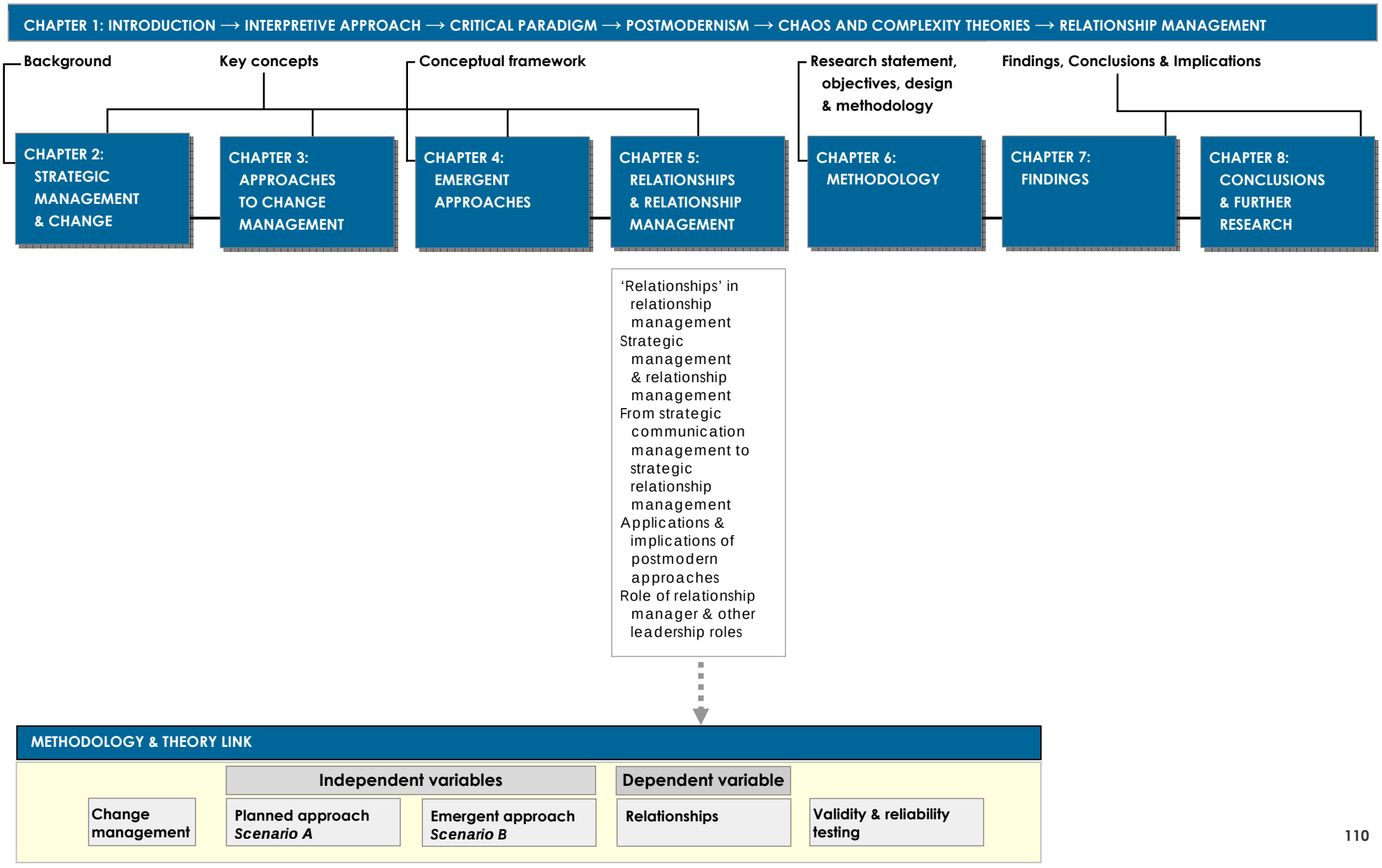
OVERVIEW OF CHAPTER 5: *Relationships and Relationship Management*



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CHAPTER 5:

Relationships and Relationship Management

5.1 Introduction

Having examined the principles of strategic management and how those principles apply to change management (Chapters 2 & 3), and the emerging postmodern approaches—chaos and complexity theories—to change and strategic management (Chapter 4) this chapter will now explore the concepts of *relationships* and *relationship management* from a public relations perspective. Current views of strategic formulation for communication management are discussed; then suggestions are made for applying recent developments in strategic management to the field of communication management. Finally, this chapter explores the implications of the emergent approaches on strategic relationship management and change management. These discussions will be linked to the research propositions found in the Chapter 6.

5.2 'Relationships' in relationship management

As mentioned in Chapter 1, public relations is the function that manages the communication between an organisation and its publics in order to build and enhance healthy relationships to the benefit of all parties involved. This view of relationships, being at the centre of the function of public relations, is now seen as one of the most important ingredients for an effective organisation. That is, in view of the stakeholders of the organisation, relationships could influence the success or failure of an organisation (Ledingham & Bruning, 2000b; Harrison, 2003; Robbins & Barnwell, 2002). This perspective puts public relations on the level of a strategic management function because it can influence the way stakeholders support an organisation's goals. The importance of the relational concept to the field of public relations has given rise to *relationship management* (Ledingham, 2003).

The idea of *relationship management* in public relations has prompted thorough investigations into this terminology and its use over the past two decades.

These investigations have not only provided a framework for seeing how the function of relationship management can contribute to the achievement of organisational strategy (Ledingham & Bruning, 2000a), but also strived to develop valid operational measuring instruments for substantiating the value of public relations in top management. As Broom et al. (1997) have pointed out, the absence of a thorough understanding of this construct hinders theory-building; moreover, it limits valid inferences about relationship measures.

Strategic management literature often use the term 'relationships' in the context of stakeholders and organisational effectiveness. There are, however, few definitions, measurements or explanations of what the construct actually means within this field of study; that is, other than the exception of the dimension of 'trust' in relationships, which has been studied extensively (Examples of these studies can be found in Rousseau et al., 1998; Mayer et al., 1995; Bhattacharya et al., 1998; Whitener et al., 1998; Bruhn, 2002.) The field of marketing has contributed extensively to the developments in the understanding of the term 'relationship' in the area of relationship marketing with customers, consumers and groups directly related to marketing. Contributions from the domain of management will be discussed later in the chapter.

5.2.1 Contributions from the field of marketing

In the 1980s, the field of marketing theory and practice made a major directional change towards the development of relationship marketing, which as Morgan & Hunt (1994, p. 20) describe, is "establishing, developing, and maintaining successful relational exchanges". A relationship based model in marketing comes from the realisation of the marketing fraternity—that customer satisfaction is not only dependent on the product or service that is acquired, but also related to the nature of the relationship in the exchange (Sudharshan, 1995). Sheth & Parvatiyar (1995) relate technological advances to the comeback in relationship marketing; that is, in the sense that the collaborative involvement of customers in the marketing process has led to a more process-orientated paradigm. This exchange paradigm has, however, become insufficient because, in the post-industrial era, marketing needs to emphasise value creation. This relational marketing approach calls for mutual co-operation and interdependence.

Another driver that advances relationship marketing is the total quality movement, which demands a close partnership with customers and suppliers in order to optimise quality and cost. The service economy has also led to the minimising of middlemen between the service provider and service user, which means a need to enhance and maintain of relationships between these two groups. Users of products and services are now becoming directly involved in the development and purchasing decisions of the products and services, thus triggering a need for co-operative relationships between them and the producers. Customer retention as a competitive advantage is a final major contribution to the need for maintenance of relationships, because retaining customers is less expensive than acquiring new ones. This participative approach is typical of the developments in postmodern applications to public relations and strategic management.

