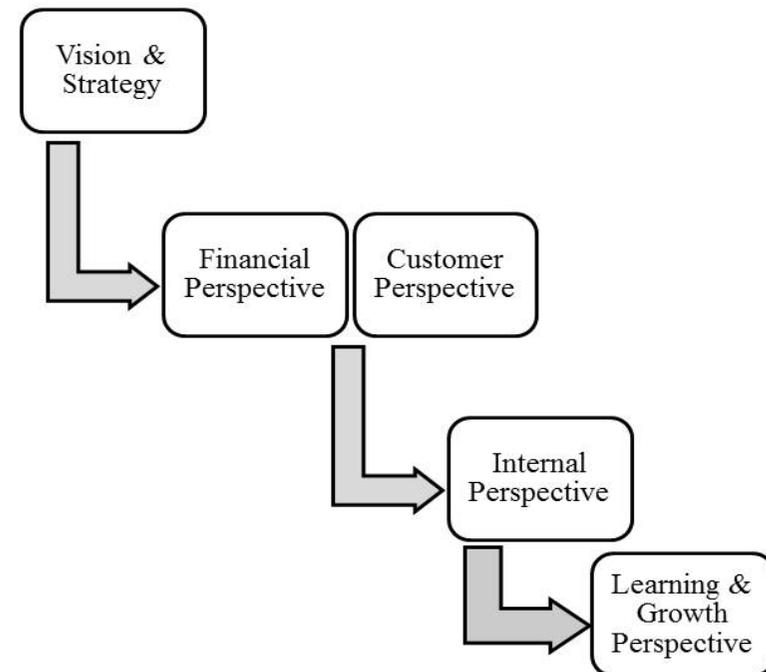


Figure 3. Balanced Scorecard for non-profit and government organisations

Use of Balanced Scorecard in Communications

Internal shared service departments, like ICT, HR, R&D, Finance, Marketing, and Communications, may develop a separate balanced scorecard to manage their organization, even without a broader corporate scorecard program. They can view themselves as a business-in-a-business and as

their customers other organization departments and business units or even external parties. While using the same underlying structure, the financial level of a shared service scorecard is the only component that is not fully analogous to a true business, because the financial objectives of a shared service department do not stand alone. In many respects, the financial layer of the strategy is similar to that of a non-profit or government organization: efficient in its use of resources, and with a higher-order goal to create benefits for its customers.

A balanced scorecard for a communications department would look like the one in figure 4: the top displays the vision and strategy of the communications department as formulated as part of the vision and strategy of the organization. The “customers” are on the one hand the board of directors that provides the department with a budget. In return, the board expects the department to contribute to the success of the organization (corporate perspective). On the other hand, the customers are internal and external stakeholders of the organization with whom the communications department develops relationships on behalf of the organization (the stakeholder perspective). The internal business process perspective includes the requirements for the activities of the communications department leading to satisfied ‘customers’. The last perspective, grow & learn, describes the developments of the communications department and professionals which are necessary to achieve the strategic objectives for the communications department.

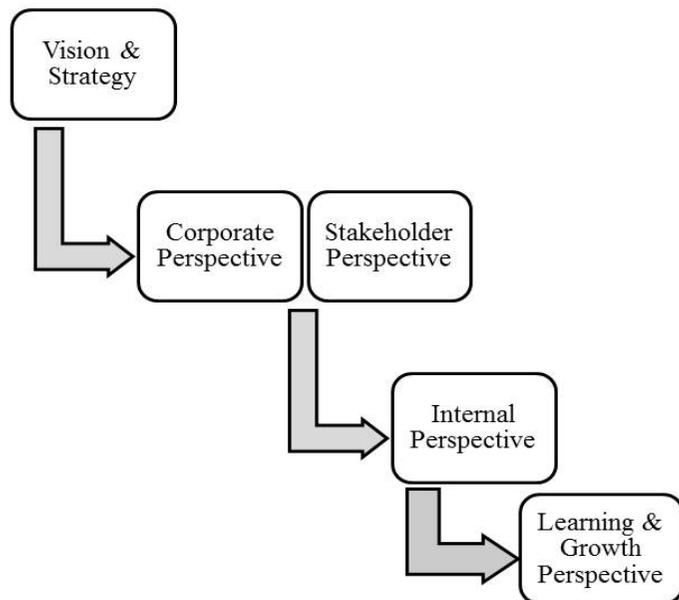


Figure 4. Balanced Scorecard for the Communications Function

Use of the Balanced Score Card in the Communication Benchmark

The starting point of the BSC is a vision and strategy. Entrepreneurs, as Kaplan and Norton identify, almost always split their strategy in a number of objectives to enable their organizations to weigh the conflicting priorities of the long and short term, or of growth and profitability, against each other. Strategic objectives generally represent what the management thinks should happen to make the company successful. Such goals are not about financial or customer results, but cover the internal measures which must be taken to ensure that the strategy will yield the intended results. The objectives are dealing with internal business processes. The objectives and internal processes are operationalized as follows.

Based on research amongst communications directors in the Netherlands about the position of their department within the organization (Boer & Croon, 2010), six strategic objectives for the communications function have been formulated (Table 1). If a communications department is able to realize these objectives, it will be seen as a positive contribution to the objectives and the success of the organization.

Table 1. Organisational Objectives for the Communications Function

Corporate & Stakeholder Perspective	
organisational objectives for the communications function	to play a strategic role in the organisation
	to make the organisation communicative
	to be accountable to the organisation
	to manage and reinforce relations with stakeholders
	to timely detect and effectively manage issues
	to reinforce the corporate reputation

The requirements for the communications activities in the internal business processes perspective (Table 2) are divided into four:

1. the communications quality,
2. the organization of the communications department,
3. the communications means, and
4. the communications expenditures.

The requirements for the *communications quality* have been derived from Vos and Schoemaker (2004). They distinguish a number of dimensions of communications quality that in our case may differ for each objective for the communications function, but at the same time have a common denominator: clarity (clear profile, distinctive, accessible, in clear language), environment orientation

(taking into account the internal and external environment, networking, and media contacts), consistency (the communications are coherent, have a thread that connects the activities over time and fit the project or organisational policies) and responsiveness (detect changes through monitoring and use feedback for improvement).

Table 2. Requirements for Communications Activities

Internal Processes Perspective		
requirements for communications activities	quality aspects	clarity
		environmental orientation
		consistency
		responsiveness
	effective staffing and infrastructure for the communications department	
	effective communications means	
	efficient processes and budgeting	

As part of the operationalization of ‘effective staffing’, part of the requirements for *organization of the communications department*, we have distinguished several levels at which the communications professionals operate. These levels relate to the professional profiles of communications professionals, developed by the National Association of Communications Professionals in The Netherlands, Logeion (Logeion, 2010). The levels can be described as: operational (level 1), operational – tactical (level 2), tactical (level 3), tactical – strategic (level 4) and strategic (level 5). Each higher level implies an increase in the autonomy and responsibility of the professionals. The knowledge and skills required to perform the communications tasks differ per level.

For this benchmark only the ‘corporate & stakeholder’ and ‘internal processes’ perspectives have been developed.

Critical Success Factors

In the BSC strategic objectives are primarily formulated to sharpen the focus of the organisation. The underlying idea is that at this strategic level it makes no sense to specify clearly to which aspects attention should be paid. This would be far too complex and would cause overlap with other levels of control as well. To determine to which aspects attention should be paid, Kaplan and Norton introduced the concept of Critical Success Factor (CSF). A CSF is a characteristic of

an organization or its environment that is essential for the success of that organization. This can be either positive or negative. Essentially it is about something so important to the organization that extra attention should be paid.

In the balanced scorecard for a communications department the CSFs are positioned on the intersections of the organisational objectives for the communications function and the requirements for the communications activities (Table 3). They describe what should be done in the communications department or what should be present to achieve the objectives for the communications department.

Table 3. Definition of CSFs in the Balanced Scorecard

	Corporate & Stakeholder Perspective: six organisational objectives for the communications function					
Internal Processes Perspective: communications quality, organization, means, expenditures	CSF	CSF	CSF	CSF	CSF	CSF
	CSF	CSF	CSF	CSF	CSF	CSF
	CSF	CSF	CSF	CSF	CSF	CSF
	CSF	CSF	CSF	CSF	CSF	CSF

For the benchmark, the CSFs are formulated as statements on which the respondents can agree on a scale from 1 (never) to 5 (always). In survey the respondents are asked to indicate to what extent the pre-defined CSFs are present in their organisation. The average score of all the CSFs for one particular objective indicates whether the communications department may be able to achieve the objective. The average of all CSFs for all objectives can be seen as an indication of the possibility that the communications function can contribute positively to the success of the organization. Please note that the extent to which an objective actually is achieved has not been investigated.

Questionnaire: additional questions

In addition to questions about the objectives and CSFs, we added several questions in our questionnaire about the current structure of the communications function. These questions were related to the communications disciplines that are present in the communications department

(such as internal communication, web communication, sponsoring, brand communication, public affairs). The questions concerned the available budgets per discipline and the number of professionals who perform tasks related to a specific discipline. Again we asked about the level at which the professionals perform, but now the questions concerned levels of professionals working in a particular discipline. Because respondents are used to think in terms of disciplines, these questions were rather easy to answer compared with the questions about the objective. For us it was important to be able to check if the answers would be consistent with the answers about the objectives and CSFs.

Some additional questions were added for another purpose. The launching customers had expressed the desire to compare their communications department with various peer groups. Ultimately, several questions concerned criteria for comparison, varying from financial basis (listed, privately funded, semi-government, non-profit) to external influence on the business (consumer market, business market, national politics, or international politics). Other criteria were related to the roots of the organization, the visibility to the general public, the industry in which the business operates, the annual turnover (in millions of euros) and the total number of employees in the organization. In the analysis of the benchmark these the respondents were compared to several peer groups, depending on whether there were enough respondents to make a reliable comparison.

Pretest and evaluation

A draft questionnaire containing about 300 questions has been developed which has been tested in interviews with nine communications directors of various big corporations (e.g. Unilever, Ahold) and semi-public organisations (e.g. Dutch Railways, University of Amsterdam): our so-called launching customers. Their first experiences with the questionnaire provided us with valuable feedback on the scope of the questions and on ways to limit the extensive draft questionnaire to a manageable online survey. A second version was submitted to three launching customers for verification.

In early August 2011, some 170 directors or managers of communications departments of Dutch companies and organizations received an email with a link to the online survey inviting them to participate in the benchmark. 49 of the 170 addressed persons have completed the online survey: a response rate of 26 per cent. In addition, 40 respondents partially completed the survey. Their data are used wherever possible in the benchmark.

Each of the launching customers was provided with an individual benchmark report in which the characteristics of communications department were compared with several peers. To evaluate

those benchmark results we have interviewed the launching customers and asked them to reflect on the results, and to discuss how they might use the results in their daily practice. This feedback has yielded useful information. The main conclusion was that the benchmark reports have surpassed expectations. That does not mean that there were no areas for improvement. An inventory of the feedback has been translated into points for improvement, which will be applied in a next version of the benchmark. These comments include formulation of questions, the length of questionnaire, the way of reporting the results and the timing of the online survey.

Results: achieving the objectives for the corporate communications function

In the benchmark survey, we have asked the respondents to what extent they make use of the six organisational objectives for the communications function and which one(s) they find most important (Figures 5 and 6).



Figure 5. Reported Use of Organisational Objectives for the Communications Function

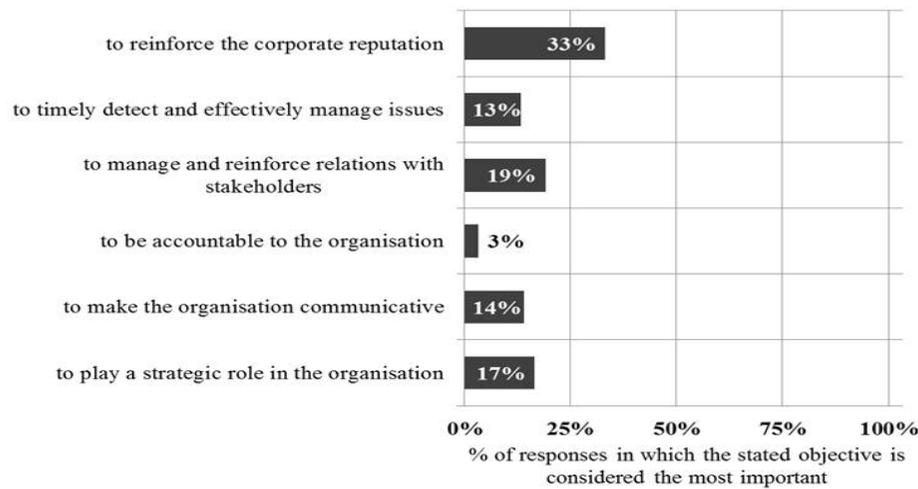


Figure 6. Perceived Importance of Organisational Objectives for the Communications Function

The objectives ‘to reinforce the corporate reputation’ and ‘to manage and reinforce relations with stakeholders’ were used most often and considered most important. ‘To timely detect and effectively manage issues’ and ‘to make the organization communicative’ are as well used frequently, but not many respondents regarded them as most important. Accountability proved not to be an objective of concern. Figure 7 shows the average overall CSF score for each organisational objective for the communications function.

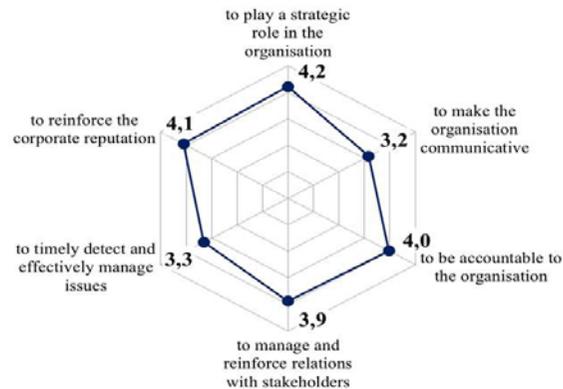


Figure 7. Average overall CSF scores for the Organisational Objectives for the Communications Function

These results show that communications departments generally score high on strengthening the reputation and playing a strategic role within the company. This is also in accordance with other research (Boer & Croon, 2010). In this survey among communications directors in the Netherlands over two thirds indicated to be a serious and very regular sounding board for their top management. Also notable is the relatively high score in terms of accountability, given the limited attention of the communications managers for this objective. However, the communications departments scored much lower on the objectives ‘to timely detect and effectively manage issues’ and ‘to make the organization communicative’.

With regard to a number of objectives, there proved to be a clear distinction in scores of semi-public institutions and businesses: the latter performed better on the objectives: ‘to manage and reinforce relations with stakeholders’ and ‘to reinforce the corporate reputation’ (Table 4).

Table 4. Average overall CSF scores for the Organisational Objectives for the Communications Function

Organisational objectives for the communications function	Bench mark	Semi-public	Business
To play a strategic role in the organisation	4,2	4,2	4,2
To make the organisation communicative	3,2	3,2	3,2
To be accountable to the organisation	4,0	3,9	3,9
To manage and reinforce relations with stakeholders	3,9	3,7	4,0
To timely detect and effectively manage issues	3,3	3,4	3,2
To reinforce the corporate reputation	4,1	3,8	4,2

In addition to questions relating to the CSFs, the benchmark survey also contained questions about the size of the communications department, the activities of the professionals, the management of the department and the available communications budgets.

The communications departments of our respondents counted on average 47 communications professionals. In semi-public institutions, the average was slightly higher: 53. Although the size of a communications department in most cases is closely related to the size of a company, we also see exceptions: large companies with remarkably small departments and relatively small companies with relatively large communications departments. The largest communications department, part of a company in the financial sector, employs 146 employees. The smallest communications department we found in business services. This department employs four staff members.

It is not surprising that communications departments of the respondents are relatively large if we take into account the number of communications disciplines that are reported to belong to the communications function. The average is 13.7 communications disciplines. Especially internal communication, crisis communication, reputation management and spokesmen invariably belong to the communications function. Public affairs, investor relations and community management are examples of disciplines that are often positioned outside the central (corporate) communications departments. Within the management team (MT) of a communications department the average of 3.3 MT members represents 8.2 disciplines. The communications director is mainly concerned with reputation management.

The level of professionals in the communications department is generally relatively high (Table 5); more than half of the employees are working at the strategic and tactical-strategic level (level 4 and 5). Especially in the disciplines of crisis communication, investor relations, issue management and reputation management the level of the professionals is higher than the level of professionals in other disciplines.

Table 5. Reported professional levels of employees in the communications department

Professional level of employees	Benchmark average
1. Operational	6%
2. Operational-Tactical	16%
3. Tactical	24%
4. Tactical-Strategic	31%
5. Strategic	22%

The volume of communications budgets has been mapped as well. Our respondents have an average communications budget of 4.5 million euros. Semi-public institutions in general proved to more employees than businesses, but they have a smaller budget available for the communications function (4.0 million). The number of communications disciplines is approximately equal to the benchmark average.

The Communications Benchmark gives customers also insight into how resources (budgets and people) are distributed. In most organizations about half of the communications disciplines get less than 5% of the communications budget. Approximately 10% of communications disciplines get more than 15% of the budget. From this we might conclude that most of the communications directors make clear choices in the allocation of the budget. Indeed, a small number of communications disciplines (internal communication, marketing, sponsorship and web communication) get the majority of the budget. Little is spent on communication research and professionalization. Please note that this is not the case for all organisations.

Analysis of the benchmark outcomes by connecting data

The average overall scores on the CSFs as presented in the spider web diagram will not provide communications directors and managers with sufficient information about how to develop a communications function that actually contributes to the success of the organization. A first step is to analyse and interpret the data, to find possible causes to explain poor scores. In the end, the communications director and his team have to decide which (combinations of) causes apply most to their situation. Next step would be to find solutions that fit in the causes and implement them. In this paper we focus on the first stage. To enable the respondents to interpret the benchmark data we developed two different routes, both starting from the spider web diagrams (Figure 8).

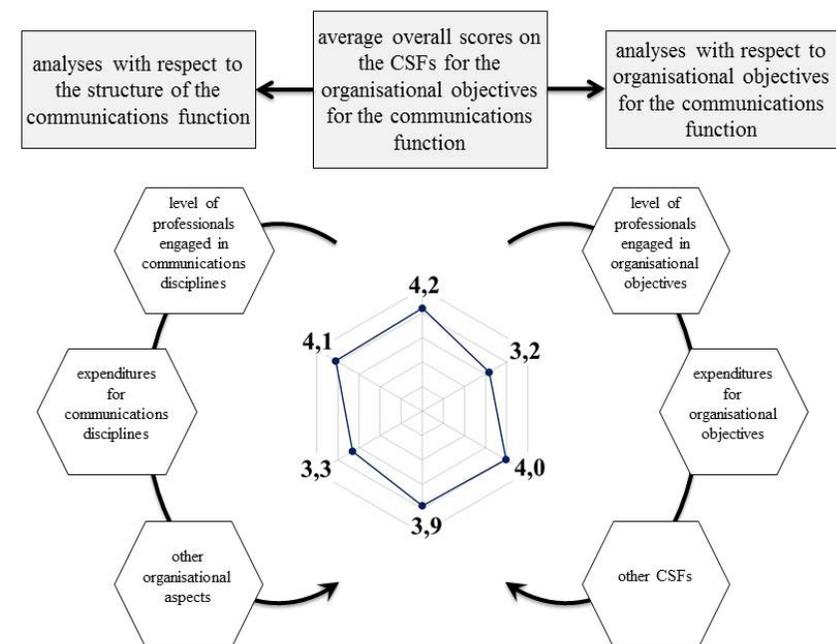


Figure 8. Various methods to analyse causality in benchmark data

The first route to search for possible causes of poor scores on the CSFs may start with determining whether one or more of the individual CSFs show any deviation relative to the benchmark average. But there are many CSFs to analyse. Therefore we focus on two sets of factors which are clearly identifiable, have potentially major impact, and possibly are related: the levels on which the professionals perform to achieve an objective and the budget available for the objective.

As we saw earlier (Figure 7) respondents generally scored high in terms of reputation management and playing a strategic role within the company. This seems hardly surprising, as it appears that to achieve these objectives, particularly professionals with the most strategic (the “highest”) profiles are employed. In addition, to enhancing the reputation relatively much money has been spent.

Communications departments scored much lower on the targets ‘to timely detect and effectively manage issues’ and ‘to make the organization communicative’. If we connect these goals with allocated budgets and job levels, it is apparent that in reaching the objective ‘to timely detect and effectively manage issues’ relatively many communications professionals with a strategic profile are involved, but that the allocated budget is relatively low. In case of the second objective we see the opposite. Although the budget is relatively high, there are only few professionals who operate on a tactical-strategic or strategic level. The observed absence of high-level professionals and/or sufficient budget could be an explanation of the lower scores.

As mentioned before, the scores on other specific CSFs could explain a relatively poor score in one of the objectives as well. In the benchmark survey the CSFs have been formulated as statements on which the respondents can agree on a scale from 1 (never) to 5 (always). For example, in the benchmark 14 CSF’s have been used to assess the objective ‘to timely detect and effectively manage issues’, including:

- the central communications department tackles issues in close collaboration with line management;
- the organization has established procedures for managing issues;
- after an issue is solved the central communications department evaluates the way the issues were handled;
- evaluation results are reported to the central management.

In this case the first of these four mentioned CSFs is particularly interesting. It is striking that in achieving both objectives with the relatively low scores (‘to timely detect and effectively manage issues’ and ‘to make the organization communicative’) the co-operation of communications professionals with the line is essential. This co-operation requires different knowledge and skills than in achieving other objectives: rather than the expert role, it is mainly the analytical and social skills that characterize the role of the professionals involved. May this be another possible direction to get better scores?

A second way to interpret the benchmark data is to link the scores on the CSFs for the six objectives to corresponding communications disciplines. Again, the professional level of employees is used as a starting point to search for possible causes of low scores. An example: based on the scores on the objective to ‘timely identify and effectively manage issues’, we may look for possible explanations for the scores by checking how many employees work in the communications

disciplines *issue management*, *crisis management* and *spokesperson* and on what level they operate. We also may examine which budget has been devoted to these disciplines, whether the disciplines are represented within the management team or not, and whether the communications director pays personal attention to any of these disciplines. If the scores on these factors differ clearly from those of other respondents within the peer group, it could also be an indicator of a possible cause.

In the final meetings with the 9 launching customers, both ways to combine and interpret the benchmark data were used to explain the outcomes of the benchmark results. The communications directors stated that these guidelines helped them to search directly for possible causes that could explain the performance on the objectives for the communications function: a starting point in making better decisions.

Discussion

The starting point in developing the benchmark 2011 was demonstrating the added value of the communications function for an organization. The use of the balanced scorecard of Kaplan and Norton made it possible to design a benchmark in which a connection has been made between the performance of the communications department and organisational objectives.

The process of distinguishing and formulating the CSFs was a constant interaction of theory (Kaplan & Norton, 2011; Vos & Schoemaker, 2004) and practice: the input of communications consultancy Boer & Croon in the Netherlands and the feedback of launching customers: 9 communications directors of large companies and semi-public organizations, who commented on every stage in the design process. In this way we made use of the principles of design based research (Uitbeijer, Van der Sanden & Meijman, 2010).

Despite the positive feedback and assessment by the launching customers and respondents to the benchmark there are still some questions to be answered and various improvements seem possible.

The benchmark survey is filled in by communications directors or managers of various companies. They were asked to express their opinion as to what the extent their communications department meets the various criteria for the success of the communications department. From the interviews with the launching customers we learned that some respondents were critical towards their own performance, and others depicted the functioning of the department rosy. This makes the results less objective than desirable.

The respondents needed at least 30 minutes to fill in the online survey: not only because the benchmark survey was rather long, but also because the respondents were not used to operationalize objectives. Questions about the amount of employees working to achieve an objective or about available budgets related to a particular objective proved to be difficult to answer. In the future respondents have to be better informed about the time required and have to be challenged to fill in the entire questionnaire.

The benchmark results for the objective 'to be accountable to the organization' proved to be high (an average of 4.0 among all respondents). This is remarkable because there is a discrepancy between this score and the fact that none of the respondents indicated that it is a very important objective to achieve. Moreover, on average there is little money to be spent to achieve this objective and the level of the employees who work on achieving the target is relatively low. How to explain this outcome? In the Netherlands the importance and need of accountability is stressed, in journals and at conferences. It is possible that the respondents are feeling the pressure to give socially desirable answers, more than with respect to other objectives. Another cause could be related to way the CSFs are operationalized in the benchmark. Although the benchmark contains many CSFs on this point, there might be too little reference to the frequency of accountability and the way the accountability process takes place.

In this paper we proposed two different ways of analysing the benchmark results. It is a first attempt to meet the demand of the launching customers to provide clear guidelines for the 'translation' of results into the causes and possible improvements. For them as practitioners who are always dealing with too little time it is difficult to quickly get to grips with the enormous amount of data from the benchmark. But before we can present them as guidelines they must be substantiated with research. Moreover, in developing such guidelines there is always the potential danger that other possible (combinations of the) data are overlooked.

Conclusions

The main question of this paper was how to design a communications benchmark which makes it possible to measure and visualize the value of the communications function for the organization. By making use of the Balanced Scorecard of Kaplan and Norton (Kaplan & Norton, 2001) and to adapt it to the situation of communications departments, the foundation of the Communication Benchmark is laid. By working closely together with launching customers and communications consultants, and combining theory and practice (according the insights of design-based research), six organizational objectives were formulated for the communications function, each of them with corresponding critical success factors. The respondents, communications directors of big semi-public organizations and business, were asked to express their opinion as to what the extent their

communications department meets the various criteria for the success of the communications department. If a communications department is able to realize these objectives, it is considered as a positive contribution to the success of the organization. The benchmark design enables an organization to compare its communications function with other organizations on the basis of various criteria, provided that there are enough participants in the benchmark. A first tentative step has been set to develop guidelines to interpret the benchmark data and find causes for poor scores. But additional research is needed to design tools for communications directors to help them decide which (combination of) CSFs will be most relevant to contribute as efficiently and effectively as possible to the organization as a whole.

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The State of the PR Profession in Serbian Companies: A Comparative Study in 2006 and 2012

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ABSTRACT

This paper presents the research results of PR profession state in Serbian companies. The research has been conveyed in two periods: during 2006 and 2012. In both cases, it was done through surveying 70 PR practitioners in Serbian companies. The questionnaire from 2012 contains 16 questions. All of them were asked in 2006 as well, and the states from these two periods were compared. The results indicate minor changes, pointing to stabilising of state of PR function in Serbian companies. In 2006, PR practitioners have considered themselves and their profession slightly more significant than they were in reality, while top managers have underestimated them and their profession. In 2012, PR profession and PR practitioners were assessed more objectively by the society, top management, but the PR practitioners as well. On one hand, common opinion of PR profession and PR practitioners is slightly lower, as well as the PR practitioners' opinion of their profession's significance and perspective. On the other hand, top managers begin to give a more important role to PR profession. This creates conditions under which the PR practitioners are motivated to a greater extent, get the greater opportunity for advance and become more successful in their job. A more objective view of the PR profession and practitioners by both PR practitioners and top managers helps assessing the PR profession perspectives in Serbia as better than they were six years ago.

KEY WORDS: PR practitioners, research, state of PR profession, comparison, Serbia.

Introduction

According to (Sha, 2011), PR profession has significantly changed over time, but PR practice remained the same. Nowadays, a significant interest in state of PR profession and practice in world is notable. The researches on this topic are numerous and ubiquitous. For instance, PR function in Japanese companies is mainly the media advertising (Muk, 2012). Meanwhile, Japanese PR practitioners focus on bonding with leading journalists. In New Zealand there is a slightly negative opinion of PR practitioners (Steme, 2008). There is a clear difference between outsourced PR consultants and PR consultants from the company itself. It is better when PR is an integral part of the company, especially in the time of crisis. This research has shown that marketing perceives PR as its own service, while top management considers it a service of company's strategic objectives. A comparison between the North American, European and Asian companies in the light of three types of indicators linked with communication was done in the reference (Gill Dickinson, & Scharl, 2008). North American companies give most attention to environmental and economic indicators, while European companies give most attention to social indicators.

In South Africa PR practitioners consider the external communication as more significant than the internal, because it is believed to have greater strategic significance (Leonard & Grobler, 2006). A lot of PR managers think that communication presents tactic tools without strategic significance, therefore PR managers are not sufficiently appreciated. Also, it has been found out that South Africa has a need for a new type of PR practitioners who will be able to deal with complex business atmosphere, typical for this country. Similarly, some other researches (Niemann-Struweg & Meintjes, 2008) point to the need for the PR function to be professionalised in South Africa. This way, the reputation and significance of PR profession in South Africa can be raised. In Kenya, personal influence of managers shape public relations to a great extent (Kiambi & Nadler, 2012).

In Belgium, realization of PR activities and communication is too focused on positive aspects (Gelders, Verckens, Galetzka & Seydel, 2007). Communication in Belgian companies is not sufficient, both in qualitative and quantitative way. The research (Alikilic & Atabek, 2012) has shown that, among others, PR practitioners in Turkey are highly aware of the PR function significance. In the reference (Kirat, 2006), development of PR in Arab Emirates was studied. In this country, PR profession is under great influence of social, economic, educational and cultural development. It is obvious that the need for PR practitioners is becoming stronger and the perspectives of the PR profession are excellent.

It is particularly significant to look at the situation in the region close to Serbia – country which is the subject of this paper's research. According to (Verčić & Tkalac Verčić, 2012), PR has a headway in East and Central European countries. According to (Dolea, 2012), PR is a relatively new profession in Romania. It started to develop just after the socialist regime's fall, which has

not understood and accepted PR concept. Today, PR in Romania is fairly successful in practical, but not in scientific and theoretical way. According to (Taylor, 2004), in referent neighbouring countries (Croatia, Bosnia and Herzegovina, Hungary, Romania, Bulgaria) PR activity has been developing more intensively over the past 15 years (since the nineties). The reference (Kent, Taylor & Turcilo, 2006) indicated that PR is developing in Bosnia and Herzegovina and that this area has a good potential. PR managers are good in their job, but transitional business conditions limit their work. According to (Žlof, 2007), journalists think that PR in Croatia is mature and in constant rise. The references (Verčič, Tkalac Verčič, & Laco, 2006; Verčič, & Tkalac Verčič, 2007; Verčič & Tkalac Verčič, 2012) reveal that PR profession is really developed in Slovenia and that this country is one of the leaders in this area in CEE region.

History, national culture and influence of socio-cultural environment frequently have a significant role in PR of certain countries. Thus, for example, the reference (Kang, Berger & Shin, 2012) points to the similarities and differences in reaction of American and Korean PR practitioners under conditions when their organisations make unethical decisions. The differences arise from the national cultures' differences. According to (Wu & Baah-Boakye, 2009), PR in Ghana are under strong influence of cultural values. In Gabon it has a good perspective, but also certain specificities arising from history, society and culture (Oksiutycz & Enombo, 2011). According to (Al-Kandari & Gaither, 2011), PR practice in Arab civilisation is under great significance of organisational and national culture. Historical and socio-cultural factors significantly shape PR profession and practice in Romania, but in other countries in transition as well (Vanc & White, 2011).

Such a broad overview of various experiences can be concluded with the statement that, generally, public relations have a good perspective (Gregory, 2012). Thereat, it primarily means that public relations have good chances for development in scientific and practical sense. Gregory (2012) cites three facts confirming this attitude. Firstly, there is an increased number of scientists and scientific papers in this area, a growing number of PhD study programs and researches from various countries, coming from PR practitioners. Secondly, PR practitioners have an increasing reputation and higher positions in their organisations. Thirdly, PR area is increasingly appreciated in scientific and academic sense, as well as the journals from this area.

It is obvious that PR records a progress in underdeveloped countries, but the battle for its reputation is still on. In Serbia, this profession became more significant only just after the political change in 2000. Over the last several years, public relations practice has made substantial progress due to the increased number of foreign and international countries which have entered the Serbian market. All this created the need to examine and study PR, as well as the very people who deal with this activity. The aim of this paper is to compare the current PR state in Serbian countries with the state recorded in 2006 (Nikolić, Đorđević, & Čočkaló, 2007).

Method

Survey instruments (measures)

The previous research into PR profession state in Serbian companies was conveyed in 2006 (Nikolić, et al., 2007). A survey with 29 questions was used. The questionnaire from 2012 contains 16 questions, all of which were asked in 2006 as well. In this way, it was possible to make appropriate comparison of the states in the period given. The questions were as follows:

Q1: How satisfied are you with the job of PR practitioner?

Q2: How motivated are you for the job of PR practitioner?

Q3: What are the chances of professional improvement from the position of the PR practitioner?

Q4: What are the chances of promotion in the career from the position of PR practitioner?

Q5: How important do you think your job is for the company's business success?

Q6: How appreciated is the job of PR practitioner in your company?

Q7: How much is the job of PR practitioner appreciated by your friends?

Q8: How appropriate is the job in PR function in Serbia?

Q9: What are the prospects of PR profession in Serbia?

Q10: How often do you travel abroad per year (on business)?

Q11: How long is your workday (in average)?

Q12: Level of your previous education.

Q13: Type (profile) of your previous education.

Q14: What is the need for developing specialized educational programs for acquiring knowledge and skills in the field of PR?

Q15: How successful do you think you are in your job?

Q16: Did you plan to do the job of PR practitioner?

