

**PUBLIC RELATIONS ORIENTATION:
THE CONSTRUCT AND ITS DIMENSIONS**

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Abstract

The concept of public relations orientation (PRO) is advanced as a way of conceptualizing public relations practice and linking differences in practice to differences in public relations effectiveness. Public relations orientation is defined as the possible philosophical stances organizations adopt when relating with publics. Public relations orientation, therefore, embraces the range of public relations goals, behaviours and transactions pursued by organizations. The three aspects of PRO were elaborated through analysis of interviews conducted with managers of a range of large Australian companies. Sub-dimensions for each category were identified and linked to the literature. The article concludes by discussing how PRO relates to the strengths and liabilities an organization has with respect to license to operate, reputation, and business performance.

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Introduction

Public relations scholars and practitioners are preoccupied with the question of what constitutes public relations effectiveness and how it contributes to organizational performance. Effectiveness of public relations has typically been evaluated at the program level, rather than at the organization level (Hon, 1997), making it difficult to form conclusions about public relations' contribution to organizational performance. Despite acceptance of a symmetrical model for public relations, which assumes mutual effects on organisations and publics (Grunig & Hunt, 1984), public relations effects have usually been evaluated by their impact on publics, such as changes in knowledge, attitudes, or behaviour, (IPRA, 1994), and not by effects on the organisation it serves. Although much is known about what constitutes public relations excellence, (Dozier, Grunig, & Grunig, 1995), the link between public relations practice and organizationally valued outcomes is not adequately addressed by the existing public relations literature. Understanding the possible conceptualizations or, as we term it, public relations orientations, that may be used by an organization is necessary to further knowledge of when public relations offers value-creation and when it does not. In this paper, we introduce the concept of public relations orientation (PRO) and link it with organizationally valued outcomes such as the license to operate, organizational reputation and business performance.

We begin with a theoretically derived definition of the concept of public relations orientation. Next, we present findings from interviews of managers from a range of Australian industries to refine and ground the PRO construct. Thus, a grounded theory approach was used to obtain a model of the core dimensions describing an organization's capacity to effectively use public relations for organizational goal attainment. We conclude with propositions identifying how the organization-level measurement of different types of PRO can be expected to link to organizational outcomes.

Public Relations Orientation

The term “orientation” is described by the Collins English Dictionary (Hanks, 1986, p.1085) as the act of “adjustment or alignment of oneself or one’s ideas to surroundings or circumstances” or “positioning” in relation to a specific direction. Several aspects of the definition are worth highlighting. First, the concept of orientation involves a specific goal (direction). Second, orientation provides a description of the way one acts as a consequence of the goal. Third, orientation describes the response one adopts when dealing with things external to one’s self. Thus, an orientation can be described in terms of the characteristics of the goal, the goal-directed behaviour, and the transactions with the environment and parties threatening or enabling the achievement of the goal (strategic constituencies). Public relations orientation is defined as the possible philosophical stances an organization can adopt in relating with its publics (internal and external). The stance taken is manifested by the way the organization manages the process of aligning its relationships with publics. Public relations orientation, therefore, embraces the range of public relations goals, behaviours and transactions with publics pursued by organizations. Like other organizational orientations, such as market orientation (Berthon, Hulbert, & Pitt, 1999), innovation orientation (Gatignon & Xuereb, 1997; Vazquez, Santos, & Alvarez, 2001) and learning orientation (Baker & Sinkula, 1999), a public relations orientation provides a “map of strategic intent” (Wheeler, Capobianco, Perkin, & Stanford, 2001) and reveals “the mechanisms that aim to maintain coherence between management’s strategic intent and operational activities” (Atuahene-Gima & Ko, 2001). In this sense, public relations orientation describes how a “worldview” for public relations (Grunig & White, 1992) links to practice. Therefore, public relations orientation has the potential to explain the pathway by which public relations delivers value to organizations. In particular, it is proposed that PRO predicts relationship-based strengths and liabilities an organization has with respect to license to operate, reputation, and business performance.