Morgan & Hunt (1994) conceptualise *commitment* and *trust* as the key mediating variables of relationships, with communication, shared values, relationship benefits, opportunistic behaviour, power and relationship termination costs as precursors to commitment and trust. Outcomes of relationships include conflict, acquiescence, propensity to leave, co-operation, functional conflict and uncertainty.

A thorough investigation into the literature of the construct 'relationships' in business marketing, conducted by Iacobucci & Hibbard (1999), has found that relationships seem to benefit from communication and an absence of conflict (or a resolution of conflict). Closeness, commitment, satisfaction, investment, communication, co-operation, conflict resolution, effort, shared values, and interdependence were also cited as important variables of the construct and contributing to healthy long-term relationships. In brief, relationships can be described along four dimensions: (1) *valence:* trust and co-operation; (2) *intensity*: interdependence, commitment and frequency of interaction; (3) *symmetry /asymmetry*: equality or inequality of power of the parties involved; and (4) *formality*: relating to work or social environment within which relationships exist. *Commitment*, *trust*, and *conflict resolution* are also at the centre of relationship, linking many causal factors. The ultimate outcomes are long-term relationships that result in greater profitability, satisfaction and more anticipated interaction in the future. Iacobucci & Hibbard (1999) propose that the relationships between

consumers and organisations are inherently asymmetric, with high levels of distrust and conflict and little opportunity for communication. These all make it very difficulty to establish long-term relationships with clients and customers.

In a different line, Smith (1998) posits that there are four dimensions in a relationship. First, the type of relationship that looks at different buyer-seller dyads. Second, there are five other dimensions of relationship management that can be derived from the social exchange literature. They include: *relationship investment* (resources, effort, attention), *open communication, co-operation* (mutual, reciprocated outcomes), *functional conflict resolution*, and *relationalism*. Interestingly, *relationalism* refers to the

> *extent to which relators actively and purposefully manage their relationship and promote behaviours to maintain or improve the relationship (Smith, 1998, p. 7).*

Third, the social, functional and structural bonds are differentiated to reflect the degrees of attachment in a relationship and the extent to which parties are bound together. From the premise, that the bonds which develop in a working environment determine the quality of a relationship, Smith (1998) finds that the communication or co-operation and investment dimensions were key predictors of relationship quality. The fourth dimension includes loyalty, mutual satisfaction, respect, commitment and trust.

Hibbard et al. (2001) have also identified the variables, *trust*, *commitment*, *communication*, *shared values* and *mutual dependence* to measure long-term business relationships, and assess adequate measures of the constructs using Cronbach's alpha.

From the above, the contributions from the field of marketing to the field of relationship marketing show that there are precursors to relationships, or outcomes as a consequence of relationships. Although these authors do not agree on which precursors and what outcomes, and despite different the labels and groupings, they seem to agree nevertheless on the variables that could be incorporated. Table 5.1 below is a summary of selected literature contributions from the field of marketing:

Table 5-1: Selected literature contributions from the field of marketing

Predictors or precursors	Maintenance variables/ Relationship concepts	Outcomes	Consequences or final outcomes
• Buyer/seller dyads (Smith, 1998) • Types of relationships (Iacobucci & Hibbard, 1999) • Nature of relationships (Morgan & Hunt, 1994)	• communication (Morgan & Hunt, 1994; Iacobucci & Hibbard, 1999; Smith, 1998; Hibbard et al., 2001; Sudharshan, 1995) • shared values (Morgan & Hunt, 1994; Iacobucci & Hibbard, 1999; Hibbard et al., 2001) • relationship benefits (Morgan & Hunt, 1994; Iacobucci & Hibbard, 1999) • opportunistic behaviour (Morgan & Hunt, 1994) • power symmetry (Morgan & Hunt, 1994; Iacobucci & Hibbard, 1999; Smith, 1998; Sudharshan, 1995) • relationship termination costs/investment (Morgan & Hunt, 1994; Iacobucci & Hibbard, 1999; Smith, 1998) • Personality factors (Iacobucci & Hibbard, 1999) • Interdependence (Iacobucci & Hibbard, 1999; Morgan & Hunt, 1994; Hibbard et al., 2001) • co-operation (Iacobucci & Hibbard, 1999; Smith, 1998) • conflict resolution (Smith, 1998)	• commitment (Morgan & Hunt, 1994; Iacobucci & Hibbard, 1999; Hibbard et al., 2001; Smith, 1998)] • trust/respect/loyalty (Morgan & Hunt, 1994; Iacobucci & Hibbard, 1999; Smith, 1998; Hibbard et al., 2001) • mutual satisfaction (Smith, 1998; Iacobucci & Hibbard, 1999) • conflict absence/resolution (Iacobucci & Hibbard, 1999)	• acquiescence • propensity to leave • co-operation • functional conflict • uncertainty

In the buyer-seller literature, relationship marketing is defined as

> *the development and maintenance of close, long-term, mutually beneficial, and satisfying relationships between individuals or between organisations that are based on trust and collaboration (Smith, 1998, p. 77).*

This equates well with the definition of public relations and relationship management:

> *The management function that establishes and maintains mutually beneficial relationships between an organisation and the publics on whom its success or failure depends (Cutlip et al., 1994, p. 2).*

5.2.2 Marketing and public relations

There are, however, major differences between marketing and public relations which arise mainly from the view that the developments in relationship marketing and public relations are 'intruding' in each others domain. The differences between marketing and public relations as academic fields of study lie primarily in the types of stakeholders served by the two fields. Marketing management focuses on relationships with customers, clients and channels (those groups who assist the organisation in reaching its ultimate customers) that are sources of competitive advantage (Sudharshan, 1995). There are many other relationships that assist the organisation to sustain a competitive advantage but they are not considered to be in the domain of marketing strategy (Sudharshan, 1995, p. 121). Public relations, on the other hand, casts a wider net on stakeholders; that is, to those who have no direct relation to the bottom line exchange relationship—those who are neither customers nor clients. The resource-dependency theory posits that relationships form because of an organisation's need for resources in order to survive. All the constituents that may have an influence on such an organisation may have little to do with bottom-line or with the available resources (Grunig & Huang, 2000). In contrast, marketing relationships depend on the premise that both parties in a relationship are willing to give benefits in order to receive comparable benefits in exchange (Grunig et al., 2002).