All of the questions, with the exception of Q13 and Q16, used the five-point Likert scale. Q16 used a three-point Likert scale, with the following numerical distribution: Yes – 5, Maybe – 3, No – 1. Q13 (as in the previous research from 2006) offered ten possible answers, and each of the answers was attached to a certain number on the scale from 10 to 1. Thus the Q13 offered the following answers: a) Organisation and management – 10, b) Engineering disciplines – 9, c) Economy – 8, d) Law – 7, e) Sociology – 6, f) Psychology – 5, g) Journalism – 4, h) Literature and languages – 3, i) Artistic discipline – 2, j) Others – 1. In this way the t-test application was enabled with this question as well. However, this question requires additional analyses, which shall be mentioned in the Discussion section.

Participants and data collection

Both researches (from 2006 and 2012) were conveyed among PR practitioners employed in Serbian companies. The 2006 research included $N_{(2006)} = 70$ respondents. The 2012 research also included $N_{(2012)} = 70$ respondents. However, the respondents and companies from the two periods were not the same. Thereat, the possibility of respondent and/or company overlap is not excluded.

Results

A t-test (independent samples test) was applied to these two data categories (data from 2006 and data from 2012). Basic results of statistical processing were given in Table 1. It is notable that four questions (Q7, Q9, Q10 and Q14) have a statistically significant difference between the observed data groups. These four questions' results are specially marked in Table 1.

Table 1. Basic results of statistical processing

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Table 1. Basic results of statistical processing

Quest.	Group	N	Mean	Std. Dev.	Std. Err. Mean	t	df	Sig. (2-tailed)	Mean Differ.
Q1	2006	70	3.70	1.012	.121	-274	138	.784	-.043
	2012	70	3.74	.829	.099				
Q2	2006	70	3.73	.916	.109	-1.657	136.209	.100	-.243
	2012	70	3.97	.816	.098				
Q3	2006	70	3.29	.950	.114	.000	125.383	1.000	.000
	2012	70	3.29	.684	.082				
Q4	2006	70	3.39	.937	.112	-.893	138	.373	-.129
	2012	70	3.51	.756	.090				
Q5	2006	70	4.44	.605	.072	1.521	138	.131	.157
	2012	70	4.29	.617	.074				
Q6	2006	70	3.47	.847	.101	-.801	138	.425	-.114
	2012	70	3.59	.843	.101				
Q7	2006	70	3.96	.824	.099	2.458	138	.015	.314
	2012	70	3.64	.682	.081				
Q8	2006	70	3.10	.965	.115	.105	116.271	.917	.014
	2012	70	3.09	.608	.073				
Q9	2006	70	4.07	.804	.096	3.056	138	.003	.371
	2012	70	3.70	.622	.074				
Q10	2006	70	2.16	1.187	.142	-3.124	138	.002	-.643
	2012	70	2.80	1.246	.149				
Q11	2006	70	3.41	1.161	.139	.943	138	.347	.186
	2012	70	3.23	1.169	.140				
Q12	2006	70	2.84	.555	.066	-.258	138	.797	-.029
	2012	70	2.87	.741	.089				
Q13	2006	70	6.60	2.881	.344	-1.202	138	.232	-.586
	2012	70	7.19	2.886	.345				
Q14	2006	70	4.23	.685	.082	3.004	138	.003	.386
	2012	70	3.84	.828	.099				
Q15	2006	70	3.76	.690	.082	-1.406	138	.162	-.157
	2012	70	3.91	.631	.075				
Q16	2006	70	2.76	1.508	.180	-.055	138	.956	-.014
	2012	70	2.77	1.580	.189				

Discussion

Results from Table 1 show that the majority of questions (12 out of 16) have no statistically significant difference of results from 2006 and 2012. However, some of these 12 questions do have certain differences. Job motivation of PR practitioners is slightly higher than before (Q2). The chances of promotion in the career is also slightly bigger than before (Q4). PR practitioners in 2012 give less significance to their job than they did in 2006 (Q6). This finding is in compliance with the reference (Gregory, 2012). In 2012, PR practitioners consider themselves more successful in job than they did in 2006 (Q15). Questions like PR practitioners' satisfaction with the job, professional specialization possibility, suitability of conditions in Serbia for working in PR function, level of PR practitioners' prior education, show almost no difference between the two periods.

As it has already been remarked, Q13 is specific, hence it requires additional consideration. There is no significant statistical difference in PR practitioners' prior education type in the two periods. However, counting the frequency can reveal that the basic difference in comparison to 2006 is that PR practice has considerably fewer economists and slightly more managers and engineers. This can be interpreted in two ways. Firstly, last six years have seen a large number of graduates from Serbian faculties in various management fields. Secondly, people from other professions were released from engagement in public relations, so economists have lost their supremacy in the field.

Minority of questions (Q7, Q9, Q10, Q14) show a statistically significant difference between the observed data sets. This has shown significant changes compared to the state from 2006. Now the job in PR is less appreciated by the society than it was the case six years before (Q7). Also, PR practitioners now have a greater number of business journeys abroad than in 2006 (Q10). Finally, PR practitioners believe that there is a significant need for PR study programs development on faculties, while in 2006 that need was represented as significantly greater (Q14).

The identified changes are generally in the negative direction. The exception was Q10: increased number of journeys abroad. This comes partly as the result of opening of Serbia towards EU and liberalisation of visa regime (which has limited people from Serbia to travel abroad over longer period of time), and partly as the result of greater need for PR practitioners to travel abroad for job or specialisation. The decline in respondents' average marks to remaining three questions can generally be interpreted as the decline of initial enthusiasm and delight with public relations. What has to be noted is the relative youth of PR discipline in Serbian companies. Generally, people regarded PR practitioners as 'well dressed people speaking well', which means they are certainly very important. Nowadays, PR practitioners have been demystified. By all means, this means no negative attitude. Simply, PR practitioners now get no greater importance than the one really belonging to them.

The same situation occurs regarding PR profession perspectives in Serbia. It was believed that 'well dressed people speaking well' and their profession should have a brilliant perspective in Serbia. In the same way, it was believed that the need for developing special study programs for PR on faculties is significant. Nowadays, according to the respondents' opinion, this need is much lower. Meanwhile, Serbia has not seen expansion of faculty study programs for public relations. Therefore, the fact that the need for these study programs is lower is not the result of their development over time, but the fact that this need was reduced to the considerable level.

Conclusion

Based on the comparison of PR profession state in Serbian companies in 2006 and 2012, it is obvious that slight changes in this area have occurred. However, although small, these changes are important since they point to certain stabilisation and balancing of PR state in Serbian companies. As it has already been told, PR is a relatively young profession in Serbian companies. Only results from 2012 shed the real light on results from 2006. As the PR practitioners have given themselves and their profession a greater significance than they really had and top managers underestimated them, nowadays PR profession and practitioners get a more objective assessment, role and importance from the society, top management, but from PR practitioners as well. On one hand, general opinion of PR profession and practitioners is somewhat lower, as well as the opinion of PR practitioners on their profession's significance and perspective in Serbia. On the other hand, top managers are beginning to appreciate PR profession to a greater extent. This creates conditions under which PR practitioners are more motivated, get more advancement possibilities, travel more abroad on business and are therefore becoming more successful in their job.

It may seem absurd, but PR profession perspectives in Serbia can be evaluated as better than they were six years before, even though this question was better assessed then. This is contributed by this fairly more objective view of the PR profession and practitioners, from both practitioners' and top managers' point of view. This is a positive sign and basis for belief in a positive perspective. This trend should be expected to continue, i.e. PR profession in Serbian companies should continue to stabilise. Therefore, the conditions for real and proper PR profession development in Serbia are being created.

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The Status of the Profession: Romanian PR in Crisis – The Specialists' View

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ABSTRACT

Part of the Eastern bloc until 1989, Romania had been under a 40-year draconic regime based on state propaganda and denial of freedoms of expression and information where developing a genuine communications industry equalled a capitalistic dream. However, after the fall of the Iron Curtain, PR has boomed once university education departments, local agencies and the Romanian Association of Public Relations were founded. In the early 90s, Romania and the Central-East European countries were witnessing the birth of the so called transitional PR (Ławniczak, *in van Ruler, Verčič*, 2004), a period when the field was struggling to get public recognition. Nevertheless, in the absence of solid traditions, until now, the evolution of PR in Romania has confirmed the Central-East European trends of maintaining a moderate negative image of the profession (*European Communication Monitor 2011*), due its associations with propaganda or more subtle advertising.

However, experts consider the Romanian PR market has professionalized in the recent years, its progress being confirmed by internationally recognized awards. Just before the economic downturn in 2008, Romanian public relations were enjoying effervescent times, counting over 100 agencies, with turnovers ranging from tens of thousands of dollars to several millions, budgets of 65,000-70,000 euro per campaign and around 15,000 practitioners (estimation of the *PR Agencies Club*, 2007). Thus, when the economic crisis was hitting the European PR industry, the Romanian market was at its peak, showing high employee mobility and increasing salary pretensions. In spite of the initial optimism in 2008, the *EMEA Consultancy Report Card 2011* pointed out that conditions have worsened in Europe due to austerity measures, slashing PR funds, “[little] client understanding of the benefits of public relations, competition from other marketing services business, and [limited] ability to attract top talents to the profession”.

What about Romania? This article seeks to show how Romanian PR specialists have perceived the effects of the crisis in the period 2008-2011, stressing issues and concerns of the industry in relation to the international trends. The foundation of the essay will be a media-monitoring based research on the opinions of agency PR specialists analysing the crisis' implications on several business dimensions covered by the most important specialist web-sites. The research will focus

on five main pillars: the crisis' impact on the PR businesses, the consequences on employees, the evolution of related fields, identification of future trends and changing in the perception about the profession. The study will comprise a *longitudinal approach for 2008, 2009, 2010, 2011* comparing the evolution of the indicators from the very beginning of the crisis.

In conclusion, as there is almost no compiled data on the economic crisis effects, the article will represent a milestone for both academia and businesses references to the post-crisis Romanian PR industry. For the academic world, the article feeds into the series of researches on the cultural differences of PR in European nation states, stressing the response to the crisis of a transitional market that been forced to mature in two decades. For the business, the research aims at offering a clear picture of the changes in the status of the profession in Romania and at giving one of the first estimations of the crisis effects together with highlighting fast growing trends for the near future.

KEY WORDS: public relations, crisis, profession, change, employment, Romania.

Lost in translation: PR in Romania and East Europe

Romania's contemporary history course was similar to other socialist countries facing a planned economy, centralised political power with no free elections and a unique party, strong cult of personality of the leader and propaganda. Commercial communication activities were scarce due to lack of competition (there were only public companies) and limited freedom of expression (the National Television, Radio, cinema and central newspapers were controlled by the Government). In this context, a genuine communication industry could not have existed.

Just after the fall of the Iron Curtain, the free media exploded, followed by the development of political and commercial communication agencies (Drăgan *in* Bălăşescu, Dumitriu, 2012). The beginning was characterised by euphoria and a "savage capitalism". The first PR academic programmes were developed in 1991 (a post-graduate degree offered by the National School of Political and Administrative Studies), and in 1993 a PR and Communication department was founded within the University of Bucharest. The first PR agency appeared in 1992 (Perfect Ltd.) and in 1996 the Association of Public Relations Professionals was founded (Boţun, Ferugean, 2008). Since then, the market has boomed: multinationals have established their communications departments, local and international agencies opened and other bachelor, masters and doctoral programmes were running in various universities all over the country. The industry was rapidly growing and was offering a tempting career path for many young people.

As identified in other European countries like Poland (Ławniczak, 224 *in* van Ruler, Verčič, 2004) the Romanian PR added the transitional, 5th dimension to the global four: managerial, technical, educational and reflective (van Ruler, 2000 *apud* Ławniczak *in* van Ruler, Verčič, 2004). The transitional dimension of Romanian PR as a pillar for promoting the principles of the market economy was identified rather early. At the beginning of the 90s there was much confusion and fear amongst the adult population regarding the consequences of market economy. Thus, in 1993 the National Agency for Privatisation, Deloitte & Touch and Robinson Lake Sawyer Miller Group have developed a campaign named "Bună dimineața, România!" ("Good morning, Romania!") explaining to citizens the role of the market economy, of privatisation, foreign investments, initiative and the newly created institutions like The Romanian Stock Exchange (Stan, 2001). The raising awareness campaign enjoyed a huge success and excellent media coverage. The team which has created it would later organise itself into a PR agency, BDR Associates and would further develop public awareness campaigns for public authorities.

In Romania, public relations are a new organisational function from both terminology and role points of views. The market generally employs terms like *public relations* (in English), the direct translation *relații publice*, PR (which can bear a negative connotation) or communication. In 1997, The Public Relations Specialist profession was introduced in the Classification of Occupations

in Romania due to an extensive demarche of the Romanian Association of Public Relations Professionals. In the absence of genuine Romanian PR traditions, the profession was perceived in a distorted manner, as propaganda or more subtle advertising and had little to do with the quality of the services delivered by PR agencies. Public relations suffered from *bad image due to lack of tradition, not only within the profession as such, but also in the public space characterised by indifference towards the common good, insufficient culture of management, strategic thinking and long-term vision, civilization of dialogue, and respect for difference*, comments Conf. univ. dr. Dumitru Boţun, former President of the Romanian PR Association (Iloviceanu, 2007).

In spite of the fact that the term *public relations* has its particularities in Romania, some aspects are common to other East European countries (Zlateva, 77 *in* van Ruler, Verčič, 2004). Like in Bulgaria, one has inherited the denomination *relations with the public* largely used during the socialist regime for the customer service offices of public institutions. As argued (Stoica, 2005), there are several important differences between the two terms. *Relations with the public* equals customer relations, where the general public (the clients/customers/ citizens - external publics) can ask questions, file complaints etc. It generally involves a one-to-one relation, it is not a strategic function, but it can provide the public relations specialist with feed-back for research (Stoica, 2005). On the other hand, *public relations* are a broader corporate function, which can target both external and internal publics, it is not limited to a unique category of publics and it has a strategic role. It involves one-to-many communication processes and it maintains relations with several publics: shareholders, stake-holders, media, governments, interest groups, clients etc. (Stoica, 2005). However, in Romania, an important part of society is still confusing the two. As for the place within organisations, public relations specialists enjoy different positions. In several big companies or multinationals, the Public Relations Director is the spokesperson and reports directly to the CEO. In some others marketing and communication form a single department or the communication specialist position fulfils an eclectic role (communication, PR, marketing, internal communication etc). On the contrary, there are enterprises which face a deep fragmentation of positions: internal communication / marketing / press relations/ CSR / online communication specialists etc. Small-medium enterprises might not have a PR person at all or just have one employee dealing with all communication areas.

The PR industry under siege: Research method

The present article is the result of consulting over 75 online articles on the first 30 Google pages (10 results/ page) most of them emerging from key words research: "communication", "public relations", "economic/ financial crisis" (in Romanian). The articles are distributed as following: 2008 (2 articles, the only ones found), 2009 (25 articles), 2010 (13 articles), 2011 (10 articles) and other articles from various years, including 2012. Articles mainly come from specialist/ business

online magazines such as Wallstreet.ro, Strategic.ro, PR-romania.ro, MediaAddict.ro, Forbes or Daily Business. The majority of the articles quote opinions of various PR specialists (mainly agency people) fact that impacts the research method. I used the content analysis method and considered for each article three possible types of references: negative, positive or neutral (the situation will stay the same). Each mention has been counted as many times as appearing in the article, as long as it was attributed to a different source (if the article quoted the opinion of various specialists, each time a mention to, e.g., budget, was made by a specialist, it was counted). Thus, I had 380 references on the four years, as shown in Table 1. As technique of analysis, I used percentages and each year was divided by its total number of mentions.

References were put in categories which could be associated to the crisis. First of all, the article highlights the *impact on the PR businesses*, including revenue decreases, evolution of clients' and services' portfolio, affecting clients' media budgets, competition and the side-effects on other communication areas. Another serious consequence of the crisis is the social one: high unemployment rates within the communication industry worldwide. The *impact on employees* is measured through indicators such as: size of redundancies, unemployment rates, working conditions, salary evolution, job opportunities and promotions, and investment in personal development. Apart from these two main indicators, the research is completed by the *identification of trends* related to the evolution of services delivered (growth and decrease, birth of niche fields) and the *development of related fields* such as advertising, journalism and new media. Nevertheless, the paper also underlines the positive changes in the industry, especially with regard to *perception of the profession*, in the light of the general opinion that only the best agencies and specialists have survived on the market. This dimension gathers three important indicators related to improving levels of competence, transforming PR into a genuine partner of the business and acquiring a more strategic role. The study comprises a *longitudinal approach for 2008, 2009, 2010, 2011*, comparing the evolution of the indicators from the very beginning of the crisis. It is rather a descriptive research, showing the evolution and perception of the Romanian PR field after 2008, including a short analysis of the market before the crisis.

The limits of the research lay in several considerations: the findability of sources (articles that might have been deleted, removed or not accessible) and the moderate number of articles analysed whose generalisation might not reflect the opinion of the whole market. The articles comprised the opinions most of agency people and little sources about PR people working for corporations have been available.

2008 – Under the sign of disbelief

In spite of 2008 being considered the breaking off point of the economic crisis globally, the Romanian PR industry has not reported it as such. Until 2008, PR and advertising firms have experienced constant growth and the apocalyptic scenario already on fast forward in more mature economies seemed impossible. Therefore, scarcely have I found articles on the crisis, and overall, 2008 is rather optimistic.

In 2008, more than 15,000 professionals were active on the Romanian public relations market and most of them were hired in the public institutions, in spite of not having proper qualifications. However, Romanian PR specialists consider that by that time, the market had already professionalized as more and more PR graduates were entering the guild (Borțun, Ferugean, 2008). There were around 100 agencies, with turnovers ranging from several thousands to several millions Euros. Turnovers of PR agencies and PR departments of full-service communications agencies in 2007 were estimated at 20 million Euros (estimation by The Practice). At the level of 2007-2008, an average PR budget ranged between 65,000 to 70,000 Euros, according to a study by The Romanian Club of PR Companies, out of which the fees for the PR agency varied considerably, from less than 10% up to 95% for crisis management. Prices per hour varied according to the level of competency of the persons involved: thus, an account executive could have cost about 30 Euros per hour, while an agency account manager would have risen up to 60 or even 120 Euros per hour (estimation by Media Image) (Borțun, Ferugean, 2008).

In 2008, the international PR industry was already sending warning messages about possible communication budget cuts globally, from the US, to India (The Economic Times, 2008), and unemployment, especially for young graduates (Boag, 2008). Similar pessimistic approaches have reached the Romanian market and, consequently, most of the fears of PR practitioners started gravitating around the *business* and *personnel dimensions*, predicting a decrease in revenues, number of clients, personnel lay-offs and a negative evolution of other communication areas (advertising). However, there is a general feeling that opportunities will arise as well, here including: *service diversification*, focusing on *crisis communication* as area of specialization. Yet, PR practitioners are reluctant to say that the crisis will bring any improvement at the level of the profession as a whole (Stanciu, 2008).

2009 – Requiem for the Romanian PR industry

2008 can be considered an overture of what the industry would face in 2009. One year later, the optimism would have faded completely and 2009 can be considered the most pessimistic year out of the four analysed (figures for 2008 will not be included in the quantitative analysis due to

limited number of references 32, 10 positive, 4 neutral, 18 negative). As well, the highest numbers of references about the crisis' effects on PR and communication industries is recorded this year. The area about which specialists tend to speak the most is *business*. Revenue decreases, losing clients, budget cuts are already on the lips of the whole industry, but specialists interviewed do not have a unified view. Clients' behaviour has varied: some of them have cut budgets, others have kept the same figures whereas a third category has increased PR efforts. Crenguța Roșu, managing partner at DC Communication (one of the first Romanian PR agencies) believes that *overall, there is equilibrium. At the end of the financial year, when assessing real figures and not estimations, we might find the same revenue +/- 10%* (Mistreanu, 2009). As we are at the very beginning of the crisis, the statements can rather be considered predictions than real life. Nevertheless, the descendant trend of the advertising and paid media industries (recording negative references only) seems to affect the PR field, as many companies and agencies tend to allocate integrated marketing budgets.

In spite of this, one can notice fewer references on personnel changes; however all of these references are negative. Most of the specialists who have contributed to the monitored articles are agency people (senior specialists or general managers), thus they are able to see the implications of the crisis on their teams. Interesting enough, most of them have discussed about two trends that they considered as normal and benefitting for the market, in spite of the negative effects on society as a whole: mobility/ promotions and salaries. The Romanian PR industry has witnessed a rapid evolution which has also had pervert effects: very young people would quickly climb the hierarchical ladder and become "PR managers", mid level employees would change an agency for another for just 100 Euros more or young graduates would have expected a salary that a small firm would not have afforded. *Until recently, PR people, like BTL and ATL people, used to be high-flyers between agencies. Why? It was obvious: because the market was growing, there were few specialists, so those with more than 2.5 years experience wanted bigger salaries and had no problem in getting them either in the agency they were working for or in another*, explains Mircea Tomescu, managing director Pleon Graffiti (Mistreanu, 2009). In this context, the crisis has led to a more stable career path (seniors would hesitate to leave a firm) and less salary and promotion pretensions. The situation worsened and most of the PR graduates could not find a job anymore because of less numerous entry level openings and very low salaries.

However, in line with the personnel trends, most of the positive records (exclusively positive) are related to changing the *image of the profession* dimension. Specialists consider the crisis proved to be an excellent opportunity for the market, when only professionals could survive, where PR people shifted mentalities and became more effective, more business oriented and assumed a more strategic role. Eliza Rogalski, managing partner Rogalski Grigoriu states that *the crisis has obliged PR specialists to think beyond their traditional role of media relations persons and to provide the customers with programmes which are relevant to them, bring added value and which are easy to monitor and evaluate* (Rogalski, 2009).

As the crisis has forced all communication areas to compete for a budget, PR had to prove that it could bring added value to the business. It has managed to do so for some specialisations, whereas some others have faced serious decline. The area that has been mentioned as the most promising is *online PR*: everything that has to do with Internet and social media was booming in 2009. Agencies have seized the opportunity, and jumped on the bandwagon, as social media are considered dialogical, and thus, fit better in a PR frame than in the advertising one. Secondly, internal communication is considered an area of growth. Due to massive restructuring and lay-off programmes, lack in resources for professional development, multinationals have commissioned PR firms to develop communication plans for these situations. The same applies to *crisis communication* and *reputation management*. Crenguța Roșu believes that the market will face a slight growth as *there will be companies willing to explain to their employees, stakeholders and publics the difficulties they are facing (mergers, take-overs, bankruptcy, lay-offs) and require targeted communication programmes for the various categories of publics* (Mistreanu, 2009).

On the other hand, more tactical services like events and media relations or CSR image activities with no real added value for the business have suffered during the crisis. *If companies used to employ PR for communicating good news, from now on they will need to communicate bad news, which requires different competencies. Thus, more crisis management, change management, online communication, internal communication, reputation management will be required, but less media relations and CSR*, explains Ioana Mănoiu, managing partner GMP PR (Mistreanu, 2009). For the first time, there are mentions to other fields of economic life that can impact negatively the communications volumes of activities and budgets: the difficult situation of the banking, automotive and real estates sectors.

2010 – All quiet on the East front

No important changes have been observed in 2010 compared to 2009. The market kept a pessimistic approach, but references to the crisis decreased. After the shock in the previous year, the situation seems to get accepted. Certain specialists, like Bogdan Prăjișteanu, General Manager MEC Romania, states that *2010 was the most pessimistic year according to a study of GfK* and the attitude of both investors and consumers varied from exuberance in 2008, to a pessimistic view in 2010 (Mistreanu, 2011). From the *business* dimension point of view, this research could definitely confirm the trend. This dimension has recorded the highest difference between positive and negative references out of the four years. Most of the agencies reported a dramatic decrease of revenues and of communication budgets. Little of them kept either positive or neutral tones. The perception is confirmed by a study of The Club of PR Companies and Daedalus Consulting which showed that *41% of the companies declared that they maintained their communication budget of the previous year, 16% that they have increased it and 42.6% that they have decreased it* (Săndulescu, 2010). The evolution of other communication areas such as advertising and media

is worrisome, but also creates opportunities for PR: *It is interesting to notice clients' openness to hire PR agencies for marketing jobs. The added value of PR instruments and evaluation is now associated to the economic value. However, the market of event management and advertising has strongly declined*, notices Silvia Bucur, managing director of Prais Communication (Săndulescu, 2010).

Overall, specialists are less preoccupied to speak about the evolution of the other economic sectors and tend to focus on business only. The crisis appears more as an inner problem of the field, rather than the result of the economic situation. Optimism is also decreasing (in terms of number of references) when it comes to *perception of the profession*. Apparently, even if professionals keep positive about this dimension, the belief that the crisis could improve the PR sector by rendering clients more aware about the strategic role of PR, or increase professionalism, has reached lower levels.

Furthermore, the references to personnel changes have decreased in number, but they remained almost exclusively negative. They can be connected to the effects of the crisis on different specialism fields. Similar to 2009, some tactical fields have highly suffered due to the crisis (media relations, events, CSR) whereas online PR, reputation management and internal communication have kept the same ascendant trend. Overall, 2010 brings no news compared to the previous year. Pessimism stays at similar level and no new trends emerge.

2011 – Remembrance of PR Past

Compared to 2010, 2011 seems less pessimistic. The lower number of articles about the crisis and also of negative references shows a slight recovery of the market. Nevertheless specialists warn that nobody should expect that the market could reach the level of 2008, *and that specialists should never take it again as a point of reference*, says Roxana Buha from Starcom (Mistreanu, 2011). The focus of the year stays on the business dimension, and even if the perspective is pessimistic, one can notice a slight rebalance: more than half of the references on the *revenue* indicator are positive and there are also sufficient neutral opinions, in spite of the figures saying that overall the market has decreased with 10% in the second trimester of 2011, compared to the first. The market does not give encouraging signals of improvement: the advertising and media fields are still experiencing a decrease, but the approaching of the electoral year 2012 seems to be generating brighter perspectives for revenues and number of clients.

The *personnel* dimension stays the same as the previous year, but perspectives on growth of several areas of specialisation seem to worsen. Online PR keeps its first position, but the rest of the areas (internal communication, reputation management) enjoy less references. It seems

that the business strategy has suffered a shift, as more and more references on *consumer and branding* appear: PR agency executives are slightly moving to a more integrated approach, as a result of their admitting where the budgets are. Even before the crisis, PR practitioners were aware about the schism between marketing and PR in spite of their complementary roles, but have not done much to remedy the situation (Debreceany, 2004).

In addition, they have started to look more deeply into evaluation (Niculaie, 2011). *The birth-giving of the evaluation culture in Romania was difficult, like a Caesarean operation, forced by the recent crisis. Clients want to know exactly how the budgets will be spent, which instruments are the most effective within the available budgetary limits and how they will contribute to the achievement of business objectives* considers Marta Niculaie, Communications Manager at Roche Romania (Niculaie, 2011). As several PR projects, especially the raising awareness campaigns are more difficult to measure and their results are often not assessed properly, PR agencies realise they need to demonstrate the impact of their work, and they have managed to do so mainly in the FMCG industries where several PR campaigns have won international awards. 2011 continues the stagnation trend of *perception of the profession*. Professionals appear to be less and less enthusiastic about the opportunities of the crisis. They do not seem to have achieved either a more strategic role, nor did they manage to weep out of the market the not qualified practitioners. Sorana Savu senior partner at Premium Communication warns that *last three years were sufficient to change the business behaviour and that we shall see a more prudent use of communication instruments. However it is sad that instead of moving towards a more strategic approach, PR has become more tactical, trying to achieve short-term, immediate results* (Mistreanu, 2011). The trend is not surprising and it confirms the results of the European Communication Monitor 2011 for East Europe which shows that the whole region has not improved its strategic position and business partner role. Overall, in spite of keeping a rather pessimistic view, 2011 witnesses an improved perception *especially due to the perspective of 2012 as electoral year*, as indicated by Felix Tătaru, General Manager GMP PR (Mistreanu, 2011).

2012 – Quo vadis?

To sum-up, the economic crisis has been equal to a rebirth of communications, and especially of the PR sector. Generally, the Romanian PR market has followed the international trends and experienced budget cuts, loss in revenues and lower fees, personnel lay-offs and clients less willing to communicate. Often, this period has been referred to as “a market maturity test” (Gog, 2011) and most of the PR specialists consider that it represented an opportunity for the industry to fully professionalize. Senior PR specialists have also drawn the attention upon the fact that PR people should develop new skills, especially monitoring and employing social media, crisis management and generating genuine conversation, rather than stiff corporate speeches (Bucuroiu, 2012).

Some specialists even affirmed that the period has not been as fruitful as anticipated, and instead of witnessing better quality services, *one sees mediocre, less challenging campaigns than before the crisis*, as explained by Adrian Boțan, creative partner McCann Erickson (Media&Advertising 2012).

Therefore, many specialists claim (Gog, 2011) that in spite of the marketing, communication and public relations campaigns becoming more pragmatic, efficient and business-oriented, they lose creativity. From this point of view, specialists hope that the new approach (Gog, 2011) where clients focus on media buying rather than genuine PR will not last and after the crisis the industry will know how to get back to a more informative PR. The same view is shared by the creative industries (Media&Advertising 2012) who consider that being careful, making minimum investments and sacrificing creativity for the sake of promotions campaigns should not become the rule. *Romanian consumers have not just become more educated from the economic point of view, but also from the communications one*, states Silviu Nedelschi, Group creative director at Publicis Romania (Media&Advertising 2012).

Furthermore, this perspective is confirmed by the “GfK Trust Index 2010” (Hotnews.ro, 2010), showing that the Romanian publics trust the communications professionals and the trend is ascendant and amongst the highest in Europe (50% trust in Romania, 29% other European countries), placing them right after traditionally respected professions such as firemen, teachers, military, clerks. The study “Trusted Brands 2011” carried out by Reader’s Digest has shown similar results, communications scoring 30% trust (Stirileprotv.ro, 2011).

The results of the research are also in line with the European Communication Monitor 2011 for East Europe. In a nutshell, the Romanian market has faced similar trends: persisting discrediting of the term “PR”, a moderate but growing presence of PR directors in the boards of companies, very high interest in social media and online PR. Ethics is still a matter of concern and has been revived once the new definition of public relations by PRSA has been published (Horja, 2012).

Insofar, 2012 seems to be following the same trends of the previous years: more client-oriented, consumer-focused communication, special attention paid to branding, reduced budgets and high online PR components (Pitulice, Pântea, 2012). Specialists say that we are no longer living in a temporary crisis period, but that it is rather the new normality which the industry needs to adapt to. The communications industry has to develop integrated approaches and added value projects, as it can no longer persuade consumers struck by information fatigue to react to a TV promotion spot or to a Facebook page (Pătru, 2012).

A possible conclusion: Romanian PR, 20 years after

The Romanian communication industry has grown in 20 years as much as other industries in 100 years, considers Lucian Georgescu, Managing Partner at GAV (Săndulescu, 2010). Moreover, this unnatural growth has involved burning several stages on the expenses of building a steady foundation of the field. He complains that the Romanian communication industry has all infrastructure it needs (audio-visual, web laboratories etc.), but it does not have well-trained communicators, and it has failed to bring added value to society, being characterised by the so called *forms without content* phenomenon (Săndulescu, 2010). Hortensia Năstase, manager Lowe PR has a less pessimistic, but similar view on the Romanian PR sector: *it is as good as any PR sector in the world in terms of creativity, passion for the field and efficiency, but there is room for improvement in terms of expertise, education and operational procedures* (Bobanga, 2012).

However, the debate around modernisation, forms and contents has been a constant presence in the Romanian culture. In the 19th century the literary personality Titu Maiorescu (Georgiu, 2000) criticises the modernization process seen as a superficial way of imitating foreign forms (institutions, universities, associative forms, philosophic or literary genres etc.) without supplying them with the proper content (specific activities, traditions, culture, mentalities and heritage etc). In Maiorescu’s view, contents should precede forms even if it takes longer time, because imported forms can be harmful as they promote mediocrity, non-values and the illusion of progress. On the other hand, the critic Eugen Lovinescu (Georgiu, 2000) embodies the idea that actually, imitation is beneficial and it allows the Romanian culture to synchronize with the more advanced civilizations. In less developed cultures simulation of forms creates the institutional system and framework first and only afterwards are forms filled with appropriate contents (Georgiu, 2000).

Based on the above-mentioned and other contributions, contemporary studies show that Romania has faced several unfinished transition periods (Schifirneț, 2007) during its history, and has put efforts to synchronize its institutional systems with West Europe. In the view of Prof. univ. dr. Constantin Schifirneț, *forms without contents* can be considered a unique, Romanian brand (2007). A similar perspective is shared by Conf. univ. dr. Dumitru Borțun who states that the Romanian culture has not been able to modernize, maintaining an *enormous gap between societal objectives, which are modern and the means to accomplish them, which are still pre-modern* (Turlea, 2009). Values of Western society (culture of dialogue, respect for law, meritocracy) have not yet replaced a pre-modern way of thinking and acting and this affects all sectors: from infrastructure to accessing European funds (Turlea, 2009).

