Public Relations Orientation: Development, Empirical Testing and Implications for Managers

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Abstract

This study proposes a new construct, and a measure, for understanding the embeddedness of public relations capability at the organisation level. The public relations orientation measure assesses the degree to which organisations (1) pursue both behavioural and symbolic relationships with publics, (2) set public relations goals to support organisational goals and facilitate effective use of public relations information within the organisation, (3) provide adequate resources for public relations, and (4) engage in dialogue with the publics on whom their success or failure depends. Suggestions are given for how PRO can be used as a diagnostic and benchmarking tool in organisations.

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Introduction

According to the relational view of public relations, the quality of relationships between an organisation and its publics are central to achievement of the organisation's mission [1]. This approach converges with progressive views of management, which define organisations not by their boundaries, but by their networks of stakeholders [2]. Many modern organisations are transforming from hierarchical, closed and autonomous systems to networked, flatter structures that utilise environmental change to develop collaborative, collective strategies based on shared understandings with stakeholders [3]. Given that the permeability of contemporary organisations means that many managers of an organisation have numerous exchanges with publics every day, a relational view of public relations requires that the capability to evaluate operational decisions in terms of their impact on relationships with publics must become part of the competencies of all managers.

In this paper we suggest that organisations have a public relations orientation (PRO), which is the ability of managers across the organisation to respond to information from the organisation's network of stakeholders. We suggest that an organisation's public relations capability resides not just in the public relations department, or even in shared views of communication between the top public relations manager and top management, although both these are necessary [4]. Insofar as every manager needs public relations skills to do her job effectively, and every manager has stakeholders both within and without her organisation, organisations have a public relations orientation that can be conceived as high or low according to the degree of embeddedness of organisation-wide public relations capabilities.

The study reported here describes the development of the concept of public relations orientation, and a survey tool that measures it. We present findings of a study of 205 public relations and public affairs managers in 160 organisations in Australia, which aimed to test our definition of public relations orientation and the measurement tool. Finally, we suggest how the construct of PRO can be used by managers to identify and manage critical elements of the organisational environment for public relations.

Public Relations Orientation

How the concept was developed

We developed the construct of public relations orientation through a series of interviews with 18 managers who had either a public relations role or a non-public relations role in their firm. Both domestic and foreign-owned corporations were studied. We then analysed the transcripts of the interviews to identify common themes and categories. We tested our interpretation of the interviews by asking five other people with a range of public relations and general business experience to construct their own interpretations of the commonly repeated words and ideas in the interviews. Details on the method are contained in Appendix 1.

The common themes, or "factors", were then fitted to a framework for the concept of "orientation" that we developed from the literatures on market orientation and strategic orientation. The concept of market orientation as the firm-wide ability to behaviourally respond to market information [5] suggested that orientation be treated as an organisation-level behavioural construct, rather than as an attitude. We define an organisational orientation as having three components. First, orientation comprises a goal against which effectiveness can be measured. Second, orientation comprises an internal process or set of internal behaviours within the organisation. Third, orientation describes transactions with stakeholders in pursuit of the goal. "Orientation" is consequently understood to signpost the path between strategic intention and enacted strategy and therefore comprises an embedded organisational capability. Our understanding of the factors that comprise public relations orientation is depicted in Figure 1. We now describe those factors and their reference points in the public relations literature.

INSERT FIGURE ONE ABOUT HERE

Definition of public relations orientation

Goal

The goal sub-dimension of PRO can be understood as occurring along a two-dimensional continuum with the quest for positive images (symbolic relationships) forming one axis and the quest for substantive behavioural relationships between organisations and publics forming the other axis. In organisations with low public relations orientation, symbolic relationships are disconnected from behavioural relationships. There may be low emphasis on both types of relationships, or there may be high emphasis on symbolic activity with low emphasis on behavioural relationships. High PRO occurs when organisations pursue both behavioural and symbolic relationship goals (see Figure 2). The goal subdimension therefore reflects the two major paradigms for public relations [6].