Public Relations Orientation as Competitive Advantage

The discipline of public relations has evolved from roots in mass communication which limited “the vision of the discipline to an interest in message design and dissemination to achieve awareness . . . , to inform, and to persuade – even manipulate” (Heath, 2001, p. 2) to a relational paradigm which rejects the narrow self interest underpinning this definition and emphasises the creation of mutually beneficial relationships between organizations and publics. Public relations is understood, therefore, as the organizational function concerned with “the mutually beneficial relationships that an organization needs to enjoy a license to operate” (ibid, p. 3). These relationships include “all of the strategic constituencies in the environment” (Grunig & Grunig, 1998, p. 141).

According to resource-based theory, relationships of the business with constituencies in its environment are potential resources, which can deliver competitive advantage (Hunt & Morgan, 1995, Porter, 1985, as cited in Vercic, 1995). Sustainable competitive advantage is determined by the extent to which an organization’s resources are valuable, rare and imperfectly imitable (Barney, 1991). When public relations helps firms manage its unique network of relationships, it is valuable and inimitable. Since public relations “excellence” was practiced by only some of the organisations in the IABC Excellence Study (Dozier, Grunig & Grunig, 1995), public relations as a source of competitive advantage may also be rare.

Given that public relations orientation describes how an organization is managing its strategic constituencies in the environment, it holds the promise of assisting scholars and practitioners in predicting the effects of pursuing organizational strategy through a given PRO. This proposition is congruent with the way in which marketing has conceptualised “orientation”, namely, as a way of contributing to organizational effectiveness (Kohli & Jaworski, 1990, p.17).

It is expected that the public relations orientations adopted by organizations will reflect an organization's acceptance of the mass communication or relational paradigms for public relations. It is also expected that organizations adopting a relational PRO will enjoy a more durable reputation, license to operate and greater bottom-line benefits, and that the public relations function within such organizations will be able to demonstrate a contribution to these outcomes.

Method

The principal aim of the study was to develop a definition of public relations orientation, which could then be operationalized to allow comparisons between public relations and other organizational variables. Respondents were invited from large companies (employing more than 1,000 people) based in Melbourne, in primary industry (resources, mining), manufacturing (pharmaceuticals, machinery, chemicals, steel, consumer products), retail (food, clothing and household products) and services (telecommunications, postal services, health, travel). Large companies were selected, as they are more likely than mid-sized or small firms to have a discrete public relations function. The companies were not representative of all Australian business, although an effort was made to obtain a broad sample. Twenty companies were approached, resulting in 13 responses to achieve 18 interviews. Three responding firms were Australian subsidiaries of foreign owned companies, and ten were Australian companies, of which all but two had substantial foreign operations. Therefore, the majority of respondents had international, as well as domestic, stakeholders.

Two categories of manager were approached, described as "top communicator" (for example, public relations, corporate affairs, public affairs, corporate citizenship, external affairs and community relations managers), and "top manager" (for example, chief executive officers, marketing, human resources and sustainable development managers). The rationale for the top manager category was that these managers are often integrally involved with the oversight or discharge of a corporation's public relations activities. For example, a recent study showed that 60% of senior public relations staff in Australia reported directly to a CEO, managing director, or

chairman, and of those departments working to formal strategies (70%), 73% had their strategy reviewed by the CEO or managing director, 21% reviewed by the board, and 11% reviewed by other senior executives (general manager or marketing director) (Singh & Smyth, 2000). Eleven of the interviews were with top communicators and seven were with other top managers. The respondents are summarised in Table 1.

Top Manager - TM	Industry sector	No. of respondents
	Pharmaceutical	2
	Manufacturing	4
	Mining	1
Top communicator – TC		
	Health care	1
	Mining	2
	Telecommunications	1
	Manufacturing	1
	Retail	1
	Pharmaceutical	1
	Petroleum	1
	Postal services	1
	Travel	1
	Chemicals	1

Table 1. Description of interview participants.

Following recognised practices, when little information is available relating to a research question and the research aim is to theory build, we adopted an inductive, qualitative approach (Strauss & Corbin, 1994, p. 273). In-depth, semi-structured interviews, each lasting from 60-90 minutes, were used to uncover the characteristics of public relations in the respondents' companies. A degree of triangulation was achieved by interviewing multiple informants from different areas in three companies.

