Public relations and strategic management: Institutionalizing organization–public relationships in contemporary society

James E. Grunig
UNIVERSITY OF MARYLAND, USA

ABSTRACT: Public relations is a critical profession in contemporary society, which is characterized by global interaction, relationships, and responsibility. Unfortunately, public relations has been institutionalized as a symbolic-interpretive activity that organizations use to exert their power over publics and to disguise the consequences of their behaviors from publics, governments, and the media. This article discusses an alternative role for public relations as a strategic management rather than a messaging activity. It presents a model of public relations in strategic management and examines research that elaborates segments of the model: environmental scanning, stakeholders and publics, issues and crises, scenario building, cultivating and evaluating relationships, tracing the effect of relationships on reputation, planning and evaluating communication programs strategically, and how digital media can be used to further the strategic management process. It concludes that research is needed on how public relations can be empowered and institutionalized as a strategic management activity.

KEYWORDS: strategic management, publics, relationships, reputation, digital media

INTRODUCTION

In June 2010, the Global Alliance for Public Relations and Communication Management, an association of national public relations associations, issued a set of principles for public relations professionals to "administer on a sustained basis and to affirm throughout the profession, as well as to management and other relevant stakeholder groups" (p. 1). These Stockholm Accords resulted from the "collaborative effort of leaders of the global public relations profession from 32 countries" (p. 1). The Stockholm Accords affirm that public relations should play a major role in organizational governance and management as well as in communication programs for internal and external publics and that its value comes from increasing the organization's sustainability "across the economic, social, and environmental 'triple bottom line'" (p. 2).

Similarly, three years earlier, the U.S.-based Arthur W. Page Society (2007), an association of senior corporate public relations officers, issued a report that concluded that "CEOs are looking for their Chief Communications Officers to take a more strategic and interactive role within the senior leadership of the company" (p. 2). The report said that CCOs of the future should exercise leadership in defining and instilling company values, building and managing multi-stakeholder relationships, enabling the enterprise with "new media" skills and tools, and building and managing trust, in all its dimensions.

Both reports argued that contemporary society requires public relations professionals who can deal with global interactions, relationships, and responsibilities and who can manage relationships among organizations and stakeholders in a global, digitalized world where issues and crises related to poor organizational governance have become commonplace. However, if one were to ask journalists or people in general if they believe the public relations profession delivers such value to society, most would express surprise that such a description is what public relations is all about. Likewise, if one also were to monitor the typical discussions among public relations practitioners in trade media and online discussions, he or she would find much more talk about messaging, publicity, media relations, media monitoring, and marketing support than about the roles and responsibilities of public relations in organizational governance. In the minds of most people, public relations has become *institutionalized* as a messaging activity whose purpose is to make organizations look good in the media or to sell products, usually through devious means, rather than as a management activity that improves relationships among stakeholders and organizations.

Organizational theorists define institutionalization as a process that occurs when actions are repeated and are given similar meanings both by oneself and by others (Hatch & Cunliffe, 2006, p. 86). Organizations and individuals repeat actions and share meanings to reduce uncertainty by conforming to what they believe are the expectations of others. Thus, because most people (including many clients of public relations practitioners) believe public relations is a messaging activity, public relations practitioners typically supply what they believe is the demand for their services.

Throughout my career of over 40 years as a public relations scholar and practitioner, I have worked with colleagues and students to develop a comprehensive set of theories articulating a strategic role for public relations that meets the demands for the profession described in the Stockholm Accords and by the Arthur W. Page Society. Although this theory has been implemented by public relations practitioners who possess the knowledge to do so (see, e.g., evidence of its implementation in the *Excellence* study by L. Grunig, J. Grunig & Dozier, 2002), it has not been institutionalized as the norm for the profession in the minds of large numbers of practitioners, journalists, and managers. It also has been questioned by many public relations scholars who take a critical, rhetorical, persuasion, or marketing approach to public relations and whose expectations for what public relations is and does do not match mine (see, e.g., the volume edited by L'Etang & Pieczka, 2006).

These different expectations for public relations can be explained by different approaches to theory taken by social, organizational, and communication scholars. In their book on organizational theory, Hatch with Cunliffe (2006) described modernist, symbolic-interpretive, and postmodernist perspectives on theory. The *modernist* perspective views reality as objective and management as a set of rational activities designed to achieve organizational objectives. The *symbolic-interpretive* perspective sees concepts such as organizations themselves, their environments, and the behavior of managers as subjective enactments of reality — enactments whose meanings can be negotiated through communication. *Postmodernists* also embrace subjectivity, but they reject general theories and strategies and prefer to "deconstruct" theories to determine whose interests are served and whose way of thinking has been incorporated into them.

Elements of these three approaches to organizational theory can be found in two competing ways in which I believe public relations scholars and practitioners, management scholars and practitioners, and people in general think about public relations: the *symbolic, interpretive* paradigm and the *strategic management, behavioral* paradigm. The symbolic-interpretive paradigm of public relations is based almost exclusively on the subjective assumptions of interpretive and postmodern organizational theories, whereas the strategic-management approach incorporates elements of all three approaches. Those who embrace the symbolic paradigm generally assume that public relations strives to influence how publics interpret the behaviors of organizations after they occur and that its purpose is to secure the power of the decision-makers who chose those behaviors. These cognitive interpretations typically are embodied in such concepts as image, reputation, brand, impressions, and identity. Practitioners who follow the interpretive paradigm emphasize messages, publicity, media relations, and media effects, which they believe create an impression in the minds of publics that allow the organization to *buffer* itself from its environment, to use the words of van den Bosch and van Riel (1998), which were originally used by W. Scott (1987). Such organizations believe favorable impressions created by public relations can obscure their decisions and actions and, in turn, that they can behave in the way the managers with power want without interference from publics.

In contrast, the behavioral, strategic management paradigm focuses on the participation of public relations executives in strategic decision-making so that they can help manage the behavior of organizations rather than only interpret it to publics. Van den Bosch and van Riel (1998) defined this type of public relations as a *bridging*, rather than a buffering, function. Public relations as a bridging activity is designed to build relationships with stakeholders. The strategic management paradigm of public relations emphasizes two-way communication of many kinds to provide publics with a voice in management decisions and to facilitate dialogue between management and publics both before and after decisions are made. The strategic management paradigm does not exclude traditional public relations activities, such as media relations and the dissemination of information. Rather, it broadens the number and types of communication activities and fits them into a framework of environmental scanning, research, and listening. As a result, messages reflect the information needs of publics as well as the advocacy needs of organizations.