INSERT FIGURE TWO AROUND HERE

Behaviour

The behaviour sub-dimension of PRO includes responsiveness of the organisation to stakeholders, interfunctional co-ordination and a strategic role for PR within the organisation. Interfunctional co-ordination includes the collection of information about the stakeholder environment [7], the dissemination of information, and the quality of the information (i.e., usefulness, accuracy and timeliness) [8]. Previous research has identified the importance of a strategic role for PR within organisations if PR is to achieve organisational goals [9]. The elements of this sub dimension include the development of PR goals to support business strategy, input for PR into strategic planning, and the adequacy of the PR budget.

Transactions with stakeholders

The transaction sub-dimension of PRO includes the centrality of stakeholder focus (the extent to which stakeholders are considered in strategic planning, and the extent to which differing needs of stakeholders are understood and taken into consideration); a dialogic approach to stakeholders comprising respectful attitudes towards the dialogic partner, mutual agreement about the structural attributes of communication, and mutual satisfaction with the rules of communication [10]; and openness (the degree to which organisations share information with members of key publics) [11].

In summary, based on field interviews and Q-sorts, public relations orientation was considered to comprise the three dimensions of goal, behaviour and transactions, which are further broken down into seven factors. Three practitioner experts then reviewed the final model of PRO to ensure it was realistic, prior to beginning a test of the theory.

A test of public relations orientation

Scale construction and mail survey

To test our theory about what constitutes public relations orientation, a measurement tool comprising psychometric scales was constructed for use in a mail survey. Psychometric scales were chosen to measure PRO because they enable quantification of variables that are not directly observable, are easy for respondents to use, and utilise well-established statistical methods for evaluating the goodness of the survey instrument. The steps in scale development are described in Appendix 2.

Another way of assessing the goodness of our measure was to test the extent to which PRO behaved as we predicted in relation to other, established measures. We expected that public relations orientation would influence business performance by using public affairs buffering and bridging strategies to reduce conflict with stakeholders (See Figure 3). A measure of public affairs strategies was used since public affairs deals with non-market external stakeholders [12] and therefore includes some of the key publics generally considered in public relations management. The measurement of these variables is now described.

INSERT FIGURE 3 AROUND HERE

How the variables were measured

A scale for conflict avoidance was constructed based on the effects of public relations reported by Dozier, Grunig and Grunig. [4]. Respondents were asked to consider “the extent to which observable evidence shows that public relations/public affairs programs had the following effects in the last three years”. The effects measured included reductions in disputes, complaints, and government interference, and avoidance of litigation or boycotts.

The public affairs strategies tested were social buffering, political buffering, social bridging, and political bridging [13].

Business performance was measured using a two-item self-report measure [14] that asked respondents to rate the overall performance of their business unit over the past three years, as well as performance relative to competitors, on a scale from one to five.

Sample demographics

The Centre for Corporate Public Affairs in Melbourne provided a mailing list of names of public affairs and public relations managers from a range of organisations in every state in Australia, who completed the survey in late 2001. Of the 602 deliverable surveys, 205 useable questionnaires were returned, giving a response rate of 34%. Respondents came from 160 organisations covering all states and a wide range of industries. Demographic data collected from 20 executives at non-responding organisations (10% of non-responding organisations) revealed no significant differences between respondents and nonrespondents. There were also no differences between managers with the title of public affairs and managers with the title of public relations.

The demographic profile of the sample was assessed using organisation characteristics such as ownership, organisation type and number of employees, as well as respondent characteristics such as seniority of manager, gender and age. A summary of organisation characteristics is contained in Table 1. The respondents comprised 42% who reported directly to their chief executive officer or top manager and a further 44% who reported one level below that. Respondent characteristics are summarised in Table 2.

INSERT TABLES ONE AND TWO AROUND HERE

Results

Rigorous statistical analysis aimed to establish what our survey really measured and how well it did the measuring. We used factor analysis to understand whether respondents to the survey interpreted the statements as intended, by mathematically analysing the pattern of survey responses. The survey also needed to demonstrate good reliability insofar as each statement should capture a portion of the intended meaning. Details of our factor analysis are contained in Appendix 3.