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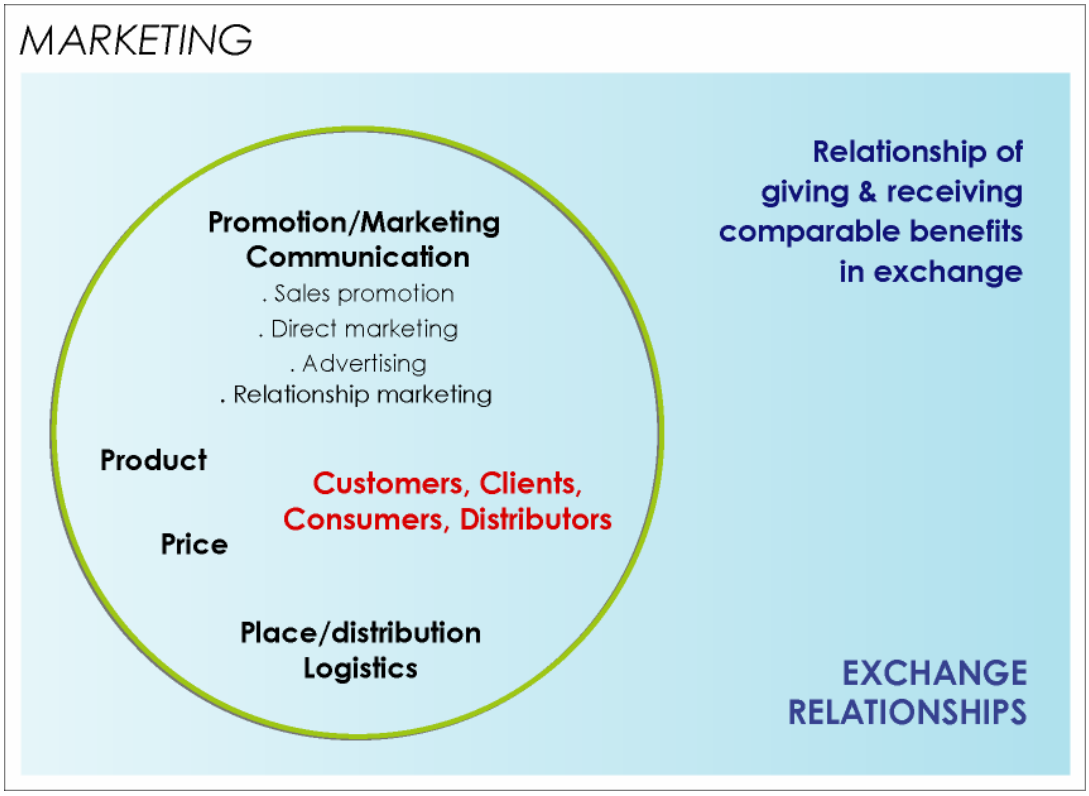
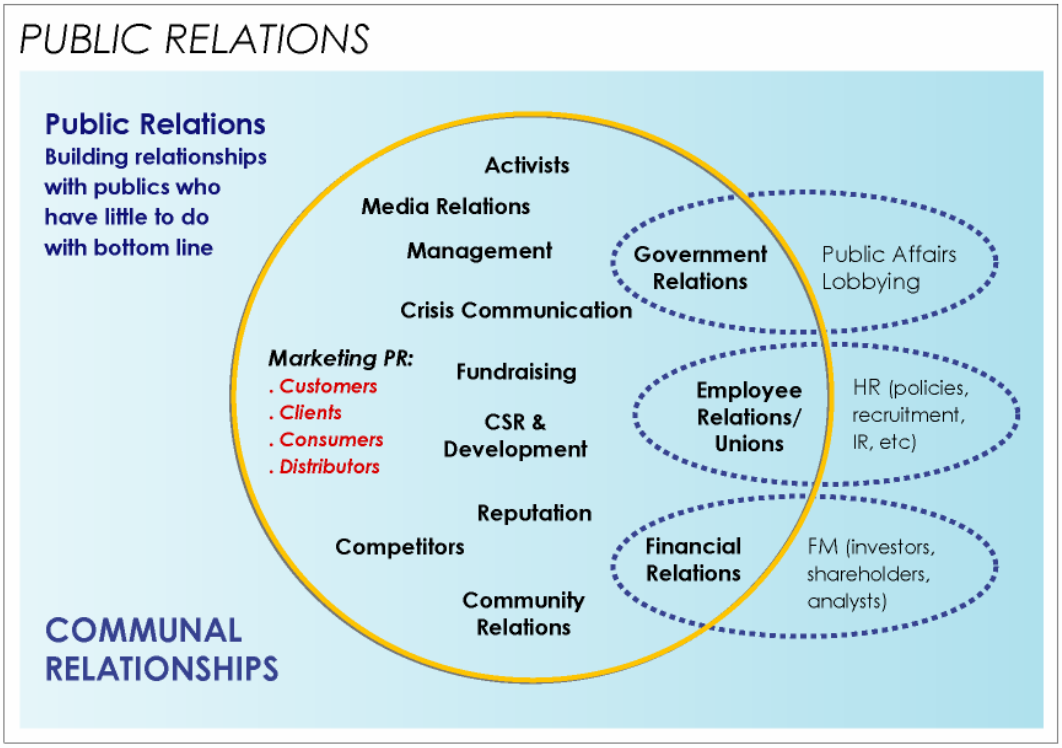
Figure 5-1: Marketing



The public relations field sees these relationships with other strategic constituents as going much further than ensuring the selling of products and services. Other stakeholders such as the mass media, activist groups, employees, unions, funders, or the direct community who may not be part of the 'market', may all want the behaviour of the organisation to change, and thus may influence the goal attainment of the organisation (indicated in red in the diagram). It is to these specific publics that public relations is relevant (Grunig et al., 2002). The expertise needed to build and maintain communal relationships with stakeholders is what distinguishes the skills base between public relations and marketing (Hon & Grunig, 1999). The perception of a public that it has a healthy relationship with an organisation is probably the best indicator of the success of the public relations function in an organisation.

Figure 5-2: Public Relations

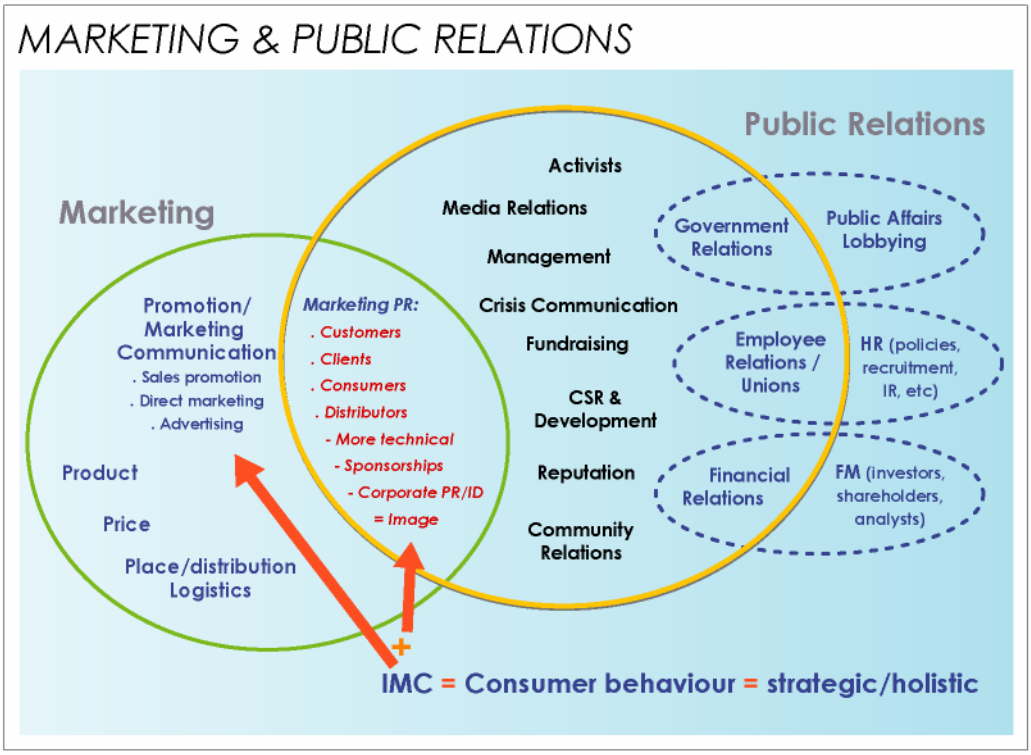


These 'communal relationships' are based on the principle that parties provide benefits to each other because they care for each other's interests without expecting something in return. As Grunig et al. (2002) point out,

> *Public relations professionals add value to an organisation when they develop communal relationships with all publics affected by organisational behaviours—not just those who give the organisation something in return. Communal relationships are important if organisations are to be socially responsible and to add value to society as well as to client organisations (p. 553).*

Public relations plays a societal role in that it helps organisations survive in their social environments by working on relationships with publics in order to bring about social and economic change and development.