The interview guide was modelled on the content of questions used in the literature on the development of the marketing orientation construct (Kohli & Jaworski, 1990). The resultant probing areas were: what is a public relations orientation, what are organizational factors that might encourage or discourage public relations orientation, and finally, what are the consequences of public relations orientation.

Interviews were tape-recorded and verbatim transcripts prepared for detailed analysis. Data was then sorted into recurring themes and links identified between themes, and between themes and public relations theory.

The primary limitation of the method was that organizations with very ineffective public relations orientation were reluctant to participate in a study about public relations. Consequently, the array of ineffective PROs in business may be broader than that presented here.

Results

Transcripts were thematically analysed with respect to the theoretical definition of public relations orientation. That is, dimensions were identified which related to (a) the characteristics of the public relations goal, (b) the goal-directed behaviour, and (c) the transactions with the environment and parties that threaten or enable goal achievement. In this section, the dimensions for each of the three categories are described and related to aspects of public relations literature, and links made to specific outcomes such as corporate reputation, license to operate, and business performance.

Characteristics of the Public Relations Goal

It was expected that the goal-related dimension of PRO would vary along two facets: from a mass communication philosophy to a relational philosophy. The latter refers to the view that the core purpose of public relations is ensuring positive relationships between organisations and their publics (cf. Grunig & Hunt, 1984; Hutton, 1999), as opposed to public relations' roots in impression management through media.

Symbolic-behavioural relationship goal focus

Public relations fails to deliver value to organizations when symbolic, image-making activity is disconnected from behavioural, relationship-making activity (Grunig, 1993). The goal of public relations can, therefore, 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 comprising the other axis. In organizations 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. In the latter case, actions would not match rhetoric and the organization risks loss of reputation. In organizations with high public relations orientation, symbolic image making activity serves relational goals, that is, they are “intertwined like the strands of a rope” (ibid). When the public relations function of an organization with high PRO meets its goals, the organization earns a good reputation. Evidence for the symbolic-behavioural relationship dimension of public relations orientation emerged strongly in this study with two thirds of respondents mentioning either image-making activity (7/18) or relationship-making activity (5/18) as their first association with the concept of public relations orientation.

The symbolic dimension of PRO was described as “whether (the organization is) very tuned in to how other people are seeing it” (TC, services sector) or “very aware of what sort of image we want to implant on the consumer or on the community as a whole ... it would be like the way we’d market one of our brands” (TM, manufacturing sector) or “managing the corporation’s image in a positive way” (TC, services sector).

These views of public relations orientation show public relations as a symbolic, image making activity (Grunig, 1993) that, without an accompanying emphasis on behavioural relationships, would be unlikely to generate value for organizations and thus constitute a low PRO.

The behavioural axis of the public relations goal orientation is “about strengthening stakeholder relations ... helping the business to do that” (TC, travel sector). “At the very basic level, (public relations orientation) is the relationship (our company) has with its various audiences” (TC, telecommunications sector), the application of “advanced thinking to the way we manage our strategic relationships with the social environment” and identification of which groups the company should be forming long term strategic relationships with (TC, mining sector).

Organizations with high PRO harness their public profile to show the organization's "capacity to behave in a way which is in step with society's expectation" (TC, petroleum sector). The twin focus on symbolic and behavioural relationships was expected to contribute to corporate reputation, as a high public relations orientation would "mean that the business is held in high regard, that we seem to be ethical and yet still dynamic. Trustworthy" (TC, postal services).

[insert Table 2 around here]

Characteristics of the Organization's Goal-Directed Behaviour

Three categories of goal-directed behaviour were described by respondents as dimensions along which PRO varies. They are the degree of responsiveness towards stakeholder concerns, the integration of public relations with other organizational functions, and the utilization of public relations as a strategic function. These dimensions are discussed next.

Responsiveness

Respondents described two aspects of responsiveness: the intensity of activity, and the nature of the activity. Intensity of activity ranged from doing little to doing much, and the nature of activity ranged from adversarial to collaborative. This conceptualization of responsiveness echoes Clarkson's (1995) "RDAP scale" of responsiveness, i.e., reactive, defensive, accommodative and proactive.