Public relations has value in this perspective because it brings a different set of problems and possible solutions into the strategic management arena. Public relations gives voice to and empowers publics in organizational decision-making (a postmodern perspective). Public relations executives identify and communicate with strategic publics to understand their problems and interests and to convey their views to senior management. They counsel members of top management about the likely consequences of policy decisions on publics.

The strategic approach also accepts the presence of subjectivity in both theorizing and communicating, the central assumption of the symbolic-interpretive approach. However, it goes beyond the use of communication in *negotiating meaning* to enhance the power of organizations and managers and also plays a role in *negotiating the behavior* of both organizations and publics. Public relations educates and persuades publics by advocating corporate interests, but it also negotiates with publics when a collision of interests arises.

In this article, I attempt to contribute to the reinstitutionalization of public relations as a strategic management function rather than as a purely interpretative function by conceptualizing its role in strategic management and organizational governance, presenting a model to elaborate that role, and by summarizing research by public relations scholars to develop concepts and tools that professionals can use to explain and guide their strategic role.

IDENTIFYING THE STRATEGIC MANAGEMENT ROLE OF PUBLIC RELATIONS

There has been a great deal of discussion among public relations scholars about whether my strategic management approach to public relations represents a *modern* or *postmodern* approach to management. Critical scholars such as L'Etang and Pieczka (1996) and Leitch and Neilson (2001) and postmodern scholars such as Holtzhausen and Voto (2002) have claimed that the strategic management theory is modernist — that it only helps organizations control their environment rather than provide publics in that environment a bridge to the organization and a voice in management decisions. In contrast, I believe that public relations departments that are empowered as a strategic management function rather than only as an interpretive function represent more of a postmodern approach to management than a modern approach. Knights and Morgan (1991) and Knights (1992) have described postmodern strategic management as a subjective process in which the participants from different management disciplines (such as marketing, finance, law, human resources, or public relations) assert their disciplinary identities. Public relations has value in this perspective because it brings a different set of problems and possible solutions into the strategic management arena.

I believe that public relations provides organizations with a way to give voice to and empower publics in organizational decision-making (a postmodern perspective). At the same time, public relations benefits organizations by helping them make decisions, develop policies, provide services, and behave in ways that are accepted and sought out by their stakeholder publics — thus increasing the organization's revenue, reducing its costs, and reducing its risk (a semi-modernist perspective). Thus, the strategic management theory of public relations contains elements of both modernism and postmodernism, although I do not adhere rigorously to the assumptions of either approach.

Both the *Excellence* study (L. Grunig, J. Grunig & Dozier, 2002) and Yun's (2006) research on practitioners of public diplomacy showed that two principles of excellence related to strategic management (participating in strategic management and the knowledge to practice public relations strategically) were the variables that most distinguished excellent from less-excellent public relations departments. Since the completion of the excellence study, scholars have continued to conduct research to develop and test concepts and ideas that public relations professionals can use to participate in strategic decision processes. As a result, it is possible to explain how public relations practitioners contribute to strategic management and to identify tools they can use in the process.

Strategic management theorists distinguish between two kinds of environments — the economic, or task, environment and the social-political, or institutional, environment. The task environment consists of such groups as consumers, competitors, suppliers, and creditors. They provide the organization with necessary resources and purchase or use the organization's products and services. The social or institutional environment consists of stakeholder publics that want to help determine the mission of an organization — such as governments, communities, stockholders, employees, and activist groups.

In a comprehensive overview of theories of organizational environments, Ring (1989) pointed out that researchers have paid more attention to the task environment than "to the categories and components of the external environment that do not fit within the scope of the task environment" (p. 56). He added that "historians, political scientists, and economists, among others, regularly chronicle changes in these [non-task] components of the external environment. Only rarely, however … do they focus on the impact that these changes have on the strategies of specific firms, or on how firms attempt to adapt to these changes" (p. 71).

Originally, scholars of strategic management conceptualized the environment in negative terms — as a constraint on an organization's decisions and mission. Porter (1990), however, argued that the environment can provide a strategic advantage to an organization. For example, he pointed out that corporations pressured by the government or customers to improve the quality and safety of products or to reduce pollution have an advantage in other countries because they know how to work with publics that constrain their competitors. Verčič and J. Grunig (2000) extended Porter's idea to include relationships with stakeholder publics in the institutional environment. For example, we explained that a corporation that successfully solves its pollution problems, usually when pressured by environmental publics, gains an advantage over competing organizations that refuse to collaborate with environmental activists to solve their pollution problems.

Out of this framework, the contribution of public relations to strategic management and, as a result, to organizational effectiveness becomes clear. Public relations contributes to strategic management by building relationships with publics that it affects or is affected by. Organizations plan public relations programs strategically, therefore, when they identify the publics that are most likely to limit or enhance their ability to pursue the mission of the organization and design communication programs that help the organization manage its interdependence with them. The senior public relations person brings the problems and views of publics — both employee publics and external publics — to the attention of other managers when crucial decisions are made. The senior public relations person is able to point out the consequences that a decision such as closing a manufacturing plant, introducing a new product, or changing labor relations will have on publics. The public relations department then makes it possible, through communication programs with publics, for the people affected by these consequences to be aware of them and to discuss them formally or informally with management before a decision is made so that they have an opportunity to influence the final decision that affects them.

Public relations practitioners identify consequences of decisions and the presence of publics by engaging in environmental scanning and issues management. Environmental scanning means that they do research and talk to community leaders, leaders of activist groups, or government officials to find out who the publics are and what problems these publics are experiencing. They then help the organization solve these problems and manage potential issues by communicating personally or through the media with the publics who experience them.

In the *Excellence* study (L. Grunig, J. Grunig & Dozier, 2002), we found that the most effective public relations departments participated in the making of overall strategic decisions. Less effective departments generally had the less central role of disseminating messages about strategic decisions made by others in the organization. By participating in organizational decisions, excellent public relations departments were in a position to identify the stakeholders who would be affected by organizational decisions or who would affect those decisions. Once they had identified stakeholders, excellent public relations departments strategically developed programs to communicate with them. They conducted formative research to identify potential issues and define objectives for programs to communicate with the stakeholders, they specified measurable objectives for the communication programs, and they used both formal and informal methods to evaluate whether the objectives had been accomplished. Less excellent departments conducted no formative or evaluative research and generally had only vague objectives that were difficult to measure.