Four factors were suggested by the statistical analysis. The first factor corresponded with the hypothesised goal dimension, comprising both symbolic relationship and behavioural relationship goals. The second two factors corresponded with the hypothesised behaviour dimension. They were interfunctional co-ordination and goal setting (collapsed into one factor), and adequate resources. The fourth factor fit the hypothesised dimension of transactions with stakeholders. Openness and responsiveness, hypothesised as separate sub-dimensions, were inseparable from dialogue in this study. The hypothesised factor called "centrality of stakeholder focus" was absorbed into the goal dimension, which is logical considering that stakeholder focus is a prerequisite to developing symbolic and behavioural relationships with stakeholders. The final scale items are reported in Table 3.

In summary, the three-dimension structure of public relations orientation developed in the theory-building phase, that is, the goals, behaviour and transactions pursued by organisations in their relationships with publics, was supported in the theory-testing phase. The hypothesised seven factors reduced to four in the test of the theory; nevertheless, the four factors fit the theory.

PRO's contribution to business performance

Another way of determining how well we measured PRO is to show whether PRO behaved as we expected in relation to other variables. As previously noted, we thought PRO would contribute to business performance by using strategies that reduce conflict with stakeholders. The statistical analysis showed that the public affairs strategies correlated positively with PRO, and that PRO accounted for 10% of variance in business performance, an effect partially explained by conflict avoidance. The theoretical model was therefore supported.

INSERT TABLE THREE AROUND HERE

Discussion and conclusions

Thus far, this paper has outlined how the construct of public relations orientation was developed and tested with a sample of 205 Australian public affairs and public relations practitioners from a range of organisation types. Our results indicated support for a multi-dimensional construct comprised of four factors. The measure of public relations orientation assesses the degree to which organisations (1) pursue both behavioural and symbolic relationships with publics, (2) set public relations goals to support organisational goals and facilitate effective flow and use of public relations information within the organisation, (3) provide adequate resources for the conduct of public relations, and (4) engage in dialogue with publics.

Since the measure of PRO is intended for practitioner, as well as scholarly use, we next describe how PRO might be used in organisations and what managers can do to address a low PRO score, before concluding with some caveats and suggestions for future research.

How to use the measure of PRO

PRO can diagnose and benchmark the embeddedness of public relations capability throughout an organisation. Given that many organisations have permeable boundaries that enable a high degree of boundary-spanning behaviour in many parts of the organisation [15], public relations capabilities are required by numerous managers outside the traditional public relations staff functions; high PRO is therefore desirable for many, if not most, organisations. Studies have shown that public affairs decision-making is influenced by the degree of diversification and interdependence among subsidiaries [16] and that external affairs strategy and design can vary by the degree of exposure to the social and political environment [17]. We therefore propose that the PRO of management teams in different parts of a networked, divisionalised or large organisation may vary, especially where decision-making is decentralised. Therefore, the measure of PRO should be used on groups of managers in different parts of the organisation, and not just on public relations managers, to get an organisation's PRO score.

The measure of PRO is designed for such use in groups, to enable comparisons of public relations capabilities in different parts of an organisation. The PRO tool comprises a pencil and paper survey (reproduced in Table 3) that takes only a few minutes to complete and is therefore suitable for incorporation into annual employee surveys or as a stand-alone survey. Respondents are asked the extent to which they agree or disagree with each statement. Scorers should reverse scores from a reverse-coded statement before summing the responses. Scores can then be obtained for each sub-dimension of PRO, or the mean of each sub-dimension summed to obtain an overall PRO score. The level of total PRO, or score for any of the sub-dimensions, can then be compared between different groups in an organisation.

PRO scores can also provide guidance to the top public relations manager or top management team about internal strategies required for improving the overall ability of managers in boundary-spanning roles to conduct effective relationships with publics on behalf of the organisation. The variability in PRO scores between groups of managers or along the sub-dimensions of PRO would indicate where in the organisation additional training is required, as well as the nature of the training required. Some examples of actions to improve an organisation's PRO are suggested next.

How to improve an organisation's PRO

If an organisation received a low score on the goal dimension of PRO, that is, behavioural and symbolic relationships with publics, this would suggest that the value of stakeholders or publics of the organisation is not recognised or understood and that stakeholder relationships are not effectively utilised to add value to the organisation or to its broader stakeholder network. Whereas in the past, managers may have seen their organisations as autonomous entities independent of their stakeholders, contemporary best practice emphasises creating and leveraging value propositions that attend the networked position of organisations relative to their stakeholders [18]. Work to help groups scoring low in this dimension could entail visioning the role or purpose of the organisation and understanding the place of stakeholders in that vision, stakeholder identification and salience mapping, brainstorming strategies to improve stakeholder relationships, and developing understanding of the role and value of symbolic, direct and third-party communication in supporting such behaviour.