Proactive public relations was characterised by initiative taking and intense activity, "Trying to anticipate ... stakeholders' (reactions) to decisions that (our company) may be about to undertake" (TC, telecommunications sector), being "tuned into the aspirations of our community" (TM, pharmaceutical sector) and a company-wide "genuine desire to respond ... to what stakeholders out there are actually saying" (TM, mining sector) reflected a collaborative approach as well as a high level of activity.

Rapid crisis response in particular was a sign of effective public relations orientation. When a petroleum company had an oil spill, “We responded not in an hour or two or the next day, we responded by the second” (TC, petroleum sector). Formal mechanisms for rapid and appropriate responses were equated with effective public relations orientation: “You have to have your processes in place. And, if you don’t get that right and you don’t devote management thinking to how you would respond under ... pressures ... you don’t deserve to be in business. The community will put you out of business” (TC, petroleum sector). A proactive public relations orientation, combining high activity and a collaborative approach, was thus equated with another specific outcome: a company’s license to operate.

An accommodative PRO meant “educating the public about what the company does *or at least providing the opportunity for that to happen*” (TM, mining sector), again reflecting a collaborative approach, but combined with a lower level of activity.

A defensive PRO, or as Clarkson (1995) might have described it, a “do only what is required” stance, was described as an outdated or ineffective form of responsiveness. A company under pressure to get out of the uranium mining business illustrated a defensive PRO: “(Our) response in the past has always been to justify what we’re doing in terms of the legal okay to do it or the government okay to do it” (TC, mining sector). The company was adversarial in its approach, and did or said little unless forced to.

A reactive PRO was also described as ineffective. “Previously as a company, if we were accused of doing something (bad), we would have responded quite vigorously in the press to assert our rights to do so and all the rest of it. We have gone right away from that now to try and not be inflammatory. We try and withdraw from public debate but make ourselves available” (TM, mining company). This company had moved from a reactive and adversarial form of responsiveness to an accommodative style, with a lower intensity of activity but a more collaborative approach.

Interfunctional Co-ordination

The interconnectedness of public relations with other organizational functions has been correlated in empirical studies with public relations excellence (Dozier et al., 1995), and influence on management decisions and social performance (Bhambri & Sonnenfeld, 1988). Integration of public relations meant organizational recognition of the public relations aspects of every facet of business:

If you think about it, it's everything that we're doing, every part of our business if you like is involved in a PR function, if you want to put it down in its simplest terms, whether it's managing issues or potential crises that can happen. It's the MD in his daily dealing with strategic issues. I mean, it's all about perceptions as well. (TC, mining sector).

Such recognition would be expressed through close coordination between the public relations function and other functions and operations. "Rather than become a 'silo-ed' department, we are truly cross-functional ... with communications' advisors working with the managers of (operational) divisions" (TC, travel sector). Integration was thus taken to mean the presence of coordination mechanisms and interaction between functional areas of the organization (Cornelissen, 2000) and the ability to disseminate useful public relations intelligence throughout the organisation. As one respondent put it:

We've got a finger in the pie at the highest levels and we're not an adjunct activity to the business, we're actually a key part. We are in at the ground floor of any new product development or business development. We work very closely with the business units. (TC, services sector).

In summary, interfunctional coordination for public relations can be described in terms similar to the description of interfunctional coordination for market orientation (Maltz & Kholi, 1996). Interfunctional coordination is the integration of efforts by all parts of the organisation (Wrenn, 1997) to achieve the PR goal (behavioural relationships). It is therefore the internal expression of the chosen philosophy of doing business and includes the systematic generation, analysis and dissemination of

intelligence across functional boundaries about relationships with strategic constituencies (publics or stakeholders). It is a value delivery-enabling process for the public relations function and also indicates the value an organization places on its public relations function.

A strategic role for public relations

Like inter-functional coordination, a strategic role for public relations is both an enabler and an indicator of the value of public relations to an organization. The ability to manage strategically is a requirement of “excellent” public relations (Dozer, et al, 1995). Managers in this study suggested PR would be used as a strategic function when the PR manager is part of the top management team or had input into the organization’s strategic planning process, when PR goals support the business strategy and when PR has adequate resources to meet its goals. Thus, a strategic role for public relations constitutes a dimension along which PRO varies.