Fig. 1 depicts the roles of excellent public relations at two organizational levels, the organizational and the program levels — how the senior communication executive participates in the overall strategic management process of an organization and the strategic management of public relations programs. The central concepts in Fig. 1 are *Management decisions* at the top, *Stakeholders* and *Publics* on the right, and *Relationship outcomes* on the left. Connecting management and publics are the consequences that the behavior of each has on the other — the interdependence between an organization and its environment that creates the need for public relations.

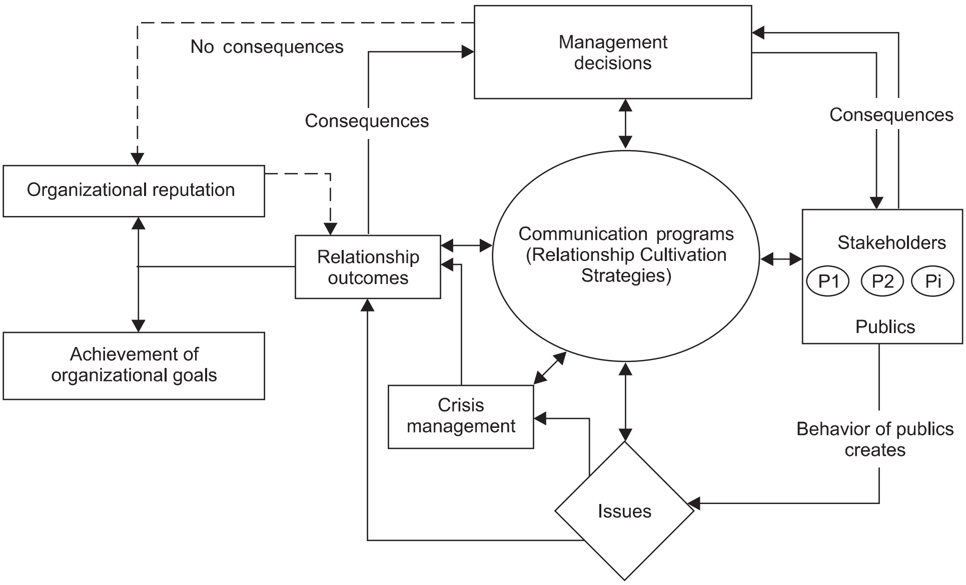

Fig. 1. Model of strategic management of public relations

The double arrows between management decisions and stakeholders at the upper right of Fig. 1 show that strategic decision-makers of an organization should interact with stakeholders through the public relations function because their decisions have consequences on publics or because the organization needs supportive relationships with stakeholders in order to make responsible decisions as well as to implement decisions and achieve organizational goals. Stakeholders also might seek a relationship with an organization in order to attain a consequence from the organization to solve a problem it recognizes — such as an environmental group that seeks a reduction in pollution from a chemical plant or nuclear laboratory or a community that seeks additional jobs for its residents. Thus the consequences of organizational decisions (and behaviors resulting from those decisions) define the stakeholders of an organization and, therefore, the stakeholders with whom the organization needs a relationship.

I define stakeholders as broad categories of people who might be affected by management decisions or who might affect those decisions — such as employees or community residents. When a strategic public relations manager scans the environment, therefore, his or her first step should be to think broadly in terms of stakeholder categories. Then he or she should use a theory of publics (e.g. J. Grunig's, 1997, situational theory of publics, or Kim, J. Grunig & Ni's, 2010, situational theory of problem solving) to identify and segment active, passive, and latent publics from the nonpublics that might also be present in the stakeholder category. It is important to recognize that the publics that are segmented are not permanent or stable. Rather, they come and go as situations and organizational consequences change. Thus, a public relations manager typically must continually resegment publics as organizational decisions and consequences change (see also Self, 2010).

It is especially important to segment active publics, because active publics actually have relationships with organizations and typically make issues out of the consequences of organizational decisions when the organization fails to communicate with them. The behavior of a public may be individual or it may be collective — when members of publics organize into activist groups. Sometimes publics react negatively to harmful consequences of an organization's behaviors — such as pollution or discrimination. At other times, they act positively to try to secure a behavior from an organization that has useful consequences for them — such as a community public that wants cleaner rivers and streams or a health-related public that might want a pharmaceutical company to produce an unprofitable, orphan, drug. At still other times, publics collaborate with organizations to secure consequences of benefit to both.

One of the most frequent criticisms of my theory of publics is that it is "crisis focused and [assumes that] active publics are purely reactive" (Jahansoozi, 2006, p. 65) because of its emphasis on the role of consequences in creating publics. Jahansoozi added that the theory is "preoccupied with 'active' publics who are directly concerned with an organization's activities" (p. 65). Kruckeberg and Vujnovic (2010) claimed that the theory assumes that "the world is evil, and thereby the organization must be protected from the inherently threatening and potentially harmful publics" (p. 120). They went on to argue that in today's global society the "only truly strategic public that can be identified with any certainty is the general public" (p. 124). These criticisms are based either on a misunderstanding or a misrepresentation of the theory.

First, my theory of publics does not assume that consequences must be negative. They can be positive as well. Organizations generally seek to do good (i.e. produce positive consequences) as well as protect themselves from negative consequences of bad actions. Second, the theory does not assume that organizations should respond to publics only when there are issues or crises. It emphasizes that organizations should seek out publics before decisions are made and before issues and crises occur to build relationships with the people who actually are affected by an organization's behavior or who want to secure a behavior from an organization. Failing to engage publics before decisions are made may produce subsequent issues, crises, and poor relationships; but the socially responsible organization tries to avoid these negative outcomes by producing more positive consequences than negative ones. Third, it may be true that organizations must be concerned about society-at-large, which Kruckeberg and Vujnovic (2010) equate with a "general public." However, I do not consider "society-at-large" to be a public. It is a collection of publics. Every person on Earth cannot be concerned about every organization on Earth. Thus, I believe organizations contribute the most to society-at-large when they work with the people they actually affect and solve the problems with which they are involved. The cumulative effect of focusing on "'active' publics who are directly concerned with an organization's activities" (Jahansoozi, 2006, p. 65) is that each organization attends to problems it can solve to contribute to the overall good of society.