Figure 5-3: Marketing and Public Relations



Another major difference lies in the emphasis of each field of study. Marketing communication focuses primarily on the signs and symbols used to communicate identity, brand and image. As authors such as Van Riel (1995) argue, if the right messages are communicated to the right audience, the identity of the organisation will be transferred into their minds, leaving an image. This implies that one can thus manage image and reputation by managing communication. The field of public relations in turn emphasises behavioural relationships where the decision-making processes of management will determine the reputation of the organisation (Grunig et al., 2002). The behaviour of an organisation determines what people will remember about and what degree of trust that will be instilled in their minds. One should therefore manage organisational behaviours in order to develop trust in products, brands and corporate identities.

The concepts of *integrated marketing communication* and *integrated communication* have been debated extensively. Grunig et al. (2002) conclude that authors such as Gronstedt (2000) and Duncan & Moriarty (1997) follow the same principles, namely, Grunig et al.'s *excellence theory of marketing communication* (Grunig, 1992). In brief, they all advocate,

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> *symmetrical communication, relationship building, involvement in strategic management, and recognition of communication as a critical management function that supports all other management functions (Grunig & Grunig, 2000, p. 279).*

More importantly, as Grunig & Grunig (2000, p. 279) further observe, many marketing communication scholars "have moved closer to public relations theory in their thinking". However, it seems that these authors' emphasis is still on relationships with customers, which follows from their background in marketing and advertising. From a public relations perspective, all stakeholders (that is, not just the customers) ought to be recognised and treated as important.

Apart from all the other activities of the public relations function, such as community relations, fundraising, crisis communication, corporate social responsibility and development communication, it also supports the marketing function by providing a sound foundation on which to present the traditional 'four P's' of marketing (Sudharshan, 1995). If relationships between the organisation and all stakeholders are strong and committed over a long term, the marketing efforts will be provided with a solid foundation of trust in the organisation and its brands. It is often necessary for the public relations function to build communal relationships before marketing can build exchange relationships; otherwise, it is sometimes the case that successful exchange relationships do develop into long-term communal relationships (Grunig et al., 2002). The marketing function is normally measured in terms of sales or contribution to the bottom line, whereas

> *the degree to which a public perceives that it has a communal relationship with an organisation is perhaps the purest indicator of the success of the public relations management function (Grunig et al., 2002, p. 553).*

In this same way, the public relations function also supports other organisational functions, such as human resource management (relationships with employees and unions), lobbying (governmental communication), and financial management (investor relations and other financial relationships with stakeholders such as analysts and shareholders). Public relations and marketing work together by building exchange relationships with consumer, customers, clients, distributors, and other marketing parties through areas such as sponsorships, corporate

identity, image building and media relations. It is important, however, to stress that each of these domains perform a much larger role than just supporting each other:

> *there is much more to marketing than communication and to communication than marketing (Grunig et al., 2002, p. 280).*

Table 5-2: Public relations/communication management versus marketing

Public relations / Communication Management	Marketing
Relationship building with all stakeholders (Ledingham, 2003)	Building relationships with clients, customers, suppliers (Iacobucci & Ostrom, 1996; Smith, 1998; Sudharshan, 1995)
Emphasis on the behaviour and decision-making of management in order to gain trust from publics (Grunig & Grunig, 2000)	Emphasis on customers (Duncan & Moriarty, 1997)
Reputation: Social responsibility, caring, environment (Grunig et al., 2002)	Image: Branding, packaging, advertising, corporate identity (Van Riel, 1995)
Strategic role is that of boundary spanner and facilitator to build relationships (Grunig et al., 2002)	Strategic role lies in research and development, and profit (Iacobucci & Hibbard, 1999)
Saves money for the organisation (Grunig et al., 2002)	Makes money for the organisation (Iacobucci & Hibbard, 1999)
Research focus: Environmental scanning, trends, issues (Grunig et al., 2002)	Research focus: Data base - socio/psycho/demo-graphics (Cova, 1996)
Communal relationships (Grunig et al., 2002)	Exchange relationships (Iacobucci & Hibbard, 1999; Sudharshan, 1995)
Ethics and social responsibility (Grunig et al., 2002)	Economy-driven—focus on the customer (Sudharshan, 1995)
Two-way symmetrical (Grunig, 1992)	Two-way asymmetrical (Iacobucci & Hibbard, 1999)
Behavioural relationships (Grunig & Huang, 2000)	Symbolic relationships (Grunig & Huang, 2000)
Measurement: Success of communal relationship (Grunig et al., 2002)	Measurement: Sales, purchasing and customer/client satisfaction (Sheth & Parvatiyar, 1995)

The identity problem of public relations that has plagued it over the past decades is that it is often seen as an element of the integrated marketing communication arena, or as a support function for marketing (Ledingham et al., 1997). The field of relationship marketing has started to overlap with the relationship management approach of public relations, but with the distinct difference that it mainly serves the relationships between the organisation and its

markets or consumers. (For example, compare the terminology used in Iacobucci & Hibbard, 1999; Sheth & Parvatiyar, 1995; Morgan & Hunt, 1994; Duncan & Moriarty, 1997). Relationships with all the other 'publics', as identified by public relations scholars, are not covered in depth in the literature of relationship marketing or marketing communication. Iacobucci & Hibbard (1999) state, for example, that

> *Since the 1970s, marketing has been conceptualized quite generally, as an exchange of benefits and resources, so the applicability of relational exchange theories is meaningful—we do not simply transact goods and monies, but a vast array of tangible and intangible benefits. Those exchanges occur in the context of relationships. Accordingly, relationships must become a central focus in the field of marketing (p. 30).*

This point highlights the fact that the major application of marketing relationships is still seen as between the organisation and the consumers and in relation to exchange. These relationships are furthermore seen as symbolic relationships concerned with image, rather than behavioural relationships of public relations concerned with reputation (Grunig, 1993; Cova, 1996). It should be mentioned, however, that postmodern marketing is recognising the importance of aspects such as behaviour, participation, linking value, as well as the co-creation of meaning, even though these are still aimed at consumers (Cova, 1996).

In taking a postmodern perspective, one should not argue that any one of the fields of study is "exploiting" another (Ledingham et al., 1997, p. 25) , or that the fields are "encroaching" on the other's terrain. Rather that organisations should follow a multi-disciplinary approach, where domains support each other and work together for the common good of the organisation and society at large (Grunig et al., 2002). A dichotomous 'boxing' of the functions could only lead to an organisation that is inflexible and incapable of adjusting to fast changing environments.

5.2.3 Contributions from interpersonal and relational theories

Broom et al. (1997), Stafford and Canary (1991), Toth (2000), Ledingham et al. (1997), and Thomlison (2000), have reviewed various interpersonal and relational

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theories that have contributed to the development of the construct 'relationships'. Thomlison (2000) describes successful relationships as consisting of "awareness, influence, benefit and behaviour" (p.178). With respect to public relations, relationship management is

> *the development, maintenance, growth, and nurturing of mutually beneficial relationships between organisations and their significant publics (Thomlison, 2000, p. 178).*

Furthermore, public relations gives a transactional perspective so that it is a

> *dynamic, process-orientated, meaning-creating relationship between the two participating parties (Thomlison, 2000, p. 183).*

Its purpose, therefore, is to "establish dialogic communication" (2000, p. 199). Broom et al. (2000) base their theoretical framework on the systems theory in stating that the interdependence of elements in a system form the basis of all interactions and relationships.