If an organisation received a low score in the behaviour dimension of PRO, that is, in the inter-functional co-ordination or resource adequacy sub-dimensions, this would suggest that the public relations staff functions have inadequate influence within the organisation to be able to effectively transmit information from the stakeholder environment so that the organisation can benefit operationally from such data. Other studies have shown that constraints on dissemination of information limit effectiveness of public relations [19] and that effectiveness requires shared understanding by top management of the value of public relations [4]. Remedies for a low score in this sub-dimension will require multiple levels of action and take time to implement. Public relations staff may need to improve the quality of the intelligence they are gathering from the organisation's environment, and improve methods for distributing that information effectively in the organisation. PR staff should work on improving their networks of influence within their organisation and on delivering information that operational staff find useful. Public relations staff will need to set, and deliver on, impact objectives in their work.

Organisations that receive a low score in the transaction sub-dimension of PRO need to improve their ability to conduct dialogic communication with stakeholders. The skills of finding common ground can be learned, for example, through programs such as the Stakeholder Dialogue Simulation offered by the Centre for Innovation in Management ♦. Stakeholder consultation mechanisms appropriate to

♦ See "The Stakeholder Engagement Institute Executive Development Program" at http://www.cim.sfu.ca/institute/

the organisation's configuration of stakeholders and salient issues need to be formally identified and institutionalised.

Thus far we have described the construct of PRO and the development of its measure and suggested how PRO can be used in organisations as a diagnosis and benchmarking tool. However, every measurement tool has its limitations and possibilities for improvement, which we now address.

Methodological issues

The scales are intended for management, as well as scholarly use. Scales for management use should be actionable, cost efficient, generalisable and easy to interpret with descriptive statistics [20]. The scales at this point are concise and easy to use, and their focus on actionable and controllable variables indicates much has already been achieved. However, a comparison of the items within each of the four sub-scales with the area it is intended to measure indicates that the scales do not yet fully capture the PRO construct. Further development and testing of each of the sub-scales is required. The stability of the scales over time has also not yet been demonstrated. Scoring issues remain to be addressed, such as whether each of the sub-dimensions of PRO carries equal weight and whether scores for some sub-dimensions should be summed, or multiplied. Finally, research is needed to show that PRO contributes to public relations effectiveness. This could be tested by obtaining stakeholder views of the effectiveness of the organisation in managing mutually beneficial relationships. Such measures are available in the public relations literature [21, 22].

Substantive issues

Grunig [23] identified two worldviews for public relations, the symmetrical worldview, which sees mutual understanding through relationship building as the goal of public relations, and the asymmetrical worldview, which sees persuasion of publics as a core goal of public relations. These worldviews are not mutually exclusive, although the symmetrical worldview seems to describe what firms ought to do more than what they actually do [24]. The PRO concept prescribes what organisations should do, but measures what organisations actually do. Therefore, PRO is related to the symmetrical worldview concept because it is based on the normative assumption that mutually beneficial relationships with publics should be the goal of public relations. PRO differs from the worldview concept by being narrower in focus insofar as it concentrates only on organisational behaviour that is required to achieve the relationship goal, and not on broader aspects of the organisational environment such as efficiency, innovation, and equity. It also differs from the worldview concept because it provides a series of actionable, controllable variables that managers can use to change the way their organisation's use public relations.

In sum, the construct of public relations orientation has been described and measured in this paper. If public relations is to succeed in its efforts to help organisations manage mutually beneficial relationships between organisations and publics then public relations must be considered an organisation-wide capability. PRO measures the extent to which such capability is embedded in organisations. It offers a parsimonious and managerially actionable way of measuring and managing public relations capability.

Appendix 1

Theory Building Method for Public Relations Orientation

To develop a theoretical model of public relations orientation, a grounded theory approach was considered appropriate. Grounded theory relies on simultaneous data collection and analysis wherein categories are developed from the data, rather than from preconceived theory [25]. It is useful for developing new theory that "includes the perspectives and voices of the people whom we study" [26: 274], an important consideration if the construct is to have managerial relevance and not be regarded as solely an "ivory tower concept" [27: 297].