If an organization communicates effectively with publics before decisions are made or during the implementation of decisions, issues and crises may never occur and good relationships and reputation should be secured — an outcome depicted by an arrow from *Communication programs* to *Relationship outcomes* in Fig. 1. This figure shows, however, that publics that cannot stop the consequences that harm them or secure the consequences that benefit them generally make issues out of the consequences. Issues, in turn, can become crises if they are not handled well. When issues or potential issues are discussed and negotiated with publics through communication, however, the result should improve relationships with publics.

At the center of the strategic processes described in Fig. 1 is an oval representing communication programs — programs to cultivate relationships with publics. Communication with potential publics is needed before decisions are made by strategic decision-makers, when publics have formed but have not created issues or crises, and during the issue and crisis phases. Communication programs at the latter two stages are generally termed *issues management* and *crisis communication* by public relations practitioners. What Fig. 1 illustrates, however, is that communication with publics before decisions are made is most effective in resolving issues and crises because it helps managers to make decisions that are less likely to produce consequences that publics make into issues and crises.

The center oval in Fig. 1 depicts the strategic management of public relations programs themselves. These programs are developed from strategies to cultivate relationships with publics, a new concept we have used to replace the models of public relations and to integrate the concepts of direction (one-way or two-way), purpose (symmetrical or asymmetrical), mediated or interpersonal, and ethical or unethical (L. Grunig, J. Grunig & Dozier, 2002, Chapter 8; Hung, 2007). Communication programs should begin with formative research, then develop achievable and measurable objectives, implement the program, and end with evaluation of whether the objectives have been met.

The final path in Fig. 1 can be found in the dotted lines from *Management decisions* to *Organizational reputation* to *Relationship outcomes* — a path labeled *No consequences*. This path depicts the approach taken by public relations practitioners who are guided solely by the interpretive paradigm and believe that positive messages about management decisions — mostly disseminated through the mass media — can by themselves create a positive organizational reputation. Such a path might also produce a reputational relationship — a relationship based only on secondary sources and not based on an actual relationship between the organization and a public (J. Grunig & Hung, 2002) — but such a relationship is less important than an actual, experiential relationship.

Therefore, I have labeled the dotted line *No consequences* because I believe that organizations have reputational relationships only with people for whom the organization has no consequences. Such people can be defined as audiences because they are not truly publics. These audiences have little importance to an organization. As soon as an organization or public has consequences on the other, it begins to develop an involving behavioral relationship rather than a low-involvement reputational relationship. It is at that point that a group of people becomes an active and strategic public rather than a passive audience.

TOOLS FOR THE STRATEGIC MANAGEMENT OF PUBLIC RELATIONS

Fig. 1 provides a theoretical overview of how public relations executives should participate in strategic management. Nevertheless, these executives need specific theoretical and applied tools to help them in this process. Public relations researchers have responded by identifying and researching these tools and how public relations practitioners can use them.

Environmental scanning

Strategic public relations begins with environmental scanning — i.e. with research designed to identify stakeholders, publics, problems, and potential issues. Through environmental scanning, researchers in a public relations department or in an outside firm provide essential information that the senior communication executive needs to participate in strategic management. Traditionally, public relations managers have scanned the environment by monitoring the media and political processes (Stoffels, 1994). These sources are useful, but they are not the best for environmental scanning. By the time the consequences of a management decision hit the media and become political, it is too late to affect a decision. Public relations professionals also often use large-scale public opinion polls for environmental scanning. They, too, typically identify issues too late. What is better? Based on the research by Chang (2000) and Stoffels (1994), I recommend the following process of environmental scanning for public relations managers:

1. Begin environmental scanning by monitoring decisions that the organization's strategic managers are considering. Ask which stakeholders might be affected and what issues they might raise if certain decisions are made.

2. Do qualitative research on activists and personal contacts. Set up advisory boards and send employee envoys to meetings of key stakeholders. Systematically monitor and classify problems, publics, and issues identified through these personal sources.

3. Monitor discussion groups, chat rooms, listservs, social media, and websites on the Internet related to problems and issues of concern to your organization. Set up your own interactive forum on the web to allow publics to bring problems and issues to your attention.

4. Systematically interview boundary spanners in your own organization — managers with frequent contact outside the organization, other employees with community contacts, and people in divisions or functions with frequent contact with stakeholders.

5. Identify the stakeholders and publics most likely to be affected by and to actively do something about the problems and issues identified in the previous analysis.

6. Systematically content analyze and categorize all of the information and put it in a database — classified by type of management decision, problem, public, and issue. Use this database as research evidence to present to management during strategic deliberations and decisions.

7. Monitor the media and printed sources to track your effectiveness in dealing with publics and issues. In addition, do research systematically to assess and evaluate your relationships with publics.

Identifying stakeholders

Often the terms *stakeholder* and *public* are used synonymously. There is a subtle difference, however, that is important in the practice of strategic public relations. I define stakeholders as general categories of people who have something at risk when the organization makes decisions. A stakeholder, therefore, is "any individual or group who can affect or is affected by the actions, decisions, policies, practices, or goals of the organization" (Freeman, 1984, p. 25). Stakeholder categories generally are the focus of public relations programs, such as employee relations, community relations, investor relations, consumer relations, or government relations. Many people in a category of stakeholders, such as employees, however, are passive members of latent publics. The stakeholders who are or become more aware and active can be described as aware and active publics.

Segmenting publics

As public relations managers develop communication programs for stakeholders, they can improve their chances for successful communication by segmenting each stakeholder category into passive and active components. Active publics affect the organization more than passive ones. When they support the organization, they also support it much more actively than passive publics. Active publics also are easier to communicate with because they seek out information rather than passively wait to receive it, and they also actively pass on information to others (Kim, J. Grunig & Ni, 2010). Active publics are not easy to persuade, however, because they seek information from many sources and persuade themselves more than they are persuaded by others. Even passive stakeholders can become active, however, and should not be ignored.