PR manager is part of the top management team

A separate, high-ranking role for public relations was seen as conducive to an effective public relations orientation. “To encourage it (public relations orientation), I think it’s a role that ought to report to the chief executive or a very senior office ... rather than as a subset of marketing” (TM, pharmaceutical sector). “You have to have the support of the CEO and you have to have the support of the people who report to the CEO if you are going to make real headway in this area and not face a lot of road blocks” (TC, mining sector). Indeed, “public relations is most likely to contribute to effectiveness when the senior public relations manager is a member of the dominant coalition where he or she is able to shape the organization’s goals...” (Grunig, Grunig, and Ehling, 1992) and when she has high personal credibility with top management (Moss et al, 2000). Such access to top management by a high ranking public relations executive should lead to a shared understanding between public relations and senior management on the role and value of public relations within an organization, an aspect identified by Dozier, Grunig and Grunig (1995) as an element of public relations excellence. Thus, the strategic role sub-dimension of PRO links directly with what is known about best practice.

PR goals support the business strategy

A second facet of the strategic role sub-dimension of PRO is the ability to understand organizational strategy and to develop public relations goals to support that strategy. The competence of public relations practitioners was directly related in empirical research to the ability of public relations to play a role in strategy (Moss, Warnaby, & Newman, 2000). A high PRO occurs when public relations is strongly aligned to the company's goals and strategic direction and "not just focused on how many column centimetres they meet each day" (TC, mining sector).

The ability to manage strategically is closely related to the ability to conduct scanning and evaluation research (Dozier, Grunig & Grunig, 1995). This notion was reflected by the manager who said public relations needed to be strategic if it was going to help senior management "understand" and "lead" in solutions "to that very dark and misty area called the social and political environment" (TC, mining sector).

You've got to have a fairly metrical approach to leading it, what are your objectives, what are the key programs, how do they link in with the rest of the organisation, how do we know if we've succeeded, what sort of measures do we put in place? How can this be part of our business and not a separate part of life? And, it's not something that corporate affairs takes away and does in isolation. It has to be done very much in line with the organization's natural processes (TC, mining sector).

By contrast, companies with ineffective public relations orientation were those "which are in a sense deaf to what's going on in the market place" (TC, petroleum sector), that is, they do not practice environmental scanning techniques or develop stakeholder relationship management strategies.

Therefore, public relations' involvement in strategic planning to meet organizational goals was associated by respondents with effective public relations orientation, and public relations for tactical or technical purposes only was associated with ineffective public relations orientation.

Adequate resources

Closely related to integration and PR support for business goals was the need to have control over adequate resources to meet PR goals. One respondent said, “I’d rather have access to budgets to do things than not have access to budgets” because of “a bigger fight for me, which is to get higher up the food chain in this organization for the function of public relations” (TC, telecommunications sector). Budget was thus related to the ability of PR to move “up” from a tactical to a strategic role.

The presence of a budget specifically devoted to public relations was also seen as an indication of an organization’s commitment to a public relations orientation. “If we had a budget specifically allocated for the management of public relations, that would certainly be an indication (of an effective public relations orientation)” (TM, manufacturing sector). The adequacy of the budget was also raised, as illustrated in the following quote.

Have we thrown our weight behind that aspect of the company’s activities, or does it have low priority in terms of the overall running of the company ... if the company was prepared to provide the tools and resources to support that area, that function, then I’d say that the company has a high level of commitment (to public relations orientation) (TC, pharmaceutical sector).

Characteristics of Transactions With the Environment and Stakeholders

Transactions with the environment and with stakeholders varied along three sub-dimensions: the extent to which publics or stakeholder groups are at the centre of organizational thinking about strategy; a dialogic approach in which two way symmetrical communications processes are used; and openness towards stakeholders, as demonstrated, for example, by sharing information through public reporting initiatives.