Toth (2000) approaches the management of relationships from an individual-organisation perspective in associating the interpersonal communication attributes of trust and credibility to the process. As Toth (2000) proposes that just as the

> *end goal of interpersonal communication is to establish and maintain successful relationships (p. 217),*

so should communication in organisations be used to develop and build relationships between organisations and their publics. Furthermore, the elements of

> *mutuality of understanding, trust, credibility, emotion, intimacy and similarity, immediacy, and dominance-submission (p. 218).*

All contribute to the understanding of relationships on an individual continuum.

Wood (1995) has conducted an extensive review of relational literature, and isolated the following four dimensions: trust, commitment, investment, and comfort with relational dialectics. The theory of relational dialectics refers to the many paradoxes and contrasting forces that work in relationships in terms of being autonomous or being connected (Griffin, 2003). This theory explains that

relationships are always in flux and there are always ongoing struggles and dichotomies between connectedness and separateness. The interpersonal theory of social exchange centres on the dimensions of investment and commitment and compares with the marketing model of economic exchange of goods or services for rewards (Ledingham & Bruning, 1997). This view of relationships is transactional in the same way as marketing views have traditionally been transactional (Sheth & Parvatiyar, 1995). However, as Sheth & Parvatiyar (1995)point out, it seems that

> *this transaction orientation in marketing is giving way to the return of relationship orientation in marketing (p. 414),*

Many of these interpersonal communication variables of relationships have been used as inputs for the development of a relational model for public relations; specifically, the variables of trust, commitment, mutual benefit, investment and relational power structures. These will be discussed in more detail in the section on development of a model for relationships in public relations.

5.2.4 The public relations model of relationship management

Broom et al. (1997) have developed a three stage model after a thorough revision of the relationship literature from the fields of interpersonal and inter-organisational communication, psychotherapy, and systems theory. This consisted of relationships concepts, antecedents to relationships, and consequences of relationships.

Following the lead of Broom et al. (1997), Grunig & Huang (2000) have also developed a theoretical model for the process of relationships in terms of the antecedents of relationships, development and maintenance strategies for relationships, and outcomes of relationships.

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Table 5-3: Theoretical model of relationships: stages and forms of relationships

Situational antecedents	Maintenance strategies	Relationship outcomes
• Types and nature of relationships • Relationships between single and multiple publics and organisations that affect each other	• Symmetrical communication • Disclosure (openness) • Assurance of legitimacy • Participation in mutual networks • Shared tasks • Integrative negotiation • Asymmetrical communication and distributive negotiation	• Control mutuality (power symmetry) • Commitment • Trust • Mutual satisfaction • Goal attainment

(Adapted from Grunig & Huang, 2000)

The antecedents of Grunig & Huang (2000) correspond with the antecedents described in the relationship marketing literature. However, in Grunig & Huang, all the change pressures from the environment were incorporated and considered situational, that is, "stemming from the behaviours of both the organisation and publics" (Grunig & Huang, 2000, p. 35). All of these relationships are based on behaviour, and are

> *implicit in concepts such as interpenetrating publics and in the loss of autonomy that organisations face when they enter into relationships (p. 35).*

This model includes relationships between single and multiple publics, and organisations that affect each other.

The maintenance strategies of Grunig & Huang's model (2000) focus on the communication variables that have an influence on the outcomes of relationships. These five dimensions are of specific relevance to this thesis and are translated into change communication variables that have an influence on the relationships between the organisation and its publics. These will be linked to change communication in the *Methodology* chapter.

The first of these dimensions is the construct of 'positivity', described in terms of the symmetrical model of public relations: "dialogue, negotiation, listening, and conflict management" (Grunig, 1992, p. 231), as well as openness, interdependence, team work and a caring attitude (Grunig, 1992). This maintenance dimension

compares well with the variables of open communication, conflict resolution, and interdependence identified by the relationship marketing literature.

The second dimension of maintenance is described as openness or disclosure. This equates to ethical conduct (Grunig, 1992) in terms of transparency and open communication. This again compares well to the variables of open communication from relationship marketing literature.

Assurances of legitimacy relates to the parties' acceptance of each other in terms of shared values and behaviours (Grunig, 1992) and is the third maintenance variable mentioned by Grunig & Huang (2000). The relationship marketing literature also refer to shared values and power equality as an important relationship concept under maintenance variables.

The fourth maintenance variable refers to shared networking with the same groups of people (Grunig & Huang, 2000), as well as participation. In the field of relationship marketing, participation in decision-making about product development and sales strategies is also considered an important factor in the maintenance of relationships with customers (Sheth & Parvatiyar, 1995).

The fifth variable is the sharing of tasks, which is related to participation and refers to the collaboration of all parties in order to solve problems of interest to both (Sheth & Parvatiyar, 1995; Grunig & Huang, 2000) .

The rest of the maintenance variables refer to the conflict management strategies followed by parties in relationships. Grunig & Huang (2000) differentiate between integrative strategies (which can be understood as integrity and co-operation in a relationship), distributive strategies (efforts to maximise gains and minimise losses), and dual concern strategies that manages both the concerns of the organisation as well as those of the publics (win-win strategies). These variables correspond with the co-operation variable from the relationship marketing literature. The variables of relationship investment and benefits in the field of relationship marketing are the only ones not specifically included in this part of the public relations relationship model of Grunig & Huang (2000).

All of the maintenance strategies have an influence on and are indicators of the relationship outcomes described in the next dimension of the model. Grunig & Huang (2000) suggest that the relationship process should be continuously monitored and observed.

The final stage in the relationship model of Grunig & Huang (2000) is the relationship outcomes stage. These key relational outcomes pertinent to quality relationships between organisations and publics are trust, control mutuality, commitment and satisfaction:

- ***Trust*** refers to the belief that the other party will not exploit one's good will, and that there is a willingness to open up (Grunig & Huang, 2000, p. 43; Grunig et al., 2002, p. 553). In organisational terms, trust means that the business keeps its commitments, does not disadvantage its stakeholders, and communicates in an open, timely and honest manner (MacMillan et al., 2000, p. 71).

- ***Control mutuality*** refers to the "the degree to which partners agree about which of them should decide relational goals and behavioural routines" (Stafford & Canary, 1991). It implies equality in power; but where power is not equally distributed (as often happens in reality), a norm of reciprocity may lead to a good relationship (Grunig & Huang, 2000, p. 43; Grunig et al., 2002, p. 553).

- ***Relational satisfaction*** refers to the extent to which both parties have a favourable affective response to the relationship (Grunig & Huang, 2000, p. 45). It refers to both parties receiving equal rewards that outweigh the costs to the relationship (Grunig et al., 2002, p. 553). These include material benefits (value for money, pay, holidays, training, etc.), as well as non-material benefits, such as emotional elements in the form of recognition or identification with an organisation (MacMillan et al., 2000, p. 72).

- ***Relational commitment*** encompasses a desire to continue with the relationship in supporting the goals and values of the organisation, and putting in the effort to maintain the relationship (Grunig & Huang, 2000, p. 46; Grunig et al., 2002, p. 553; MacMillan et al., 2000, p. 71). A further

dimension pertains to calculations of the possible costs incurred by leaving the organisation.