I have developed and used a quantitative survey method to identify and segment publics and to predict the probability that communication programs will affect the ideas, attitudes, and behaviors of different kinds of publics. Instructions on how to use this method can be found in J. Grunig and Hunt (1984, Chapter 7) and J. Grunig (1997). Other scholars (Aldoory, 2001; Aldoory & Sha, 2007; Kim, 2006; Kim, J. Grunig & Ni, 2010; Sha, 1995; Sriramesh, Moghan & Wei, 2007; Tkalac, 2007) have also written about the theory and developed improvements to it.

Issues management and crisis communication

Public relations practitioners often view issues management and crisis communication as specialized public relations programs, rather than as integral parts of the overall role of public relations in strategic management. In contrast, I believe that strategic public relations always involves issues management — at least the management of potential issues. Public relations professionals identify potential issues by scanning the environment for publics likely to be affected by the consequences of organizational decisions. Then they *manage issues* by participating in the management decisions that create the consequences that publics seek out or are likely to make an issue of. A large portion of all crises are caused by management decisions rather than by accidents or natural disasters. As a result, most crises occur because management did not communicate with strategic publics about potential issues *before* the publics created an issue and eventually a crisis.

Based on my work on models of public relations, social responsibility, and relationships, I have developed four principles of crisis communication that I believe can be used in most crisis situations:

- The Relationship Principle. Organizations can withstand both issues and crises better if they have established good, long-term relationships with publics who are at risk from decisions and behaviors of the organization.
- The Accountability Principle. Organizations should accept responsibility for a crisis even if it was not their fault. Johnson and Johnson, for example, accepted

responsibility for the poison placed in Tylenol capsules, even though someone else put the poison there.

- The Disclosure Principle. At the time of a crisis, an organization must disclose all that it knows about the crisis or problem involved. If it does not know what happened, then it must promise full disclosure once it has additional information.
- The Symmetrical Communication Principle. At the time of a crisis, an organization must consider the public interest to be at least as important as its own. Therefore, the organization has no choice other than to engage in true dialogue with publics and to practice socially responsible behavior when a crisis occurs.

Scenario building

One of the key roles of a public relations executive is to counsel other senior managers when he or she believes management decisions or actions are likely to create active publics, issues, and crises. Often, however, it is difficult to convince management that it might need to make a different decision or to change the organization's behavior to be more responsible or to avoid public opposition. The public relations executive, therefore, needs tools that can be used to show other managers what publics might emerge, what problems they are concerned about, what issues they might create, and what crises might develop if different decisions are made. Management scholars have used scenarios for some time as a way of visioning the consequences of different decisions, and public relations executives can use the technique to help other managers they counsel to envision "alternative futures" and uncertainties and "refine their present actions" (Sung, 2007, p. 178).

Sung (2004; 2007) reviewed the literature on scenarios and used these theories to construct a nine-step model of scenario building that public relations executives can use as they participate in strategic management:

1. Task analysis. Define the time and geographic scope of a decision and analyze the present situation.
2. Environmental influence analysis. Identify stakeholders through environmental scanning and analyze their interrelationships with other stakeholders.
3. Issue selection and analysis. Select the most critical issues identified by the review of the environment, environmental changes, and strategic plans of the organization.
4. Key uncertainty identification. Classify key uncertainties, strategic stakeholders, and driving forces originating in areas such as politics, economics, society, and technology.
5. Key public identification. Use the situational theory of publics to identify and segment strategic publics.
6. Scenario plot and component identification. Use the outcomes of environmental scanning and interviews of strategic publics to identify components of scenarios and combine them into scenario plots.

7. Scenario development and interpretation. Develop a draft of scenarios and get feedback from others to make sure the scenarios are consistent and plausible and make sense.

8. Final decision scenarios. Check the final scenarios by anticipating how major stakeholders would react to them.

9. Consequence analysis and strategy development. Evaluate the scenarios based on the opportunities and risks they suggest and use them to develop a strategy (Sung, 2007, pp. 179–180).

Sung (2004; 2007) evaluated this model in a case study in which she worked with public relations professionals at a major insurance company to identify publics and construct scenarios related to issues. The professionals with whom she worked concluded that scenarios improved their ability to contribute to strategic organizational decisions.

Evaluating public relations programs

As Fig. 1 indicates, the ultimate goal of communication programs such as community relations, media relations, or employee relations — and even of specific communication activities such as an open house, a media interview, or an employee publication — is a quality relationship with a strategic public. Relationships develop slowly, however, and a particular communication activity or short-term program can be expected only to have an incremental effect on the quality of a relationship. In most cases, that incremental effect will be too small to measure.

In a chapter in the book *Public Relations Metrics* (J. Grunig, 2008), I identified short-term communication objectives that can be attained through discrete activities and programs. Each can be measured either quantitatively or qualitatively, depending on the nature of the evidence desired to show the effect of the programs. Sometimes qualitative evidence is sufficient, at other times management or a client demands quantitative evidence. In most of the communication literature, these objectives are defined as one-way effects — as effects on the public. These one-way effects also can be measured on management, however, to determine effects of symmetrical programs. Over the long term, successful short-term communication activities and programs in the center oval of Fig. 1 should contribute to the development and maintenance of quality long-term relationships with strategic publics and the reputation of the organization — the concepts on the left side of Fig. 1.

Relationships

Short-term outcomes of public relations programs and activities have value only if they can be linked to the overall value of public relations to an organization by measuring the extent to which public relations achieves long-term relationship outcomes. The *Excellence* study provided evidence that there is a correlation between achieving short-term communication effects and maintaining quality long-term relationships (see, especially, Dozier, L. Grunig & J. Grunig, 1995, Chapter 16). Recently, we have studied the literature on relationships in related disciplines, such as interpersonal communication and psychology, and identified four relationship outcomes (trust, mutuality of control, satisfaction, and commitment) that define the quality of long-term relationships (J. Grunig & Huang, 2000). We have developed both quantitative measures of these four indicators (Hon & J. Grunig, 1999), and measures to be used in qualitative research (J. Grunig, 2002). Many public relations practitioners have already used these measures in practice, as described by J. Scott (2007), who used them as a research director for the Edelman and Ogilvy public relations firms, and by Paine (2007), who uses them extensively in her work as a public relations research consultant and trainer.