Therefore, the prolonging stage of transitional PR, failing to completely move to a mature field follows the *forms without contents* trend, and receives a negative connotation. In the first instance, according to the transitional theory discussed at the beginning of this article, the PR field has

definitely developed *forms* (agencies, universities, departments) and only then did it start to create *contents* (local practices, professionals, codes of ethics etc). Many specialists agree upon the fact that in the beginning it was fashionable to follow a career path in the field and during the first years, the market was invaded by specialists who did not have the sufficient training and were harming the reputation of the profession (Olteanu, 2007). However, in this case, an organic development would have taken too much time and would not have been achievable, especially if considering the globalised economy and Romania's integration in the European Union in 2007. Still, there is also good news: since 1999, the Romanian PR field was awarded important prizes in European competitions such as SABRE, in recognition of its value and high-quality work. In conclusion, the economic crisis was exactly that quality breakthrough which has catalysed the professionalization of the field and has largely contributed to the creation of a more competent, reliable and steady PR market.

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Table 1 – Research 2009 – 2011

	2009						2010						2011					
	+	%	0	%	-	%	+	%	0	%	-	%	+	%	0	%	-	%
1. Business																		
Revenue	7	4.24%	5	3.03%	7	4.24%	3	3.16%		0.00%	9	9.47%	5	5.68%	2	2.27%	6	6.82%
Number of clients	3	1.82%		0.00%	2	1.21%	2	2.11%		0.00%	2	2.11%	3	3.41%		0.00%	2	2.27%
Services diversification	3	1.82%		0.00%		0.00%		0.00%	1	1.05%		0.00%	2	2.27%		0.00%	3	3.41%
Other comms areas evolution	2	1.21%		0.00%	4	2.42%		0.00%	1	1.05%	4	4.21%	2	2.27%		0.00%	4	4.55%
Fees		0.00%	1	0.61%	1	0.61%		0.00%	1	1.05%	1	1.05%	1	1.14%		0.00%	2	2.27%
Advertising client budgets		0.00%		0.00%	4	2.42%		0.00%	2	2.11%	4	4.21%		0.00%	3	3.41%	5	5.68%
2. Employees																		
Personnel change		0.00%		0.00%	3	1.82%	1	1.05%		0.00%	1	1.05%	2	2.27%		0.00%	2	2.27%
Working conditions		0.00%		0.00%	1	0.61%		0.00%		0.00%	1	1.05%		0.00%		0.00%		0.00%
Salary		0.00%	1	0.61%	3	1.82%		0.00%		0.00%	1	1.05%		0.00%		0.00%		0.00%
Job opportunities/promotions		0.00%		0.00%	3	1.82%		0.00%		0.00%	2	2.11%		0.00%		0.00%	1	1.14%
Personal development		0.00%		0.00%		0.00%		0.00%		0.00%	1	1.05%		0.00%		0.00%		0.00%
Employability		0.00%		0.00%	1	0.61%		0.00%		0.00%		0.00%		0.00%		0.00%	2	2.27%
3. Services																		
Media relations		0.00%		0.00%	5	3.03%		0.00%		0.00%	1	1.05%	1	1.14%		0.00%		0.00%
Event management		0.00%		0.00%	5	3.03%	1	1.05%		0.00%	3	3.16%		0.00%		0.00%		0.00%
CSR		0.00%		0.00%	4	2.42%		0.00%		0.00%	5	5.26%		0.00%		0.00%		0.00%
Online PR	15	9.09%		0.00%		0.00%	6	6.32%		0.00%		0.00%	8	9.09%		0.00%		0.00%
Crisis and change communication	6	3.64%		0.00%		0.00%	5	5.26%		0.00%		0.00%	1	1.14%		0.00%		0.00%
Internal communication	12	7.27%		0.00%		0.00%	5	5.26%		0.00%		0.00%	2	2.27%		0.00%		0.00%

PR audits and reputation management	6	3.64%		0.00%		0.00%	4	4.21%		0.00%		0.00%	1	1.14%		0.00%		0.00%
Consumer/ lobby & Branding	4	2.42%		0.00%		0.00%		0.00%		0.00%		0.00%	5	5.68%		0.00%	1	1.14%
4. Evolution of related fields																		
Advertising volume		0.00%		0.00%	3	1.82%		0.00%	1	1.05%		0.00%		0.00%		0.00%	4	4.55%
Space for paid advertorials		0.00%		0.00%	4	2.42%		0.00%	1	1.05%	1	1.05%		0.00%	1	1.14%	4	4.55%
Industries affected by crisis		0.00%		0.00%	8	4.85%		0.00%		0.00%		0.00%	1	1.14%		0.00%		0.00%
Consumer/ Branding		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%
5. Perception of the profession																		
Improving the level of competency	14	8.48%		0.00%	1	0.61%	7	7.37%		0.00%	1	1.05%	4	4.55%		0.00%		0.00%
Partner for companies (avoiding a trust crisis)	13	7.88%		0.00%		0.00%	8	8.42%		0.00%		0.00%	4	4.55%		0.00%		0.00%
Assuming a more strategic role	13	7.88%		0.00%	1	0.61%	9	9.47%		0.00%		0.00%	3	3.41%		0.00%	1	1.14%
Total	98	59.39%	7	4.24%	60	36.36%	51	53.68%	7	7.37%	37	38.95%	45	51.14%	6	6.82%	37	42.05%

▶ 10

Challenges for Public Relations and Communication Management in International Mergers & Acquisitions

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INTRODUCTION

Mergers & acquisitions (M&A), as well as financial and investor relations are another significant area of professional practice that has virtually been ignored by public relations scholars. Like many others areas of business and finance, M&A deals boom when the economy is growing and contract when the economy is going through a rough patch. However, it is not only fluctuations in the global economy that contribute to the decline in successful mergers and acquisitions. Even in times of economic prosperity most M&A fall through because of poor strategy, poor implementation and/or poor communication strategy. One major challenge, which can be a deal-breaker, lies in the communication strategy issues in international M&A because of the cultural differences of doing business in a foreign country. Another one, is strictly connected with the differences of the level of economic development.

This aim of this paper is to address exactly this second issue – communication challenges for the South-North stream of M&A, which we call “reverse globalization”. Reverse globalization represents a new, long-term trend in the global economy, taking mainly the form of South-North FDI (or up-market FDI), originating from emerging economies (i.e. developing and transition economies) and destined to advanced countries. This phenomenon of FDI from emerging into developed countries isn't totally new. Already in the 1980's Japanese corporations invested heavily into UK, and U.S. acquiring among others property on Hawaii and the Famous Pebble Beach Golf Course in the suburbs of San Francisco. Today we simply observe the second, much larger wave of such FDI's.

The Concept of „Reverse Globalization” and „Reverse Globalization Acquisitions”

Economic globalization is generally understood as increasing economic integration of national economies as a result of rapid increase of cross-border flows of good, service, technology and capital. It was so far characterised mainly by the downhill flow of foreign direct investment from developed economies integrating with less developed. Reverse globalization is a relatively new term, not yet fully „confirmed”. In a broader sense it is understood as likely long-term uphill flow of capital from emerging to developed countries (Setser, 2007) either as:

1st, „bringing back activities” by companies withdrawing from overseas ventures (e.g. as a consequence of increased transportation costs from higher oil prices, which may outweigh the other cost advantages from moving manufacturing to low-cost emerging markets (J. Rubin, B.Tal, 2008), or politically motivated decision to preserve working places, as was the case of FIAT decision to bring back the PANDA production from Poland to Italy); and/or 2nd, reversal of technology flows to developed economies – the new situation when emerging markets companies bring technology and capital and e.g. California, provides the labor and consumer market .According to Dan Herman Research & Consulting, nearly 50% of California State's solar energy needs are met by Chinese companies (danxherman, January 22, 2010); and/or 3rd, emerging markets outbound mergers and acquisitions (M&A) and/or Greenfield investments in the developed economies, as a mode of outward foreign direct investments (OFDI) .

Nasser al-Shaali, the CEO of Dubai International Financial Center (DIFC) has in 2007 defined „reverse globalization” as a new situation „...when you have emerging market players going out and acquiring developed institutions – (which) is a tide that no matter how to try to swing against it, will be very, very prevalent in the years to come”.¹

That's why in the narrower definition the “reverse globalization” will be mainly understood as emerging markets countries outbound acquisitions by buying companies – not just bonds -in the developed world. (Setser, 2007)

The above defined new trend in the internationalization process is perfectly illustrated by the Figure 1.1. designed by Ramamurti (2009,p.6). It differentiates between “down-market” (or North-South) FDI, which flowed from one advanced economies (developed) economies to less developed one (see Cell 2 in Figure 1.1.), and the “Up-market” (or South-North) FDI, originating in emerging countries (i.e., developing and transition economies) and destined to developed countries (Cell 4). According to Ramamurti, the most recent - second wave of those South-North (or “Emerging to Developed” –E2D) FDI could not longer be ignored in the situation when those deals represent in 2010 about 47 percent of total developed to emerging markets (D2E) deals.²

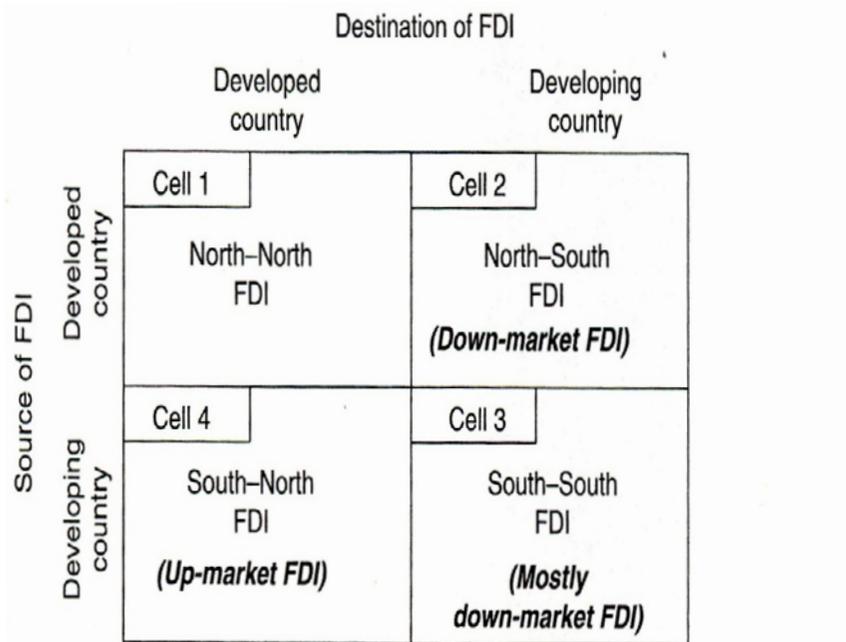
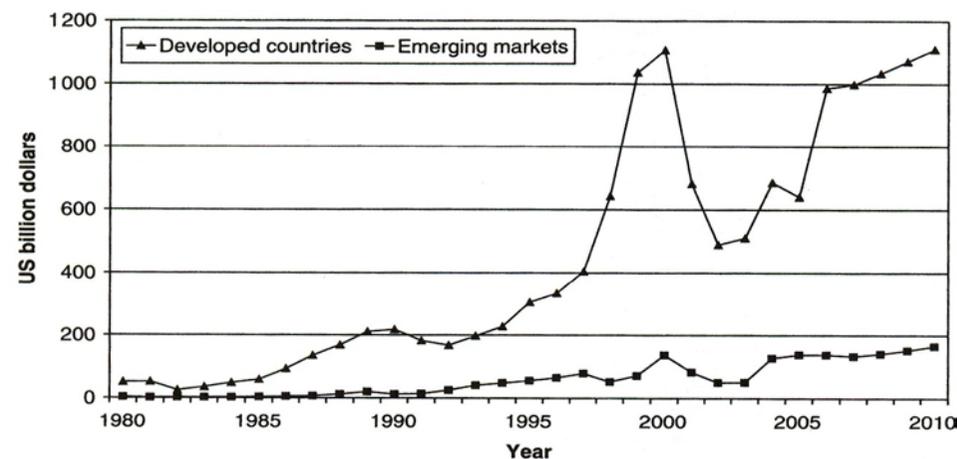


Figure 1.1 Source and destination of FDI.

Note: Down-market FDI refers to investment from a more developed country to a less developed one, and up-market FDI refers to the opposite

Source: Ramamurti, (2009,p.6)

The long term tendency and proportions between outward foreign investments (OFDI) flows from developed economies and emerging economies, based on a forecast from 2006 (Kekic & Sauvart, 2006) is presented below in the Figure 1.2.



Note: Data for 2006–2010 are forecasts for 82 countries responsible for the bulk of all OFDI flows from both developed and emerging markets; Data for 2006–2010, Kekic and Sauvart (2006).

Source: Data for 1980–2005, UNCTAD 2006.

Figure 1.1 OFDI flows from developed countries and emerging markets, 1980–2010

In 2010, cross-border deals out of emerging economies are again in increase, while the deals out of developed economies have declined for the fourth consecutive period, according to 2 KPMG’s Emerging Markets International Acquisition Tracker (EMIAT) of that year. KPMG also reports that in the period 2005-2009, 1022 emerging-to-developed (E2D) deals have been recorded, among others:

- 393 - by Indian corporations
- 121 - by Russian
- 108 - by Chinese
- 97 - by Central & Eastern European

According to Dialogic, a business data company, in 2009, for the first time, “takeovers by emerging world companies of developed world groups exceeded takeovers going the other way – the former valued at \$ 105 bln, the latter at \$74,2 bn,” 4 Figure 1.3. below illustrates that tendency. Figure 1.3.



Source: Dealogic; FT research

The Biggest Sources and The Most Spectacular South-North (or E2D) Deals

One may distinguish in the world economy following three main groups of emerging economy countries which multinationals rather than lending money from developed economies like U.S. or EU, use their own financial resources for acquisitions of American or European firms: The BRIC countries (Brazil, Russia, India, China),

- Middle-East Arab (Gulf) countries,
- Other smaller emerging countries, among them Central & East-European, like Poland
- Our study covers BRIC countries and Poland.

Using another criteria of classification, one should distinguish following types of major players in outward M&A deals: BRIC private multinationals (like TATA and Mittal from India); State-owned enterprises (SOEs) (like GAZPROM from Russia); Sovereign wealth funds (SWFs) (like Dubai World, or China Investment Corporation). E.g. in Russia, SOEs account for 26% and in China – for 75 outbound M&A.)

By 2005/2007 some of the spectacular takeovers of companies in developed economies acquired by emerging transnational corporations (ETNCs) started to make headlines, not only in the color magazines, but also in the leading world business magazines like The Economist, Business Week, Forbes, when the readers realised that family or state-owned companies from former colonies or post-communist countries have now courage and resources to buy such “family jewels” like Jaguar, Land-Rover, IBM.

Table 1.1. Some of the most spectacular E2D deals by BRIC corporations:

Who?	Whom?	When?	Price
Mittal Steel (India)	Arcelor (France)	2006	\$ 32 bln
Lenovo (China)	IBM (personal computer division)	2004	\$1.75 bln
TATA (India)	Corus (UK/Netherlands)	2007	\$13.5bln
TATA Motors (India)	Jaguar Land Rover (UK)	2008	\$2.3bln
LUKOIL	Nelson Resources Ltd.(UK); Getty Oil (US)	2005 2001	\$2bln \$71m
CBRD (Brazil)	INCO (Canada)	2007	\$16.7bln
Geely (China)	VOLVO (car unit)	2010	\$1.8 bln

Not very much publicity have gained the first Polish acquisitions of companies in developed economies yet. So far there are only few of them, with the first case of ORLEN's acquisitions of ARAL petrol stations in Germany, as a result of deal with BP Germany in 2002. Since that time, Polish companies Comarch and Asseco were able to challenge its competitors at such highly competitive markets as proprietary software and services. Table 1.2. presents the first examples of Polish acquisitions in developed markets.

Table 1.2. The first, most spectacular acquisitions by Polish companies:

ORLEN	494 ARAL petrol stations (Germany)	2002	E 40mln
Can- Pack Group	Tapon France S.A.S Tapon Corona Iberica	2007 2010	
COMARCH	SoftM und Beratung (Germany)	2008	E 11.2
Asseco Poland	IT Practice A/S (Denmark) Terminal Systems SA (Spain)	2009 2009	E 10 mln (about) E 3.95 mln
KGHM	Joint venture with Abacus&Mining (Canada)	2010	\$C 4.5mln

Source: the author, from various sources

COMMUNICATION CHALLENGES FOR SOUTH-NORTH FDI

Communication policy implications in the host countries

The reaction of the public opinion in the developed economies to the acquisitions by emerging markets transnational corporations (EMTC) creates the most important challenge for their communication strategy. "Public opinion is sensitive to an investor's nationality"... "If people, for whatever reason, have a negative appreciation of a country, they do not like their corporations either", as rightly Goldstein (2008,p183) observes. Luckily enough these reactions are mixed (Athreye, Kapur, 2009, p 11; Goldstein, 2008,p.186). In some cases the emerging-markets investors are met as "saviours" (case Geely/Volvo; or Polish Can-Pack Group investment in Scunthorpe U.K.⁵), e.g. when acquisitions concerns failing firms. In many, or rather to many cases, such acquisitions are first of all treated as "impairment to national security" (CNOOC (China)/Unocal (US) deal in 2005.).⁶

No wonder that with dramatically growing number of examples of large takeovers by emerging

markets companies, one may observe an opposition of European and US public opinion. It is primarily related to the developed countries businesses, governments and peoples:

- fears ,
- national pride ⁷
- concerns about „established order of industrial hegemony”.
- existing stereotypes and different type of prejudice
- perception that EMI's are beneficiaries of unfair state aid, and
- political reasons.

These arguments find the expression in escalation of protectionism, especially on grounds of the national security,⁸ and preservation of working places. Primarily the state-controlled companies from China and Russia have often run into trouble (particularly in the U.S.) over perceived political and security risks. One of the most recent examples is provided by the Huawei, Chinese communication equipment maker, already in 2008 blocked on national security grounds by Bush administration by its bid to take over 3Com. In 2010, US officials are raising again arguments about the company alleged ties to the People's Liberation Army, and even over spying.⁹

To overcome those fears, EMIs have to address their communication efforts:

- to gain trust (e.g. for the Jaguar Land Rover carcompany owned now by Indian TATA)¹⁰,
- fight stereotypes and prejudice (e.g.Mittal- „company of Indians”),
- uphold high quality standards (e.g. quality of Mittal's steel;(Goldstein, 2008,p.187); or „Now China is going to junk a solid high-quality brand” – web comment on Geely/Vovo deal),
- build up a brand,
- narrow the cross-cultural differences.

Communication problems to face in the home countries

The courage's entrepreneurs from the emerging economies are also confronted with different types of challenges at all three levels of their economic activity. At the micro level they may have management problems because of the lack of international experience, skills and enough courage to face the foreign competition on their markets. That's how internal communication with its own middle-range managerial staff is crucial to encourage them to take the new responsibilities in the foreign highly competitive environment.¹¹.Another problem may be caused by limited financial resources to cover the expansion on foreign , developed markets. That's why the media relations and public affairs activities are so important to gain either governments or private financial institutions support for the ambition plans of foreign acquisition.

At the meso level, the emerging markets potential outward investors are very often confronted with the lack of institutions in support of E2D deals..

At the macro level the push-factor for foreign investments very often is connected with administrative/bureaucratic barriers for their economic activity at home and particularly because of the outward investments¹² (e.g. foreign currency restrictions.) That's why again public affairs and lobbying to overcome those barriers and receive permission for outward investments cost a lot of efforts and becomes an important priority in the communication strategy of EMTCs.

STRATEGIES AND TOOLS IN SUPPORT FOR SUCCESSFUL UP-STREAM M&A'S

How to communicate ? - communication channels

One may distinguish two channels of communication in support of M&A. In the emerging economies, where state plays an much more important role in the economy, the government communication (Yi Luo, 2010) constitutes an equally important factor as the corporate communication. In practical terms however, both corporate as well as government communication tasks are mainly outsourced¹³ to global marketing communication conglomerates to take the advantage of the resources that those diversified holding company like WPP, OMNICOM¹⁴ or Publicis could offer. Another strategy applied also by the emerging markets newcomers in the global acquisition market is to build up their own lobbying organizations¹⁵ to achieve its ambitious aims. (See: The Figure 4.1.)

Figure 4.1. Communication channels



Source: authors own

What to communicate ?

What kind of arguments and slogans the emerging markets multinational should and already are adopting to achieve their aims and successfully acquire developed market company? The so far observed practical examples of communication campaigns of EMTNCs show that they have learned lessons from the experience of developed market multinationals previously conquering their own markets. Besides, those campaigns are anyway designed and executed by the global marketing communication agencies, who very often use the same, or similar standard strategies, instruments and slogans in campaigns for their clients from developed countries:

The most often applied key messages are following:

- *it's a merger not takeover*: (case: Mittal Steel/Arcelor);
- *„Together we are stronger“*: synergy argument (See: Carlsberg case in Chapter 4);
- *“new jobs will been created”* :¹⁶we create and not strip jobs argument;

- “our company’s focus is on shareholder value“...this merger will offer our shareholders, which include many leading US institutional investors, tremendous growth opportunities....”¹⁷: its in your own shareholders interest argument;
- “China has the world’s largest auto market”:¹⁸ size of the market argument;
- “Made in China with software from Silicon Valley” :local content argument;
- “we are helping local community” :CSR argument;
- “management remains “:you know it better argument (Case TATA/Jaguar Land Rover deal);
- “ We don’t want the image of a luxury car made in a third world country. We want the image of a European luxury car, owned by a Chinese”¹⁹, and „Volvo remains Volvo”: foreign owned doesn’t mean foreign built argument;
- „Jaguar ,Land-Rover will retain their distinctive identities”: the quality remains the same argument;
- „you should practice what you preach”: double standards argument.

Table 4.1. (below) presents a sample of more detailed messages/arguments applied at different stages of M&A by the communication consultancies, both corporate as well as government and directed both to the host country and international publics as well to home publics.

Table.4.1. WHAT communicate to host country and international publics:

PROBLEM	MESSAGE	CASE
Management opposition	management remains („you know it better”); „it’s a merger not takeover”	(Case TATA/Jaguar Land Rover deal); (case:Arcelor/ Mittal)
Employment reduction	job creation/ preservation; to eliminate the assymetry	“China M&A Associations” Campaign
Quality standards	products will retain their distinctive indentities”; dont’ confuse China OWNED with China BUILT	„JaguarLandRover TATA, or „Volvo remains Volvo”
Competition for „national champions”	local content; dilution of national origin; trustfull brand	ORLEN/Germany; Lenovo /Ogilvy &Mother brand building contract
Local oposition	cost reduction; CSR; new huge markets	Geely/Volvo
National pride	dilution of national origin of ownership	Mittal; Kulczyk; ORLEN
National security concerns	firm owership doesn’t matter; NATO/ OECD/ WTO membership	Poland
Unfair government aid	SOE and SWF are focused on shareholders value; double standards; assymetry/reciprocity	Chinese Foreign Ministry intervention; CNOOC Chairman’s interview

Source: the author, from various sources

Table 4.2. WHAT communicate to home country publics:

PROBLEM	MESSAGE	CASE
Management perception shifting	internal PR - „we can do it”	ORLEN
National economic interest	opportunity to gain a recognised brand	Hummer/Sichun Tengzhong deal
Opposition against global economic supremacy	globalization is a two-way street	US “ No” to Chinese acquisition of US banks
National pride	government communication	e.g. Media articles in India and China

Source: the author, from various sources

Conclusion

1. Reverse globalization is a new, long-term trend in the global economy; in a narrower definition it should be understood mainly as outbound acquisition made by emerging markets countries by purchasing companies – not just bonds - in the developed world.
2. Reverse globalization acquisitions by emerging multinationals are undertaken mainly by companies from three groups of emerging economy countries: the so-called BRIC countries (Brazil, Russia, India, China), Middle-East Arab (Gulf) countries, and other smaller emerging countries, among them Central & East-European countries like Poland
3. Challenges faced by emerging markets investors in developed countries are based on fears, prejudices, false stereotypes and negligence of intercultural differences. To overcome the above mentioned obstacles for uphill flow of capital intensive and efficient strategic communication policy effort are already undertaken and should further be intensified by the emerging countries companies, institutions and governments

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- 2 KPMG: Press Release of 8 March 2010
- 3 According to the Emerging Markets International acquisition Tracker (EMIAT) from KPMG's Advisory practice (KPMG, 2010)
- 4 See: S. Wagstyl, Business: A change in gear, FT. com, 11 May 2010
- 5 „...we are getting the benefits of reverse investment”...”This investment will bring jobs to the are, it will boost our local economy..” Yorkshire Post, 22 May 2010.
- 6 Also the new Obama administration prevented the acquisition of FirstGold by a Chinese acquirer on national security grounds
- 7 Lenovo Chairman Yang Yuanqing called the purchase of IBM personelcomputer division an „historic ewent.” For the company. Retrived from: <http://www.msnbc.msn.com/id/7695811>, on 07.10.2009; “The company prides ittself on giving its consumers products that boast an iconic design...” TATA's internal communication after Jaguar Lan Rover acquisition. Retrived from:<http://www.tata.in/print.aspx>, on 28.12.2009
- 8 See, Mayer Brown article, by T.J.Keeler & S.M Kriesberg, United States:United States Rejects Chinese Investment on Nation ISecurity Grounds, 22 12.2009
- 9 See: FT.com of 4 April 2010
- 10 In November 2006 Jaguar Land Rover has appointed Portland PR among others “to focus on issues surrounding the change of ownership” (Retrived from:<http://public-relations-india.blogspot.com/2008>, on 02.02.2009.
- 11 E.g. it was the case before Polish oil company's ORLEN acquisitions of German petrol stations(See: Podraza&Rydzak, chapter 13.
- 12 Among others Tata was accused for investing to much abroad (Asiamoney, 2007).
- 13 E.g. Tata Group controlled Jaguar Land Rover has appointed Portland PR to position the firm as a „blue-chip UK corporate. See: Public Relations India.Blog .Posted by J.Sai on 06.11.2008
- 14 DDB Guoan Beijing, an advertising company party owned by OMNICOM Group, was hired by Chinese Minity of Commerce to create public relations campaign with the goal to communicate the message that Chinese companies collaborate with international firms (e.g. Apple, Nike) to manufacture high quality goods (Luo, 2010)
- 15 According to Ian Gomes Chairman of KPMG's High Growth Markets ,such efforts hale already bern undertaken by sovereign wealth funds, which have established International Working Group of Sovereign Wealth Funds in 2008. The group has among others published Santiago Principles to reassure potentialclients about their intentions.In their own words, they hope “..enhance the understanding of SWFs as economically and financially oriented entities and help maintai an open and stable investment climate” (<http://www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublicat..>.(Retrieved on 21 February 2010)
- 16 „...”new jobs will be created in Scunthorpe after Polish company chose the town as a base for a L60m Investment” (Yorshire Post, 16 April 2008.
- 17 China's National Ofshore Oil Compny (CNOOC) Chairmen Fu Chengyu arguments presented in an editorial published in Asian Wall Street Journal and China Daily, against the accusations that CNOOC “..was in effect acting as an arm of Chinese government to acquire energy assets”. See:D.Lenard, Rocky waters for China's US acquisitions, Asia Times Online, 21.07.2005
- 18 FT.com, 29.03.2010
- 19 The statement of Geely's head of international operations Mr.Yale Zhang. FT.com, 29 .03.2010

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Investor Relations: The State of the Profession

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INTRODUCTION

Public relations (PR) as a profession experienced significant growth over the last 100 years or so. This growth was not limited to just increases in numbers of people or amounts of money dedicated to the function. PR also experienced the qualitative growth expanding far beyond traditional media relations to a strategic management function which notably contributes to the organization's value creation as boundary spanners and counselors (Grunig, 2006; Zerfass 2008; Gregory, Invernizzi, & Romenti, 2011; Mahoney, 2011). Key constituencies shifted from journalists to various internal and external stakeholders, e.g. employees, customers, citizens' initiative, politicians. As communicative relations with various stakeholders emerged, roles and self-perceptions of PR professionals changed as well from the technician role to the strategic facilitator and advisory function to the board and other departments (Holtzhausen & Zerfass, 2011; Zerfass et al., 2011). In research and practice, the terms corporate communication, strategic communication or communication management became more suitable. Today, the professionals often have titles different from PR, have different reporting structures, and some do not even consider themselves to be in the field of PR (Zerfass et al., 2011). Profound research within the field of communication management and the state of the profession has been conducted within the last years (Frandsen & Johansen, 2011; Holtzhausen & Zerfass, 2011). However, one of corporate communication's most important specializations was denied within communication research: investor relations (IR) or the communication with the company's shareholders as well as financial markets' intermediaries like analysts or financial journalists. Communication management and PR scholars (Grunig et al., 2002; Argenti, 2007; Zerfass, 2008; Broom, 2009; Laskin, 2010) as well as professional bodies (e.g. PRSA, IPR, DPRG) define IR as one of their discipline's sub-functions. Whereas the strategic role of the communication function in general as well as within its different spheres (internal, market communications, PR) or practices (crisis communication, public affairs, issues management etc.) are analyzed, research on IR within communication management is virtually non-existent (Petersen & Martin, 1996; Marston & Stracker, 2001; Laskin, 2009).

IR is constituent for publicly-held companies due to addressing its owners, the company's shareholders in the first place. There are thousands of companies listed on stock exchanges around the globe as well as companies with shares traded outside of stock exchanges on "over-the-counter" markets. All these companies have a need in IR expertise and typically have an "in-

house" IR person of contact or subcontract IR to one of the thousands of agencies providing IR services. IR is the highest paid PR sub-function as well as the one that is the most likely to have a seat at the proverbial management table (Laskin, 2010). There are no majors in IR for undergraduate students in Europe or the United States. Yet, the professional association of IR professionals, National IR Institute, has 3,500 members. IR associations in European countries collectively have thousands members as well. The question, then, becomes who works in IR departments and IR agencies? Where do they come from? What is their educational background? And, perhaps, more importantly, what is the status of IR as a profession and how this lack of uniformity in workforce, educational and professional backgrounds influences the professionalization of IR?

Understanding who runs IR is important. One of the risks in delegating the work in an organizational function to people without any training in such function is encroachment. Lauzen (1992), who studied the issue of encroachment for PR in general, concludes, "When encroachment occurs, PR frequently becomes little more than a technical support function servicing other units of the organization – rather than a central management function itself" (p. 61). IR can run the same risk: the function can become responsible for simply technical tasks such as disclosure or reactively responding to request from shareholders without strategic relationship-building or research-based activities.

Another important area is a skill-set of IR practitioners. Laskin (2006) observed that depending on educational and professional backgrounds IR officers practice IR differently – professionals with communication background perform different tasks and value different outcomes in their day-to-day activities in comparison with practitioners with background in finance. As a result, the overall practice of IR depends on who is performing it.

Finally, Laskin (2011) claims that the most important function for IR professionals is relationship-building with the financial community: private shareholders, professional investors, financial analysts, business journalists, stock exchanges, and so on. This places IR directly into the PR domain. Yet, earlier research (Petersen & Martin, 1996; Laskin, 2006; 2009) suggests that IR is most commonly treated as a financial function in terms of both who manages it and who practices it. As a result, instead of focusing on relationship-building, IR limits itself to technical tasks of disclosing financial results.

At the same time, lack of uniformity in educational and professional backgrounds can be beneficial for IR. For instance, a study that focused on educational diversity of IR officers concluded that the more diverse the composition of IR department is the more beneficial it is to the company: "Diverse educational background has a positive influence on IR quality and also negatively affects the number of shareholder activism incidents that companies are exposed to" (Hoffmann et al., 2011). Thus, cross-training in several disciplines that Laskin (2009; 2010) recommends or staffing IR departments with professionals from different educational and professional backgrounds that

Hoffmann et al. (2011) discusses can allow IR function to be more successful than IR departments that lack this educational diversity.

This study based on secondary data gives a brief historical background of IR for the United States and Europe. Following, the current state of the IR profession is presented highlighting differences and similarities between the United States and European countries, and finally, conclusions are drawn based on the study results.

IR in the United States: History of the Profession

The professional organization of IR officers in the US, National IR Institute (NIRI), founded 1969, adopted the latest definition of the profession in March 2003. IR is defined as “a strategic management responsibility that integrates finance, communication, marketing and securities law compliance to enable the most effective two-way communication between a company, the financial community, and other constituencies, which ultimately contributes to a company’s securities achieving fair valuation” (NIRI, 2003a). Yet, this was not the case in the earlier years of the profession – in fact, previous NIRI’s definition called IR “a marketing activity,” with no mention of two-way communications and its interdisciplinary, and suggested the goal as “positive” effect on share price rather than fair value. Thus, to better understand the current state of IR it is important to briefly review its history.

IR is a young profession: its history is usually recounted from post-World-War-Two period. The modern profession of IR originated with Ralph Cordiner, a chairman of General Electric, who in 1953 created a function in charge of all shareholder communications. In fact, in early 1950s a number of large companies started thinking about their shareholders. Economic boom of the post-World-War-Two years created extra income in the hands of American public; an income that could be invested. Corporations found themselves competing with each other for this cash – a competition companies were not accustomed to. In this situation, the management turned for help to proven professionals of communicating with individuals – PR. Unfortunately, in 1950s PR was not a well-established practice itself. Only the largest companies had internal PR staff and the functions and roles of PR were limited. This era was characterized by the lack of financial expertise among practitioners. IR tasks were assigned to publicists who were largely press agents and technician and focused their job on putting the company’s name into mass media. They brought their weaknesses with them to IR: IR was not a strategic managerial activity but rather a technical function focused on one-way information at best or “dog-and-pony” shows at worst.