Numerous studies have shown high inter-correlations among these four dimensions of relationships (Grunig & Huang, 2000, p. 47; Ledingham, 2000, p. xiii). These indicators appear consistently in interpersonal and organisational literature and compares well with the four indicators identified by the relationship marketing literature mentioned earlier. The only difference is that 'conflict resolution' is cited in the marketing literature as one of the indicators of relationship outcomes, and 'power symmetry' is mentioned as a maintenance variable in the marketing literature, as apposed to a relational outcome in the public relations literature. The relationship indicators of Grunig & Huang (2000), are used in the methodology of this study, with the aim of getting indication of the relationship outcomes when different change management strategies are used.

In the preceding section, the role of relationships was explained in terms of public relations and relationship management. The following section will link the relationship issues to strategic management in an effort to integrate the discussion of strategic management and change management from Chapters 2 & 3 into this section.

5.3 Strategic management and relationship management

The traditional approaches to strategic management are based in economics, and the view of the firm is that of economic entity with the most important constituents the stockholders or shareholders of the organisation (Harrison, 2003). Stakeholders are mostly seen as a liability for organisations because in the economic model, the 'corporation' is seen as the management while all other stakeholders are seen as external (Deetz, 1995). Except for the consumers and the shareholders, all other stakeholders become a cost to the organisation in terms of labour costs, supply costs, training costs, environmental compliancy costs, and others. Even gaining and retaining consumers become a cost through advertising and marketing. Deetz (1995, p. 46) believes that this perpetuates the control of management because of stakeholder interests being "justified as cost containment". Therefore, management would rather

> *manage the stakeholders for management's benefit in the name of an anonymous corporation (Deetz, 1995, p. 47)*

than follow a relational managerial approach where diverse interests are represented. But Deetz also argues that if management could recognise stakeholders as 'owners' of organisational interests, the focus will be shifted and participation by these groups could result in better decisions than those that are currently being made in terms of the organisations economic standpoint and even worse still, from the standpoint of the well being of the greater society. As Deetz (1995) puts is, corporations should realise that

> *management cannot be left as the head of a company that opposes stakeholders, management must lead the company for the stakeholders... Stakeholders interests are not limits to corporate goal accomplishment, they are to be considered as the corporation's goals (p. 48).*

Grunig & Grunig (2000) explain that effective organisations achieve their goals by surviving in an ever changing environment and by utilising necessary resources from that environment. They add that strategic constituents of the environment, both internal and external, can threaten or assist the organisation in its goal attainment. For an organisation to achieve its goals, it needs to incorporate the values of strategic constituents. Public relations can assist the organisation in identifying and prioritising these constituents and their values because public relations practitioners are the boundary spanners between the organisation and the environment. They can assist in bringing the goals and values of other strategic functions together by facilitating a work team to fulfil this purpose (Grunig & Huang, 2000). The public relations function is also responsible for building the relationships with strategic constituents which, according to Grunig & Grunig (2000), can reduce

> *costs of litigation, regulation, legislation, pressure campaigns, boycotts, or lost revenue that result from bad relationships with publics (p. 307).*

Healthy relationships can also help the organisation withstand the negative effects of a crisis (Grunig & Huang, 2000). This leads to a discussion of the strategic constituencies approach and the stakeholder theory of organisations.

5.3.1 The stakeholder theory of strategic management

The external environment of organisations is becoming increasingly complex and is constantly changing (Sherman & Schultz, 1998). Because of this a virtual network of resources outside the organisation is making a growing contribution, and recent trends in business are working towards strategic alliances with all types of subcontractors, joint ventures, and other concerned stakeholders. Stakeholders are all groups that might have an effect on the organisation or who might be influenced by decisions made by the organisation. For a corporation to be successful it needs to manage mutually beneficial relationships with stakeholders (Post et al., 2002). A study conducted in ten major organisations (Quinn, 1998, p. 133) to document the dynamics of strategic change processes found that almost all the companies mentioned that stakeholders, such as government and activist groups, were among the most important forces of change in the strategic management of those organisations. Amid all the changes, it remains essential for the organisation to operate in ways that create long-term wealth for the organisation and all parties involved. As Post (2002) points out,

> *Organisational wealth is the summary measure of the capacity of an organisation to create benefits to any and all of its stakeholders over the long term (p. 45).*

When the management of organisations take an interest in their internal and external stakeholders, and fully involve them in decision-making, the stakeholders will begin to trust them. This adds relational value to the organisation, which will in turn contribute to corporate performance (Post et al., 2002).

A typical stakeholder map of any organisation will include internal stakeholders, such as employees, and external stakeholders who are influenced by various societal, technological, political, and economic factors in the environment (Harrison, 2003; Post et al., 2002). The external stakeholders include groups such as customers and clients, the media, government, financial institutions, unions, suppliers, activist groups, competitors and local communities. The stakeholder model of strategic management is intended to keep management aware of the complex network of forces that could influence the organisation's success and behaviour (Harrison, 2003). A second important contribution of the stakeholder

model to strategic management is to constantly remind management to consider a broader group of constituents in its decision-making processes in order to prevent surprises and crises. It thirdly provides management of more strategic choices and options.

In the stakeholder theory organisations are portrayed very differently from traditional organisations that have well defined structures and boundaries. Growing involvement and participation of external stakeholders are opening up the borders and boundaries (Sherman & Schultz, 1998). The stakeholder theory offers a compromise between the environmental theories of enactment and adaptation, previously discussed in Chapters 2 & 3. On the one hand, the stakeholder approach follows an adaptation strategy of stakeholder analysis, involving identification and prioritisation of stakeholders in the external environment (Harrison, 2003). Information is gathered about and from the most important stakeholders in order to establish strategic direction and formulate strategy. This is one way an organisation adapts to the external environment. On the other hand, the enactment approach is also applicable to the stakeholder theory. Management of stakeholders

> *includes communicating, negotiating, contracting, and managing relationship with stakeholder, and motivating them to behave in ways that are beneficial to the organisation and its other stakeholders (Harrison, 2003, p. 14).*

These two processes of analysis of stakeholders and the management of relationships with these stakeholders happen simultaneously.

It is important to note that although the stakeholder theory emphasises the importance of relationships with stakeholders it is approached from a persuasive perspective where the stakeholder relationship management processes

> *are most closely associated with efforts on the part of organisations to influence, or enact, their environments (Harrison, 2003, p. 14).*

This is almost the same as the two-way asymmetrical model of public relations where the

> *broad goal is to persuade publics to behave as the organisation wants them to behave (Grunig et al., 2002, p. 60)*

and research is used to

> *determine how to persuade publics to behave in the way the client organisation wishes (Grunig et al., 2002, p. 308).*

A change programme is enacted by managers on employees and other stakeholders and placing the power in the hands of management and

> *thus always reaffirming the controlling, parental position and, as we would expect, extending managerial interests (Deetz, 1995, p. 4).*

From a critical postmodern perspective, persuasion *per se* is not the problem, that is, as long as it is not one-sided and asymmetrical, persuading the public only to the side of the organisation, when the organisation should also be willing to change to the side of its publics. Both the enactment and the adaptation theories should be balanced, and information should be gathered in order to facilitate dialogical processes between the organisation and its publics, that is, where both should be willing to "listen as well as argue" (Grunig et al., 2002, p. 317).