Public relations managers can use these measures as indicators of the quality of their relationships with strategic publics — such as community members, journalists, and employees. Although individual communication programs do not usually produce a short-term change in these indicators, communication programs have a cumulative effect on the indicators over time. Therefore, public relations professionals should measure these indicators periodically to monitor the quality of the relationships their organizations have developed with each of their publics and, therefore, the value that the public relations function has contributed to the organization. Ideally, relationships should be measured yearly. Minimally, they should be measured every three years.

Relationship cultivation strategies

Most of the knowledge that public relations professionals possess has something to do with how to communicate with publics to cultivate a relationship with them. Not all strategies for cultivating relationships are equally effective, however. Therefore, we must recognize that not all public relations strategies, techniques, and programs are equally likely to produce quality relationship outcomes. Strategies that are symmetrical in nature generally are more effective than asymmetrical ones.

Our research on the models of public relations and the dimensions that underlie these models, therefore, has expanded into research on specific symmetrical and asymmetrical strategies that can be used in communication programs to cultivate relationships with publics. Public relations professionals should be able to list symmetrical and asymmetrical strategies they have used. Researchers, similarly, have begun to identify such strategies and organize them in a catalogue from which practitioners can get ideas to use in their work.

Hon and J. Grunig (1999) and J. Grunig and Huang (2000) used research by Stafford and Canary (1991), Plowman (1995), and Huang (1997) to provide these examples of symmetrical cultivation strategies:

- Access. Members of publics or community or activist leaders provide access to public relations workers. Public relations representatives or senior managers provide representatives of publics similar access to organizational decision-making processes.
- Disclosure or openness. Both organizations and members of publics are open and frank with each other, willing to disclose their thoughts, concerns, and problems as well as their satisfaction or dissatisfaction with each other.
- Assurances of legitimacy. Each party in the relationship attempts to assure the other that it and its concerns are legitimate and to demonstrate that it is committed to maintaining the relationship.
- Networking. Organizations build networks or coalitions with the same groups that their publics do, such as environmentalists, unions, or community groups.
- Sharing of tasks. Organizations and publics share in solving joint or separate problems. Examples of such tasks are managing community issues, providing employment, conducting high-quality research, and maintaining funding, which are in the interest of the organization, the public, or both.
- Integrative conflict resolution strategies. Integrative approaches are symmetrical because all parties in a relationship benefit by searching out common or complementary interests and solving problems together through open discussion and joint decision-making. *Integrative* strategies are more effective than *distributive* strategies, which attempt to impose one's position onto that of an adversary without concern for the adversary's position.

Plowman (2007) studied how public relations professionals use conflict resolution techniques. In addition to integrative and distributive strategies, he identified two related strategies:

- Be unconditionally constructive. When either a public or management refuses to come to an agreement, practitioners can follow the advice of Fisher and Brown (1988) to behave in a way that is good for the relationship, even if the other side does not reciprocate.
- Win-win or no deal. If there is a stalemate in a negotiation, the best strategy might be to postpone the negotiations until the other is willing to look for a solution that would benefit both — to agree to disagree until a later time. Covey (1990) named this strategy *win-win or no deal.*

Hung (2007) provided another example of a relationship cultivation strategy from her research on multinational and Taiwanese corporations in China:

- Keeping promises. Keeping promises to publics increases trust by demonstrating dependability and competence (two dimensions of trust).

Rhee (2007) conducted an extensive case study of community and employee relationships at the Brookhaven National Laboratory in New York, a physics research laboratory operated for the U.S. Department of Energy. She identified these additional cultivation strategies:

- Visible leadership. The director of the laboratory was visible in the community and interacted frequently with community groups and a community advisory council established by the public relations department.
- Listening. Listening to community groups and members of the advisory council and not prejudging their views, even when they disagreed with the laboratory.
- Responsiveness. Responding to community requests and to issues in a timely manner.
- Continued dialogue and patience. Continuing to work at the relationship through open communication, even though disagreement and conflict persist.

Relationship cultivation strategies provide ideas and objectives to plan communication programs. In addition, they can serve as process objectives — objectives that can be used to evaluate programs before specific relationship outcomes have occurred. A public relations staff can measure these process objectives to provide meaningful information in the short term that their communication programs are leading to desired long-term effects.

Reputation

Public relations practitioners and management scholars have paid a great deal of attention to an organization's reputation in recent years, in the belief that reputation is an intangible asset that adds both monetary and nonmonetary value to an organization. Our research (J. Grunig & Hung, 2002; Yang, 2005; Yang, 2007; Yang & J. Grunig, 2005) has shown, however, that public relations has a greater long-term effect on relationships than on reputation and that reputations are largely a byproduct of management behavior and the quality of organization–public relationships. Thus, attending to relationships will ultimately improve an organization's reputation. Reputation, however, cannot be managed directly; it is managed through the cultivation of relationships.

Digital media

No topic has generated as much discussion in public relations circles in recent years as the impact that the new digital, cyber, or social media have had on public relations. Recent books on online public relations, such as Phillips and Young (2009) and Solis and Breakenridge (2009) have argued that the digital media have changed everything for public relations. In one sense, I agree with these assertions. For most practitioners, digital media do change everything about the way they practice public relations. Because of the ubiquitous and interactive nature of digital media, most practitioners now find it difficult to practice the interpretive paradigm by attempting to control the messages their publics receive. Many practitioners, however, doggedly use the new media in the same way that they used traditional media. From a theoretical perspective, however, I do not believe digital media change the public relations theory needed to guide practice. Rather, the new media facilitate the application of the strategic management approach and, in the future, will make it difficult for practitioners around the world not to use that approach.

In a recent article (J. Grunig, 2009), I used the strategic management framework depicted in Fig. 1 to describe how public relations practitioners can use digital media at each component of the model to scan the environment; identify problems, publics, and issues; and to measure and evaluate the effects of communication programs as well as relationships and reputation. Most of the discussion of digital media has focused on how these new media can be used in the central oval of Fig. 1 — for communication programs. However, I believe the new media have their greatest value as a research and listening tool rather than as a tool for disseminating messages.

INSTITUTIONALIZATION OF PUBLIC RELATIONS AS A STRATEGIC MANAGEMENT FUNCTION

Anyone who attends a typical meeting of a professional public relations society or reads a professional publication seldom can avoid hearing complaints that organizational executives, journalists, and members of the general population fail to understand the public relations function and trivialize its value for organizations and society. Berger (2007) reported the same thing after interviewing 97 successful public relations executives. Although most of the professionals interviewed defined public relations as a strategic management process, "Nearly half of the participants […] also said that the biggest impediment to empowerment of public relations in their organizations was the inaccurate or narrow perceptions of the function's role and value by other organizational executives" (p. 230).