By 1970s the stock market became dominated by professional investors – bankers, financial analysts, and fund managers did not want to waste time with press agents who were not qualified

to discuss company’s financial standings anyway. As a result, it was common for them to go around “IR” person directly to the Chief Financial Officer. Under the supervision of CFOs, IR activities became focused on providing financial disclosure to investors. The focus from mass media changed to one-on-one meetings with institutional shareholders and financial analysts. This interpersonal nature of communications enabled two-way information streams. Feedback was gathered. It was, however, rarely used to modify the activities of corporations. Rather, it was used to craft more persuasive messages to “sell” the organization. The “selling” approach positioned the goal of IR in increasing the share price. Ryan and Jacobs (2005) propose that the goal of IR became maximizing the stock price – the higher the better. Laskin (2009; 2010) claims that this model of IR was one of the contributing factors to “creative accounting” and collapse of Enron and other corporations at the start of the century.

Today IR profession is changing. Several new legislations including Regulation-FD, Sarbanes-Oxley Act, and Dodd-Frank Bill imposed new requirements on the practitioners. As shown above, NIRI changed its definition of the profession. And investors themselves have different demands – they are not satisfied with disclosure of financial information, they want to know about variety of extra-financial and intangible indicators in order to understand the company’s business model (Laskin, 2010).

IR in Europe: History of the Profession

Within Europe, there is not one date but many dates when it comes to the beginning of IR as an organizational practice. As said before, IR really began in the US and diffused within the UK with its Anglo-Saxon business system. The continental European countries followed a Communitarian business system – framework, regulation, legal, cultural and societal factors differ from the Anglo-Saxon system. So it does not surprise that the IR practice earlier established and professionalized within the UK (Marston, 2004). The financial markets as the organizational field within IR operates are traditionally more similar between the US and UK than with other European countries.

In the UK, the “Big Bang” (Margaret Thatcher’s or the “iron lady’s” liberalization and deregulation act in 1987) could be mentioned as the focal event within the regulatory environment that influenced the establishment of IR as an organizational practice (Dolphin, 2003). However, close ties with the US businesses (cultural-cognitive dimension) as well as similar developments like the professionalization of analysts and shareholder activism due to emergence of institutional investments (normative dimension) have been major influences likewise (Briston & Dobbins, 1978; Knight, 2010). Global finance first spread within the UK but soon reached Continental Europe. With deregulation and privatization across Europe since the 1980s, establishment of (international) institutional investors and growth in equity investments globally, IR established in

the other European countries, too. For former Communist states within Europe, transition from planned to market based economies with an introduction of stock markets and privatization only began in the 1990s (Marston, 2005).

At the moment, there are 19 countries in Europe which have professional associations – Austria (Circle for IR Austria CIRA, since 1991), Belgium (Belgian IR Association BIRA), Bulgaria (Bulgarian IR Society BIRS, since 2010), Denmark (Dansk IR Forening DIRF, since 1988), France (Association Française des IR CLIFF, since 1987), Germany (Deutscher IR Verband e.V. DIRK, since 1994), Finland (Finnish IR Society FIRS, since 1990), Greece (Hellenic IR Institute), Italy (Associazione Italiana IR AIIR), Netherlands (Netherlands Society for IR NEVIR, since 1992), Norway (Norsk IR Forening NIRF, since 1995), Poland (Polish IR Institute PIRI, since 2004), Portugal (Portuguese IR Association, since 2009), Spain (Asociación Española para las Relaciones con Inversores AERI, since 1991), Sweden (Swedish IR Association SIRA, since 1995), Switzerland (Swiss IR Society SIRV, since 1992), Turkey (Turkish IR Society TUYID), UK (IR Society IRS, since 1980), the Ukraine (Ukrainian IR Society UAIR). Some of the associations are also members of Global IR Network (GRIN). However, there is no genuine European IR association which clearly indicates the different regulatory as well as cultural components within the different European countries. Especially for retail shareholders in Europe, national identification plays a significant role when making investment decisions (DAI, 2011).

Reviewing the year of formation, the national IR associations serve as indicators for the development of IR profession within different European countries. UK companies served as frontrunners but the Continent, especially the Nordic region and France soon turned to IR activities. Despite national differences European countries are grouped according to similarities in accounting systems: UK/Ireland, Netherlands, Germany/ Austria, France/Italy/Belgium/Spain/Portugal/Luxembourg/Switzerland, Sweden/Norway/ Finland/Denmark, Central and Eastern countries, emerging/transitional markets (Marston 2004, 2005). In general, IR was first practiced by large-caps, small- and mid-caps followed.

Within France, IR emerged in the wake of the first privatization programs in the 1980s – as within other European countries like the UK and Germany as well. Right from the beginning, IR was very much concerned with managing relationships with retail shareholders as their strong interest for domestic corporations represent a specific feature within French equity culture. The strong involvement of French individual investors in domestic equities results in bigger teams responsible for them as well as specific activity's by the IR departments far reaching the provision of basic financial information (Guimard 2011). As retail shareholder base is such strong, technology plays an important role when targeting their informational needs. However, France is also experiencing a decline in retail shareholdings at the moment. Next to retail, institutional investors play an important role as well. Especially with the introduction of the stock exchange Euronext in 2000 (together with Netherlands, Belgium, Portugal) the French investment market became much more international (Marston, 2004).

The Nordic region is quite diverse: Whereas Swedish and Finnish large-caps soon professionalized their IR approaches – both with institutional investors and internationally (often supported by double-listings) as well as via retail shareholders due to highly developed equity markets which comprise a high level of private share ownership, Norwegian and Danish companies have been less IR-savvy (Gibbons, 2003; Marston, 2004). Additionally, qualitative differences between large- and small-/mid-caps as well as insider trading problems occurred within the first years due to a relatively small market. Differences still exist even today. Despite deregulation, strong links between political system and capital markets occur within the Nordic region (Klein, 2010).

In the Netherlands, the first public company which issued stocks (1602) and the first stock exchange (1611) were established (Ferguson, 2009). So shareholder capitalism really began in the Netherlands, yet the concept of IR as we know it today evolved in the US not sooner than in the 1950s. For the Netherlands, retail investors play an important role – the Dutch private sector is most developed within Europe (Sanchez, 2012). However, as the domestic market is quite small, companies have expanded and target an international investor community (Sanchez 2012). Cross-border activities start to emerge, e.g. with the IR societies of the Euronext countries which organize their first Pan-European IR conference in 2012.

In 1988, the first German company, BASF, established a stand-alone IR department. Germany really differs from the Anglo-Saxon model as creditor culture is traditionally stronger than equity culture, creditor value tended to be more important than shareholder value. Within the European countries, retail shareholdings are on a low level. They have experienced far less growth as in other countries (DAI 2011). Corporations have been closely linked to each other – known as “Deutschland AG”, banks played a focal role within the network (Siersleben, 1999). In 2002, new legislation provided the precondition for disintegration. In 2011, more than 50% of German large-caps listed in the DAX index were owned by foreign investors (DAI 2011). Before, regulation was improved, corporate governance issues addressed, accounting standards harmonized. As individual shareholders does not play a key role within German equity culture, institutional investors have been stronger targeted. German IR really improved during the last years and established as best practice (at least in regard to institutional investors and analysts; Human, 2011). The German professional body DIRK also played a key role in establishing GRIN in 2008 as part of an international steering group alongside NIRI, the Canadian IR Institute, and the Australasian IR Association (Knight, 2010).

In Italy, a series of privatizations from 1992 onwards could be seen as the starting point for IR activities. Yet, governance and transparency requirements were less met than by other European countries so professionalization lacks behind North and Western European countries, even today (Human, 2011; see also DIRK, 2012; ISS, 2011). As within Germany, also in Italy complex and secretive cross-share ownership consisted and often hurt minority shareholders (de Sa’Pinto

2003). Traditionally, IR is less professionalized within the South European countries (Chambers, 2011; ISS, 2011; Marston, 2004).

The other European countries have gone through similar developments as described for the sample above. Despite differences within European countries due to national regulations and equity cultures, IR established as corporate practice and professionalized within the last few years. It does not only experienced a quantitative but also qualitative growth when considering its formal but also informal status within companies, set of stakeholders (starting with serving institutional investors, today IR addresses all minor and major players within the financial markets including creditor relations), topics (evolving from shareholder value and regulation centered issues to corporate governance, sustainability, creditor relations – fixed income gains importance in comparison to equity IR) and tools (the Internet and especially social media start to play a significant role within shareholder communication, Koehler & Zeff, 2011). With the further integration of capital markets within Europe, transnational regulations like Basel III, directives like the Market Abuse Directive (MAD) which addresses insider trading and market manipulation or the Transparency Directive (TPD) which addresses corporate reporting and disclosure, harmonized accounting standards (IFRS) and pan-European stock exchanges (Euronext, OMX) a further standardization and professionalization across European IR activities will take place.

IR in the United States: Descriptive Studies

Research focusing on describing the state of the IR profession in the United States had been missing from the academic literature for quite some time. In fact, Marston and Straker (2001), European scholars, conclude, “In the USA descriptive studies of IR procedures are not in evidence” (p. 83). Although there was one exception to this claim, lack of research on IR was an undeniable fact.

The exception was one of the earliest studies investigating the state of IR: Petersen and Martin (1996). The study focused on Florida public companies only. Petersen and Martin (1996) found that 38% of companies had a stand-alone IR department, while at 63% of companies financial affairs department was primarily responsible for IR. Another interesting finding of this research was the fact that IR experience was not rated as important for a job in IR. In fact, such skills as knowledge of finance and capital markets, writing financial news releases, writing and speaking skills in general, knowing analyst and professional investors, as well as PR knowledge, all rated higher than the actual prior IR experience. Finally, the study found that IR is not considered a PR function: “Most sticking is the dominance of CEOs and financial affairs executives and departments in supervising and conducting IR...most IR programs did not report to a PR officer” (p. 200).

Rao and Sivakumar (1999) analyzed the establishment of IR departments among Fortune 500 industrial corporations within the US between 1984-1994 by referring to organizational institutionalism. They identified several conditions which led to the diffusion of IR departments within US firms. However, the aim of their study was less to describe the state of the IR profession at that time but to study the institutionalization of IR practice.

Hong and Ki (2007), asked PR practitioners if they should be the ones managing IR. The study found that almost 50% respondents indicated that IR at their organizations resides in a stand-alone IR department, only 11% of respondents report PR department as responsible for IR.

The studies, however, failed to learn about IR directly from the IR professionals: Petersen and Martin (1996) study asked CEOs about IR and Hong and Ki (2007) study investigated PR practitioners' views on IR. Most recently, Laskin (2009) conducted a survey of IR professionals themselves. The study population was limited to IR officers working at Fortune 500 companies. Laskin (2009) found that 65% of IR practitioners work in dedicated IR departments, 27% in finance/treasury, and another 8% of companies have IR managed by PR. Once again, though, IR was viewed as a financial function rather than a PR specialization: more than 85% of respondents reported having an education in finance/business rather than PR/communications.

As a result, these earlier studies had significant limitations. None of these studies, actually, allow generalizing the results to the overall population of IR officers: two studies do not even study IR professionals, the other ones limit the populations to only the largest companies. In addition, the previous descriptive studies miss some key variables important for understanding the status of the IR profession: although asked what department manages IR, only Petersen and Martin (1996) study investigates whom IR functions reports to. The studies also do not account for differences in IR titles, amount of people working in IR departments, or the market capitalizations of these companies, but especially shared thought structures and collective patterns of behavior to analyze IR practice thoroughly (Tench, Verhoeven, & Zeff, 2009; see also Sha 2011a,b for a summary of competencies and work categories within the PR practice in general).

IR in Europe: Descriptive Studies

IR descriptive research also remains scarce within European countries – especially when considering research which is published in international journals. Some of the professional associations, however, regularly provide their members with a national snapshot including no. of employees in the IR departments, reporting lines, no. of analysts, no. of roadshows etc. (e.g. IRS, DIRK). Mostly, results can only be accessed by members; cross-national comparisons are rarely provided, a clear research agenda is lacking.

Again, most research focused on the UK with Newman (Newman, 1984) Marston (1993, 1996, 2008), Craven and Marston (1997), Holland (1997, 1998, 2006), Dolphin (2003, 2004). Newman (1984) carried out a survey of major companies within the UK referring to the role and benefits of financial PR at that time. Marston (1993, 1996) first analyzed the organizational aspects of corporate IR activities within UK companies between 1991 and 1992 (postal survey, response rate: 62% of the top 500 UK quoted companies). Her research shows that 48% of respondents had no designated IRO at that time (32% had a part-time IRO, 20% a full-time IRO). IRO was not the established job description, job titles included corporate affairs, PR and corporate communications, finance/treasury as within the US. The IR function was located within the finance department (36%), however 28% of companies had no central unit or department, 20% were located within the PR team. Even in its early days, directorate was involved in managing and executing IR (finance director for most of companies; CEO additionally involved for a majority as well). Nearly 80% of respondents relied on external IR consultants which clearly indicates a lack of in-house expertise as well as resources. Budgets have been quite small with under 50,000£ for nearly 50% of companies (equals average number exposed for external consultants). Only 19% had an IR policy. Positive related to IR engagement were company size, overseas listing, commitment of top management, company privatization by the government. Marston showed that formalization of IR in the 1990s just began. Within the study, links between IR procedures and improvements in corporate governance were explored as well (Craven & Marston, 1997). Marston (2008) compared her findings from 1991 within later conducted research (survey of top UK companies in 2002 as part of a larger Europe-wide study) and focused on meetings with analysts and investors as an important part of the IR process.

Further research on the state of IR in UK companies was carried out by Holland (1998, 2004, 2006). He concentrated on disclosure policies of UK FTSE 100 and FTSE 250 companies by applying a grounded theory approach. Therefore, Holland offers a new dimension within IR research which extends the prevalent quantitative empirical methods. He shows how the interaction between the supply of company information and the market demand for information has altered the agenda for private and public disclosure within UK companies. His analysis results in a financial communications model that combines internal factors within analysts and fund managers, and external changes in the market for information, as major demand side drivers of corporate disclosure and companies IR activities. Dolphin (2003; 2004) researched the state of IR from a marketing management point of view and qualitatively analyzed the role IR plays in communicating or shaping corporate reputation. He interviewed communication executives of major British organizations to get insights into communicators' perceptions of IR's role within the overall corporate communication program (for method and results in detail see Dolphin, 2004, 30ff.).

A few examples of IR research in PR and communication management from other countries include studies on Finland, Poland, or Germany. Tuominen (1997) researched the strategic implications of IR in a Scandinavian context. By surveying Finnish stock market analysts, he investigated the state of reporting and disclosing practices within Finish listed companies. Empirical results on the state

of IR in Poland are presented by Niedziolka (2007). She concludes that the level of IR in Poland in reference to quantity as well as quality is low, investors' needs are not met and companies awareness of IR's significance is insufficient.

Within Germany, the professional body DIRK supports IR research – but most of the studies are published in German. Pierbattisti (2007) researched German companies listed in DAX and MDAX (large- and mid-cap indices of Deutsche Boerse) and focused on the company-IR relationship as well as on organizational parameters like reporting lines and hierarchies but also IR activities and the significance corporations apply to their financial communications. Ruda, Martin, & Pfeffer (2004) analyzed the IR activities of German companies listed in the media & entertainment segment of the New Market (technology segment of Deutsche Boerse, now TecDAX). In qualitative interviews, Heinz (2010) looked at the relationship of legal advisors and communication and IR professionals within German corporations and analyzed how they work together, especially in critical situations like M&As, defenses, SPOs etc. Wolf (2011) focused on German B2B mid-cap companies and their approaches towards IR. As the analysis is quite specific it also reveals the growing importance of financial communications not only for large-caps, but also the potential for smaller companies both listed and not (yet) listed.

Marston extended her earlier UK studies and used the survey for a comparison between European countries (Marston, 2004; 2008; Marston & Straker, 2001) as well as the diffusion of the IR practice within Central and Eastern European countries that have undergone economic transition (Marston, 2005). Researching the top 80 Continental European large-caps (Belgium, France, Germany, Italy, Luxembourg, Spain, Sweden, Switzerland, the Netherlands), Marston and Straker (2001) found that 54% have a stand-alone IR department, 87% employ an IRO, 45% work with external consultancies (far less than within the UK study published in 1996). The IR function is perceived as very important by nearly all respondents; when asked about their opinion considering the role IR played ten years ago, only 7% said it was an important corporate discipline. Answering phone queries and meetings are the most applied IR activities when dealing with the sell- and buy-side. Interestingly, retail shareholders are not addressed within the survey.

The most comprehensive study among European countries to date included the top 500 listed European companies (postal questionnaire with response rate: 38%, companies from 18 different countries; additionally interviews with IROs, Marston, 2004). Research covered the organization of the IR function, IR activities (in general, conference calls, meetings, use of Internet in particular), relationships with sell- and buy-side, value of IR for the company. Results demonstrate that IR as a corporate practice experienced significant growth among all countries, but also that “[...] the country of origin was not a significant factor in explaining differences. This indicated that for large quoted companies in Europe there was one global capital market place, and this view was confirmed in the interviews” (Marston, 2004, p. x). It would be of interest to have a closer look on the diffusion of the IR practice within large-, but also small- and mid-caps companies across

Europe. The survey was carried out in 2002; research in the aftermath of the financial crisis which highly affects European countries and companies has not been conducted so far.

For the Central and Eastern European countries (CEE), Marston (2005) found a relatively fast introduction of the IR practice right after the end of the Soviet regime: "Whereas in the US and UK IR began to emerge after only many years of stock exchange existence [...] it has emerged instantaneously in the CEE as a result of the diffusion of management knowledge in the global capital market." (Marston 2005, p. 36).

In comparison to US descriptive research, European studies used a more advanced research design, e.g. by including a broader range of variables, focus on processes like diffusion and institutionalization, surveying IROs and conducting quantitative as well as qualitative research.

State of the IR Profession: Comparison

Following, a meta-analysis of most recent studies aims at describing the state of the IR profession and – most important – identifying the lack of knowledge to draw a research agenda for studying the professionalization and institutionalization of IR. The meta-analysis at hand comprises the following research questions. Other dimensions could not be found within recent research so far.

RQ1. What is the average amount of people working in an IR department?

RQ1a. In the United States?

RQ1b. In Europe?

RQ2. Whom IR function reports to?

RQ2a. In the United States?

RQ2b. In Europe?

RQ3. What is the most common education for IR professionals?

RQ3a. In the United States?

RQ3b. In Europe?

RQ4. What is the average year of experience for IR professionals?

RQ4a. In the United States?

RQ4b. In Europe?

RQ5. What is the focus of IR professional activities?

RQ5a. In the United States?

RQ5b. In Europe?

Although academic research is still scarce, professional associations as well as financial service companies provide data for measuring the field. Meta-analysis of most recent research from both academic and professional sources primarily focuses on the following studies: Laskin (2008; 2009) and Zerfass and Koehler (2012) for the United States; Zerfass and Koehler (2012), VMA Search (2011) and IR Society (2011) for the United Kingdom; Zerfass and Koehler (2012), Koehler (2011), Köhler (2010), Engel (2012) and DIRK (2011) for Continental Europe; and IR Insight (2011, 2012) and BNY Mellon (2011) studies for both Europe and the United States. Appendix 1 shows research results for the different European countries in detail.

The results indicate that in the United States corporations had on average two and a half people with IR responsibilities; the amount of IR personnel ranged from just one person with IR responsibilities for smaller companies to 15 people for one of the biggest companies. In the United Kingdom, average number of IR personnel was similar at 3 people for FTSE 100 companies. Once again, most companies had just one IR officer (25%). In Continental Europe, average number of people working in IR was noticeably higher with 8.2 average. However, data for Continental Europe were based on top-companies only comprising DAX index in Germany and CAC index in France.

Most IR officers in the United States were structured in stand-alone IR departments (56%). Other IR officers were located in finance/treasury departments (28%) and in communication/PR departments (9%). Yet, despite the fact that majority of respondents worked in stand-alone IR departments, rather than in finance departments, most of IR officers still reported to chief financial officers (62%). Only 21% reported directly to the chief executive officer or president of their respective companies.

In Europe the results were quite similar. In the United Kingdom, 61% of IR officers working for FTSE 100 companies reported to the CFO. The number increases to 78% when looking at all FTSE companies. Only 15% (10% for FTSE 100 companies) of IR officers reported directly to CEO of their corporations. In continental Europe, 25% of IR officers report to CEO, while the percentage reporting to CFO is smaller (47%).

The majority of the U.S. IR officers had some kind of a graduate degree (69%). 30% reported having a bachelor's degree. The majority of the IR officers (73%) reported some kind of business degree, such as finance, accounting, or similar. Only 7% reported a communication major, including PR, journalism, and similar. Six percent said that their educational background was best described as both communication and business. 15% selected "other" response option: with professional degrees such as engineering, chemistry, aeronautics, medicine, and similar – perhaps, they transitioned to IR from operations of their respective corporations. Among others were also respondents with law degrees, liberal arts, English, psychology, and political science.

In the United Kingdom, graduate degrees were also quite common among IR officers (40%), with Master's of Science (23%) and MBA (17%) being the most common types of postgraduate degrees. In Continental Europe 71% of IR officers had a business/management degree, while 15% reported education in communication discipline.

The respondents in the United States had on average 10 years of experience in IR ($M = 10.11$). In addition, the study asked how long they worked at their present company. The respondents had, on average, nine years of experience at their companies ($M = 9.16$). In the United Kingdom, 40% IR officers have more than 10 years of professional experience. Continental Europe data were not available.

As for the actual practice of IR, the focus of German practitioners is on trust, transparency and dialogue as the most important. In other European countries, effective disclosure, coordinating investor/PR message and ensuring management visibility/accessibility seem to be more relevant. Surprisingly, integration of IR and PR are revealed as one of the top 3 IR objectives. In practice, the differentiation between IR and corporate communication which is common practice in most corporations is an issue. Within Germany, IROs possess a self-perception as communicators with financial focus. As shown above, professional background and education does not currently match with these perceptions as most IROs still have a finance background. Competencies have not been analyzed in detail so far although trainings by the professional bodies indicate to know which skills IROs need and are requested by financial markets participants.

One-on-one meetings seem to be the most important IR activity across Europe. In the United States, one-on-one meetings are also listed as one of the important activities practitioners engage in, however, the most important activity is responding to requests from investors and analysts. This can suggest a more passive nature of IR in the United States. Or perhaps this fact can be explained by smaller size of IR departments that does not allow professionals to focus on proactive strategic activities. Among activities, online IR further gains importance in an international context. Financial communications in practice especially focus on IR websites, US large-caps are more social media savvy than their European counterparts. Within Europe, DAX companies perform on the highest level according to social media activities. Yet, UK and French corporations improved their engagement, with French large-caps being slightly more engaged in online financial communications. Analysis showed that social media activities can positively influence the number of foreign investors, analyst coverage and trading volume within the domestic market; volatility is negatively influenced.

Comparing the Status of IR in the United States and Europe: Conclusions

This meta-study evaluates the state of the IR profession and provides comparison between European practices of IR and the status of the profession in the United States. NIRI with its more than 3,500 members and the European associations with their 50-500 corporate members each are of course different in size and professionalization. However, the European associations together account for nearly the same as NIRI. Furthermore, as financial markets become global, IR becomes global, too: associations are asked to further internationalize and cooperate. Equity culture will prospectively influence the IR practice so differences within European IR stay consistent – especially as corporations increasingly start to focus on domestic retail shareholders again as long-term investors.

The results reveal that IR is still largely a financial function. Minority of respondents in the United States and in Europe characterizes their educational experience as communication, reported to a chief communication officer, or worked in communication/PR departments. This lack of communication expertise is a troubling factor, because communication expertise is precisely what corporations today require from their IR professionals. In fact, corporate CEOs indicate that the most valuable skills they expect from their IR staff are communication skills. Rivel and Peebles (2008a) elaborate:

It is not the ordinary and rather static “punch up the numbers,” financial modeling or knowledge of legal precedent which grabs the attention of the CEO. Rather, having a solid pedigree in communications effectiveness...is the key differentiating factor that CEOs most commonly say adds the greatest value in an IR officer...In no uncertain terms, CEOs indicated that they now more often value the IRO as a communications partner as opposed to an executive steeped in accounting, finance or compliance. (p. 18).

However, the study shows that CEOs are not getting what they want from their IR staff. IR profession still lacks communication skills and expertise; communication professionals are a rare breed among corporate IR professionals. It would be incorrect to say that knowledge of finance and accounting is a negative skill for IR professionals; however, communication expertise is a skill that must complement that financial knowledge to help corporations in their IR efforts.

In addition, IR function is still predominately overseen by the chief financial officers – over 60% of respondents claimed reporting to CFO in the United States and the United Kingdom. Although in Continental Europe this percentage is smaller (47%), it is still the largest single category.

In addition, most IR officers have a business-related education. This is despite the fact that most do not even work in finance/treasury departments. In other words, although it is quite common nowadays to elevate the IR function to the level of an independent department, the people hired to do the work are still mainly financially focused and the department still reports to the CFO, rather than to the CEO of the company. It seems that the importance of IR is recognized at organizations and thus it is structured as a stand-alone department. Yet, the CFOs continue to control the function.

The results are also concurrent with the earlier academic and professional studies. For example, NIRI (2003) reports that among corporate NIRI members background in finance/accounting dominates over background in corporate communications. However, the situation is opposite among consultants and IR agencies. Over half of all IR consultants report their experience as being primarily in corporate communication/PR (NIRI, 2003b). The meta-analysis, however, looked only at corporate IR officers and, as a result, large part of communication expertise, concentrated nowadays in IR agencies, perhaps was not accounted for.

Reporting lines are quite the same within Europe with CFO and finance department as more connected to the IRO than the communication department. Within Germany, direct reporting lines to the CEO are more common than within UK companies. When looking at all FTSE listed companies, corporate communications plays a much more important role: IR and corporate communications are more likely to be integrated as corporations became smaller in size. Analyses of the integration of IR corporate communications within German companies (all sizes) reveal that IR and PR are not integrated within one department, but a one-voice-policy is tried to achieve by working together. Here, not only CorpCom plays a role but accounting, media relations, finance and legal affairs as well. However, integration especially refers to operational tasks, communication strategy is coordinated with other communication departments or head of CorpCom by less than a quarter of companies.

However, the progress in IR is undeniable. In 1985, NIRI (1985) found that only 16% of the largest U. S. corporations had a stand-alone IR department. This analysis found 56% of respondents working in stand-alone departments and the study was not even limited to large corporations only.

Thus, there was a significant increase in the amount of companies that consider IR worth creating a stand-alone department. This suggests the increased importance of the function and more attention paid to the issues of communicating with the investment community in both the United States and European countries. This supports the literature review that estimated the importance of IR to be on all time high levels in the United States (Laskin, 2010; 2011). In fact, NIRI's former CEO, Linda Kelleher (2007) notes that today senior management of corporations considers investors one of the most important publics, "second only to customers" (p. 2).

Many IR departments today, however, employ only one person. This puts significant pressure on IR officers who work in such departments. At the same time, larger companies report more than 10 employees with IR responsibilities. These disparities in the amount of IR staff can perhaps be mitigated by using IR agencies and also by cooperation with other departments, such as, for example, corporate communications. There is also a large difference in staffing of IR departments between the United States and Europe. IR departments tend to be quite larger in Continental Europe (8 people on average) versus the United States (2 people on average). This suggests more importance placed on the function in the European countries.

IR function works best if it is elevated to a stand-alone department and reports directly to a CEO. The CEO as the main strategic manager of a corporation is more likely to understand and appreciate the value of non-financial indicators and importance of communicating these indicators to the investment community. The long-term horizon of the CEO is typically better suited to the long-term relationship-building activities of IR. This is also more compatible with the long-term holding period of the buy-side. An anonymous portfolio manager explained, "What I don't really care about are quarterly numbers but what we do want to talk about is the long-term profitability goals and operating models that the company thinks it can achieve in its business" (Rivel & Peebles, 2008b, p. 19).

The management of the company is also more likely to appreciate investors with a long-term horizon rather than with short-term (Laskin, 2011). As a result, IR officers should actively work to extend the holding periods of their stocks and look for investors who "consider themselves 'owners of company,' not simply 'renters of stocks'" (Schoger & Iannarino, 2008, p. 11). IR officers should consider changing their efforts, internally and externally, to "focus on developing the big picture strategic elements, staying away from aspects such as short-term changes in analyst earnings expectations" (Morgen, 2007, p. 21).

The study's findings also suggest several implications for IR education. The IR practice combines at least two areas: finance and communications and both of these areas are required for the successful practice. Even more, IR officers that combine both finance and communication in their educational background tend to be more strategic in their work and focus on long-term objectives rather than on short-term ones. This strategic long-term focus is important for the IR practice and thus the dual-education is a valuable asset for the IR officer (Laskin, 2009; 2010).

To achieve this dual-educational experience, nowadays, most of the IR professionals have to gain a second degree. Perhaps, it is a sign that there is no suitable educational program that combines financial and communication skills to prepare future IR officers. In fact, there is a lack of IR education. There are no IR undergraduate majors or minors and only a few schools offer stand-alone IR courses. Building an IR educational program can be an important step for advancing the

profession of IR. Such program must combine knowledge of finance and accounting, strategic communications and PR, marketing and research, and securities law compliance.

Rivel and Peebles (2008a) conclude that CEOs value communication skills of the IR staff as the most important: “they now more often value the IRO as a communications partner as opposed to an executive steeped in accounting, finance or compliance” (p. 18). Yet, currently the education of IR officers is most often in accounting and finance. Clearly, changes in education are needed to satisfy the need for IR professionals with solid communication training. Obviously, it could be discussed whether IR is a PR practice or a profession by its own (see Broom 2009 for the differentiation of profession and practice); the relationship – unlike for marketing and PR – has never been thoroughly discussed. However, communication management could substantially contribute to the further development of the field, especially as finance and management research failed to address communication-related issues. So far, research in the field of IR is mostly conducted by national associations and service providers but still lacks academic interest. Although recently this has started to change, comprehensive state-of-the-profession research does not exist in IR as the meta-analysis at hand shows. It would be of interest to compare the state of the IR and PR profession in more detail as well as the state of the IR profession in different countries by referring to a common research framework as for example introduced with the ECM studies. Further research could also adopt neo-institutional theory and analyze processes of professionalization and institutionalization by additionally referring to categories as shared thought structures and collective patterns of behavior.

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Appendix 1

	Europe ¹	UK ²	Germany	France ³
Organization of the IR function	3.5 people IR team size on average (2.0, 2.6, 4.2, 7.7 for small cap, mid-cap, large cap and mega-cap); UK is more similar to the US than the other European countries, e.g. average team size Europe excluding UK 3.6; UK 2.9; US much smaller IR teams, but the gap is narrowed in 2011 (average size 2.45 up to 3.3); in Europe large spread with a range of teams from 5.7 (from 2 to 8), narrowest gap in the US; 10% with locations abroad (representative in other location than domestic location); biggest IR teams in Europe are in Germany, biggest budgets elsewhere; UK: team size and budgets far smaller than continental counterparts; 2.2 people average small cap in Germany, range 7.5 between smallest and biggest IR teams (all caps)	On average, a FTSE 100's IR team has three members with FTSE 250s ⁴ being slightly smaller at two. 10% with teams larger than five people, 2% with more than seven people, more than 25% with only 1 person (excluding administration and PA resources). 30% of the teams had grown in size within the last five years, 9 per cent had reduced team size, more than 50% with no movement in team sizes. Top 30 FTSE companies: 7.9 (average) no. of employees ⁴	Number of IR employees (full-time): 4.1% 11-20, 9.9% 5-10, 23.1% 3-4, 62.8% 1-2 ⁵ ; DAX 8.2 average (median 8) ⁶ , MDAX 3, SDAX 1, TecDAX 2; no. of employees responsible for private investors (median): DAX 2, MDAX 2, SDAX 1, TecDAX 1 ⁷	8.2 employees (average) in IR department of top 30 CAC companies
Reporting lines	64% report to CFO, 30% to CEO	61% of FTSE 100 IR departments report to the CFO/CD 22% report to the Head of Corporate Communications or an equivalent 10% report to the CEO 7% report to another function ⁸ , FTSE all companies: 78% to Finance director, 15% to CEO, 10% to a Director of Corporate Affairs (all applicable for Heads or Directors of IR); 40% of FTSE IROs oversee CorpCom, 18% within the FTSE 100	47% report directly to CFO, 25% directly to CEO, 17% to CCO (part of CorpCom), 3% to the finance department, 9% different (both CEO and CFO, different reporting lines according to tasks) ⁹ ; CorpCom superordinated to IR by 5% of companies, CorpCom subordinated to IR 8%, CorpCom and IR same level 87% ¹⁰	
Background of IR professionals		52% female (Heads or Directors of IR); 40% postgraduate study (23% MSc, 17% MBA), 2% PhD, 28% CFA or ACAs (financial qualification), 14% IRS certificate in IR; former job: 20% investment banking equity research, 19% finance role within a company, 16% in-house communications role, 7% fund management role, 5% venture capital, 15% marketing, 4% compliance or company secretariat, 14% other; 4 years average tenure (Heads or Directors of IR); Nearly 55% belong to a professional organization ¹¹ ; Nearly 40% with more than 10 years in IR, 23% 4-6 years, 19% 1-3 years, 11% 7-10 years, 7% with less than one year IR experience ¹²	71% of respondents with management background according to their studies, 15% with communication, 1% legal, 14% other; 60% worked within management prior to joining IR, 35% within communications, 5% other ¹³ .	
Budget, salary and bonuses	\$ 648,000 on average (excluding salaries and annual reporting costs); mega-cap companies\$ 1.9 mn, gap to small caps average is\$1.75 mn, largest gap in global comparison; 25% of budget is dedicated to external services like investor targeting or roadshow planning; \$180,900 average base salary, \$166,00 median base salary (2010\$169,800 and\$161,600);\$50,900 average bonus,\$34,800 median bonus (total compensation including stock options 2011 average\$255,000, 2010\$228,100; median\$215,800 and 2010\$195,700) ¹⁴	Average budget for a FTSE 100 IR team is approximately £850,000, around £400,000 for FTSE 250. 5% with IR budgets in excess of £1.5m (all from FTSE 50). 5% with IR budgets over £1m (all). 5% of budgets had been affected negatively by the market downturn, 8% increased on the other hand. Average salary for Director of IR FTSE 100 £140,000, range varies from between £110,000 to £240,000; FTSE 50s average of £180,000, 5% earned over £200,000. Salaries for FTSE 250 Heads of IR range between £90,000 to £140,000. Promoting facts for higher salary: team size, market capitalization, background (an IR manager with a finance qualification or a background in either investment banking or equity research commands a salary of		

¹ Global IR Practice Report 2011, IR Insight.1,200 respondents, IR professionals or senior managers being responsible for IR (minor view); 51% from North America, 33% from Europe, 12% from Asia, 3% from Latin America, 1% from Africa/Middle East; small-, mid-, large- and mega-caps.