Post et al. (2002) define the stakeholder view as:

> *The corporation is an organisation engaged in mobilizing resources for productive uses in order to create wealth and other benefits (and not to intentionally destroy wealth, increase risk, or cause harm) for its multiple constituents, or stakeholders (p. 17).*

When corporate managers listen and respond to the interests of stakeholders they will contribute to the wealth-creating capacities and activities of the organisation. Post et al. emphasise that they do not mean the 'management of stakeholders' when they refer to stakeholder management, because this would imply "manipulation of stakeholders for narrow organisational purposes" (2002, p. 20). Mutual benefit is the key managerial accent. The continued support of all stakeholders during change depends heavily on their perception that they are benefiting from the relationship with the organisation. If stakeholders feel that they are benefiting and that there is reciprocal trust in the relationship with the organisation, the need for formal communication in the form of regulation, contracts and hard bargaining becomes redundant. When parties collaborate they create unwritten contracts and 'trust funds' that build social capital (Post et al., 2002). The unwritten contracts are

bonds and links based on trust that tie groups together and they build up a 'trust fund' that either party can 'dip' into in times of uncertainty or crisis.

According to the stakeholder approach to organisations, trust is based on the belief in the ability and willingness of both parties to behave in the best interest of the other (Post et al., 2002). Integrity of the trustee is seen as a further contributor to the trust relationship, that is, when the trustee adheres to the value system of the trustor. The trust between stakeholders and organisations are sensitive and risky since both parties are vulnerable to being exploited. However, if a common understanding and trust can be achieved, communication will be less restrictive and relationships will become an intangible asset. A collaborative approach is not only more beneficial in terms of economic goals, but also has value in societal context, where meaningful democratic participation creates better citizens and social choices (Deetz, 1995). Dialogic communication and strong relationships can break the deadlock of self-interest and control, giving organisations a sense of the power of consent.

This brings us to the important differences between an information approach and a communication approach, and between communication strategy and participatory relationship strategy.

5.4 From strategic communication management to strategic relationship management

Current public relations theories that deal with management and corporate communication 'strategy' are much in line with the above general strategic management views of structured planning and decision-making. Public relations literature portray a rather traditional view of 'strategic communication management' because emphasis is much on the planning process of campaigns and communication plans which, in other words, is a tactical and technical view of the communication management process. The planning process is usually described as well defined steps or stages that follow one another, comprising broadly of research (formative and environmental scanning), planning (sometimes called the strategy stage), implementation (or tactics stage) and evaluation (Kendall, 1992; Oliver, 2001; Smith, 2002; Cutlip et al., 1994).

Steyn & Puth (2000), Grunig & Repper (1992), and White & Dozier (1992) call this process "communication management planning", which is distinct from "corporate communication strategy". One of the leading theorists in current views of corporate communication strategy, Steyn (2000) refers to this difference when she explains that

> *where strategic thinking determines the strategy (i.e. what the organisation should be doing), strategic, long-term and operational planning helps to choose how to get there by programming the strategies, making them operational (p. 38).*

Plans should be linked to strategies, but a strategy is the outcome of strategic thinking and has external, long-term focus.

Steyn (2002) describes the corporate communication process of strategic thinking as

> *senior communicators and top managers taking strategic decisions with regard to the identification and management of, and communication with, strategic stakeholders (p. 126).*

She further proposes corporate communication strategy on a functional level, where each functional unit of the organisation will contribute to the higher-level strategies associated with strategy implementation. Grunig et al. (2002) support this in pointing out that the Grunig & Repper's model (1992) was developed to adjust to the postmodern view, that is, where the participation from all management disciplines amalgamate resources to create and implement a strategy. Steyn (2000) suggests that the contribution of the corporate communication function should be the provision of information about stakeholder interests through research. She proposes a model for the development of a corporate communication strategy, where a series of steps provides guidelines to follow. The same basic model is also proposed by Ferguson (1999), which starts with an analysis of the internal environment of the organisation in terms of the mission, culture, vision, and the like. The most important part is to establish the organisational goals and objectives since the communication strategy should support and flow from these macro-levels.

The next step in this proposed strategy formulation process is the identification of the strategic stakeholders and publics of the organisation through an environmental analysis (Grunig & Repper, 1992; Ferguson, 1999; Steyn & Puth, 2000; Grunig et al., 2002; Smith, 2002). This is followed by the 'issues stage' where problems are identified that could have an impact on the organisation or the stakeholders. The issue stage would then lead to the setting of communication strategies, goals and objectives out of which communication plans are developed. All of these newer and sophisticated approaches to strategic communication management emphasise the importance of relationships as the core principle around which these strategies have to operate.

Grunig et al. (1992, p. 123) refer to the terms "manage" and "strategy" as "thinking ahead or planning rather than manipulation and control". Strategic management is a symmetrical process where the organisation considers its strategic interest, and changes its behaviour in order to accommodate stakeholders in its environment. Grunig et al. further describe it as "an approach, design, scheme, or system" (p. 123). This view of strategic management, which has only just emerged in the past two decades together with postmodern approaches to strategic management, coincides with the strategic management perspective of the organisation as a network of relationships with stakeholders (Harrison, 2003; Steyn & Puth, 2000).

There are a few concerns with the above perspectives and these will be addressed in the final section of this thesis with particular reference to the postmodern approaches (chaos and complexity theories)s to strategic communication management. Some of these problems relate to the fact that the above models still follow deterministic, logical, causal, linear 'steps' and processes. The improved model by Grunig & Repper (1992) suggest a more interactive and cyclical approach; but the "three stages" still suggest chronological inputs and consequences.

In all of the above models, the emphasis is still on communication management and communication strategy, and not on the management of relationships, as is seen here in Steyn & Bütschi's (2003) definition of public relations strategy:

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> *Public Relations strategy provides the focus and direction for an organisation's communication with its stakeholders, determining what should be communicated to assist in achieving organisational goals. These core messages are derived by identifying the organisation's key strategic issues (including social, political and ethical issues) and determining their impact on the stakeholders/other interest groups in society. Thereafter, determining what should be communicated internally and/or externally to solve the problem or capitalise on the opportunity presented by the issue (p. 4).*