I believe that a primary research challenge, therefore, is to learn how to convert public relations from a buffering role into the bridging role that modern organizations need to be effective and that societies around the world need to become more harmonious. At the same time, there is a danger that institutionalizing public relations as a strategic management function might ossify its practice as much as its institutionalization as an interpretive function has frozen and limited the practice. I agree, therefore, with L. Grunig (2007), who has said that public relations must continually *evolve* as a strategic management function and continually reinstitutionalize itself to adjust to changes in organizations, communication technologies, and societal expectations.

REFERENCES

Aldoory, L. (2001). Making health communications meaningful for women: Factors that influence involvement. *Journal of Public Relations Research*, 13, pp. 163–185.

Aldoory, L., Sha, B.-L. (2007). The situational theory of publics: Practical applications, methodological challenges, and theoretical horizons. In: Toth, E.L. (ed.). *The Future of Excellence in Public Rela-*

tions and Communication Management: Challenges for the Next Generation. Mahwah, NJ: Lawrence Erlbaum Associates, pp. 339–356.

Arthur W. Page Society (2007). *The authentic enterprise: An Arthur W. Page Society report*. New York. Retrieved June 26, 2010, from http://www.awpagesociety.com/images/uploads/ 2007AuthenticEnterprise.pdf.

Berger, B.K. (2007). Public relations and organizational power. In: Toth, E.L. (ed.). *The Future of Excellence in Public Relations and Communication Management: Challenges for the Next Generation*. Mahwah, NJ: Lawrence Erlbaum Associates, pp. 221–234.

Chang, Y.-C. (2000). *A normative exploration into environmental scanning in public relations*. Unpublished Master's Thesis, University of Maryland, College Park, Maryland.

Covey, S.R. (1990). *The Seven Habits of Highly Effective People: Restoring the Character Ethic*. New York: Fireside.

Dozier, D.M., Grunig, L.A., Grunig, J.E. (1995). *Manager's Guide to Excellence in Public Relations and Communication Management*. Mahwah, NJ: Lawrence Erlbaum Associates.

Fisher, R., Brown, S. (1988). *Getting Together: Building a Relationship That Gets to Yes*. Boston: Houghton-Mifflin.

Freeman, R.E. (1984). *Strategic Management: A Stakeholder Approach*. Boston: Pitman.

Global Alliance for Public Relations and Communication Management (2010, June 15). *The Stockholm accords: A call to action for public relations and communication in a global society*. Stockholm, Sweden. Retrieved June 26, 2010, from http://www.wprf2010.se/wp-content/uploads/2010/05/Stockholm-Accords-final-version.pdf.

Grunig, J.E. (1997). A situational theory of publics: Conceptual history, recent challenges, and new research. In: Moss, D., MacManus, T., Verčič, D. (eds.). *Public Relations Research: An International Perspective*. London: International Thomson Business Press, pp. 3–48.

Grunig, J.E. (2002). *Qualitative methods for assessing relationships between organizations and publics*. Gainesville, FL: The Institute for Public Relations, Commission on PR Measurement and Evaluation. Retrieved June 26, 2010, from http://www.instituteforpr.org/research_single/qualitative_methods_assessing/.

Grunig, J.E. (2008). Conceptualizing quantitative research in public relations. In: van Ruler, B., Tkalac, A., Verčič, D. (eds.). *Public Relations Metrics*. New York, London: Routledge, pp. 88–119.

Grunig, J.E. (2009). Paradigms of global public relations in an age of digitalisation. *PRism* 6(2): http://www.prismjournal.org/fileadmin/Praxis/Files/globalPR/GRUNIG.pdf.

Grunig, J.E., Huang, Y.-H. (2000). From organizational effectiveness to relationship indicators: Antecedents of relationships, public relations strategies, and relationship outcomes. In: Ledingham, J.A., Bruning, S.D. (eds.). *Public Relations as Relationship Management: A Relational Approach to the Study and Practice of Public Relations*. Mahwah, NJ: Lawrence Erlbaum Associates, pp. 23–53.

Grunig, J.E., Hung, C.J. (2002, March). *The effect of relationships on reputation and reputation on relationships: A cognitive, behavioral study*. Paper presented to the International, Interdisciplinary Public Relations Research Conference, Miami.

Grunig, J.E., Hunt, T. (1984). *Managing Public Relations*. New York: Holt, Rinehart, Winston.

Grunig, L.A. (2007, May). *Public relations in the chaos and change of transformational societies: The potential of evolutionary theory*. Paper presented at the International Communication Association, San Francisco.

Grunig, L.A., Grunig, J.E., Dozier, D.M. (2002). *Excellence in Public Relations and Communication Management: A Study of Communication Management in Three Countries*. Mahwah, NJ: Lawrence Erlbaum Associates.

Hatch, M.J., Cunliffe, A.L. (2006). *Organization Theory* (2nd ed.). Oxford: Oxford University Press.

Holtzhausen, D.R., Voto, R. (2002). Resistance from the margins: The postmodern public relations practitioner as organizational activist. *Journal of Public Relations Research*, 14, pp. 57–84.

Hon, L.C., Grunig, J.E. (1999). *Guidelines for measuring relationships in public relations.* Gainesville, FL: The Institute for Public Relations, Commission on PR Measurement and Evaluation. Retrieved June 26, 2010, from http://www.instituteforpr.org/research_single/guidelines_measuring_relationships/.

Huang, Y.-H. (1997). *Public relations strategies, relational outcomes, and conflict management strategies.* Unpublished doctoral dissertation, University of Maryland, College Park, Maryland.

Hung, C.-J. (2007). Toward the theory of relationship management in public relations: How to cultivate quality relationships. In: Toth, E.L. (ed.). *The Future of Excellence in Public Relations and Communication Management: Challenges for the Next Generation.* Mahwah, NJ: Lawrence Erlbaum Associates, pp. 443–476.

Jahansoozi, J. (2006). Relationships, transparency, and evaluation: The implications for public relations. In: L'Etang, J., Pieczka, M. (eds.). *Public Relations: Critical Debates and Contemporary Practice.* Mahwah, NJ: Lawrence Erlbaum Associates, pp. 61–91.