Centrality of stakeholder focus

An organization with a stakeholder focus considers stakeholders in its strategic planning and takes into consideration the differing needs of stakeholders. Such an organization understands the saliency of stakeholders to the achievement of corporate goals (Agle, Mitchell, & Sonnenfeld, 1999) and attempts to balance competing stakeholder needs for best long term results (Doyle, 1992). Effective public relations orientation meant more than “how we’re going to meet the strategic objectives of the company, but *also* the objectives of people outside the company ...” (TC, mining sector). A company with effective public relations orientation:

... understands where key stakeholders stand on issues and what the key influences to those are and (is) adapting and accommodating, negotiating and building win/win solutions across all those groups, which takes more research than we currently do, more effort into meaningful, long-term give and take relationships, which means that we have to choose to apply resources, talent and thinking to that aspect (TC, mining sector).

For this respondent, building relationships with key stakeholders was based on strategic processes of environmental scanning, a structure in which resources are applied to public relations problems, and a proactive and symmetrical approach. As J. Grunig has argued,

Symmetrical public relations professionals lift organizations above the wrangle in the marketplace to help them understand that they will further their self-interest more by tempering advocacy with collaboration. Not only will organizations accomplish their goals more often when they collaborate, but they also will develop reputations of being moral and socially responsible organizations (Grunig, 1999).

A stakeholder focus was expected to lead to shared understandings with specific business performance outcomes:

There's an element of getting community trust and getting community understanding. And, then, that is a very big advantage because it means as an operation we can be that much more efficient (TC, manufacturing sector).

A license to operate, "that sort of over-arching 'yes, we are happy for you to be around. Yes, we are happy for you to come and do what you do in our area or in our country'" (TM, mining sector), was another anticipated result.

Dialogic approach

Dialogue was described as "the capacity to listen and having some sense of empathy for what might be going on with our customers" (TM, pharmaceutical sector).

Listening to stakeholders and taking their views into consideration were integral, because:

That behaviour just gets marked. People will remember. Everybody has their own scorecard in their head about how happy they are about being treated that way, and ultimately they will vote with their feet. They will walk or they will lead us, whether it's an employee or a customer (TM, pharmaceutical sector).

This pragmatic rationale for a dialogic approach highlights the role of dialogue in creating conditions for "legitimate corporate conduct that affects the public of that organization" (Pearson, 1989, p. 128). Thus, a high public relations orientation characterized by a dialogic approach is also an ethical orientation for business conduct.

Openness

The concept of openness has a critical role in the theory of public relations ethics (Grunig & Huang, 2000) and has emerged as a key dimension in empirical studies of organisation-public relationships (Ledingham, Bruning, & Wilson, 1999). Disclosure is a key relationship maintenance strategy and is likely to predict a positive outcome in organisation-public relationships (Grunig & Huang, 2000). Openness was also an aspect of public relations orientation described by managers in this study.

Openness was described as “openly acknowledging and engaging our stakeholders” (TC, services sector) and being willing to disclose negative information to external publics even though this might sometimes be difficult.

The discovery that the company was the biggest source of dioxins in its state was a difficult disclosure to make for the management team in one respondent’s company. “The scientific advice was that we wouldn’t kill anybody, but it was a big emotional thing, Jesus, should we tell anyone or shouldn’t we tell anyone” (TM, manufacturing sector). The pain associated with openness was expected to avert more serious negative outcomes in the future:

I know it works ... You don’t hide anything, and particularly you don’t hide bad news. So you’ve got to have a culture of openness” (TM, manufacturing sector).

A formal process of disclosure through public reporting was also used as a strategy to focus internal management on the “rules” stakeholders expect companies to abide by (TC, mining sector).

Openness was expected to build stakeholder trust, which would in turn have an economic impact on the company:

If the community perceives that (we) are an open company doing its very best ... if the community perception is that we are to be trusted, we are solid citizens, we are good corporate citizens, then yes, they’re more inclined to buy shares or stick with them (TC, manufacturing sector).

Discussion

This paper introduced the construct of public relations orientation, which can be described by the goals, goal-directed behaviour, and transactions with publics in a given organization. Findings from interviews with Australian managers in large firms provided support for the construct and detail about aspects of PRO used by business.