Given that public relations orientation is thought to be embedded in an organisation, and not just within the public relations department, both public relations (*n* = 11) and non-public relations managers (*n* = 7) were interviewed. Managers in for-profit companies were approached because a key hypothesis was that public relations orientation is correlated with business performance. The respondents were from a range of industries and included multinational and domestic firms.

An interview protocol based on the format used by Kholi and Jaworski [28] to develop the market orientation construct was followed for each interview, which lasted from 45 – 60 minutes. After describing the research project, each participant was asked:

1. Tell me about public relations in your organisation.
2. What does the term public relations orientation mean to you?
3. What organisational factors foster or discourage public relations orientation?
4. What are the positive and negative consequences of public relations orientation?
5. Can you think of business situations in which public relations orientation may not be very important?

The information obtained from these interviews was analysed and grouped into approximately 40 themes. We then faced three methodological issues. First was the need to reduce vast amounts of data to a manageable set of factors. Second was the need for triangulation of findings. Triangulation is a research strategy that aims to counterbalance the limitations of one research method with the strengths of another [29]. Third was the possibility that researcher bias influenced the interpretation of the interview transcripts. The Q method was employed to address these issues.

The Q method helps researchers understand a person's point of view [30]. We did this by transcribing commonly repeated statements and words from the interview transcripts onto cards, called Q-cards. Five people ranging in public relations and business expertise from a senior practitioner with over 20 years experience to a business student with no public relations knowledge were separately asked to sort the Q-cards into piles based on themes that were subjectively meaningful to them. Each participant then labelled each pile of cards with a term of their choice and arranged the piles of cards into a model that made sense to them. They then explained to the researcher what their model depicted and how the themes were connected. The emergence of common factors, themes and stories contributed to the reliability of the subsequent analysis.

Appendix 2

The steps in scale development comprise construct definition, design of the scale, pilot testing and refining of the scale, administration of the scale and statistical analysis [31]. Having defined public relations orientation as described previously, the next step was to generate an initial list of 56 statements, or items, which described the seven hypothesised dimensions. A subsequent review by three professors led to the rewording of some items for greater clarity. The instrument was then pre-tested on two samples, one comprising 20 senior public relations managers and the other, 20 senior non-public relations managers. Respondents were asked the extent to which they agreed or disagreed with the statements about their organisation, with seven response choices from 1 = strongly disagree to 7 = strongly agree. Around half the items were reverse scored to minimise any tendency to choose answers on the basis of their social desirability [32]. Statistical analysis enabled the survey to be reduced to 30 statements while maintaining the hypothesised factor structure.

Appendix 3

We used exploratory factor analysis with Varimax rotation to examine the factor structure and calculated co-efficient alpha for each factor, as well as the overall scale. Co-efficient alpha measures reliability, that is, the extent to which items in a scale are correlated, and therefore, have a consistent meaning. A score of 1.0 represents perfect consistency, a score unattainable in reality. Alpha for measures used in groups should score from .80 to .90, although some scholars argue that scores above .70 are acceptable for broad concepts [33]. Our analysis allowed us to reduce the number of items to 14, with an overall alpha co-efficient of .87. Four factors emerged, and explained 62.6% of the variance in people's responses.

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Figure 1: The hypothesised dimensions of Public Relations Orientation

Dimensions	Sub-dimensions
Goal	❑ Symbolic & behavioural relationships
Behaviour	❑ Responsiveness ❑ Interfunctional co-ordination ❑ Strategic role for PR (combining goal setting and resources)
Transactions	❑ Centrality of stakeholder focus ❑ Dialogic approach ❑ Openness