Kim, J.-N. (2006). *Communicant activeness, cognitive entrepreneurship, and a siuational theory of problem solving.* Unpublished doctoral dissertation, University of Maryland, College Park, Maryland.

Kim, J.-N., Grunig, J.E., Ni, L. (2010). Reconceptualizing the communicative action of publics: Acquisition, selection, and transmission of information in problematic situations. *International Journal of Strategic Communication*, 4, pp. 126–154.

Knights, D. (1992). Changing spaces: The disruptive impact of a new epistemological location for the study of management. *Academy of Management Review*, 17, pp. 514–536.

Knights, D., Morgan, G. (1991). Corporate strategy, organizations, and subjectivity: A critique. *Organisation Studies*, 12, pp. 251–273.

Kruckeberg, D., Vujnovic, M. (2010). The death of the concept of publics (plural) in 21st century public relations. *International Journal of Strategic Communication*, 4, pp. 117–125.

Leitch, S., Neilson, D. (2001). Bringing publics into public relations: New theoretical frameworks for practice. In: Heath, R.L. (ed.). *Handbook of Public Relations*. Thousand Oaks, CA: Sage, pp. 127–138.

L'Etang, J., Pieczka, M. (eds.) (1996). *Critical Perspectives in Public Relations*. London: International Thomson Business Press.

L'Etang, J., Pieczka, M. (eds.) (2006). *Public Relations: Critical Debates and Contemporary Practice.* Mahwah, NJ: Lawrence Erlbaum Associates.

Paine, K.D. (2007). *Measuring Public Relationships: The Data-Driven Communicator's Guide to Success.* Berlin, NH: KDPaine & Partners.

Phillips, D., Young, P. (2009). *Online Public Relations: A Practical Guide to Developing an Online Strategy in the World of Social Media.* London, Philadelphia: Kogan Page.

Plowman, K.D. (1995). *Congruence between public relations and conflict resolution: Negotiation power in the organization.* Unpublished doctoral dissertation, University of Maryland, College Park, Maryland.

Plowman, K.D. (2007). Public relations, conflict resolution, and mediation. In: Toth, E.L. (ed.). *The Future of Excellence in Public Relations and Communication Management: Challenges for the Next Generation.* Mahwah, NJ: Lawrence Erlbaum Associates, pp. 85–102.

Porter, M.E. (1990). *The Competitive Advantage of Nations*, New York: Free Press.

Rhee, Y. (2007). Interpersonal communication as an element of symmetrical public relations: A case study. In: Toth, E.L. (ed.). *The Future of Excellence in Public Relations and Communication Management: Challenges for the Next Generation.* Mahwah, NJ: Lawrence Erlbaum Associates, pp. 103–119.

Ring, P.S. (1989). The environment and strategic management. In: Rabin, J., Miller, G.J., Hildreth, W.B. (eds.). *Handbook of Strategic Management*. New York: Marcel Dekker.

Scott, J. (2007). Relationship measures applied to practice. In: Toth, E.L. (ed.). *The Future of Excellence in Public Relations and Communication Management: Challenges for the Next Generation.* Mahwah, NJ: Lawrence Erlbaum Associates, pp. 263–274.

Scott, W.R. (1987). *Organizations: Rational, Natural, and Open Systems.* London: Prentice-Hall International.
Self, C.C. (2010). Hegel, Habermas, and community: The public in the new media era. *International Journal of Strategic Communication*, 4, pp. 78–92.
Sha, B.-L. (1995). *Intercultural public relations: Exploring cultural identity as a means of segmenting publics.* Unpublished Master's Thesis, University of Maryland, College Park, Maryland.
Solis, B., Breakenridge, D. (2009). *Putting the Public Back in Public Relations: How Social Media is Reinventing the Aging Business of PR.* Upper Saddle River, NJ: Pearson Education.
Sriramesh, K., Moghan, S., Wei, D.L.K. (2007). The situational theory of publics in a different cultural setting: Consumer publics in Singapore. *Journal of Public Relations Research*, 19, pp. 307–332.
Stafford, L., Canary, D.J. (1991). Maintenance strategies and romantic relationship type, gender and relational characteristics. *Journal of Social and Personal Relationships*, 8, pp. 217–242.
Stoffels, J.D. (1994). *Strategic Issues Management: A Comprehensive Guide to Environmental Scanning.* Tarrytown, NY: Elsevier.
Sung, M.-J. (2004). *Toward a model of strategic management of public relations: Scenario building from a public relations perspective*. Unpublished doctoral dissertation, University of Maryland, College Park, Maryland.
Sung, M.-J. (2007). Toward a model of scenario building from a public relations perspective. In: Toth, E.L. (ed.). *The Future of Excellence in Public Relations and Communication Management: Challenges for the Next Generation.* Mahwah, NJ: Lawrence Erlbaum Associates, pp. 173–198.
Tkalac, A. (2007). The application of situational theory in Croatia. In: Toth, E.L. (ed.). *The Future of Excellence in Public Relations and Communication Management: Challenges for the Next Generation.* Mahwah, NJ: Lawrence Erlbaum Associates, pp. 527–544.
Van den Bosch, F.A.J., van Riel, C.B.M. (1998). Buffering and bridging as environmental strategies of firms. *Business Strategy and the Environment*, 7, pp. 24–31.
Verčič, D., Grunig, J.E. (2000). The origins of public relations theory in economics and strategic management. In: Moss, D., Verčič, D., Warnaby, G. (eds.). *Perspectives on Public Relations Research,* London: Routledge.
Yang, S.-U. (2005). *The effect of organization–public relationships on reputation from the perspective of publics.* Unpublished doctoral dissertation, University of Maryland, College Park, Maryland.
Yang, S.-U. (2007). An integrated model for organization–public relational outcomes, organizational reputation, and their antecedents. *Journal of Public Relations Research*, 19, pp. 91–121.
Yang, S.-U., Grunig, J.E. (2005). Decomposing organizational reputation: The effects of organization–public relationship outcomes on cognitive representations of organizations and evaluations of organizational performance. *Journal of Communication Management*, 9, pp. 305–326.
Yun, S.-H. (2006). Toward public relations theory-based study of public diplomacy: Testing the applicability of the excellence study. *Journal of Public Relations Research*, 18, pp. 287–312.