² VMA Search (2011, FTSE senior IR professionals, >100 Heads or Directors of IR).

³ Zerfass/Koehler 2012, sample includes top 30 companies listed in CAC40.

⁴ Zerfass/Koehler 2012.

⁵ DIRK Trend Indicator, Autumn 2011 (Half-yearly survey of IR professionals (DIRK members), Basis: 331 DIRK members, Responses: 121 = 37%, 79% of all the companies to have responded belong to the Prime Standard segment).

⁶ Zerfass/Koehler 2012.

⁷ Köhler 2010.

⁸ IR Society (2011), Reporting lines. Survey of FTSE 100 members. Published November 30, 2011.

⁹ DIRK Trend Indicator, Autumn 2011.

¹⁰ Engel 2012, 119 IROs Prime Standard All Shares(21 DAX, 23 MDAX, 9 TecDAX, 17 SDAX, 49 no index)..

¹¹ BNY Mellon 2011.

¹² IR Society 2011 (survey of members, 50% of respondents listed in FTSE 100, 27% in FTSE 250).

¹³ Engel 2012.

¹⁴ BNY Mellon 2011, Global Trends in IR (650 online respondents from 53 countries).

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		between £70,000 and £110,000 in FTSE 100, without between £55,000 and £75,000), experience (IROs with experience of more than three years of the financial capital markets earn at least 15% more than those who do not have this experience – capital markets in general, not IR).		
IR objectives (top 3)	Ensure effective disclosure, coordinate investor/public relations message, ensure management visibility/accessibility ¹⁵		Trust, transparency, dialogue ¹⁶	
IR activities	41% give quarterly earnings guidance, 72% earnings guidance at least once a year; 11.8 roadshows a year, 207 one-on-one meetings a year, 96 with senior management (46%), 7 investor conferences: no. of one-on-ones rises with market cap as well as no. of meetings hold by IR alone (small and mid-cap more often accompanied by senior management when comparing ratio); external support for conference calls (22%), targeting & shareholder ID (21%), annual reports/financial reporting (18%), website & social media (14%), roadshows, meetings, events (12%); no. similar for US	Online financial communications: All top 30 companies listed in FTSE 100 use social media on their IR website and employ at least one external platform with IR topics (especially Twitter). ¹⁷	Online financial communications: 29 companies listed in DAX 30 use social media on their IR website, all 30 large-caps employ at least one external platform with IR topics (especially Twitter). Most intense and dialogic use in comparison to other European countries. ¹⁸	Online financial communications: All top 30 companies listed in CAC40 use social media on their IR website and employ at least one external platform with IR topics (especially Twitter). ¹⁹
Strategic issues	84% publish a CSR report; Short selling, dark pools ²⁰	Corporate governance (board composition remuneration, executing of voting rights/stewardship); debt IR (creditor relations), narrative reporting, equity allocation; ESG; technology (including social media) ²¹	Equity gap, trust in financial markets, corporate governance, new regulations, increased transparency ²²	Management compensation, shareholder remuneration, strategic directions ²³
Analyst coverage	30.8 analysts average for mega-cap, 8.6 for small cap, 17.3 for mid-cap, 24.5 for large cap; 32% of IROs' time spent with sell-side analysts	No. of analysts per company: 17.7 (average for top 30 FTSE companies) ²⁴ Within last twelve months, sell side analyst increased by 60%, decreased by 3%, stayed the same by 37% ²⁵	No. of analysts per company (median): DAX 30, MDAX 22, TecDAX 12, SDAX 7 ²⁶ ; Current sell-side analyst coverage is in decline: only growth in the 1-5 analyst bracket: 5.8% of companies no coverage, 28.9% 1-5, 17.4% 6-10, 21.5% 11-20, 14.0% 21-30, 10.7% 31-40, 1.7% more than 50; Sell-side analyst coverage increases according to index affiliation ²⁷	No. of analysts per company: 21.5 (average)
Shareholder Relations	57.4% institutional investors, 8.2% state and/or sovereign wealth funds, 6.7% other; 16.1% retail investors, 9.6% high-net-worth individuals; 59% of IR time spent with investors; 24% international investors, 76% are located in the domestic region; Criteria IR departments use to target new equity investors (top 3): peer ownership, investment style, industry focus; European companies highly rely on brokers for gathering information before meeting investors ²⁸	81.3% free float; 6.3% retail shareholders; 40.2% foreign investors; shareholder activism (no. of resolutions supported by less than 90% of shareholder votes during last AGM):1.14 (all no. average for top 30 FTSE companies) ²⁹ ; For 23% hedge funds have a significant stake in the company (more than 5%), 27% have a liaison with proxy voting agencies ³⁰	Retail shareholders (average): DAX 16.2%, MDAX 15.2%, TecDAX 18%, SDAX 22.1%; freefloat (average): DAX 73%, MDAX 49.8%, TecDAX 60.2%, SDAX 41.5%; 60.7% (average) foreign investors within DAX companies ³¹ , shareholder activism (no. of resolutions supported by less than 90% of shareholder votes during last AGM):1.17 ³²	78.9% (average) free float; 12.9% (average) retail shareholders; 47.7% (average) foreign investors, shareholder activism (no. of resolutions supported by less than 90% of shareholder votes during last AGM):3.81 ³³ Robust private shareholder base, 40% - 50% of shares held by non-resident institutional

¹⁵ BNY Mellon 2011.

¹⁶ Engel 2012.

¹⁷ Zerfass/Koehler 2012.

¹⁸ Zerfass/Koehler 2012.

¹⁹ Zerfass/Koehler 2012.

²⁰ BNY Mellon 2011.

²¹ IR Society Annual Conference 2012.

²² DIRK Annual Conference 2012.

²³ Guimard 2011.

²⁴ Zerfass/Koehler 2012.

²⁵ IR Society 2011.

²⁶ Köhler 2010, for DAX companies Zerfass/Koehler 2012.

²⁷ DIRK Trend Indicator, Autumn 2011.

²⁸ BNY Mellon 2011.

²⁹ Zerfass/Koehler 2012.

³⁰ IR Society 2011.

³¹ Köhler 2010, for DAX companies Zerfass/Koehler 2012.

³² Zerfass/Koehler 2012.

³³ Zerfass/Koehler 2012.

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				investors in general; strong tendency for cross-border listings ³⁴
Internal relations	Type of information provided to senior management by the IR department (top 3): sell-side analyst opinions, investment community feedback, IR activities; 7% of IROs attend board meetings and also present, 28% attend and sometimes present, 1% attend and do not present, 63% not attend at all. 62 of companies have a written disclosure policy, 61% a written crisis communication policy. ³⁵	55% provide the board regularly with written reports, 25% personally present regularly to the board, 47% present to CEO/CFO who informs the board (no personal contact by IROs), 11% do that through an executive committee, 12% do not regularly report to the board; Frequency of meetings with CEO to discuss IR related topics: 35% frequently (day to day), 15% at least once a month, 18% during results announcements/quarterly reports, 10% occasionally, 22% only when asked/on specific issues; Frequency of meetings with Chairman to discuss IR related topics: 2% frequently (day to day), 8% at least once a month, 24% during results announcements/quarterly reports, 18% occasionally, 48% only when asked/on specific issues ³⁶	94% agree that IR and other communication departments try to establish a one-voice-policy; 72% of IR departments strongly cooperate and work together with the corporate communications department, 61% with accounting, 63% with media relations, 58% with finance, 43% with legal affairs, 26% with corporate strategy, 13% with marketing, 2% with F&E. 28% agree that communication strategy is coordinated with other communication departments or head of CorpCom (20%). ³⁷	
Self-perception	Quality of senior management is valued more important than quality of IR personnel for financial market participants ³⁸	55% reported the perception of their role had changed positively over the past five years; Greatest challenges for IR professionals (top 3): Prioritizing management time with institutional investors, securing an adequate budget for IR, obtaining share trading data and market volumes ³⁹	IR as a communication discipline with financial focus: 95% agree, IR as a solely financial service 8% agree; extent to which work is dominated by communication 15% 75-100%, 50% 50-75%, 28 25-50%, below 25% 7%. ⁴⁰	
Evaluation of IR activities	Top 3 measures: informal feedback from investment community, no. of one-on-one meetings, (the following all on third rank) effective use of senior management's time, relative valuation/stock performance, analyst coverage			
Career perspectives		15% do not plan to be in IR over the next few years with 19% planning to move into a senior finance role either in their company or another one, more than 50% foresee a potential career within strategy. Less than 50% see a potential future in overseeing the communications function within the next few years. 10% view a potential career as a CEO and 17% as a CFO. 73% see IR as a stepping stone into an another senior role internally. 40% need at least a 20% pay rise to consider moving into another company with at least 6% reporting that they would only move if they were offered more than 40% pay rise.		

³⁴ Guimard 2011.
³⁵ BNY Mellon 2011.
³⁶ IR Society 2011.
³⁷ Engel 2012.
³⁸ IRO Perception Study 2012
³⁹ IR Society 2011.
⁴⁰ Engel 2012.

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Mastering Internal Communication: Postgraduate Education for Internal Communication Professionals

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ABSTRACT

This paper responds to the BledCom 2012 conference theme: *Public Relations and Communication Management: The State of the Profession* with empirical consideration of the education needs of internal communication professionals. The paper analyses fresh data collected in an online survey of communication professionals conducted in 2011. Survey respondents work in communication roles in a range of public, private and voluntary sector organisations. The survey found that participants were interested in a wide range of specialist communication topics. The findings indicate a need for educators to enable communication professionals to develop specialist internal communication knowledge; and they have informed the development of a specialist internal communication master's course.

Introduction

The theme of BledCom 2012 challenges participants to consider the current state of the public relations and communication management profession. Specialist education is a fundamental requirement of every profession, since it equips professionals with a distinctive knowledge and skill set. This empirical paper contributes to consideration of the state of the profession by considering specialist education in the context of internal communication professionals.

The education needs of public relations professions have been considered by academics in the past (Toth and Aldoory 2010, Commission on Public Relations Education (CPRE) 2006). Toth and Aldoory's (2010) work addresses gaps in understanding of the status of public relations education globally. However, scant attention has previously been paid to the specific needs of internal communication professionals. This is surprising since internal communication is an area of practice which consistently appears in the top five most pressing issues for European practice (European Communication Monitor 2009, 2010, 2011) and is highlighted among the key functions in USA practice (Goodman, Genst, Keller, Cayo and Gouy 2011). Interest in the issue of internal communication education is beginning to grow, as indicated by a panel discussion which debated internal communication education at the 18th BledCom conference (De Bussy, Doswell, Jahansoozi, Muzi Falconi, Ruck, Verčič, Welch 2011). That conference was devoted to the theme of internal communication and led to a special issue of *Public Relations Review* (Vol. 38 (2) 2012). This paper builds on the foundations formed at BledCom 2011, contributing empirical consideration of the postgraduate education needs of internal communication professionals.

Public relations and communication management plays a strategic role in organisations across the spectrum of sectors. One of the trends affecting public relations practice is the increasing importance of internal audiences (CPRE 2006). Internal communication is emerging as a fast developing area of communication practice. To command professional respect, and to make positive strategic contributions to organisational effectiveness, internal communication professionals need to build specialist knowledge and skills so they can meet the needs of internal audiences and contribute to organisational effectiveness. The Commission for Public Relations Education (CPRE 2006, p. 45) highlighted the growing importance of internal communication arguing that: 'the ability to incorporate the internal audience into public relations planning and communication is increasingly required in meeting the challenges and opportunities presented to an organization. Whereas organizations have always identified employee publics among those considered important, human resources departments increasingly are expecting public relations to manage employee communication, a change from the days when human resources considered communicating internally to be its exclusive purview.' Given the recognition of internal communication as an important area of practice, it is surprising that little scholarly attention has yet been paid to internal communication education. This paper addresses that gap.

Conceptual framework and literature review

The concepts of internal communication and professions are considered in this section, followed by issues relating to internal communication education.

Internal communication

Internal communication varies from office gossip and informal chat, to formal corporate communication to all employees from senior management. Between these two ends of the internal communication continuum, there is a range of formal and informal communication involving individual employees in teams and in project groups, and between staff and line managers. One framework for appreciating this diversity is an internal communication matrix consisting of four internal communication dimensions: line management; team peer; project peer; and, internal corporate communication (Welch and Jackson 2007, Welch 2012). All four dimensions hold challenges for practice and for research. This paper is principally concerned with one of the four, internal corporate communication which relates to communication between senior managers and all employees. The position of internal corporate communication in relation to public relations is represented in Figure 1 which adapts Van Riel's (1995) integrated corporate communication model (*adaptations) and synthesises it with a trapezoid overlay indicating Argenti's (1996) view of corporate communication (Welch and Jackson 2007).

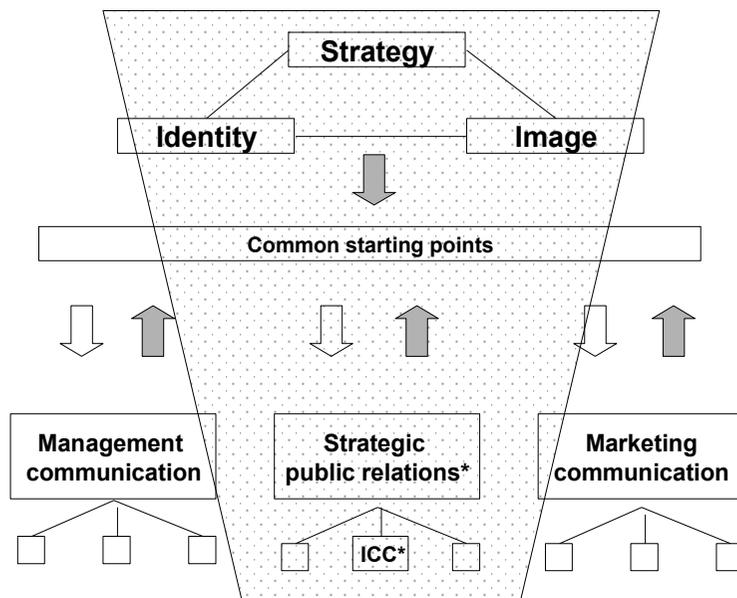


Figure 1: Van Riel's (1995) integrated corporate communication model (*adaptations) with a trapezoid overlay indicating Argenti's (1996) view of corporate communication

Professions and professionals

On the one hand, public relations (and by implication its component disciplines including internal communication) is considered a profession, for example, Toth and Aldoory (2010, p. 4) state: 'Clearly, today's public relations is a global profession.' On the other hand, public relations does not involve the strictly regulated, closed practices associated with long-established traditional professions such as law and medicine. Given this, consideration of the nature of *professions* and the position of public relations and internal communication is required.

Professions have been subject to scholarly work for generations, with an extensive body of literature in sociology dating from the late 19th century. Occupational professions have been studied from various perspectives including: identifying *traits* which set professions apart from other occupations; the *professionalization process*, characterised by stages in the natural history of professionalism; and, the *power* approach focussed on ways in which professions achieve social approval and autonomy (Pieczka and L'Etang 2006).

Professionalization has been characterised as a *process of socialisation* in which members subscribe to values and beliefs nurtured by professional groups via training processes (McKenna 2012). This view of professionalization implies that to qualify as an emerging profession, internal communication needs professional groups and specialist training. Arguably, such training needs to serve professionals needs from entrants to senior professionals. Furthermore, it implies that the profession must have access to a specialised body of knowledge that they can apply to their communication practice. Pieczka and L'Etang (2006 pp. 276-7) emphasise the continuing contribution of education in the process of public relations practice achieving legitimacy and professional status. However, they observe a reluctance to explicitly identify specific abstract knowledge required in the public relations profession. This is problematic because it constrains the diffusion of apposite knowledge.

Aspects of the professionalization of internal communication will be considered next including discipline-related professional bodies, education, and training.

Professional bodies

Professionalism of internal communication is evident since there are a number of professional internal communication groups in existence. For example in Europe, FEIFA (Federation of European business communicators associations) represents corporate communicators from affiliated national associations in 11 countries, which together comprise more than 4,500 individual members. The current president of FEIFA is Chief Executive of the UK Institute of Internal Communication (IoIC). Another professional body, the Chartered Institute of Public Relations (CIPR), has a special interest group dedicated to internal communication, CIPR Inside. Compared to professional bodies representing traditional professions such as law and medicine, the internal communication professional bodies are relatively young and small-scale. Nevertheless, their

existence is a marker of the professionalization of internal communication practice. Arguably, neither public relations or internal communication are strictly professions in the traditional strict sense of the term. However, participants in these occupations are clearly engaged in a process of professionalization. Practitioners engaged in the quest for professionalism can therefore be termed communication professionals. A mark of professionalization is education. For example, both the CIPR and IoC have developed training programmes for internal communicators, so the issue of education and training is considered next.

Education and training

A range of specialist training is available to internal communicators in the form of short courses, certificates and diplomas, some of which are accredited by professional bodies such as the IoC and the CIPR. Professionalization is associated with occupation-related higher education. A number of frameworks of communication profession education have been developed to provide educational standards. These include: the Commission on Public Relations Education's (CPRE) (1999) *Port of entry* report which identified knowledge such as communication and public relations theories, and skills such as strategic planning. Other public relations and communication frameworks followed including: CPRE (2006); Hazelton (2006); Tench and Deflagbe (2008); Cotton and Tench (2009); and, Toth and Aldoory (2010). Surprisingly, given the importance of internal communication, these frameworks pay little attention to specific internal communication knowledge and skills. One exception to this (Gregory 2006) outlines a development framework for government communicators, and notes generic skills and behaviours applicable to internal communication. Surprisingly, given the growing recognition of the importance of internal communication discussed above, only two frameworks specific to internal communication were identified during an extensive review. The first is a knowledge and skills matrix produced by a consortium of professional bodies: Communicators in Business (CIB, now the IoC); Internal Communication Alliance (ICA) now CIPR Inside; and, the International Association of Business Communicators (IABC) (undated, cited in Smith and Mounter 2005; and in Thatcher and Shaw 2005). The second is by Dewhurst and FitzPatrick (2007, cited in FitzPatrick 2012).

The CIB/ICA/IABC framework seeks to provide a matrix of generic business and management knowledge and skills alongside specialist corporate and internal communication knowledge, skills and direct experience. This matrix is categorised across four experience bands ranging from entry to senior practitioner. It specifies some specific knowledge areas including the concept of internal communication (what is IC?), management theory, and knowledge of professional codes of practice.

Dewhurst and FitzPatrick (2007, cited in FitzPatrick 2012) identify twelve **competencies** for internal communication professionals. They define competencies as skills, knowledge and experience. However, competencies are conceptualised as separate to skills and knowledge by HR writers.

For example, McKenna (2012) defines competence as the ability to put skills and knowledge into practice. Dewhurst and Fitzpatrick's framework is useful as it illustrates a range of behaviours performed by individuals and teams of communication professionals at various times including building effective relationships, planning and listening. However, it does not provide insight on specialist knowledge internal communication professionals should aspire to acquire. Confusion between the concepts of *knowledge*, *skills* and *experience* are evident in the other internal communication framework discussed above. For example, the CIB/ICA/IABC framework includes 'planning simple internal communication programmes' in the *knowledge* area. However, the ability to plan is arguably a skill rather than knowledge.

Consideration of the frameworks discussed above lead to a research question concerning the identification of specific areas of specialist knowledge relating to internal communication. Insight gained from research with communication professionals in relation to this research question will indicate topics that could be considered as components of a specialist internal communication body of knowledge.

Internal communication masters

Access to in-depth specialist professional knowledge can be acquired via postgraduate study. While international higher education systems have many similarities, a variety of terms are used to indicate education beyond undergraduate or Bachelor level. Terms such as postgraduate and graduate student are commonly used to indicate master's level study. For example, the Education USA (online) a US Government education advisory service, defines a graduate student in the United States as someone who has earned a bachelor's degree and is pursuing additional education in a specific field.

The UK Quality Assurance Agency for Higher Education (QAA 2010, 2011) articulate outcomes of postgraduate study. The QAA expect that graduates of master's courses typically have the ability to complete a research project in the subject which may include a critical review of existing literature or other scholarly outputs. Together with a range of generic abilities and skills, and subject-specific attributes such as an in-depth knowledge and understanding of the discipline informed by current scholarship and research. This implies that graduates of an internal communication master's course should acquire specialised, in-depth knowledge of the internal communication discipline developed via study of a specialised curriculum. Course development for such a specialised masters is ideally informed by both scholarship and the needs of practice. This suggests a research question relating to specialist knowledge desired by professionals.

Learner motivations and perceived benefits

Another key question for this project concerns motivations for communication professionals to study for a higher degree, and in particular, what might drive professionals to study an

internal communication master's course. The paper draws on theories of learning to consider communication professionals' motivations (Cottrell 2001) for learning. Cottrell (2001) provides a representation of the student motivation cycle which includes desire for learning (personal goals, wanting an outcome), and achievement outcomes (knowledge, skills, capability) suggesting research questions in relation to motivations for, and perceived benefits of internal communication study.

Research questions

Access to specialist postgraduate education is important for the development of internal communication professionals. This research project aimed to gather empirical data to inform the development of a new masters in internal communication at UCLan in order to contribute to the diffusion of internal communication knowledge. The discussion above suggests a number of research questions relating to curriculum content, motivations, and benefits that participants might expect to ensue from master's studies in internal communication:

RQ1: What specific internal communication *knowledge* is desired by professionals, what topics are professionals most interested in?

RQ2: What *motivates* professionals to undertake postgraduate study in internal communication?

RQ3: What *benefits* do professionals expect to ensue from studying on an internal communication masters course?

Method

The research strategy selected to explore the research questions comprised of an online survey. Such surveys have been used in relation to public relations education in the past. For example, an online survey conducted by Cotton and Tench (2009) surveyed *educator* opinions on issues such as curricula. That study drew 80 responses, and is considered a major piece of public relations and education research by Toth and Aldoory (2010). In contrast, the current study takes an education stakeholder approach and involves *practitioners*. The survey was promoted to communication professionals by means of a snowball sampling strategy with assistance from professional bodies, resulting in 87 completed questionnaires.

Questionnaire design

The questionnaire included open and closed questions yielding qualitative and quantitative data concerning curriculum content, learner motivations, and anticipated benefits of studying for a masters in internal communication. The questionnaire was designed in five sections.

Section 1 relates to RQ1, concerns curriculum content, and asks participants to indicate their

preferences on a five point scale. It includes 44 items (alpha .94) generated from topics evident in internal communication literature, including material reflecting specialist discipline-specific knowledge. Sample items include: The concept of internal communication (Welch and Jackson 2007); employee engagement (Welch 2011); change communication (Elving 2005); internal crisis communication (Frandsen, and Johansen 2011); and, internal communication audits (Hargie and Tourish 2009). Items were also developed from practitioner frameworks discussed above such as *interaction with Human Resources and Marketing*, based on the CIB/ICA/IABC knowledge and skills matrix (cited in Smith and Mounter 2005).

Section 2 relates to RQ2 and concerns motivations for considering postgraduate study. The design of this scale was informed by Cottrell (2001). Items were adapted from the UK Higher Education Authority Postgraduate Experience Survey (Park and Wells 2010) e.g. *to progress in my current career path* and include additional communication specific items e.g. *to provide a theoretical foundation for my communication practice*.

Section 3 relates to teaching and learning preferences such as preference for full-time or part-time study (outside the scope of this paper).

Section 4 relates to RQ3 and explores participant expectations of benefits resulting from studying a masters in internal communication. The scale consisted of 33 items (alpha .93). Items were based on the QAA (2010, 2011) framework for masters qualifications mentioned above, and included items such as: *Gain a systematic understanding of internal communication knowledge*; and, *develop a critical awareness of current problems*. Communication specific items were added including for example, *enable more rigorous communication planning*.

Section 5 included demographic questions on age group, gender and the nature of employment.

Findings and discussion

The quantitative findings are summarised in the sections that follow, starting with participant characteristics. Findings relating to each of the research questions are then reported in turn.

Participant characteristics

There were 87 responses to the online survey. The majority of the participants (n 41, 54%) work in private sector organisations, 36% (n 27) are employed in in the public sector, and 11% (n 8) work for voluntary sector organisations or charities. Most of the participants (n 64, 84%) work in-house and the remainder (n 12, 16%) have consultancy or agency roles. The majority of participants were female (n 67, 87%) and 13% (n 10) male, while the remainder (n 10) did not indicate gender.

Almost half of the 78 respondents who answered the age question (n 37, 47.4%) were in the 26-35 age group, and over a third (n 27, 34.6%) were in the 36-45 age group (Table 1).

Rank	Age Group	Percentage	Count
1	25 years old or younger:	1.3%	1
2	26-30 years old:	20.5%	16
3	31-35 years old:	26.9%	21
4	36-40 years old:	16.7%	13
5	41-45 years old:	17.9%	14
6	46-50 years old:	3.8%	3
7	51-55 years old:	9.0%	7
8	56-60 years old:	3.8%	3
9	61-65 years old or older:	0.0%	0

74 out of the 87 participants indicated their career stage as shown in Table 2. Of these, a third (n 26 34%) of participants indicated their career stage as advanced (more than 3 years) with 27% (n 21) indicating that they were managers or supervisors with line management responsibility. A further 27% (n 21) indicated that they were senior practitioner leading a department or a consultancy.

Rank	Career Stage	Percentage	Count
1	Entry level (up to 12 months experience):	1.3%	1
2	Intermediate level (13 months to 3 years):	7.8%	6
3	Advanced (more than 3 years):	33.8%	26
4	Manager or supervisor (line management responsibility):	27.3%	21
5	Senior practitioner (e.g. leading a department or consultancy):	27.3%	21

Desired knowledge RQ1: What specific internal communication knowledge is desired by professionals, what topics are professionals most interested in?

Internal communication knowledge desired by participants was indicated by responses to a question on preferences for curriculum content. Participants were asked to indicate their preferences for curriculum content for a new master's in internal communication. They rated 44 internal communication related topics on a five point scale indicating strong disagreement (1) to strong agreement (5).

The five highest ranked topics were:

- Internal communication strategy and objectives
- Employee engagement
- Leadership communication
- Organisational culture
- *Internal communication evaluation*

There was enthusiasm for all 44 topics, with even the lowest ranking topic (rhetoric) achieving a mean of 3.49. Findings for the five highest and five lowest ranking topics are provided in Table 4 below along with their means and standard deviations. It is notable that none of the 44 items were rejected (none were rated either disagree 2 or strongly disagree 1 by participants). This indicates a recognition of the importance of acquiring specialist knowledge of a wide range of topics amongst the communication professionals who participated in this study.

Topic	Rank	Mean	SD
Q1.f. Internal communication strategy and objectives	1	4.85	.458
Q1.h. Employee engagement	2	4.78	.474
Q1.e. Leadership communication	3	4.74	.470
Q1.k. Organisational culture	4	4.70	.488
Q1.ao. Internal communication evaluation	5	4.68	.547
Q1.ar. Continuing professional development	40	3.81	.954
Q1.y. Internal communication methods: print	41	3.77	.896
Q1.l. International culture	42	3.72	.788
Q1.ai. Knowledge management	43	3.64	.868
Q1.t. Rhetoric	44	3.49	.883

Motivations RQ2: What motivates professionals to undertake postgraduate study in internal communication?

The top five motivations for considering postgraduate study from the ten choices provided (Table 5) included: 1. To progress in my current career path (n 59), 2. To improve on the effectiveness of my communication practice by accessing new ideas (n 50), 3. To better contribute to my organisation's success by promoting innovation in our internal communication (n 48), 4. To enable me to provide better advice to internal communication clients (n 47), and 5. To provide a theoretical foundation for my communication practice (n 44). Table 5 provides the responses for all ten options.

Table 5 Q3. Postgraduate study motivations:

		Rank	No.
To progress in my current career path:		1	59
To improve on the effectiveness of my communication practice by accessing new ideas:		2	50
To better contribute to my organisation's success by promoting innovation in our internal communication:		3	48
To enable me to provide better advice to internal communication clients:		4	47
To provide a theoretical foundation for my communication practice:		5	44
To improve my employment prospects:		6	41
For personal interest:		7	36
To enable me to progress to a higher level qualification (e.g. PhD):		8	26
To meet the requirements of my current job:		9	10
To change my current career:		10	9

Using Cottrell's (2001) student motivation conceptual model as a base, these findings suggest a motivation hierarchy headed by *desire (personal goals)*: progress in my current career path, followed by *willingness (effort and engagement)*: improve on the effectiveness of my communication practice by accessing new ideas. Built on foundations of *achievement /outcomes* motivations relating to a) *successful performance* (contribute to my organisation's success by promoting innovation in our internal communication), b) *capability* (provide better advice to internal communication clients), and c) *knowledge* (a theoretical foundation for my communication practice).

Expectations of benefits RQ3:What benefits do professionals expect to ensue from studying on an internal communication masters course?

Participants were asked to rate the benefits they would expect to gain from studying for a masters in internal communication from very important to not at all important. The highest rated expected benefits included:

1. Gain a systematic understanding of internal communication knowledge
2. Gain new insights
3. Advance knowledge and understanding
4. Develop new skills to a high level
5. Develop originality in the application of knowledge to my own practice
6. Communicate conclusions clearly to specialist and non-specialist audiences

The top three items in above the ranking relate to knowledge benefits, the next three most highly rated items can be categorised as skills benefits. This indicates a recognition amongst participants of the value of developing specialist knowledge in the field of internal communication.

Table 6 below indicates the five highest and five lowest ranked benefits along with their means and standard deviations. It is notable that personal skills (initiative, independent learning, responsibility) are the lowest rated expected benefits. One interpretation of this is that respondents might not value these benefits as highly as others. Another interpretation could be that participants may feel that they already possess these personal skills. However, it is important to note that none of the 31 personal skills and knowledge benefits were rated *unimportant* (2) or *not at all important* (1).

Table 5: Highest and lowest ranked expected benefits

	Rank	Mean	SD
Q9.r. Advance knowledge and understanding	1	4.53	.620
Q9.c. Gain new insights	2	4.49	.576
Q9.s. Develop new skills to a high level	3	4.48	.736
Q9.a. Gain a systematic understanding of internal communication knowledge	4	4.47	.683
Q9.e. Develop originality in the application of knowledge to my own practice	5	4.43	.639
Q9.f. Gain a comprehensive understanding of research techniques	27	3.71	.785
Q9.t. Develop initiative	28	3.63	1.005
Q9.w. Develop independent learning ability required for continuing professional development.	29	3.62	.904
Q9.u. Develop personal responsibility	30	3.58	1.036
Q9.ab. Confidence in my ability to learn independently	31	3.51	.931

Conclusions: Limitations, implications and contributions

The conceptual and literature review leads to a view of internal communication as an emergent profession undergoing a process of professionalization evidenced by discipline specific professional bodies and training courses. Arguably, to develop further, professionals need greater access to specialist knowledge. Internal communication scholarship has been showcased at a conference dedicated to internal communication (BledCom 2011) followed by a special issue of *Public Relations Review* (Vol. 38 (2) 2012). The learning represented by these scholarly developments and the literature included in this paper evidence a specialist internal communication knowledge base. To enable the diffusion of this specialist knowledge, communication professionals need to have access to advanced education. Universities can assist in this provision by creating master's courses centred on internal communication such as the Lancashire Master's (the MSc Internal Communication Management) at the University of Central Lancashire (UCLan). To ensure that such courses meet the needs of practice as well as scholarship, educators are well-advised to involve professionals in the course design process. One way to achieve involvement is to survey practitioners as reported here. While the paper provides insight with practical implications, and suggests avenues for further research, it is based on data collected in a cross-sectional survey of a limited number of participants. As with all self-selected response surveys, there is a danger of response bias as self-selected participants are not necessarily representative. Nonetheless, the survey reported here contributes valuable fresh data on an under-researched topic.