Sub-dimensions of each of the three dimensions of PRO were identified according to their ability to differentiate between public relations that contributes to organizational goals and public relations that fails to do so. An effective PRO was characterized as the organization-wide capacity to proactively develop and maintain positive symbolic and behavioural relationships with strategic constituencies in the organizational environment through a culture that places publics or stakeholder groups at the centre of organizational thinking about strategy. Strategic public relations for competitive advantage requires public relations goals to be aligned with corporate goals and public relations people to understand business and to use appropriate research in pursuit of company goals, including environmental scanning. It also requires dialogue, openness and collaboration with stakeholders through a symmetric process, in which the organization remains open to adjusting itself to its environment, rather than seeking to impose its will asymmetrically on stakeholders.

It is hypothesized that an organization's public relations orientation will predict its strengths and liabilities with respect to organizationally valued outcomes such as reputation, license to operate, and aspects of performance; three outcomes that were described by respondents. Such outcomes represent relationship-based aspects of sustainable competitive advantage that can be delivered by public relations.

Reputation

The value of reputation has been demonstrated empirically in a variety of settings. For example, it has been linked to future intentions to invest in a company (Lyon, 1997), future stock performance, (Vergin & Qoronfleh, 1998), bottom-line performance

(Kim, 2000), customer purchase intentions and employee satisfaction (Gildea, 1994/95). Reputations are also particularly important in service markets, because, “like experience goods, the pre-purchase evaluation of service quality is vague and partial” (Weigelt & Camerer, 1988, p. 450).

High PRO may contribute to an organization’s reputation because public relations goals place symbolic relationships in the service of behavioural relationships. As Balmer notes (1997), reputations are formed by the aggregate of *messages and experiences* received about an organization’s products and services by an individual, group or groups over a period of time (our emphasis). These “messages and experiences” can be understood as symbolic and behavioural relationships. Thus it is hypothesized:

H1: The higher an organization’s public relations orientation, the better the organization’s reputation.

License to operate

License to operate, or the community’s attitude that “we are happy for you to be around” (TM, mining sector) was identified in this study as a key benefit of high public relations orientation. That a license to operate is valuable should be in no doubt. As Weibe noted nearly 40 years ago, those who like a company are practically indistinguishable from those who actively dislike a company in the extent to which they think the company should be subject to government regulation (Wiebe, 1963). A high public relations orientation may result in the license to operate because it entails respect for stakeholders as evidenced by a stakeholder focus, dialogue, and a proactive, collaborative approach to these relationships. Therefore,

H2: The higher the public relations orientation, the stronger the organization’s “license to operate”.

Business performance

Past efforts to equate public relations activity with economic benefit have been sparse (see Ehling, 1992 for an exception) and are hampered by their focus on program level effects, rather than on organization-level effects. As noted, PRO is an organization-level construct and thus provides opportunities for understanding economic effects of public relations at the organization level. Respondents in this study suggested public relations orientation would be associated with business performance by building trust-based relationships with stakeholders. PRO may also contribute to business performance by enhancing the legitimacy of the business via strong relationships with key constituencies in the environment. Organizations with high PRO aim to balance competing stakeholder needs and may find better long term results through managing in a “stakeholder tolerance zone” (Doyle, 1992), rather than by managing for short term profit. Thus, we hypothesize,

H3: The higher the public relations orientation, the better the business performance.

Thus, the concept public relations orientation provides at least three routes to understanding how public relations delivers organization-level value, which can result in sustainable competitive advantage.

Future research

The concept of public relations orientation opens many directions for future research. Firstly, public relations orientation can be operationalized as a measure. The development of a measure of public relations orientation would contribute to our understanding of public relations’ effectiveness by allowing empirical assessment of the link between public relations and other variables such as reputation, license to operate, and financial or social performance. A measure of public relations orientation could help researchers understand the differences in public relations implementation across industries or cultures, or firms of differing size. Managers could use such a measure as a benchmark of public relations performance, which can be monitored over time, and as a diagnostic tool for improving the effectiveness of public relations in their organizations.

Secondly, the role of moderators such as organizational size and visibility or industry turbulence in the link between PRO and organizational outcomes should be explored. Firm size has been shown to affect organizational responses to social and political environments (Greening & Gray, 1994) and environmental turbulence has been positively associated with firms' adaptation to the environment (Lukas, 1999) and with enactment of PR manager roles (Acharya, 1985). Since public relations helps firms manage key constituencies in their environment, studies exploring the relationship between public relations orientation and firm size or industry turbulence may further illuminate the conditions under which excellent public relations practice flourishes.