Figure 2: The goal of Public Relations Orientation

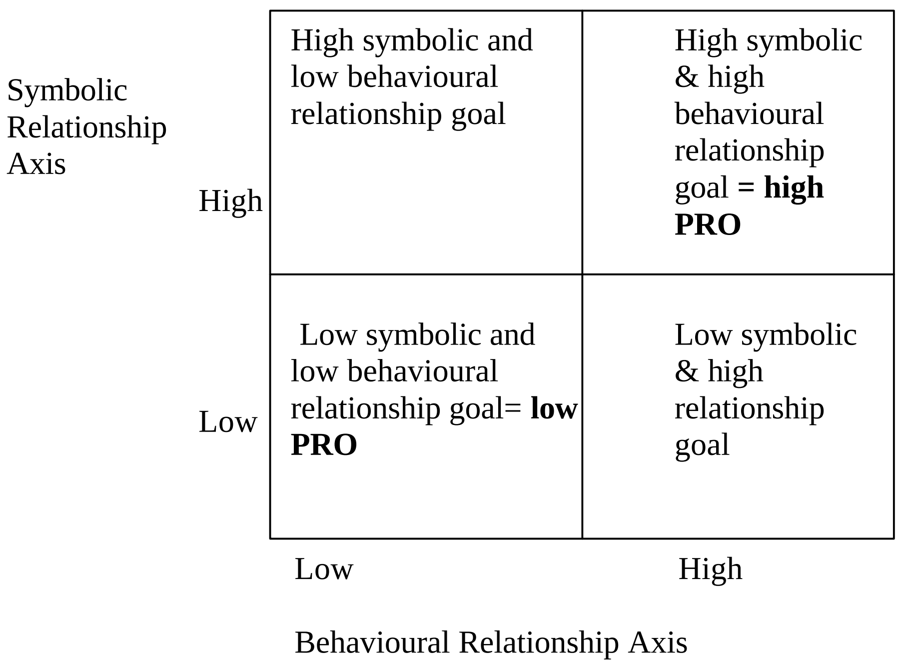

***Figure 3: A theoretical model for testing the construct of public relations orientation*.**

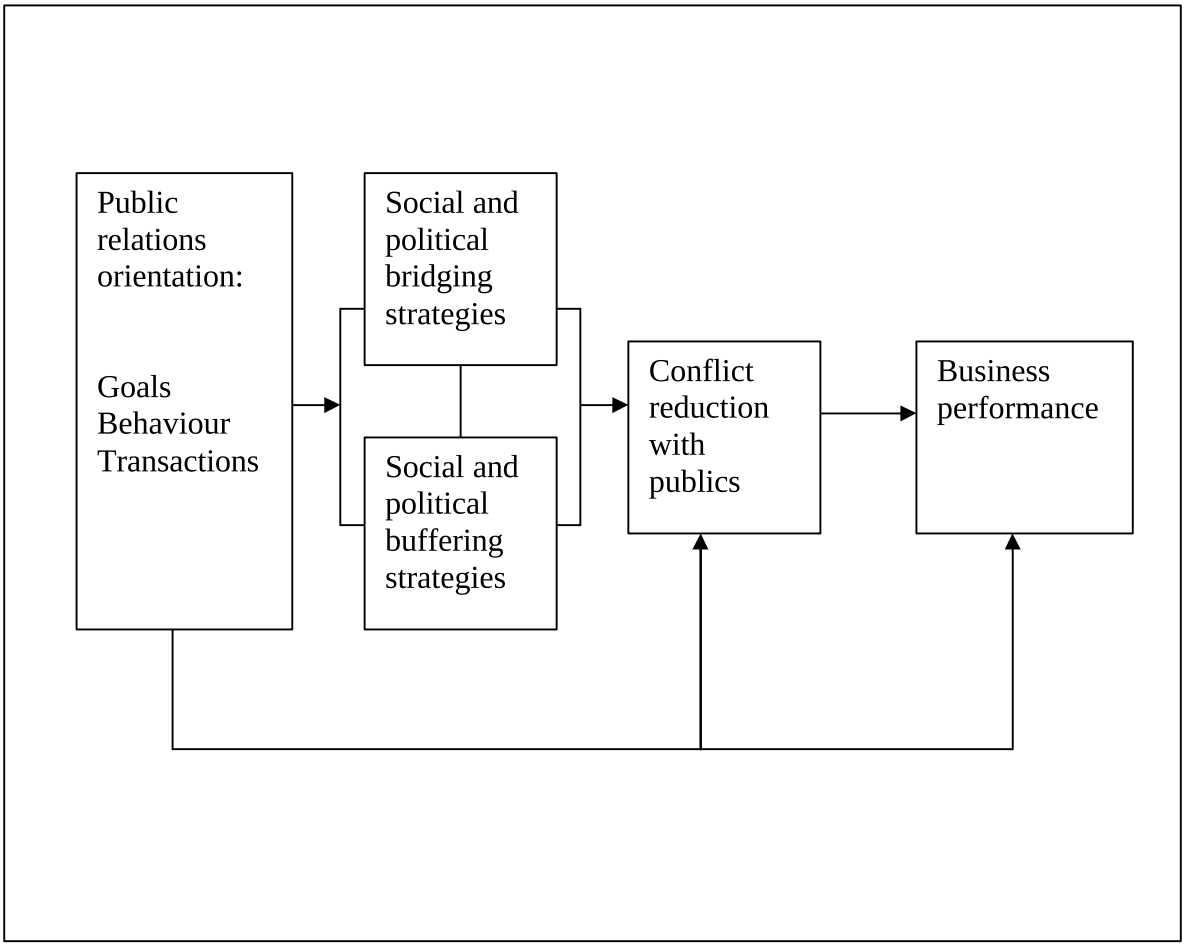

Table 1: Characteristics of responding organisations (N = 160)

Employees	Foreign owned MNCs	Aust owned MNCs	Aust. domestic firms	Gov'ment businesses	Assoc-iations	Gov't depart-ments	Other	Total
<499	3.0%	2.5%	3.5%	9.4%	3.5%		1.0%	22.8%
500-2,499	7.4%	4.5%	5.0%	8.9%	.5%	2.5%	1.0%	29.7%
2,500-4,999	4.0%	5.4%	3.0%	4.5%				16.8%
5,000-9,999	2.5%	2.5%	1.0%	.5%			.5%	6.9%
10,000-50,000	2.5%	8.4%		4.0%				14.9%
>50,000	6.9%	2.0%						8.9%
Total	26.2%	25.2%	12.4%	27.2%	4.0%	2.5%	2.5%	100.0%

Table 2: Characteristics of Respondents

Age	Seniority	Female	Male	Total
Under 35	Report to CEO	6.9%	2.0%	8.9%
	Report to someone who reports to CEO	9.9%	3.0%	12.8%
	Report at a level below this	2.5%	.5%	3.0%
	Group Total	*19.2%*	*5.4%*	*24.6%*
36-45	Report to CEO	5.4%	8.4%	14.3%
	Report to someone who reports to CEO	9.9%	11.3%	21.2%
	Report at a level below this	1.0%	1.0%	2.0%
	Group Total	*16.3%*	*20.7%*	*37.4%*
46-55	Report to CEO	2.5%	15.8%	18.2%
	Report to someone who reports to CEO	2.5%	8.9%	11.3%
	Report at a level below this	.5%	2.0%	2.5%
	Group Total	*5.4%*	*27.6%*	*33.0%*
56 or older	Report to CEO		2.5%	2.5%
	Report to someone who reports to CEO		2.0%	2.0%
	Report at a level below this		.5%	.5%
	Group Total		*4.9%*	*4.9%*
		40.9%	*58.6%*	*99.5%**

* Total does not add up to 100%.

Table 3: List of 14 items comprising Public Relations Orientation

Items measuring behavioural and symbolic relationships Managers in our organisation have genuinely respectful attitudes towards key stakeholder groups. Our management understands the differing needs of our stakeholder groups. The way stakeholders see our organisation is a low priority for us.[R] Our organisation does not place a lot of emphasis on developing good stakeholder relationships.[R]
Items measuring interfunctional-coordination and strategy The information distributed by public relations staff is accurate. The information distributed by public relations staff to other functional staff gets there fast enough to be useful. Public relations sets objectives to meet the organisation's objectives. Information prepared by public relations staff is not used by other staff in this organisation.[R]
Items measuring resource adequacy Our organisation shows its commitment to the public relations function by giving it a good budget. Public relations activity in this organisation is impeded by inadequate budget.[R]
Items measuring dialogue PR managers have not discussed with stakeholders how the organisation should best communicate with them.[R] Our public relations staff try to accommodate stakeholder needs. The over-riding public relations goal in our organisation is to build good relationships with strategic stakeholder groups. Stakeholders and public relations managers have equal opportunity to initiate communication with one another.

Items denoted [R] are reverse-scored.