Practical implications

The survey findings provide insight on communication professionals' educational needs and practical implications centre on informing the provision of specialist education in internal communication. The findings have direct practical impact having informed the development of the new Lancashire Master's, a part-time blended learning masters course in internal communication management.

Implications for further research

Given the dynamic environment in which internal communications professionals operate, further research is needed to examine emerging knowledge and skill needs arising from, for example, technological advances, and macro and micro environmental change. Furthermore, this project explored the views of professionals who have not undertaken a master's in internal communication. Future research could focus on the views of graduates of internal communication master's courses.

Originality

Despite the limitations inherent to cross-sectional survey research, this paper contributes fresh data and insight on the needs of internal communication professionals. The paper contributes insight on specific areas of knowledge considered important by internal communication professionals.

Accordingly, it marks a possible step forward for internal communication as a profession since it articulates specific specialist areas of knowledge associated with internal communication. Higher level study can assist practitioners in knowledge acquisition. Internal communication professionals armed with the specialist knowledge such as that highlighted in this paper, will be better equipped to serve the needs of employees and organisations. They are likely to be better able to contribute to employee engagement and organisational effectiveness. Consequently, they may be better able to win increased recognition and respect for the emergent internal communication profession.

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 13

Developing Internal Communication Practice That Supports Employee Engagement

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INTRODUCTION

This paper examines the current state of internal communication practice in the UK, how it supports employee engagement and how practitioners would like to change it in the future. The UK government commissioned report “Engaging for Success” (MacLeod and Clarke, 2009) suggests that good quality internal communication enhances engagement in public, private and voluntary sector organisations. It cites poor communication as a barrier to engagement and a cause of disengagement. Hargie and Tourish (2009, pp. 235-6) argue that recurring themes in the communication literature include; adequate information flow concerning key change issues, supervisory communication as a preferred communication source, communication as a foundation of teamwork and positive employee attitudes, face-to-face communication as a primary method of information transmission, and the benefits obtained from conceptualising dissent as a source of useful feedback. However, they conclude that there is a disabling gap between theory and practice.

The paper focuses on internal communication practitioners in the UK. It sets out to examine current practice to understand what proportion of time is spent on activities that support the four enablers of engagement highlighted by MacLeod and Clarke (2009), how much time they would ideally spend on these activities and, from their perspective, the different levels of understanding of internal communication within organisations. It includes an assessment of some of the barriers that prevent the development of internal communication as a professional function that underpins employee engagement.

Internal Communication

Theory and practice

Welch and Jackson's (2007) stakeholder approach to internal communication builds on Freeman's (1984, 1999) emphasis on the identification of internal stakeholders and suggests that team peer, project peer and line manager relationships are standard stakeholder categories. These dimensions suggest a static stakeholder group membership defined by role and work rather than by issue or interest, highlighting the importance of thinking about internal communication from the receiver's point of view.

According to Chen et al., (2006, p. 242) the linkages between internal corporate communication and team, peer, and project team communication and employee engagement remain under-explored. It is the three-way association between a) team, project, and peer internal communication, b) internal corporate communication and c) employee engagement that offers the potential of greater levels of employee engagement in all organisations. Though Welch and Jackson (2007, p. 188) state that internal corporate communication, among other goals, can promote a sense of belonging and contribute to organisational commitment, there is also a concern, as Welch and Jackson acknowledge, that a predominantly one-way approach to internal corporate communication leads to information overload. However, it is possible that internal corporate communication can be one-way *and* two-way; more symmetrical, as in the excellence model of public relations (Grunig, 1975; Grunig and Hunt, 1984; Grunig, 1992), and more relational as Ledingham (2006) suggests in a relationship management approach to public relations. The logistics of senior managers discussing strategy with all employees, especially in large organisations, are considerable though not insurmountable.

Marques (2010, p. 49) points to concerns raised by Chen et al., (2006) that research has tended to ignore member satisfaction with organizational communication practices and seeks to address this through the identification of criteria for successful communication. Zaremba (2006, p. 114) suggests that “foundational” criteria are; timely, clear, accurate, pertinent and credible. In academic research, Marques (2010, p. 52) found that responsibility (content and context), conciseness, professionalism (business-like) and sincerity (genuineness) are also important.

Kalla (2005, p. 302) highlights the lack of application of theory to practice, “...a paradox exists because, although increasing awareness concerning the importance of communication to organisations exists, that knowledge appears to have rarely translated to practice”. In terms of managing internal communication, Kalla (2005) argues that an *integrated approach* is important. Four domains are suggested: 1) Business (the practicalities), 2) Management (knowledge sharing), 3) Corporate (that done by professional internal communication teams) and, 4) Organisational (with a focus on meaning).

Interpersonal internal communication

Bambacas and Patrickson (2008, p. 53) suggest that “It would appear that the literature on communication has investigated general aspects of interpersonal communication rather than communication skills” and that “Few articles have considered specific interpersonal communication variables”. It is therefore appropriate to briefly explore effective internal interpersonal communication before turning to employee engagement in the next section.

According to Larkin and Larkin (1994, p xi) there are three ways to communicate with employees: 1) Communicate directly to supervisors, 2) Use face-to-face communication, and 3) Communicate relative performance of the local work area. It is clear that communicating is what managers spend a lot of the day doing. As Tourish and Hargie (2009, p. 9) report, “...supervisors spend between one-third and two-thirds of their time interacting with what are still sometimes termed “subordinates”. Tourish and Hargie (2009, p. 15) state that agreement in the literature suggests that number one in best communication practices by leading companies is “Communications training...especially for senior leaders”. Murray (2012, p. 179) observes that communication is a top three skill of leadership that is sadly neglected. However, what should training be about, if it is to lead to commitment and engagement? According to academic research conducted through in-depth interviews with 32 senior HR managers, “the skill of maintaining clarity and consistency of messages was rated as having the utmost importance” Bambacas and Patrickson (2008, pp. 65-6). This research also indicates that there are “problems in trying to link organisational expectations, the organisational vision to those of the individual...this coincided with the two-way communication problem that was continuously voiced by respondents”. This highlights the significant challenges in integrating internal corporate communication with communication at the team/project peer and line manager level in a consistent way. Failing to do this, according to Bambacas and Patrickson (2008, p. 64) means that commitment will not be secured.

Employee Engagement

Definitions and drivers

Academic definitions of engagement are summarised by Welch (2011, p. 7) as, “cognitive, emotional and physical role performance characterised by absorption, dedication and vigour and dependent upon the psychological conditions of meaningfulness, safety and availability”. A job demands-resources model of engagement (Bakker and Demerouti, 2008, p. 223) typifies human resources approaches to employee engagement and is based on work pressures and individual job resources such as autonomy and personal traits such as optimism. Internal communication is not considered as a contributory factor. Macey and Schneider (2008) suggest that engagement is a set of constructs that integrates *state* engagement (passion, energy, enthusiasm, and activation), *behavioural* engagement (adaptive behaviour) and *trait* engagement (personality attributes). Their

conceptualisation extends to the inclusion of organizational conditions that serve to facilitate and encourage state and behavioural engagement. Macey and Schneider (2008, p. 29) note that organizations must promote a sense of trust that employees will benefit from the psychological and behavioural relationships with which they enter with the organisation. Saks (2006, p. 612) found that there is a meaningful distinction between job and organization engagement and that organization engagement was a much stronger predictor of all the outcomes than job engagement. This is an important clarification of the term “engagement” with significant implications for internal communication theory. Engagement is, according to Saks, “contingent on the economic and socioemotional resources received from the organization”. This should therefore be the basis of much corporate internal communication content that is congruent with how the organisation operates. Research conducted for the CIPD by Truss et al., (2006, p. 45) identified the three main factors that influence employee engagement as; 1) having opportunities to feed your views upwards, 2) feeling well informed about what is happening in the organization, and 3) thinking that your manager is committed to your organization.

In their review of employee engagement in the UK, MacLeod and Clarke (2009, p. 8) came across 50 definitions. They conclude (2009, p. 9) that engagement is much broader than individual job resources:

We believe it is most helpful to see employee engagement as a workplace approach designed to ensure that employees are *committed* to their organisation’s goals and values, *motivated* to contribute to organisational success, and are able at the same time to enhance their own sense of well-being (italics added).

Alfes et al., (2010, p. 5), in a CIPD research report, define engagement as “being positively present during the performance of work by willingly contributing intellectual effort, experiencing positive emotions and meaningful connections to others”. Although this definition does not include an explicit connection to the organisation, they identified a broad set of drivers: meaningfulness of work, voice - being able to feed your views upwards, senior management communication and vision, supportive work environment, person-job fit, line management style. Of these, meaningfulness and voice were highlighted as the two most important factors. The authors suggest (2010, p. 24) that meaningfulness is created “through regular communication about the organisation’s vision and future objectives. Creating a common framework helps employees to see a bigger picture in their daily work”.

Scherbaum et al., (2010, p. 191-2) revealed that an organisation’s vision, employee development, internal communication and top leadership rank highest as drivers across a range of different analytical approaches. However, internal communication is not analysed in depth in this study and so specific aspects of communication that are important for employee engagement are not

examined. More recently, Gourlay et al., (2012) distinguish between different levels of engagement, described as “transactional” and “emotional”. The distinction between the two terms is set out as follows:

Transactional engagement is shaped by employees’ concern to earn a living, to meet minimal expectations of the employer and their co-workers, and so on. Emotional engagement is driven by a desire on the part of employees to do more for (and to receive more – a greater psychological contract – from) the organisation than is normally expected.

Correlations between drivers and emotional engagement show that person-organisation fit and organisational identification are the two most correlated factors and that they are more highly correlated than the quality of line management (0.67, 0.62 and 0.37 respectively) (Gourlay et al., p. 24). Finally, in making the case for communication, Tourish and Hargie, (2009, p. 10) report that in the UK’s 100 best companies to work for as identified by the Sunday Times, 63 per cent of those listed had employees who are strongly engaged and “unsurprisingly, communication emerges as a recurrent theme”. However, general levels of engagement are, according to Truss et al., (2006, p. xi) low - only three in ten of UK employees were actively engaged with their work. Alfes et al., (2010, p. 6) report that 8 per cent of employees are ‘strongly engaged’. A further 70 per cent can be described as ‘moderately’ or ‘somewhat’ engaged and just 1 per cent as very weakly engaged, with the remaining 21 per cent neither engaged nor disengaged.

Employee engagement and performance

Bakker and Demerouti (2008, p. 216) suggest that academic studies in the Netherlands, Spain and Greece indicate a positive link between engagement and job performance. Key factors are; positive emotions, better health, ability to mobilise resources and transfer of engagement to others. A broad conclusion is made by MacLeod and Clarke, (2009, p. 34) that employee engagement generates better financial performance in the private sector and better outcomes in the public sector. This is backed up with extensive practitioner based data and an array of case study material. However, given the lack of consensus on what is meant by employee engagement and the broad definitions that exist (Gebauer and Lowman, 2008, p. 2, Cook, 2008, p. 3, MacLeod and Brady, 2008, p. 11, and Axelrod, 2002) direct correlations to performance outcomes are very difficult to ascertain. Indeed, Macey and Schneider (2008, p. 21) assert that “Most of the engagement measures we have seen failed to get the conceptualization correct...”. Furthermore, Gebauer and Lowman (2008, p. 9) argue that no studies answer the question about which comes first, performance or engagement. They suggest that this is missing the point anyway and “what matters most is that engagement and performance feed each other in a continuous virtual circle.” In countering this point, Buckingham (cited in MacLeod and Clarke, 2009, p. 13) is adamant that “it is engagement that leads to performance, and this is a four times stronger relationship than performance leading to engagement”. MacLeod and Clarke (2009, p. 11) argue strongly that “there is evidence that *improving* engagement correlates with *improving* performance”.

Most of the research conducted on engagement and performance is carried out by large consultancies, such as the often quoted global study carried out by Towers Perrin-ISR in 2006. It found that in companies with high levels of employee engagement, operating income improved by 19.2 per cent over 12 months. This finding is based on data from surveys of 664,000 employees from 50 companies, of all sizes, around the world, representing a range of different industries. Separate research conducted by Towers Perrin in 2004 suggests that “a 15 per cent increase in engagement correlates with a 2.2 per cent increase in operating margin” (cited in Macleod and Brady, 2009, p. 46). According to Gallup (2006), in addition to profitability, other benefits of employee engagement include higher customer advocacy and higher productivity. Cook (2008, p. 21) highlights research that suggests that “highly engaged employees are 33 per cent less likely to leave their organization within the next year”. Another benefit of employee engagement is employee well-being. According to Gallup (2006) eighty-six per cent of engaged employees say they very often feel happy at work, as against 11 per cent of the disengaged. Forty-five per cent of the engaged say they get a great deal of their life happiness from work, against eight per cent of the disengaged.

Employee voice

The importance of voice has already been highlighted by Alfes et al., (2010) as one of the two most important factors for engagement, so this section examines voice in more detail. The term “employee voice” has a relatively long history, dating back to the 1970s when Hirschman (1970) used it in relation to employees’ efforts to change dissatisfying work situations. According to Wilkinson et al., (2004) the word ‘voice’ was popularised by Freeman and Medoff (1984) who argued that it made good sense for both company and workforce to have a ‘voice’ mechanism. Spencer (1986) developed this theme and concluded that giving employees opportunities to voice their dissatisfaction increased the likelihood that they would stay with the organisation. However, Spencer (1986: 500) also noted that “...On the organizational level of analysis, future research should consider not only formal voice mechanisms and their quality, but also informal organizational cultures that create and sustain those mechanisms”. This has led to wider thinking about employee voice and according to Van Dyne et al., (2003, p. 1369) the management literature contains two major conceptualizations. The first approach describes speaking up behaviour such as when employees proactively make suggestions for change. The second uses the term to describe procedures that enhance justice judgments and facilitate employee participation in decision making.

Summarising the literature, Van Dyne et al., (2003, p. 1370) conclude that the term voice is used to “represent the intentional expression of work-related ideas, information, and opinions”. Budd et al., (2010, p. 305) argue that there is now a renaissance in interest in participation, based on economic (generation of higher levels of performance in the post mass production era), moral/ethic, and pragmatic grounds.

Constructs

According to Van Dyne et al., (2003, p. 1370) it is incorrect to think of employee voice as a single construct and they propose three specific types of voice; ProSocial Voice, Defensive Voice, and Acquiescent Voice. This approach is based on three specific employee motives within the existing management literature on silence and voice: disengaged behaviour based on resignation, self-protective behaviour based on fear, and other oriented behaviour based on cooperation. It is a useful extension of the concept that illustrates some of the underlying reasons that drive the way that employees express their voice. In an alternative approach, Dundon et al., (2004, p. 1152) suggest four categories of employee voice; individual dissatisfaction, collective organisation (as a counter to the power of management), management decision-making, and mutuality (a partnership for long term sustainability). This extends the concept to include the idea that employees work in partnership with senior managers for the benefit of the organisation. Liu et al., (2009, p. 191) point out that there are three alternative characteristics of voice; discretionary (it's not actually required), challenge oriented, and potentially risky (it may be viewed negatively or damage relationships). The risks involved may explain why employees are "usually reluctant to voice their thoughts" (Liu et al., 2010, p. 189). These perspectives on voice highlight the complexity of the concept and the differing reasons why voice is, or is not, used.

Factors

Wilkinson et al., (2004, pp. 6-7) take a broader, multi-dimensional approach to employee voice, suggesting that is based upon five factors:

1. communication/exchange of views (an opportunity for employees and managers to exchange views about issues)
2. upward problem-solving (an opportunity for employees to provide feedback on specific topics)
3. collective representation (an opportunity for employee representatives to communicate the views of the workforce to managers)
4. engagement (a feeling on the part of staff that they are able to express their views to managers in an open environment)
5. a say about issues (the opportunity not just to have a 'voice' on issues but an expectation that these views will be taken into account and may lead to changes in how decisions are made).

This is essentially a communicative process with an emphasis on openness and upward feedback that is taken seriously. In a qualitative study of employee voice, Wilkinson et al., (2004, p. 7)

conclude that voice as communication was by far the most common immediate response to the question asking managers to explain their understanding of the term 'voice'. For example, the HR Manager at Eiretel is quoted as saying that, "voice is about corporate communications and the strategy is designed in such a way that all employees can represent their views to management, rather than it just being the other way around". However, the importance of informing employees so that they are able to make an effective contribution is omitted from this discussion.

Links to other concepts

Employee voice is also a term that overlaps with others such as involvement, empowerment and democracy and is linked to participation in organizations (Budd, Gollan and Wilkinson, 2010). Marchington and Wilkinson (2005) suggest that there are three dimensions; direct communication, upward problem-solving and representative participation. Peccei et al., (2010) take a similar approach, based on three voice mechanisms: the recognition of a union for collective bargaining, the presence of joint consultation through an establishment-level joint committee or works council, and the existence of formal mechanisms of direct participation, such as team briefings, quality circles, and problem-solving groups. Issues relating to this include how these three mechanisms are best integrated within an organisation, the significance of more informal levels of voice, or the importance of employees being suitably well informed to be able to make an effective contribution. In a longitudinal study in the UK, Peccei et al., (2010, p. 433) found an upward trend in information disclosure between 1990 and 1998, followed by a levelling off between 1998 and 2004. Importantly, according to Peccei et al., (2010, p. 432) "disclosure does, in fact, seem to have a positive effect on financial performance...nevertheless, many managers are clearly disinclined to share information with employees". They conclude that "there is, therefore, a need for management to learn about, and to come to terms with, the processes of information-sharing".

Interpersonal communication and employee engagement

The conduct of direct communication in team peer, project peer and line manager settings is a key component of the overall employee engagement jigsaw and without this, effective corporate internal communication will have far less impact. As Luthans and Peterson (2001, p. 379) have highlighted, the level of engagement of a manager is a major factor in the ability of her/him to engage their team or group. Bambacas and Patrickson (2008, pp. 65-6) prioritise the ability to provide clear and consistent messages. However, Truss et al., (2006, p.42) conclude that "the ability to consult and involve are critical managerial skills that require more development for a substantial proportion of managers..." They also report that 46 per cent of people do not feel either interested or involved in their job (Truss et al., 2006, p. 25). This may be because as Waymer and Ni (2009, p. 220) observe, employees can sometimes find themselves "battling against the dominant discourse of the organisation". In the context of change communication, Salem (2008)

identifies poor interpersonal communication skills and conflict avoidance as key obstacles. In terms of the way feedback is provided to employees, Attridge (2009, p. 391) suggests that positive feedback is critical and when supervisors focus on strengths or positive characteristics this has a dramatic effect on feelings of engagement. As MacLeod and Clarke suggest (2009, p. 75), engaging managers are at the heart of organisational culture, “they facilitate and empower rather than control or restrict their staff; they treat their staff with appreciation and respect and show commitment to developing, increasing and rewarding the capabilities of those they manage”. This is effectively taking a relationship management rather than a communication management approach, where trust and trustworthiness are primary factors and is reflected in “communal relationships” that result from symmetrical communication (Kim, 2007, p. 168).

Integrating internal communication and employee engagement

According to Saks (2006) and Kress (2005, cited in Welch and Jackson, 2007, p. 186), internal corporate communication reinforces the importance of “clear, consistent and continuous communication in building employee management”. Marques (2010, p. 55), suggests that responsibility (content and context), conciseness, professionalism (business-like) and sincerity in internal communication results in “improved interaction, greater trust, greater understanding, enhanced efficiency, better performance, and enhanced gratification”. In O’Donovan’s (2009) survey of business leaders about employee benefits, clear communication emerged as a strong differentiator in employee motivation in a recession; 79 per cent of business leaders who answered negatively to all questions relating to utilising employee opinion, rewarding staff for their efforts and clearly communicating with their employees have perceived a drop in motivation. Only 12 per cent of business leaders who feel they clearly communicate to employees perceived a drop in motivation. Attridge (2009, p. 389) reports that research conducted by consultants Watson Wyatt (2007) indicates that “...firms that communicated effectively with their employees were four times more likely to also have high levels of engagement...” Mercer’s People at Work Survey (2002) also found that “...better communication from company executives is associated with better engagement from employees”. Tourish and Hargie (2009, p. 17) suggest there is also a link between internal communication (based on accurate information, trust and interaction) and actual job satisfaction. This is a departure from an emphasis on work activity itself (Leiter and Bakker, 2010, p. 2). Furthermore, the CIPD (2010, p. 17) also argue that two-way dialogue is critical to employee engagement and that “...strengthening the individual links between employees and top management – in the form of the CEO or directors – is increasingly high on the agenda in many organizations”.

Research Design

Aim

The research set out to establish the link between the practice of internal communications and the four enablers of engagement identified in *Engaging for Success*. The first phase of the research in 2011 surveyed professional internal communications practitioners, to better understand what proportion of their time is spent on activities that support the four enablers of engagement, how much time they would ideally spend on these activities and, from their perspective, the different levels of commitment and understanding across organisational hierarchies. The central aim of the research is therefore to identify the practitioners’ perspective on the role of internal communication in support of employee engagement. In doing so, the research identifies key organisational factors that influence the focus of internal communication in organisations. The second phase of the research will be conducted in 2012 to see how the perceptions of internal communication practitioners compare to those of people managers.

Survey

An online survey was conducted between July and August 2011 that combined a range of graded questions and open-ended questions. The key questions for the survey were:

Enabler One: Strategic Narrative

How much time is spent on strategy communication?

What is the level of employees’ understanding of strategy?

Would you like to spend more or less time on strategy communication?

Enabler Two: Engaging managers

How much time is spent on line manager communication?

What is your line manager’s attitude to team communication?

Would you like to spend more or less time on line manager communication?

Enabler Three: Employee Voice

How much time is spent on employee feedback and evaluation?

How often does feedback from employees influence change?

Would you like to spend more or less time on employee feedback and evaluation?

Enabler Four: Integrity

How much time is spent on leadership communication?

How visible are your leaders?

Would you like to spend more or less time on leadership communication?

A total of 357 internal communications practitioners based in the UK completed the survey. Respondents were more likely to be in a senior role working in a team of less than 10 and located

in London and the South-East of England. There was an equal balance of respondents from the public and private sector and across small, medium and large enterprise.

Focus groups

An initial analysis of the findings was used to inform two focus groups. These focus groups enabled a deeper exploration of the following two questions that emerged from the survey findings:

1. Why do practitioners not do more of what they aspire to do?
2. What's stopping practitioners taking more of a leadership role?

Discussion of findings

Current practice

When it comes to what practitioners currently do, the research explored categories that connect directly to employee engagement drivers. What emerged is that operational communication dominates current practice:

- Fifty-eight per cent said that business/operational communication occupies more than 25 per cent of their time and 17 per cent said it occupies 50-75 per cent of their time.
- In contrast to this, 45 per cent of practitioners said they spend only 10-25 per cent of their time on line manager/team communication.
- Fifty-six per cent of practitioners said they spend less than 10 per cent of their time on employee feedback/research.

Change management, the intranet and events are primary aspects of current practice. Some focus group attendees expressed a frustration at the constant demands to produce mouse mats and/or other gimmicky communication items. Other attendees cited examples of the team moving to become more proactive, and in one specific case this was directly as a result of the appointment of a new director of communication. Another attendee remarked that communication directors with a strong media relations background do not always appreciate that internal communications requires a different approach. There was also a sense that internal communication is often seen as “a nice thing to do” rather than as a hard, technical function with real value. Better approaches to measurement were suggested as a way forward to make stronger business cases. This was cited by focus group members as critical to establishing more credibility and gravitas for practitioners.

Allocation of resources

Resources are split between operational communication and the more impactful engagement drivers; strategic communication, employee feedback and research and line manager and team communication. This represents a key challenge for the profession – how to ensure that employees

feel well enough informed and at the same time spend more time on key engagement enablers. When it comes to devoting more time to engagement enablers, 81 per cent of practitioners want to give more attention to employee research and feedback and 71 per cent want to spend more time on strengthening line manager and team communication. This suggests that internal communicators sense that they hold the key to employee engagement but senior managers fail to see the benefits; only 24 per cent of practitioners believe that the board think communication is really important.

As highlighted above, internal communication activities are often driven by immediate business requirements and are focused on general day-to-day operational based communication demands. This is a reactive approach based on information output. It is a positive finding in some respects; it indicates a willingness to do what is necessary to keep employees informed. However, a general sense of practitioner dissatisfaction is very evident. Some focus group attendees expressed frustration at the constant demands to produce mouse mats and/or other gimmicky communication items, driven by the “let's just give people stuff” mindset of senior managers.

It is clear that internal communicators want – and need – to get in to the driving seat and leaders are doing themselves and their organisations a disservice by not encouraging more employee feedback. In difficult economic times, a quick and cost-effective way to tap into innovation and engagement through internal communication is staring senior managers in the face. However, practitioners have a responsibility too. They can't always expect organisations to hand opportunities to them on a plate, they have to articulate the business case and demonstrate how internal communication adds value to employee engagement and performance.

Leadership confusion

Senior leader visibility is firmly in place in many organisations, though there is a small perception, 17 per cent, that senior leaders are elusive. Regular executive road shows are cited by many respondents, with floor-walking, blogging and breakfasts or lunches also in place. However, some organisations appear to be resistant to leadership visibility: “Our MD won't speak to staff or hold a town hall meeting”, and “our CEO is frequently criticised for her lack of visibility”.

There is a mixed understanding of the importance of internal communication and the board, the executive team, senior managers and line managers all remain fairly uncertain about it. Although most practitioners believe that internal stakeholders rate internal communication as “quite important”, only 24 per cent of practitioners believe that the board think of it as really important. The figure for senior managers was similar at 23 per cent. The executive team rate it slightly more favourably; 34 per cent. However, the focus of attention for the executive team is not strategic communication, but operational communication. This is not unsurprising as executives are naturally interested in communicating activities to which they are close. The downside to this is that higher level topics about organisational strategy are marginalised and a strong narrative may not be secured. This picture suggests that, at a senior level, the understanding of the importance

of internal communication is not considered to be firmly established and this has profound consequences if levels of employee engagement are to be raised.

The drivers for the amount of time spent on communication vary according to internal stakeholder group interest in communication:

- Board – focused on functional communication (functional communication is defined here as geared towards the demands of functions in organisations such as IT or HR)
- Executive – focused on operational communication
- Senior Managers – focused on strategic communication.

This is counter-intuitive in some respects, almost the opposite of what might be expected from the board. The implications are far-reaching; there is still a lot of work to be done to establish understanding of the value of strategic internal communication and employee engagement at board level. This is important as the analysis suggests that the level of interest in internal communication is influenced by and is directly proportional to the level of interest of your manager. And, unsurprisingly, there is a correlation with management visibility and interest in internal communication. There is also a correlation between the amount of time spent on functional communication and stakeholder interest in communication. Functional communication increases where stakeholder groups *aren't* interested in communication. This suggests that functional communication is the default position for internal communication practice and is where most practitioners spend a lot of their time at the moment. The level of change resulting from employee feedback and the level of improvement in internal communication is directly proportional to the level of interest of senior managers in internal communication. Respondents who reported improved internal communication and feedback leading to change also gave the executive team as their most important stakeholder group. Internal communicators believe that the wider employee population below management values internal communication the most. Analysis of the gap between the board and front line employees indicates that private sector value gap is minimal, on average 16 per cent, but the charity sector has the largest value gap at 45 per cent.

Despite the UK government focus on employee engagement, many senior managers still don't appear to completely understand it. Typical practitioner comments are: "resistance", "lack of buy-in", "commitment", "lack of clarity", "not seeing engagement as a priority", "leadership does not want to be candid", and "fear and refusal to accept internal communication as a necessary, separate function".

Line managers

Practitioners deliver a hard-hitting verdict on line manager attitude to communication. At best only a quarter of practitioners believe that line managers have a positive attitude towards communication and 45 per cent believe that they "need encouragement". At one focus group, members agreed that line managers are the pivotal point in organisations. However, as one practitioner put it: "there is always a last-minute scramble" for line managers to do team briefings. In terms of measurement of the impact of line manager communication, the research suggests that very little is done at all.

The relatively weak support for internal communication at senior levels is further compounded by what is seen to be a low level of belief in it by line managers. Forty-two per cent of practitioners believe that line managers rate internal communication as "quite important". However, a significant similar number, 41 per cent, feel that line managers do not rate internal communication very highly. In the focus groups, reasons suggested for this included a fear of running meetings, induction training that emphasises tasks, being too busy, and the perception that it's a PR function. At one end of the scale this represents a complete antithesis to internal communication, as one practitioner at the first focus group reported about her former organisation, "line managers didn't see it as their responsibility at all to tell anybody anything". This is often offset in organisations where "pockets" of good practice are found, usually as a result of line managers who are personally passionate about communication. Line managers being too busy was raised, but seen to be an excuse by some. Another issue highlighted was that line managers perceive internal communication practitioners to be a reactive team which is there to respond simply to basic communication needs, often in a crisis. There was a consensus that it is the role of the internal communicator to help line managers themselves to become better communicators. Another more understanding perspective also emerged: employees promoted to line manager positions may not have confidence in their

communication skills and find communicating with their team "fairly frightening". One focus group attendee reported that the fear of line managers had been removed in his organisation simply by building in a conference call to the cascade communication process that allowed people to seek clarification on information before meetings were held.

Support provided consists primarily of briefings, with some training (that is optional), presentations, coaching and Q&A documents. Many respondents say that no support is given: "very little support offered", "need to do more", and "currently do not support", "seen as HR function".

Less evaluation of line manager communication is conducted than for strategy, and what is done is still part of annual employee survey, though one or two respondents do conduct spot-checks. Typical comments are: "not directly assessed", "we do not evaluate this", and "no formal evaluation".

Improvements in practice

Despite the frustrations, many practitioners believe that internal communication in their organisations has improved significantly in the past five years:

- 40 per cent believe practice has improved significantly.
- 37 per cent believe it has improved slightly.

Improvements are attributed to five things (in order of frequency of mention with typical comments shown):

- Restructure of internal communications team: “expanded internal communications team”, “more structured approach”, “alignment to business functions”, “designated team”, and “tie-up with HR”.
- Leadership: “new CEO”, “increased CEO involvement”, “endorsement by Director General”, and “recognition that internal communications is important”.
- Social media: “intranet news channel”, “social media added to intranet”, and “improved intranet”.
- Audits: “employee survey results” and “strong audience insight”.
- Approach: “new channels” and “new tone of voice”.

This is an indication of the growing understanding of internal communication in some organisations. Those that report significant improvements are more likely to have a team of more than ten people, more likely to belong to an organisation that takes action on employee feedback, more likely to involve employees in strategy and have higher levels of commitment from the board and line managers to internal communication.

Practitioners believe that there is more understanding of effective internal communication. However, the key factors for transforming the way that internal communications is practised are the way that teams are organised and managed, and enlightened support from the CEO, the board and senior managers. It is clear that the introduction of social media for internal communication is also having an impact. However, at present, a lot of social media is not being used very *socially*, it is more a different way of informing employees rather than enabling dialogue.

Integration with HR

There is often a sense that communication and engagement is not joined up. Typical practitioner comments are: “internal communications staff not empowered”, “HR think they own communication and do not engage with others”, “organisation operates in silos”, “lack of systems/prioritisation”.

Employee feedback

It is unrealistic to expect feedback to “always” change what an organisation does, but encouragingly 54 per cent of practitioners say that this happens “sometimes” and this underpins their desire to facilitate more feedback. However, there is a general sense that senior management often don’t really want to hear feedback. Typical comments are; “senior leaders have a very cavalier attitude to employees, they don’t trust them” and “directors do not listen”. A significant proportion of practitioners, 38 per cent, report that feedback only rarely or occasionally changes what the organisation does. This reflects the comments made about apathy. Employees should be told why changes cannot be made because if they are not told then this simply increases disengagement.

Towards ideal practice

Ideal practice represents far more focus on employee research and feedback and line manager communication. Research does not mean more monolithic surveys. Practitioners report employee fatigue with the annual employee engagement survey that includes just a few questions about internal communication. Instead, research incorporates more listening and collation of upward feedback that is taken seriously. Practitioners also acknowledge the importance of the role that line managers play in internal communication and engagement and they expressed a strong desire to do more to support line managers. The amount of time spent on employee feedback and evaluation is indirectly proportional to the amount of time spent on strategy and leadership communication. This is particularly noticeable in large organisations.

An over-emphasis on leadership communication at the expense of more time spent on employee feedback is likely to lead to employees feeling communicated “at” rather than “with”, leading to disengagement. Barriers towards ideal practice are reported as a lack of time and resources. Although some focus group members acknowledged that this sounds weak, it is a significant challenge in turbulent economic times. It is clear that practitioners do not feel able to press the case either for resources or to change practice away from the dominance of operational communication towards more employee feedback. As one focus group member put it: “internal communication practitioners are not brave enough”. The current lack of measurement of internal communication is very telling. It is consistently reported as haphazard and output focused and there is very little reporting of communication objectives that inform measurement. Both focus groups suggested that better processes of measurement would provide practitioners with stronger business cases and give them more credibility with their internal stakeholders.

Practitioners want to focus much more on employee research and feedback and line manager communication.

Sixty per cent would keep the amount of time spent on business, operational and functional communication the same, and a significant minority, 15 and 22 per cent respectively, would

actually reduce time spent in these areas. The clear conclusion is that employee research, feedback and line manager communication should be increased but not at the expense of less time on business, operational and functional communication. When it comes to the barriers preventing practitioners doing more employee research, feedback and line manager communication, most put it down to a lack of senior management understanding, inadequate processes and systems and most of all, lack of resources.