Thirdly, public relations orientation could be compared with other orientations such as market orientation to understand whether effective orientations co-exist in best practice organizations, or whether one orientation predominates at the expense of the other. Much public relations literature suggests that public relations is reduced to a tactical role in the face of "marketing imperialism" (Lauzen, 1991; Grunig & Grunig, 1998; Hutton, 2001). Empirical studies comparing public relations and market orientation would help public relations "define its intellectual and practical domain, especially vis-à-vis marketing, to regain control of its own destiny" (ibid, p. 205).

Fourthly, there may be additional ways in which public relations orientation contributes to performance that were not identified in this study. For example, the choice of public affairs strategy has been shown to have an impact on performance (Meznar & Johnson, 1996). Meznar broadly categorizes public affairs strategies as those that "buffer" organizations from their environment or those that "bridge" with that environment (ibid), with firms using both strategies having better performance than firms using only one or neither of the strategies. Because of relational goals, stakeholder focus, and a dialogic approach, organizations with high PRO may be expected to prefer bridging strategies. Studies relating public relations orientation, bridging and buffering strategies, and performance, may help develop a typology of public relations orientations that can be equated with strategies and performance.

Fifthly, the relationship between public relations orientation and organisation-public relationship outcomes is an important area for exploration. Organisation-public relationships have been described in terms of four dimensions: trust, control mutuality, relational commitment and relational satisfaction (Grunig & Huang, 2000). Control mutuality, or satisfaction with an unequal balance of power between parties in a relationship, may be a result of commitment and trust, which both derive from and enable dialogue. Dialogue has a central role in relationship satisfaction, enabling relationships to survive disagreements and power imbalances. Therefore the presence of a high score on the dialogue dimension of PRO might predict high organisation-public relationship outcomes.

Finally, the antecedents and consequences of public relations orientation need to be clarified and the values underlying public relations orientation need to be explicated. Clarification of the values, antecedents and consequences of public relations orientation will help scholars and practitioners understand why some organizations' public relations orientation benefits the organization while others do not. In particular, understanding the organizational values that give rise to public relations orientation will help practitioners understand what organizational changes may be required for public relations to be practiced ethically, and how to influence the ethical climate that governs corporate-stakeholder relationships.

Conclusion

The Excellence Study (Dozier, Grunig & Grunig, 1995) answered the question, what constitutes public relations excellence? The concept of public relations orientation builds our understanding of public relations by answering the question, what are an organization's philosophical stances toward PRO and how do these relate to the effectiveness or ineffectiveness of public relations in achieving organizational goals? By examining the implementation of organizational public relations through the prism of "orientation" several disparate streams of public relations, strategic management and organizational behaviour research can find common ground. For example, the concept of public relations orientation links the growing field of reputation research, the emerging relational focus in public relations research and stakeholder theory. The concept of public relations orientation also offers a path away from "the field's

insularity” (McKie, 2001, p. 75) as public relations orientation requires that public relations be assessed according to its ability to be a source of competitive advantage.

The concept of public relations orientation offers a framework for uniting disparate elements of public relations theory, refining extant definitions of public relations, and increasing understanding of the drivers of competitive advantage. It also offers managerial benefits as public relations orientation can be operationalized as a measure which can highlight deficiencies that can be rectified; can help understand the relationship between public relations and other organizational performance indicators or behavioural variables; allows comparisons of public relations orientations among firms over time; and thereby can demonstrate public relations as a source of competitive advantage.

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Characteristics of the goal	Characteristics of goal - directed behaviour	Characteristics of goal - directed transactions with strategic constituencies
<input type="checkbox"/> Symbolic & behavioural relationships	<input type="checkbox"/> Responsiveness <input type="checkbox"/> Interfunctional co-ordination <input type="checkbox"/> Strategic role for PR	<input type="checkbox"/> Centrality of stakeholder focus <input type="checkbox"/> Dialogic approach <input type="checkbox"/> Openness

Table 2: Public relations orientation