Conclusion

As the understanding of employee engagement evolves and more granularity emerges, a distinction between what Saks (2006) terms work and organisational engagement or what Gourlay et al., (2012) term transactional and emotional engagement is becoming more established. The terminology blurs and is linked to other concepts such as commitment and organisational identification. However, in summary, employees are engaged (or disengaged) by their job *and* wider organisational factors. Evidence is now starting to point to the wider organisational factors as being more important drivers for engagement than line manager influence, contrary to earlier propositions. This is important for internal communication theory and practice as it establishes a critical value for the function in establishing the first primary driver of emotional engagement, *meaningfulness*, through regular communication about an organisation's vision and future objectives. The second key driver that is recognised by many academics and practitioners is employee *voice*. Here, internal communication theory provides a useful framework for two-way communication processes that can be applied to the most important of all stakeholder groups, the employee. However, the focus on meaningfulness and voice does not suggest that line manager interpersonal communication should be ignored. Attention here is drawn to the skill of maintaining clarity and consistency of messages and internal communication theory and practice could incorporate more support for learning and development for line manager communication skills.

Research conducted with internal communication practitioners indicates that they believe that the board, the executive team, senior managers and line managers generally see internal communication only as "quite important", with significant numbers reporting that it is no more important than any other function or not very important at all. Practitioners expressed an overwhelming desire to give more attention to employee research and feedback and on strengthening line manager and team communication. In terms of employee voice, there appears to some resistance to this from senior managers and this represents a significant barrier to better performance through higher levels of engagement.

It should be borne in mind that this research reflects the perception of practitioners and is therefore a one-sided view of the situation. Further research is planned this year with managers to explore

their view on internal communication and engagement. However, the initial findings presented in this paper are a wake-up call for UK plc. Employee engagement is unlikely to improve until internal communication registers more strongly at senior management levels. And, until line managers believe in the importance of communication and are supported and trained as communicators, a further gap in the employee engagement process will remain largely closed.

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▶ 14

The Alternative Way for Understanding of Current PR

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ABSTRACT

The Crisis communications will always require unique solutions. In this particular case is investigated a case dealing with the conflict between a manufacturer – a food company and health surveillance of the product. These are the crisis when it can be observed that the PR field is unique and, due to its originality, cannot be imported or adopted. Any attempt to adopt or absorb the PR experience of America, Great Britain, or any other country into Latvian was decidedly unsuccessful (in both public relations theory and practice). Most trials for this experiment have failed and this means that PR has closer ties with the cultural-community background than we thought before.

This means that the alternative method of understanding this PR crisis is to look at it within the respective time, industry and national development cultural-political context.

KEY WORDS: Multicultural communication, PR, Culture conflicts, Everyday life, Globalisation, Risk Communication, Win-win situation.

The alternative way for understanding of current PR

My today's presentation is about almost-crisis PR. I will explain the remark of "almost, because in this case crisis PR can not be clearly distinguished from cultural conflict or reterritorialization (Lull, 2000) which emerged due to the current, international PR communication (L'Etang, 2011). Firstly, let us focus to the principal issue, i.e., summary of the actual event. This fact made quite a noise in the country.

A year ago, i.e., in June 2011, the population was surprised by the unexpected announcement of Danish professor Steen Stender that "majority of our daily consumed products should be rather used for shoe polishing than eating" (LTV, 2011).

Professor arrived at Riga to participate in the Nordic-Baltic Congress of Cardiology and announced his findings in a television interview, which prepared broadcasts from the congress. Steen Stender is Professor, Chief physician and Lab Director at the Department of Clinical Biochemistry, Copenhagen County Hospital in Gentofte, University of Copenhagen. As Chairman of the Danish Nutrition Council's subgroup dealing with trans fats and health, he lobbied for – and successfully achieved – a ban on trans fats in Denmark.

Denmark approved the ban in March 2003 and it came into effect on 1 January 2004.

The ban made it illegal for any food to contain more than 2 percent trans fats. Offenders face hefty fines and could even be jailed. As of January 2007, Denmark remains the only country in the world to have banned foods with more than 2 percent trans fats content.

In Latvia, nobody knew professor Stender or anything about his war against trans fats. Arriving at the congress in Riga, he expected to continue his combat against trans fats, because inappropriate food is in amongst the main explanations for the Latvia's leading position in Europe relating to death rates caused by cardiovascular diseases.

Professor's anti-top included approx. 1000 products made in different countries of the world and causing illness. Wafers "Selga" made in Latvia occupied position #4 in this black list. They "as if" had particularly high content of trans fat acids. Steen Stender announced on the TV screen during the most popular news broadcast that eating one package of "Selga" wafers equals smoking 10 cigarettes. Consequently, wafers made in Latvia are as harmful as cigarettes.

The announcement of professor Stender made quite a noise in the country. Firstly, such reaction was caused by the fact that these wafers are a long-term and traditional treat for Latvian population. The treat is popular and used by practically everyone (from schoolchildren to seniors) and until today, not one (as it seems) has died from eating wafers. Almost everyone has tried them.

Secondly, the announcement was published by the man televisions news broadcast of the public television "Panorama", whose publication was later used by all largest national media. Thirdly, the announcement had the background of congress of Nordic-Baltic doctors-cardiologists taking place at the end of June in Riga. Professor Steen Stender was interviewed during the congress of doctors and local dieticians supported his statements.

The explosion had taken place in the public space. Significant part of Latvian population found out that food products have such large portion of the harmful trans fat acids only after this "wafer scandal" and the speech of cardiologist Steen Stender. Danish professor claimed that "Selga" wafers have 44% of trans fat acids. Few days later it turned out that the professor exaggerated the rate and that someone in his laboratory in Denmark (Eurofins Denmark Division) named an incorrect number; actually the wafers have only 9% of trans fats in the total of fats (instead of 44%). Stender corrected the mistake in media; however, he still claims that also 9% is excessively much. Local cardiologists and dietitians supported him.

Wafers "Selga" at one blow became a synonym to poison and large share of country's population was ready to run to doctors to check their health.

After few days of confusion, the producer of wafers NP Foods announced in media that the result of Stender's laboratory is a mistake and that a package of these wafers actually contains just 4% of trans fat acids. "The amount is acceptable in European Union states, and there are no provisions about the limitations for trans fats in food" (Vēsma Smilga, Quality Department Manager, NP Foods, DB, 20 June 2011). Exactly, European Union has no unified requirement to decode trans fats on product packaging. Therefore, the content of trans fats in cookies, cakes, chips, ice-cream, margarine, etc. Only Denmark and Iceland stipulate that trans fats must not exceed 2% of the total fat content; also Switzerland and Austria have limitation, but Sweden is in the process of introducing them.

What were the actions of the wafer producer NP Foods in this crisis? The producer began crisis communication with consumers and professor Stender. Nobody bought wafers now, because of the unwillingness "to eat shoe-polish" or "to smoke 10 cigarettes". The producer of wafers reacted too late in communication with the society. Obviously, the producer believed that the mistake of 44% instead of the actual 4% (NP Foods data) or 9% (corrected data of Eurofins) is enough for the society to look at the scandalous media announcement sceptically. It means that the first crisis PR level was complied with, i.e., providing the necessary information to the society. In the same, the company began attacking the carrier of the bad message.

The producer, together with Didzis Šmits, Head of Latvian Federation of Food Enterprises, publicly declared that the announcement of professor Stender is "knowingly falsified information about the quality of Laima products, which is one of the oldest and most recognized brands Laima" and

that professor's announcement is "an attack to the brand". This is the "beginning of a planned economic war against the national enterprises of Latvia", "economic war", deliberate attempt to "reduce the value of Latvian goods" and that such methods are "old daily practice of national and international corporations in fighting for sale markets and resources" (BNN, 27 June 2011). Afterwards NP Foods turned to Security Police with request to initiate a criminal case against professor Stender for defamation and deliberate actions deteriorating Latvian economy and prepared also to apply to European Commission with request to evaluate "unsubstantiated and illegal distortions of competition market" (BNN, 1 July 2011). In addition, also the public television broadcasting Stender's announcement was subjected to attacks. NP Foods insisted that "deliberate campaign of discrediting the brand" is carried out by involving both Danish professor and the news service of the public television. The scandal ran high and professor Stender had to visit at Riga to arrive at the police and explain his claims with relation to the wafer case. The producer suffered extensive loss (due to Stender's announcement). Before visiting police station in Riga, professor Stender spoke at the Diet Council meeting arranged by the ministry of Health about the facts of harm caused by trans fat acids. Media convoy accompanied Stender to the police station. He was interrogated three hours, after which the professor returned to Denmark. The initial announcement about the content of 44% of fat acids, about which he became informed from a certified Danish laboratory, was the main obstacle for the professor. Laboratory's mistake ruined the authority of Stender, and the professor himself recognised that (44% compared to 9% or 4%). NP Foods used the mistake to attack the scientist. In its crisis management, the company attempted to use sabotage first. The company attempted to prove that the Danish professor and news service of Latvian Television deliberately harmed the popular brand of "Selga" wafers. In an interview in the magazine "Lietišķā Diena", Stender said that, although he apologizes for the error in the wafer test results that was caused by the laboratory, he still maintains that this product contains too much trans fat and has negative effects on health. "Of course, it would not harm me if I ate one. It is the same as sometimes smoking a cigarette. It does not kill you," he replied to a question on whether he would be willing to consume Selga wafers (Lietišķā Diena, 2011.16.07). What happened after that? The wafer producer faced crisis in communication with mass media. The recent studies in the field show that "media can determine the course of crisis (...) if they have informed about the events themselves" (Larsson, 2008).

Results

The wafer producer failed to comply with the following factors within the crisis communication with media (Flodin, 1993):

- 1) **Time conflict** (while the producer focused on the respective percentage error, the media had increasing number of unanswered questions);
- 2) **Conflict of sources** (the producer continues emphasizing on the discrepancy of percentage and the restrictions of European Union standards, but the media is interested in more extensive issues of population health and food producer's responsibility);
- 3) **Conflict of responsibility** (the media think that the main questions remain unanswered, but the producer believes that everything has been explained);
- 4) **Conflict of competence** (media tend to simplify, but the producer and institutions see the whole picture);
- 5) **Conflict of trust** (if errors are detected in the beginning of crisis, consumers see the entire further communication suspicious).

Discussion

In this case, the producer of wafers obviously considered that its opponent is just the Danish professor, whose version about the harm of "Selga" wafers was formally inadequate/inappropriate. Formally, the percentage of 4% complies with European Union standards (unlimited content of trans fat acids for now). Consequently, the producer has done no "harm" and the purchasers are free to keep on eating the wafers. NP Foods considered that an accident or a disaster is primarily a management problem, but the event immediately becomes a media event, particularly if human death or injury is involved (Black, 1993).

Media perceived the information about the trans fat acids in food dramatically as an issue of health or death in the style of Hamlet. Majority of purchasers now carefully study the inscriptions on product packaging. The situation resulted in increased competence of population regarding trans fat acids. Actually, it was no discovery, since local dieticians have discussed trans fat acids for a considerable period of time (globally, Latvia has one of the highest death rates caused by cardiovascular diseases) and falling ill is largely related with unhealthy diet. However, the society did not hear the warnings of diet specialists. Danish professor Stender, like a magician, changed the situation at one stroke. Media and the society suddenly began requesting the producers to indicate the precise content of harmful fat acids on the food product packaging. The public

opinion and mass media took the side of Danish professor Stender and the producer NP Foods was forced to stop the war against the “Denmark’s interests in Latvia”.

Only three months later, i.e., in September, the food manufacturing company “Staburadze” (NP Foods) claimed they have began the production of wafers containing no harmful fat acids at all. Representatives of the company admitted to the media that manufacturing wafers without fat acids would be more expensive; however, the price for purchasers will remain at the same level. In order to draw the attention of purchasers to this step, the producer decided upon using the “wafer scandal” for the product packaging. Further, on it will be decorated with a caricature of professor Stender. He will hold a magnifier with an inscription “0% fat acids”. The wafers will no longer contain synthetic colours and the content descriptions will be easier for the consumer to understand, e.g., the packaging will have the inscription of “baking soda”, instead of “E500”. They also planned to send the “new wafers” to the professor Stender in Denmark. The company considered that “this step will put an end to the story about trans fat acids in the wafers”. (LTV, 20 September 2011). After the reform and the discovery of the Danish professor, the turnover of wafers has increased. This was a way to notify the mass media about the expansion of wafer manufacturing at NP Foods. Ten more people have been employed, but NP Foods (TVNET, 20 September 2011) have terminated the cooperation with the Association of Doctors and cardiologists

The “wafer scandal” is an interesting case of PR crisis management from many points of view. Firstly, it indicates that in globalisation conditions the producers must consider the cultural conflicts, which until now has been more extensively studied in PR theory at the level of product localisation. This time it is the issue that “PR contributes to improved diplomacy and better understanding among peoples” rather than the cultural imperialism (L’Etang, 2011). Stender’s PR campaign against trans fat acids turned out to be more efficient than the defence of NP Foods in favour of “Selga” wafers. In this case, Professor Steen Stender, by speaking at the Latvian Television, used multicultural communication forms which are simultaneously transmitted to many cultures and which are applied to research into variable ways in which cultures communicate (L’Etang, 2011). Professor Steen Stender used this approach (without changing the form of message) in Czech Republic, U.S., Poland and Denmark to inform about the content of the harmful fat acids.

Would the reaction of mass media and society be similar in Sweden (where I live), if a Danish professor would come and prove that the Swedish national dish *surstömning* or fermented Baltic herring is harmful to health? It seems that the reaction would be different, since Swedes have comparatively better background/basic information about these issues. Media discuss the issues of product quality more extensively and more analytically and the society is more trusting to food product quality monitoring institutions. Sweden is not as “new” country (as Latvia), and therefore the society is less sensitive “about the national treats”. I assume that Stender’s mistakenly declared 44% would draw the attention of the producers from Swedish news services

already before publishing and 9% would not be able to cause such scandal. Local experts aware of the public background of everyday’s life in a globalization world usually comment upon food quality issues to Swedes.

Up to now, “McDonaldization” had the dominating role in the food criticism field (Ritzer, 2000), i.e., cultural imperialism that globalisation has promoted capitalism and consumerism, and PR practitioners had to maintain the balance in local (national) antipathy towards foreign fast food because of globalization.

In this particular case, the direction of the message is opposite, and namely, a prophet comes from the globalized world and blows up the leading product, i.e., wafers of the oldest industrial company (Anno 1870). This time it is not a question of problems in a large multi-national concern in some country of sales market. It is the question about a claim of a foreign expert blowing up the local industry. Certainly, professor Stender failed to act in line with the catchphrases “think global, act local”. He applied offensive strategy (Larsåke Larsson, 2002) resulting in his score of a direct hit.

What can we learn from this event? In my opinion, the condition that the statements of Danish professor Steen Stender’s were laconic and exact had the decisive role in this case of PR crisis. The witticism of his claims was the main factor and he established emotional and *descriptive comparisons* capable of convincing the public more efficiently than logic arguments of numbers and facts. He functioned as a “fast thinker” proposing such messages as “fast food” (Pierre Bourdieu, 1998) immediately “swallowed by mass media” and becoming a “scoop”: “consuming a package of wafers equals smoking 10 cigarettes” or “trans fat acids are a poison to metabolism”. His statement was laconic, figurative, containing comparisons and a negative sensation; it was exclusive with the effect of accumulating emotions, proposed at the right time, conforming with public needs and therefore understandable in all languages.

The offensive response arguments of the wafer producer did not help, because, although the professor made a mistake in specifying the content of harmful fat acids, his openness and honesty convinced the society more efficiently than the aggressive reaction from the producer. The producer did not attempt to initiate a dialogue with the professor, medical practitioners and interest groups, which was crucial in this case (Karaszi, 1998). By emphasizing his interest in “public interests” (Habermas, 1984) Danish professor was ready to have open dialogues with the society. He even arrived at the police, although he could have avoided this “visit” in Riga. He applied the symmetrical communication model by becoming an “opinion former” and later also an “opinion leader”. He implemented three pre-conditions of PR publicity (Karaszi, 2005): announcement of unexpected news (popular wafers contain substances harmful to health), arriving as a “rescuer from disaster” (helped to make the population interested in the content of food products) and fighting as a David against Goliath (“a lonely specialist” vs. large industry).

The opponents NP Foods used the asymmetrical model unaware that “non-policy could succeed unless it had national opinion behind it” (Nicolson, 1954).

Further, I will focus on the strategy analysis. The well-known and widely applied strategy model (see Figure No. 1) is envisioned for discussing PR conflict strategies (Larsson, 2001; Tomas, Spicer 1997,).

Spicer (1997, p 249) indicates in this model “the polarity between concern for self and concern for others is a critical conceptualisation”. In this case NP Foods chose avoidance with “inside approach” (from inside). Another option is to select the adverse strategy “from abroad” (from outside) (Larsson, 2008). The first case means that the company is developing PR strategy based on its own rules only. In the result there are very few options to localize and adapt own message to the public expectations due to the one-way communication. In the second case, (strategy from outside) symmetrical communication is required. These strategies may be passive or active and conforming with the understanding about distribution strategy and supply strategy (Windahl, Signitzer, 2008).

Transmission strategy dominated in the “wafer scandal” already from the beginning. The second strategy, i.e., strategy of awareness of external factors, was characteristic to the company NP Foods only in the post-crisis situation. After the crisis, there was the opportunity to select from four strategy forms; see Figure No. 2. According to the opinion of the authors of this concept (Savago, Spicer 1997), a company may choose collaboration strategy only when the public is ready to cooperate, however, the threat is still present. Consequently, the public/purchasers are still not sure that eating “Selga” wafers will cause no harm to their health. Therefore, NP Foods chose to change the recipe of the wafers (which was accepted by the public) and afterwards they were able to continue the dialogue with purchasers in the form of symmetry dialogue. Consequently, it was the collaboration strategy (by offering the campaign of wafers with the image of the Danish professor to the purchasers for reduced price). On the other hand, with regard to Steen Stender it was strategy monitoring to avoid from making new decisions and causing unconsidered communication.

The use of the new recipe in the production of “Selga” wafers is rather considered as a new type of offensive strategy to combat the “external foe”, and therefore his caricature is now on packages of “Selga” wafers. From 20 September 2011 to 31 March 2012, there was an organized extensive marketing campaign “Let’s Treat the Professor” (“*Pacienāsim profesoru*”), during which the wafers were sold with discounts. By the way, NP Foods delivered a package of the new wafers to the professor as a Christmas gift in December 2011. Such measure is a typical example of risk communication strategy.

Certainly, a company can achieve the win-win situation in its closest vicinity using the risk communication. On one side, the purchasers see that the wafers have become more healthy (now the content of the harmful fat acids constitutes 0.2% in the new wafer products) on the background of the other existing and unimproved unhealthy products (ice cream, chips, popcorn, etc.). On the other side, the image of the Danish professor-carrier of the bad news, has been demonized and determined to the level of a caricature due to the marketing campaign and his fatal error. “Effective public relations efforts can build community support through collaborative, community based decisions regarding the kinds of risks that exist” (Heath, Palenchar, 2000).

The wait-and-see aggressiveness of company’s crisis PR may be explained with the fear from reputation damage. Sure, the wafer producer NP Foods fought for its reputation, which requires “regulatory moral correctness” (Röttger, 2009) in the existing “social world” (Habermas, 1984).

Reputation consists of three dimensions – functional, social and expressive (Eisenegger, Imhof, 2009), and the respective “wafer example” shows that the announcement of professor Stender aimed at the social reputation of the producer (social reputation is untouchable until the moment when the attempts of the company to achieve maximum functional success do not conflict with the standards and values of the society) and automatically hurt the functional and expressive dimensions of reputation. The passive and defensive strategy of the producer of wafers prohibited extending the symmetric communication, which in crisis is more important than the product itself. “By buying a product we largely express ourselves as individualities, and at that point every purchaser feels that knowing the moral position of the producer is important. In times when politicians and other traditional authorities lose their prestige and meaning the ethics requirements increase towards the producers (...) mass media and purchasers are the judges in this case.” (Bryntesson, 2002).

In my opinion, the producer did not exercise “the responsibility of performing one’s duties in an ethical (...) and capable manner” (Black, 1997), because PR has been incorporated in the part of communication that stands for credibility already for a long period of time (Bryntesson, 2002). Of course, the PR strategy of the producer used the classic five “Ps of ethical power” - Purpose, Pride, Patience, Persistence and Perspective (Blanchard, Peale 1988). These five broad principles of ethical behaviour are an excellent guide for public relations practitioners and other professionals. In this particular case with wafers “Selga”, professor Stender, and fear of purchasers from trans fat acids, in my opinion, lacked active feedback communication with purchasers and, most importantly, with doctors and dieticians, who would reinforce the producer’s prestige in the society. The question, can a crisis (defect) serve, as an effect in PR work, is still open. Many crisis researchers doubt that crises can be used in favour of a company, but it is clear that “we see crises as opportunities for learning and improvement” (Ulmer, 2007). Certainly, crisis solution and crisis communication situations change and today we are unable to establish the exact moment

of the end of crisis, since its development may take form similar to the domino effect. Different companies react differently to crises and everyone must consider the immediate mediatisation of incidents.

These are the crisis when it can be observed that the PR field is unique and, due to its originality, cannot be imported or adopted. Any attempt to adopt or absorb the PR experience of America, Great Britain, or any other country into Latvian was decidedly unsuccessful (in both public relations theory and practice). Most trials for this experiment have failed and this means that PR has closer ties with the cultural-community background than we thought before.

This means that the alternative method of understanding this PR crisis is to look at it within the respective time, industry and national development cultural-political context.

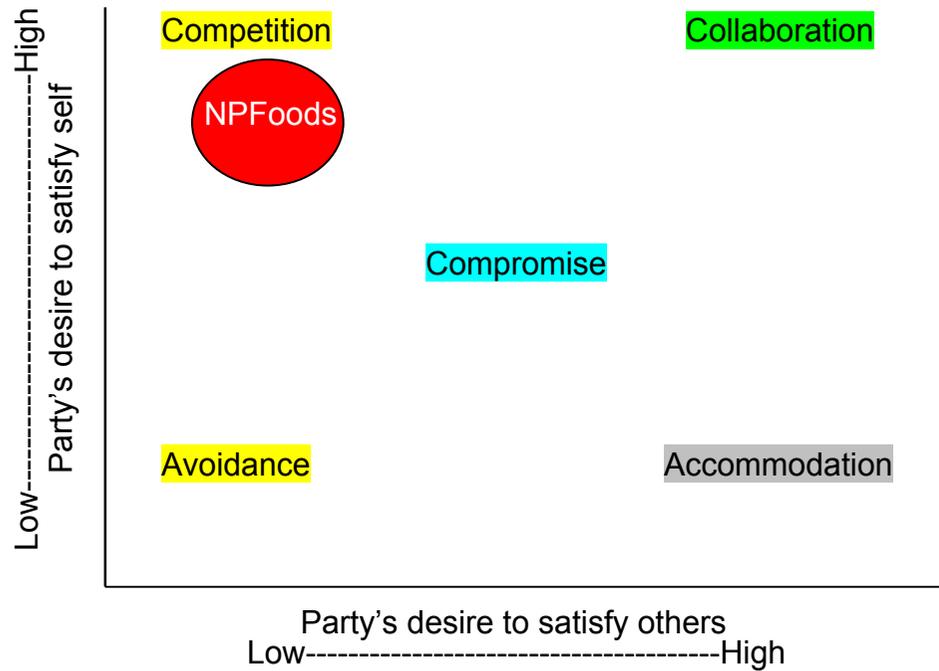
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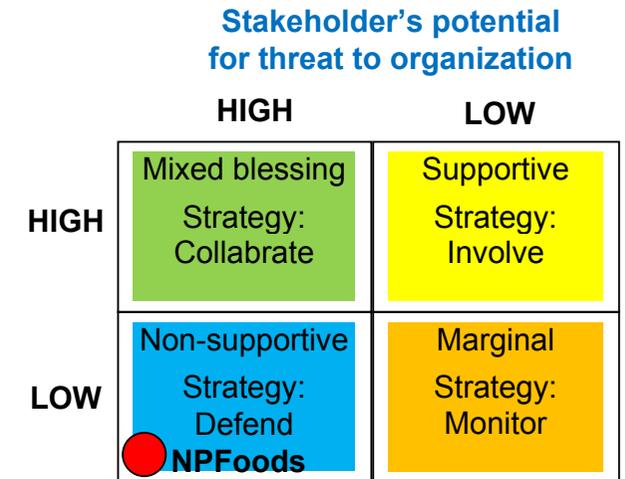
Appendices

Figure No. 2

Figure No. 1



Source: Savage, Spicer 1997.



Source: Savage, Spicer 1997.

▶ 15

Lost in Translation? On the Disciplinary Status of Public Relations

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INTRODUCTION

In Sofia Coppola's much acclaimed movie *Lost in Translation* the aging actor Bob Harris sits sleeplessly in a fancy hotel bar. Behind him, seen through the wall of glass, the never sleeping, illuminated, vibrant mega city Tokyo. A scene that perfectly captures the character's profound feelings of loneliness, alienation, and culture shock. Coppola's criticism of modern, globalized society certainly struck the nerve of our time and somehow gives rise to associations with the current status of public relations as a field of research. Today, public relations as an academic discipline seems to be lost in several forms of translations or transformations with open-ended outcomes.

To mention just a few, there is the translation from PR perceived as an art practiced by the 'gin and tonic brigade' to PR conceptualized as a profession and a science, increasingly incorporated in university programs. Second, the – albeit slower than hoped for – translation of PR as a low- or middle-management occupation related to media management towards a strategic management position with growing budgets and spheres of influence. In conjunction with this trajectory, PR research today more than ever orients itself towards business economics and management research, slowly but surely leaving behind its roots in schools of communication and journalism. Even the term 'public relations' has become a taboo word, being often replaced by 'communication management' or 'strategic communication' (Moloney, 1997, p. 139; Zeffass, Verhoeven, Tench, Moreno, and Verčič, 2011). On the other hand, parallel to this development, the traditionally strong positivistic and functional voices within the field are increasingly challenged by critical scholars calling for a 'socio-cultural turn' (e.g. Edwards and Hodges, 2011; McKie and Munshi, 2007). PR research is becoming multi-paradigmatic and fragmented, drawing on insights from disciplines such as sociology, political studies, business management, cultural theory, psychology, organizational studies, and many more. Up to now, the imperialism of the discipline has mostly been cherished with claims that interdisciplinary input will enrich the discipline, and that PR scholarship will profit from this knowledge transfer (e.g. Sallot, Lyon, Acosta-Alzura, and Jones, 2003). One might as well take a different stand and argue that, meanwhile, PR has met the same fate as many other disciplines. Its academic respect and influence as well as scientific progress are hampered by the excessive pluralism and eclecticism of the field and its failure

to formulate a consistent body of core knowledge. Being situated somewhere in the nowhere between different disciplinary fields and scholarly traditions, public relations on the one hand shows clear imperialistic tendencies towards all of these fields, but is on the other hand rather isolated and struggles for academic recognition. PR research has failed to gain true acceptance from any of its feeder disciplines (Toth, 2010, pp. 712-714). Instead, it is caught in a vicious circle of self-assertion and self-defense. Although at first glance public relations appears to be a progressive, vibrant field of research with rising numbers of students, university programs, and publications, at the second glance, it is quite apparent that PR lacks what Cole names 'core knowledge' (Cole, 1994). Despite a booming frontier with forays in diverse disciplinary fields, hardly anything of that activity seems to enter the disciplinary core. A study by Sisco, Collins, and Zoch (2011) recently confirmed that, after more than three decades of scholarly efforts, public relations still does not have enough of a central focus in its research and theory building to be deemed a mature discipline. The last years have certainly seen a new dynamic concerning the centrifugal forces within the field. New scholars, new terms, new concepts, and new perspectives are constantly entering the field, contributing to its interdisciplinary, multi-paradigmatic, and fragmented status.

This paper critically examines the current status of the field from different angles and points out positive as well as negative effects of the fragmented 'hotchpotch' of PR research today.

Ferment in the Field

Public Relations Research 'after Grunig'

There is a growing discontent with the managerial, corporation-focused kind of research still constituting the mainstream of PR research (Brown, 2010; Christensen and Cornelissen, 2011). As Edwards and Hodges put it:

Historically, public relations research has been dominated by organizational interests, treating the profession as a function to help organisations achieve their goals, and focusing on practice and processes first and foremost. Such research is valuable in addressing how public relations can be used more effectively by organisations and institutions, but has tended to neglect the consequences of the practice on the social world in which those organisations operate. (Edwards and Hodges, 2011, backcover)

They notice an increasing prevalence of research taking a different path from the functional, normative approach that has dominated PR scholarship and argue that at the moment a (radical) 'socio-cultural turn' takes place in the field (Edwards and Hodges, 2011, p. 16), although until today only few singular contributions have been made to this 'turn' (e.g. Mickey, 2003; L'Etang and Pieczka, 2006; Moloney, 2006; McKie and Munshi, 2007). The fact that McKie and Munshi

won the PRIDE Award for the Outstanding Book of the Year of the Public Relations Division of the National Communication Association (NCA) for their book *Reconfiguring public relations: Ecology, equity, and enterprise* in 2007 signals that change is taking place within the community. New topics and approaches wander from the periphery towards the core of the discipline. Long neglected fields and topics like gender, race, culture, colonialism, inequality or ecology have gained more attention in recent years (Ihlen, van Ruler, and Fredriksson, 2009; Bardhan and Weaver, 2010; Edwards, 2010; L'Etang, 2010). Slowly and rather belatedly public relations research seems to catch up on the 'turns' that have befallen the humanities and the social sciences in the last decades – the postmodern turn, the interpretive turn, the cultural turn, to mention just a few. These scholars introduce new insights and approaches gained in areas like linguistics, cultural studies, history, sociology, anthropology, ethnology, or gender studies. Although those topics have been around for decades, the frequency and visibility with which they appear today – also in mainstream journals – is new. In addition, the debates around corporate social responsibility with have been fueled again in the last years by the social and political trend towards sustainability, resulted in a revival of this line of research in many disciplines all over the world (Crane, McWilliams, Matten, Moon, and Siegel, 2008) and deeply affected PR research, too (May, Cheney, Roper, 2007; Ihlen, Bartlett, and May, 2011).

Despite their inhomogeneity those approaches and concepts are united by their unanimous criticism of what is referred to as the 'Grunigian Paradigm' (Moloney, 1997, 2006) – the form of PR research introduced and promoted by the Excellence publication (Grunig, 1992) in the early nineties¹. According to Moloney, the claim of this paradigm is that PR – in its form of two-way symmetrical balanced, negotiating, respectful dialogue – is on a progressive journey towards betterment, if not perfection. James Grunig and his academic colleagues drew an intellectual route map that in its stages distanced PR from propaganda, and made public relations intellectually respectable, decently practicable, and legitimately teachable at public expense in the ideological and geopolitical circumstances of the 1980s (Moloney, 2006, p. 3).

Many scholars today criticize that PR research has ever since been mostly driven by organizational and managerial interests, with a singular focus that tended to exclude the social world in which those organizations operate (Motion and Weaver, 2005; Moloney, 2006; McKie and Munshi, 2007; L'Etang, 2008, Edwards and Hodges, 2011). The 'Grunigian Paradigm' only examined one side of PR – the functional, corporative one. Edwards and Hodges pointed out that this narrowly focused approach has a number of drawbacks:

It frames public relations in a way that excludes the interests of increasingly diverse audiences; it ignores the dynamics produced by the profession pursuing its own interests; and it does not address the role that public relations plays as a discursive force in society; shaping social

and cultural values and beliefs in order to legitimise certain interests over others. (Edwards and Hodges, 2011, p. 16).

Likewise, Cheney and Christensen see most traditional and contemporary formulations of public relations as parochial, utilitarian, and insufficiently self-reflective (2000, p. 179). In their view, public relations needs to become even more intellectually expansive, more critically reflective, and more cognizant of the diverse forms of organizational activity in today's world. They summarize and extend their critique of PR research by mentioning three biases: the illusion of symmetrical dialogue, explicit and implicit corporatism, and Western managerial rationalism (Cheney and Christensen, 2000, pp. 179-180).

While these critical voices have become much more prominent in the last years, at the same time managerial approaches within the field experienced a revival and a new focus (McDonald and Hebbani, 2011). When the nineties were clearly coined by the Excellence theory, the new millennium saw fresh agendas and academic personnel entering the field. With the changing roles of communication personnel and the appearing role of the 'chief communication officer' (CCO) in large companies, the need for management skills and education brought a new impetus to this field of research. Corporate communication's contribution to business goals, strategic management decisions and top-management positioning came to the fore. Demonstrating a contribution to corporate goals through creating and increasing intangible assets such as reputation and brands, supporting ongoing business processes, or identifying future opportunities and risks, has been identified by scholars as the main challenges for academics and practitioners (Zerfass, 2010; McDonald and Hebbani, 2011; Watson and Zerfass, 2011). Zerfass argues that communication management is double sided: On the one hand, it concerns the management of corporate communications, that is, essentially the question of initiating communication processes with the aim of conveying the company's point of view and influencing stakeholders. In addition, concrete objectives of value creation should be supported, such as an increase in sales figures or, alternatively, cost cutting efforts. On the other hand, communication management monitors relevant stakeholders and communication processes within the organization and in the organizational environment (Zerfass, 2010). The overall goal is to improve business strategies and ultimately the company's profit (Pohl, 2008; Watson and Zerfass, 2011). When in the past, the research focus has often been on the education of tactical skills, like writing, campaigning, graphic design, etc., the current argument is that the professionalization of the field requires enhanced personal and professional qualities, as well as management values and skills CCOs must possess to succeed and satisfy the requirements of the C-suite. As Sandhu (2009) observed, this functional-managerial perspective was buttressed by the import of various models based largely on rationalistic strategic management literature such as strategic planning and strategy (Smith, 2005), leadership (Berger and Meng, 2010; Meng, Berger, Gower, and Heyman, 2012), issues management (Heath and Palenchar, 2009), or evaluation methods (Watson and Noble, 2007; Paine, 2011). This managerialization of communication as a strategic function was increased

1 For a thorough overview of Grunig's concept of excellence and symmetry and its critics see Brown (2010).

by the proposition of sophisticated measurement systems (Fleisher and Burton, 1995; Fleisher and Mahaffy, 1997). A general societal trend towards regulation and auditing (Power, 1997) increased the importance of managing communication processes efficiently and effectively and to demonstrate PR's return on investment (Lee and Yoon 2010; Watson, 2010; Zerfass, 2010; Watson and Zerfass, 2011). The focus of this growing line of research is to further align former strands of PR research with the realities of today's business environment and the agenda of business economics. This is also reflected in the terminology used by the respective authors. Although most of them have been socialized in PR research, the favored terminology today is that of 'strategic communication' or 'communication management' to signalize the realignment. The emergence and differentiation of these approaches into separate 'schools of thought' contribute to the impression, that what has long been known as 'public relations' is indeed transforming, disrupting, and realigning.

Public Relations is dead. Long live Public Relations.

In the last years PR has both been declared dead then resurrected a few moments later and vice versa (Ries and Ries, 2004; Engeseth, 2009). The state of PR still draws a contradictory picture. In one respect, it presents itself as a growing field of research with rising numbers of university chairs, publication outlets, and student enrollments (Toth, 2010). As Botan and Taylor pointed out, [...] public relations may be poised to become one of the most researched areas of communication. [...] many departments of communication, mass communication, and journalism have become dependent on public relations enrollments that often exceed the enrollments in interpersonal, small groups, rhetoric, and several other areas. (Botan and Taylor, 2004, p. 645)

Moloney perfectly captures PR's omnipresence today, referring to a "Niagara of PR; a Niagara of spin" (p. 1) – a Niagara of lifestyle features, ideological messages, sound bites, kiss-and-tell tales, press conferences, news leaks, special events, stunts, staged photos, consumer leaflets, corporate brands, brochures and competitions, exhibitions and incentives, road shows, policy briefings, lobbying campaigns, demonstrations, sponsorship, managed issues, messages about social responsibility, reassuring messages in times of crisis, etc., etc.; sweeping over us every single day.

PR is now an industry, when it was once an adjunct to advertising and marketing. It was once done by a group of people called the 'gin and tonic brigade', recruited from the louche end of the metropolitan middle classes. Today school-leavers want a degree in it, and many campuses oblige when twenty years ago they would have left what they considered training to employers. (Moloney, 2006, p. 6)

Every kind of organization and institution nowadays employs PR personnel, from large enterprises to governments, political parties, the military, trade unions, universities, NGOs, to small sports clubs, and individuals with a task or a message. PR flourishes so fruitfully today that it has been

called the 'profession of the decade' (in *The Spectator*, 1998, cited in Moloney, 2006, p. 7) However, its prominence does not bring PR social prestige, high status or good public opinion. In particular, the media has always been very skeptical towards the PR business and never tires of saying so (Olasky, 1989; Moloney, 1997, 2006; Penning, 2008). In May 2011 *The Economist* titled "Public Relations – Slime-slinging – Flacks vastly outnumber hacks these days. Caveat lector" and warned of the omnipresence of PR and the cacophony of PR voices that drown the dwindling voices of independent journalists (N.N., 2011). As Moloney pointed out, "this asymmetry of usage to reputation is an extraordinary irony, for PR has to endure the fate that it seeks to avoid for those in whose name it works" (2006, p. 1). The Niagara of PR is conventionally thought to be bad for democracy, and for its politics, media and markets – an "inverse pervasiveness and reputation relationship" (Moloney, 2006, p. 6).

This led to the situation that just like 'propaganda' after the Second World War, the term 'public relations' itself has become a taboo word (Moloney, 1997, p. 139; Tilley, 2005; Zerfass et al., 2011). There is clear evidence of a flight from the term towards substitutes like 'corporate communications', 'strategic communications', 'management communication', 'organizational communication', 'public affairs', or 'government relations'. In Europe many communication professionals think that PR has negative connotations in the mass media, a fact that damages the reputation of the profession and the communication professionals. 42.2 per cent consider the term 'public relations' discredited (Zerfass et al., 2011, p. 21). Instead they favor alternative titles like 'corporate communications', 'strategic communication' or 'communication management' (ibid, p. 24).

The trend to re-brand research and professional activity that was formerly known under the term public relations has been around for a while and exemplifies the different stages of PR's evolution (Seitel, 2011). As Kitchen observed in 1997:

Twenty-five years ago the term 'press agency' in effect described public relations practitioners as the contact men between client and media who sought to reach the 'publics'. Put more simply, the task was to get clients' names in papers and was used for the purpose of building name recognition and attracting large audiences. (Kitchen, 1997, p. 24)

With the expansion and differentiation of the PR function into multiple areas and subdivisions, a clear and unanimous definition of PR is no longer available. The same is true for marketing communications, the successor of advertising. At least since the early nineties, with the emergence of 'corporate communications' and 'integrated communications' the questions of 'who is who' and 'what belongs to whom' have become quite confusing.

This did not leave the academy untouched. Quite the contrary, rebranding activity and renaming seem to be fueled by scholarly activities. Consider for instance the titles of the latest established scholarly journals that publish much of PR research. When in 1996 the journal *Corporate*

Communications: An International Journal was founded, the editors then saw no need to justify and explain the cause for a new journal and the term 'corporate communications'. But, a year later, in the same journal, Kitchen (1997) asked some pertinent questions concerning the relationship of PR and the new concept of corporate communications. Unfortunately, he did not return and endeavor to further explore them and neither has anyone else bothered since then. However, his questions and doubts are still justified today, maybe even more so, as trends have accelerated and concepts became even less clear. Kitchen suggest that:

Before one can herald the emergence of corporate communications as integrative and synergistic in relation to its three theoretical foundations [public relations, marketing communications, and human resource management; L.D.], much more empirical evidence is required. Five research questions need to be explored:

1. Is it possible, in a theoretical sense, to separate management communication, organizational communication and public relations?
2. What precisely is the relationship between public relations, public affairs, and corporate communications?
3. Where is the dividing line(s) between the above three areas?
4. What are the parts, elements, skills, techniques, and tools of corporate communications? Do academics/practitioners agree as to ownership of these parts? To what extent do these resemble or are the same as those of traditional public relations?
5. Marketeers have been accused of "trying to hijack the profession of public relations". Is corporate communications attempting to do the same thing in reverse? If so, which professional body is equipped to take responsibility for professional standards for the education, training and practice of corporate communications in the UK? (Kitchen, 1997, p. 29)

Those are valid questions and I think that researchers would do good, to reflect on them again, because, what happened in the last decade is more likely to remind us of Hans Christian Andersen's fairytale *The Emperor's New Clothes* than substantial, theory-based reconceptualization. "Beware of new clothes!"² one is inclined to say, someone might ask what is behind them.

The latest journal founded in the field has been the *International Journal of Strategic Communication*, a journal that deliberately situates itself at the interface of various professional fields engaged in the

development, dissemination, and assessment of communications on behalf of organizations and causes (Hallahan, Holtzhausen, van Ruler, Verčič, and Sriramesh, 2007) According to Hallahan et al. "strategic communication focuses on how the organization itself presents and promotes itself through the intentional activities of its leaders, employees, and communication practitioners" (2007, p. 7). This definition is not much different from those of PR or corporate communications. Maybe that is why the editors obviously felt the need to justify and explain the new title and focus of the journal (Holtzhausen and Hallahan, 2007). However, their attempts to distinguish strategic communication from earlier conceptualizations of corporate or organizational communication (Hallahan et al., 2007), are not particularly convincing. This is largely due to the fact that the criteria they use to differentiate strategic communication from PR, marketing communications, or organizational communication became obsolete in the last decade. The convergence of communication roles and functions has been a main characteristic of all communication-related research areas and corporate departments, although this convergence has mostly been researched in the context of the relationship of PR and marketing communications (e.g Hutton, 2010).

Hallahan et al. give a number of reasons for the use of the term 'strategic' (Hallahan et al., 2007). The first and most evident one, is that the term is associated with power and decision-making. When used in conjunction with communication, the term 'strategic' implies that communication practice is a management function. Hallahan et al. refer to Henry Mintzberg who was the first to describe the 'strategic apex' of the organization as consisting of 'those people charged with overall responsibility of the organization – the chief executive officer ... and any of the top-level managers whose concerns are global' (cited after Hallahan et al., 2007, p. 12). However, all other reasons given by Hallahan et al. remain somewhat vague and in my opinion do not necessarily have to result in a change in terminology. However, Hallahan et al. consider strategic communication "a new paradigm for analyzing organizational communications" that "focuses on the purposeful communication activities by organizational leaders and members to advance the organization's mission". They stress that "these activities are strategic, not random or unintentional communications" (Hallahan et al., 2007, p. 27) – which somehow implies that former forms of corporate communication have not been strategic. A statement which will certainly be attacked by the majority of PR scholars. McDonald and Hebbani sing from the same song sheet when proclaiming that.

The strategic management focus aligns the practice and discipline as a whole with the dominant coalition within organisations, thereby increasing its legitimacy. [...] The strategic management paradigm provides an organisationally- and socially-valued approach to public relations practice which is necessary for the discipline to reach its full potential as a profession. (McDonald and Hebbani, 2011, pp. 10-11)

2 In the famous tale, "The Emperor's New Clothes" by Hans Christian Andersen an Emperor who in his vanity cares for nothing but his appearance, hires two tailors who promise him the finest suit of clothes from a fabric invisible to anyone who is unfit for his position or just hopelessly stupid. The Emperor nor his court can see the clothes themselves, but pretend to do so, to not seem stupid or unfit for their office. When the swindlers report that the suit is finished, they mime dressing him and the Emperor then marches in procession through town. His subjects fearing the Emperor's wrath play along with the pretense. Suddenly, an innocent child in the crowd blurts out that the Emperor is wearing nothing at all! The cry is taken up by the other townsfolk but the Emperor, although he knows that the assertion is true, is too proud to acknowledge that he fell for a swindle. So he and his court just go on with the procession.

Although on the surface all this can be dismissed as irrelevant struggles around terminology and research paradigms which have been with the field for decades, I think that the present process of differentiation has reached a new depth and quality. It seems as if what has long been known as the academic discipline or field of research 'public relations' is in the process of breaking apart into several sub-disciplinary fields, with distinguishable research foci and a rather closed set of scholars. Efforts to identify different paradigms in public relations research have been made before (Hallahan, 1993; Botan and Hazleton, 2006). Recently Toth made another attempt and identified six different paradigms: crisis communication, critical theory, feminist theory, rhetorical theory, strategic management theory, and tactical communication theories, including campaigns (Toth, 2010, pp. 714-719). Although I agree with Toth that these are important fields of research, I do think that some of these 'paradigms' can be subsumed (critical theory and feminist theory) while other do not constitute proper 'paradigms' on their own (crisis communication and rhetorical theory). Furthermore, it is to be questioned whether PR research is mature enough to speak of 'paradigms'. Therefore, I prefer the terminology of 'schools of thought' or disciplinary subfields. Taken into consideration what has been said before, I propose three distinct subfields succeeding the former field of public relations:

1. *Public Relations*, turning away from the 'Grunigian Paradigm' and towards the humanities and critical theory tradition. The future focus of research will be on investigating the consequences of PR practice on the social world, especially the role that public relations plays as a discursive force in society, shaping social and cultural values and beliefs in order to legitimize certain interests over others. This school of thought will also explore the interests of increasingly diverse audiences; on minorities within and affected by the profession. Public Relations will distance itself from positivist, empiricist management research and instead turn towards cultural studies, linguistics, gender studies, ethnic studies, and so on. Methodology will predominantly be hermeneutic, interpretative and qualitative with case study approaches instead of large scale, corporate funded research projects. This subfield will include what Toth named 'critical theory' and 'feminist' paradigm.
2. *Strategic Communication*, with a clear orientation towards management studies and business economics. Research will focus on the management of the corporate communication function and of communication processes within and initiated by the organization. In addition, the emerging function of senior level or even c-suite level communication professionals and the new job profile and educational demands that go along with that will be researched. Methodology will orient towards those applied by the majority of management research and economics with a clear focus on corporate research, sponsored by or conducted in cooperation with large companies, agencies or institutions. This subfield is not to be equated with what Toth identified as the 'strategic management paradigm'. The subfield I propose here does not inherit and pursue the 'Grunigian Paradigm' but constitutes a new, independent field of research.

3. *Corporate Communications*³, a field that will continue much of the traditional topics and research interests with a focus on the tactical and practical skills of low or middle management communication professionals. Research will revolve around the integration of different communication functions and messages, around the improvement and alignment of different communication departments and communication messages. Research will be unsophisticated, very close to daily practice, and application-oriented. Although there might be some overlap with Toth's 'tactical paradigm', I see this field following in the footsteps of the 'traditional' focus of PR research and practice in the 1990s.

On the Merits and Dangers of 'Postdisciplinarity'

This differentiation of the field into new subfields can be considered both positively and negatively. First of all, it is a sure sign of professional and academic maturation. Similar processes can be observed in adjacent fields. Organizational studies and organizational theory (Pfeffer, 1993; Burrell and Morgan, 1979; Parker, 2000; Newton, 2010), sociology (Hassard, 1995; Cole, 1994), communication science (Swanson, 1993; Wagner, 1993; Anderson and Baym, 2004; McQuail, 2006; Pfau, 2008), management (Abrahamson, 1996; Scherer, 1998) and marketing (Anderson, 1983; Arndt, 1985; Firat, Dholakia, and Bagozzi, 1987; Brown, 1995; Shaw and Jones, 2008) all developed multiple subdisciplinary branches and are characterized by a high degree of pluralism, the proliferation of different paradigms, and multiple, somewhat unconnected lists of theories, variables, and concepts. A situation that led to frequent discussions about their disciplinary core. The interdisciplinarity especially of social sciences disciplines and their fragmentation into specialized schools of thought has been discussed by academics for decades with good arguments on both sides. Up to now, PR research has mostly embraced its interdisciplinary status and without shame looked at other fields for inspiration. This paper deliberately takes a different stand. Although the merits of interdisciplinary research are acknowledged, the focus will be on the dangers that accompany it. The aim is not to dismiss interdisciplinarity altogether and to shut out PR research from adjacent fields, but to raise awareness and to inspire critical thinking. In order to do so, this paper refers to insights gained in neighboring, more established disciplines like communication science, organizational studies and marketing, which are further along their disciplinary development and have already experienced much of what is happening within PR research right now. PR research can learn from their experiences and thus avoid some pitfalls. Of course, talking about interdisciplinarity feels stale and even a bit comical, given how overused and abused the term is at this point. Interdisciplinarity has been around since the late 20th

3 The term 'corporate communications' is chosen rather randomly. The field might, especially in business practice, as well trade under the name of PR or integrated communications. I do not include the interdisciplinary research of Christensen, Morsing and Cheney (2008) and related scholars like Cornelissen (2008) here, although that trades under the same name.

century is so common in all disciplines that the term has lost its meaning. Young disciplines like communication have been interdisciplinary right from the start, with founding fathers from a diverse set of disciplines. As a result, conversations about disciplines have entered a new phase. We no longer ask how or when interdisciplinarity emerged and whether we are interdisciplinary enough; the questions that arise now are whether there were really any justifiable disciplinary boundaries to start with, and what the disciplinary core might be (Herbst, 2008, p. 606). Meanwhile, the term 'interdisciplinarity' has become so overused and inadequate that scholars even speak of 'postdisciplinarity'. In a well-received article on the topic, Menand (2001) describes the fundamental changes that took place within the education system in the United States between 1945 and today and shows how academia entered a new phase in the 1970s that deeply affected the epistemology and ontology of all sciences, especially the liberal arts and humanities. He argues that what happened to the humanistic disciplines happened in two stages, and we are just emerging, if we are going to emerge at all, from the second stage. In the first stage in the 1970s and 1980s, according to Menand, what took place was not a redefinition of disciplinarity so much as a kind of antidisciplinarity. Academic activity began leaning toward paradigms that defined themselves essentially as antagonistic towards traditional disciplines. Science, fueled by the writing of popular philosophers like Kuhn and Feyerabend, was characterized by a widely diffused skepticism about the universality of any particular line of inquiry or pedagogy, and a rigorously enforced suspicion of the notion of concepts such as 'truth' or 'rigor'. "Antidisciplinarity arose from the marriage of the theoretical position that the disciplines are arbitrary (or at least limiting and artificial) ways to organize knowledge, with the institutional failure to integrate new areas of inquiry adequately into the traditional disciplines" (Menand, 2001).

Once the antidisciplinary stage had passed, the academy entered into a different phase, which might be called the phase of postdisciplinarity. Some professors established themselves as stars not by attacking their own disciplines, but by writing books on subjects outside, or only marginally related to, their disciplines. *A useful definition of postdisciplinarity comes from Case:*

The term 'post disciplinarity', now in current usage, announces a different relationship to fields of study than the earlier term 'interdisciplinary' might connote. We can imagine 'interdisciplinary' as a term that signals a sense of a unified field, produced through the historical convergence of subcultures, social structures, and training practices. [...] 'Post disciplinary' retains nothing of the notion of a shared consciousness, or of a shared objective that brings together a broad range of discrete studies. Instead, it suggests that the organizing structures of disciplines themselves will not hold. Only conditional conjunctions of social and intellectual forces exist, at which scholarship and performance may be produced. Scholars do not work within fields, but at intersections of materials and theories. (Case, 2001, p. 150)

Taking into consideration what has been said before, public relations can certainly be considered an interdisciplinary field on its way towards postdisciplinarity. While it is good company on its path, it is important to be aware of the dangers that may wait by the roadside.

A real danger of postdisciplinarity is the redundancy that results from interdisciplinarity. When disciplinary borders become obsolete, their institutional equivalent of university departments may well do so, too. Today, traditional disciplines still control the production and placement of new professors. They possess the credentialing and hiring power. When professors and programs are not professionally situated in particular departments, they lose this protection, and their status becomes shaky. Administrators would love to 'melt down' the disciplines, since that would allow them to deploy faculty more efficiently. Why e.g. support separate professors interested in 'strategic communication' or 'public relations'— one in your communication department, one in your business economics department and one in your cultural studies department? Or, why fund a chair in public relations/strategic communication/corporate communication at all when all they seem to do is to research and teach in fields and topics that are already covered by other, more established departments?

Another danger of postdisciplinarity is the devaluation of expertise and the devaluation of disciplinary knowledge. Taking about education in communication science, Swanson highlighted the point that when programs become less comprehensive, students have fewer opportunities for exposure to the full range of concerns represented in the field at large, and graduates of differently focused programs are likely to hold different conceptions of their field. The same is true for PR professionals who look towards academia for guidance and inspiration. If communication managers are then confronted with fundamentally different approaches and concepts, they will be unsure how to make sense of them. In relation to management studies, a field that faces high levels of fragmentation and incommensurability, Scherer suggested that managers who get inconsistent advice from management academics might become disillusioned if they were to observe academic dialogue (Scherer, 1998, p. 150). He argued that incommensurability and dissensus have direct implications for the reception of a field outside the academy, and its consequent influence on practice and policy direction. This argument is, however, questionable in the light of the huge proliferation of management literature in the last decades, although the frequency of management fads certainly brought management studies into disrepute.

The fragmentation of disciplines and disciplinary knowledge is undoubtedly one of the main characteristics of postdisciplinarity – and it certainly characterizes PR research, too. As Deetz observed with regard to communication studies in general, fragmentation makes it increasingly difficult for scholars to internalize significant epistemological and content developments in the overall field that lie outside of their specific niches, let alone to remain abreast of developments that are located at the nexus of that field and other disciplines. In a field characterized by the rampant proliferation of specialty literatures, the tendency is for scholars to burrow deeper into their respective niche, treating their own specialty as if it were isolated and self-contained (Deetz, 1994, p. 570). It gets increasingly hard to tell what different approaches have to do with each other. Fueled by various disciplinary and philosophical backgrounds, they become more and more incommensurable: They neither agree nor disagree about anything, but effectively bypass each

other because they conceive of their nominally shared topic – in our case communication – in such fundamentally different ways. Thus, inevitably, ‘the field’ loses meaning and salience as an object of orientation; instead, particular subfields and clusters of related subfields become the primary structures of identification and reference. As interdisciplinary subfields grow and develop their own organizations and publication outlets, scholars and students may come to orient to the subfield more than to their parent discipline as the primary site of scholarly work and interaction. The subfield may become inward-looking and self-absorbed as it searches for its own center, or its main point of reference may change from the mother discipline towards new feeder disciplines. Also, the field’s intellectual capital may be transferred from the center to the periphery. As a result, slowly the core domains begin to decompose into narrowly defined subfields that struggle against disciplinary traditions and limitations in order to build more focused, discipline-spanning research communities (Swanson, 1993, pp. 166-168).

On behalf of PR research, one is inclined to think that fragmentation and disconnection will be reduced by the fact that each of the above described schools of thought in the end refers to a number of similar feeder disciplines. Thus, both PR research ‘after the socio-cultural’ term as well as the new field of ‘strategic communication’ refer to management studies and organizational studies. But, because of the high levels of fragmentation and diversification that characterize the ‘feeder disciplines’, too, this does not automatically lead to a reduction of the divergence. Scherer, for example, describes the situation in the fields of strategic management and organizational theory in the following way:

Scholars pursue different research interests and publish descriptive, prescriptive, and even normative-ethical work. They undertake research in various levels of analysis (e.g. society, industry, corporate, business, group, or individual levels) and ground their efforts in various methodologies, epistemologies, and concepts of rationality (e.g. positivism, interpretivism, interactionism, enacted environment, ethnomethodology, and economics). This leads to divergent, sometimes competing perspectives. In summary, there is a persistent theoretical and methodological pluralism in both strategic management and organizational theory. (Scherer, 1998, p. 148; see also Newton, 2010).

At the same time, of course, interdisciplinarity and fragmentation into subfields can be considered a chance for the field. It reflects the dynamics within the field and signals a response to pressing issues and developments, as well as the high level of specialization that is needed to foster research and teaching. Moreover, realignment towards new disciplines can introduce important insights and perspectives into a field. Here is a chance to foster interdisciplinary scholarly ties with colleagues from other disciplines and pursue collaborative projects. However, the close alignment of more established disciplines and the borrowing of theories and research paradigms bring certain problems. Although interdisciplinarity and cross-disciplinary borrowing are useful practices in themselves and ought to be encouraged in order to mitigate the fragmentation of knowledge among disciplines, they have always been a problem for less established fields, too.

In relation to communication science, Peters (1986) criticized, that mostly borrowed goods were leveraged to sustain institutional claims to disciplinary status without articulating any coherent, distinctive focus or mission for the discipline itself. Many fields of research became productive by importing fragments of various other disciplines into their own culture, but the fragments did not and could never, in the ways they were used, cohere as a self-sustaining whole that was something more than the sum of its parts. Craig considers this condition to be one of the reasons why communication science has not yet emerged as a coherent field. Each of the fragments of communication research has been productive within its own domain, which led to ‘productive fragmentation’ and ‘sterile eclecticism’ (Craig, 1999, pp. 122-123). He points towards the example of Shannon’s mathematical theory of information, which communication scholars touted as evidence of their field’s potential scientific status even though they had nothing whatever to do with creating it, often poorly understood it, and seldom found any real use for it in their research. Communication scholars seized upon every idea about communication, whatever its provenance, but accomplished little with most of them – “entombed them, you might say, after removing them from the disciplinary environments in which they had thrived and were capable of propagating” (Craig, 1999, p. 122). Vice versa, communication scholars contributed few original ideas of their own. *Herbst underscores the tensions in the field of communication science:*

On one hand, communication is a field born of other established disciplines. We cannot shed the borrowed notions from other fields because they are intellectually critical to us. And to prove to other fields that we matter, we have had to talk their talk to some extent. Yet, communication researchers have needed to downplay some of this heritage as well, to justify a new field. These conflicting dynamics, manifest in varying ways, have led to productivity and brilliant contributions but also to confusion, self-doubt, and even unfounded arrogance at times. (Herbst, 2008, p. 60)

The frequent borrowing or adaptation of concepts and theories is even more characteristic of public relations research. Hardly any other fields among the social sciences is so prone to theory importation while on the other hand providing no substantial theory building of its own, especially none that is of interest to other disciplines. This situation has been exemplified by McKie and Munshi (2007). In a chapter with the fitting title “Testing symmetry in two locations: can’t live without it (in PR) and don’t notice it (outside PR)” (2007, p. 40) they present results from a small literature study in which they analyzed the impact and influence of the Excellence Theory and especially the notion of symmetrical communication on adjacent fields like organization theory, political theory or communication theory. As a rough test they sought out any references to the Grunigian two-way symmetrical model by authors publishing in recent handbooks or collections in adjacent fields between 2002 (18 years after the publication of *Managing Public Relations* and ten years after the Excellence volume – and therefore time enough for impact and influence to permeate) and 2006. Of the different handbooks and anthologies from the fields of International Relations, Political Communication, Public Affairs and Organizational Communication they examined, only one, *The New Handbook of Organizational Communication* (Jablin and Putnam,

2004), held any references to Grunig and Hunt's theory. This is not surprising, as the authors of the respective articles (Sutcliffe, Cheney and Christensen) have already widely published in the PR field. This adds weight to the argument that even the most prominent theoretical approach in the PR field is not relevant enough to be considered outside the borders of the community.

As early as 1979, Tirone pointed towards the problem that "the predictable consequence of borrowing concepts and theories and dressing them in new phrases is that the significant reviews of literature of communication simply ignore the contribution of public relations" (Tirone, 1979, p. 19).

The dormant danger of rendering yourself superfluous by adopting concepts from other more established discipline can be illustrated by the history of marketing science. Marketing, by adopting and integrating the concept of strategic planning (Ansoff, 1965) in its own body of thought in the 1970s and 1980s hoped to move closer towards strategic management (Webster, 2006, p. 74). The results, however, have been the contrary: Most marketing thought has meanwhile been incorporated in the field of strategic management research (Day, 1996; Webster, 2006) and the line between marketing management and strategic management has blurred. This and associated forces had significant negative impacts on marketing's role within corporations, causing that role to shrink, shift, and synthesize with previously distinct functional domains (see, e.g., Day 1996; Greyser 1997b; Webster 2002). According to Day, marketing's loss of influence in the academic discourse about strategy can be attributed to (a) the preemption of marketing frameworks, concepts, and methods by other fields of inquiry; (b) the pervasive tendency among marketers addressing strategic issues to employ the theories and frameworks of other academic disciplines; and (c) the ceding of some territory by marketing academics by shifting the balance of research activity further toward micro issues (Day, 1992).

As Webster (2006, p. 75) points out, there is a cause for concern about where this leaves the marketing field as an academic discipline. Many of the issues once considered to be the intellectual domain of marketing, such as customer orientation, market segmentation, competitor analysis, product management, and pricing, are now central to the field of strategic management. Meanwhile, the preponderance of marketing scholarship appears to still be concentrated in the traditional areas of marketing tactics, not strategy, centered around the micro-economic paradigm. Therefore, marketing as a distinct management function and specialty is disappearing. A clear delineation of marketing operations management from marketing strategy suggests that, while marketing operations management will continue to exist as a distinct management function and specialty, the possibility that the marketing planning and strategy formulation process might be subsumed within the business planning and competitive strategy formulation process exists.

The more marketing becomes a defining theme for shaping competitive strategy, the more there will be a blurring and obfuscation of the distinction between competitive strategy and marketing

strategy. From a competitive strategy perspective, the greater the perceived importance of the marketing elements of overall competitive strategy to achieving and sustaining competitive advantage, the greater the likelihood that marketing strategy formulation and planned changes in marketing strategy might be viewed by top management as too important to be decided at the marketing function level. (Varadarajan, 1992, p. 341)

There is no denying, that marketing brought this on itself. When McKenna proclaimed that "marketing is everything" and that marketing is "not a function", but "a way of doing business" (McKenna, 1991, p. 68), most of his contemporaries heralded marketing's triumph. The consequences, however, have paradoxically been, that the deeper marketing is embedded within an organization and becomes the defining theme for shaping competitive strategies, the more likely the role of marketing as a distinct function is diminished. As Glazer (1991) concluded, "If the changing information environment succeeds in transforming business activity along the lines suggested here, marketing as a philosophy would appear to have triumphed even as its activities have become too important to be left to the marketing function" (p. 17). This blurring and obscuring of the functional role of marketing is also reflected in prescriptions about emerging organizations that are designed to cope with diverse, turbulent, and knowledge-rich environments (Achrol, 1991). When "marketing becomes too important to leave to marketers," as David Packard of Hewlett-Packard once observed, then the distinctive marketing activities and perspectives lose their dominant influence in the strategy dialogue. At the extreme, the marketing function could disappear as a distinct management function and specialty. Perhaps marketing and strategic planning will merge into a single core function responsible for keeping the firm focused on the changing marketplace. In this scenario, the responsibility for understanding customers and making sure the firm delivers superior value to them will become part of everyone's job description (Day, 1992, pp. 323-324).

This assessment is certainly somewhat exaggerated and obviously has not eventuated, however, although PR is at the moment not likely to face at fate like that, it would do well to bear this in mind. With the constant broadening of PR's spheres of influence within organizations and the continuously broadening of the PR concept beyond its initial disciplinary border, the actual core of what constitutes PR as a corporate function and an academic discipline continues to blur and becomes more obscure. Undoubtedly, the influence of PR associated communication functions on business strategy will become increasingly important during the next years. However, what is not certain is whether it will be PR practitioners in these strategic roles and PR scholars who lead the academic discourse.

Conclusions

The conclusions that can be drawn from the above are at least ambivalent. The good news is that public relations continues to be a vibrant field of research with new personnel, new topics and perspectives entering the field every day. Its growth can especially be contributed to its flourishing subfields. The process of differentiation and fragmentation described above appears to be natural, inherent in today's academic system and can be considered a sign of professionalization and maturation, being accompanied by the professionalization and differentiation of business practice. The emerging schools of thought are important and constitute a necessary reassessment of traditional perspectives and research foci. The inclusion of multiple perspectives from various disciplinary backgrounds enriches the discipline and ensures that PR research does not lose contact to its neighboring disciplines. Particularly the critical approaches towards the field provide a more holistic picture of the discipline and practice of PR and fill a research gap. This is particularly important when it comes to PR education and university programs. The diversity and fragmentation of which helps to further the centrifugal forces of the field and contribute to the ambivalent image of the reputation. At the moment, companies do not really know what to expect from PR graduates, while prospective students do not really know what to expect from PR education. To reach clarification and at least a basic consent is certainly one of the major challenges PR education faces worldwide. In this context, I think, it is important to recognize and include all 'schools of thought' mentioned above in order to provide the student with diverse perspectives and a holistic education.

However, although there is obviously no need to catastrophize the status quo and future of public relations, it is important to be aware of the dangers that accompany the route that PR research has been taken over the last decades. I do not think that the disciplinary differentiation and fragmentation can be reversed, and presumably that would not even be desirable. But I do think that the field's awareness towards and handling of these developments can be improved.

First of all, PR research would be well advised to rethink the eclecticism with which it borrows and adopts concepts from other disciplines. Both its reputation as an academic discipline as well as a corporate function will be endangered if PR continues to fail to formulate a consistent body of core knowledge which is clearly distinguishable from other fields and provides a unique contribution. Once PR has succeeded in defining its identity, its relationship to other academic fields, such as organizational communication, marketing, strategic management and political studies, will become clearer.

This seems to be of even greater importance when it comes to PR's function in the corporate context. Due to its expansion in the last years, PR continues to be involved in turf wars with other departments. Up to now, it is not predictable who will come out as the winner of these

skirmishes. It will also depend on whether PR will be able to clarify its scope and contribution with in comparison with other departments. There is no doubt that communicative activities associated with (or monopolized by) PR – relationship building, reputation management, internal communication, corporate identity and corporate branding, stakeholder management, and social responsibility – both inside and outside the organization will continue to be of major importance. Likewise, it is probable that the research on these topics will continue to attract scholars of diverse disciplines. The question is just, whether it will be the PR discipline that will lead that discussion. When the task and functions assigned to PR will continue to become more important to strategic management, which I think they will, there is the danger, as described above, that those areas will be withdrawn from PR's spheres of influence and integrated in the overall management function. In an academic context that might well result in PR research losing its leadership on these topics with management research and business economics and organizational theories and studies stepping in.

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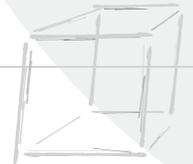


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