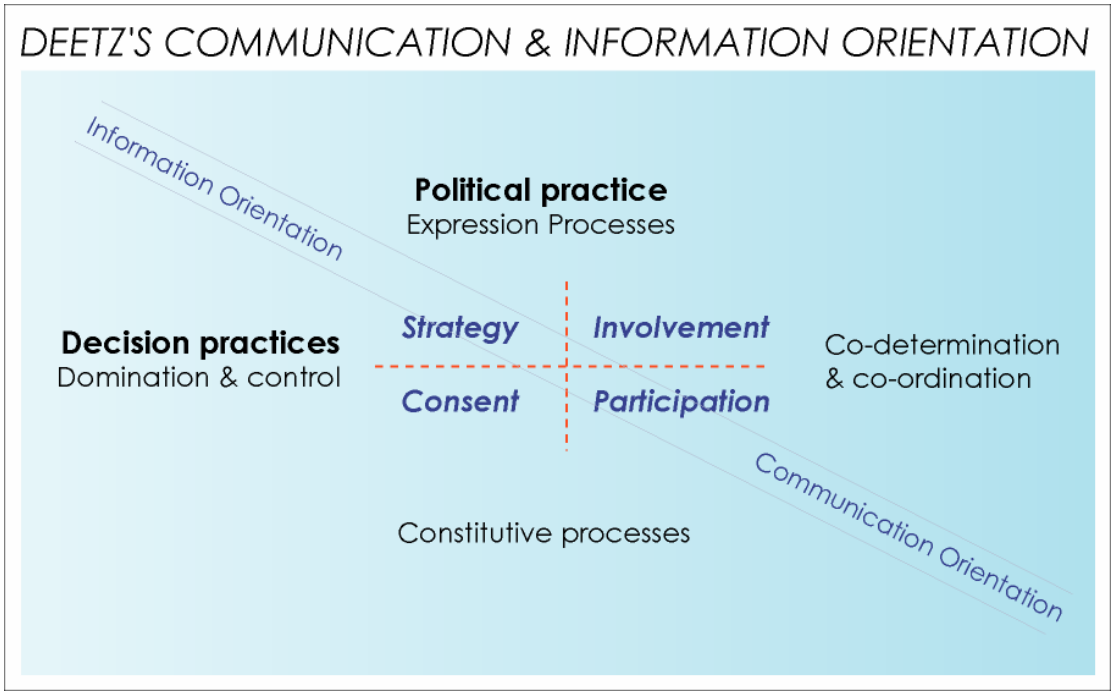
This definition demonstrates clearly that the focus is not on relationships or on the process of relationships, but on communication particularly with a major focus on determining what should be communicated, placing the control in the hands of the communication manager in terms of the content of the message. The control within this view of communication is not totally symmetrical or participative with reference to the stakeholders at whom the communication is aimed. There is no implication of participation in the formation of the messages, or much mention of the application of relationship management in order to achieve strategic goals. One could compare the involvement and participation raised by Steyn & Puth's (2000) model to the involvement principle in the critical theory of Deetz (Griffin, 2003) where stakeholders are involved by making themselves heard, but they do not have any true participation in the decision-making processes. Admittedly, Steyn & Puth (2000) do argue for more participation where:

> *research must shift from explaining the organisation's position or point of view, to listening with a view to taking different actions. Create forums for stakeholders to share expectations, invite them to comment, to help create values and to take part in auditing to see how the organisation adheres to its policies and values. This will lead to agreement on objectives that will secure stakeholder commitment, and thereby add stakeholder value (p. 197).*

Yet, the approach is on agreement and the resolution of conflicts, and the 'relationship' is still controlled by the strategic managers of the organisations. The public relations manager is prompted to improve research and strategic skills in order to become part of top management and be allowed into the board room. In contrast, the critical approach calls for ongoing negotiations (Deetz, 1995), and for

the public relations managers to be activists and not conform to management principles and power practices (Holtzhausen & Voto, 2002).

Figure 5-4: Deetz's communication and information orientation



Adapted from Deetz (1995)

Deetz (1995) explains the above distinction well in his diagram of the difference between control and co-determination, or constitutive practices. The two dimensions of *political practice* and *decision practice* represent how messages are sent and what action stems from joint decision-making. Political practice refers to what effect messages are supposed to have in society, and at one extreme, *expression processes* make known information that has previously been unknown and exists independently somewhere else. Moreover, this information is a reproduction of neutral and transparent feelings, meanings or perceptions that are free of any ideology. *Constitutive communication* consists of active and discursive processes that make meaning by focusing on society in a particular way. As Deetz (1995) puts it,

> *Informational approaches to interaction study are guided by a conception of messages as expression, and communication approaches by a conception of messages as constitutive (p. 99).*

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The second dimension in Deetz's (1995) diagram represents the decision-making processes regarding differences in society. Some of these processes are closed and exclusive, and some are more open and participatory. Deetz refers to Habermas's conception of this difference to clarify this dimension. More specifically, Habermas differentiates between strategy aimed to control or dominate and communication action in order to reach shared meaning and understanding. Informational approaches of interaction tend to perpetuate control, but dialogic communication approaches extend the participative nature of the meaning making process.

Deetz (1995) elaborates on this diagram further by exemplifying ideal types in each quadrant. Specifically, each represents the different ways in which corporations and publics make decisions. The four corporate practices represent the fundamentals in Deetz's critical analysis of managerialism (Griffin, 2003). Managerialism is strengthened by discourse of ideology and language. Control and power are supported by the use of terms and phrases such as 'in-formation', 'dead-line', 'making things run smoothly', 'bottom-line', 'management by objectives', 'key performance areas', and the like. Measurement becomes another form of control, and anything that can not be measured is not worth using. Every function is measured to see how it contributes to the 'bottom line'. Every form of employee dissent or resistance is very quickly 'dealt with'. Strategy is usually a dominant power that uses "reward, propaganda, coercion, and manipulation for control" (Deetz, 1995, p. 100). Information is usually open, direct, visible, and knowingly disseminated from the top structures in a system in their interest.

Involvement is typically a more democratic process where information is widely distributed, and dominant positions are elected through voting and due process. There is a free marketplace of ideas and freedom of speech, although the systems of information establishment are seldom questioned. This aspect of involvement, described by Deetz, corresponds to the communication strategies proposed by authors such as Steyn (2000), where forums provide opportunity for free expression of ideas. However, 'voice' does not imply just having a say (Griffin, 2003). As according to Deetz (1995), the right of expression of ideas and resistance to dominant ideologies is more important than the right to be informed. In other

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words, employees' ideas should not merely be heard but represented in the final decision-making process.

The third quadrant of consent proposed by Deetz (1995) is when information formation happens unnoticed through ideology and unquestioned practice, or as Deetz puts it, "When hegemonic, contestation appears irrational and ill-formed" (p.100). This happens when stakeholders willingly, but unknowingly, give their loyalty and support to an organisation without having their own needs met. The group complies with their own victimisation through "systematically distorted communication" (Griffin, 2003, p. 293).

The last quadrant represents participation and is based on

> *giving voice to difference, negotiation of values and decisional premises, and the production of new integrative positions (Deetz, 1995, p. 100).*

Any system may be questioned and power positions may be contested. True dialogue and discourse take place and conflict is welcomed. None of these dimensions are distinct extremes but they are continuous, and information often moves from strategy to involvement as it becomes more complex. In the same way, communication can move from concern or involvement to participation as it becomes more complex.

In order to apply the above diagram to organisational situations, Deetz (1995) points out that strategic planning brings along with it strategic social interaction in the form of marketing and public relations, and extends management control to the markets and the environment. Deetz is of the opinion that strategy discourse propagates power relations and stakeholder interests. Stakeholders are coerced into involvement where they increase their expression, but not necessarily their representation. In Deetz's (1995, p. 104) words, "They create a discussion forum without giving 'voice'". The control is never really relinquished, as conflicts are suppressed or 'managed' in order to solve them, and groups unknowingly consent to unequal partnerships where management still retains more power. Being involved make groups feel that they are participating, but they have to pay the price of losing their voice and giving up resistance. True participation is the process of

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dialogic communication where meaning is not created through influence but through participation. As Deetz (1995) states,

> *The humanistic psychologists' conception of "meaning is in people" is replaced by the communication question of "whose meanings are in people (p. 107)*

For true participation to take place all decision-making processes should be codetermined by all being influenced and by a decision outcome. The only way for decision outcomes to be ethical and moral is by equable participation. Answers lie in ongoing negotiation processes, not in the outcome of negotiations, that is, especially if the negotiation processes are governed by strategy put together by powerful dominant groups.

The problem with most of the above corporate communication strategies, or public relations strategies, is the lack of emphasis on participation and relationships. Many have processes of two-way communication and involvement, but whether they incorporate true participation, as put forward by the critical theories, postmodernism, chaos and complexity, is to be questioned. The importance of involvement or participation is mentioned but not discussed in detail, and without clear guidelines of how this would be included in the strategic processes proposed (Steyn & Puth, 2000; Steyn, 2002). Many communication managers are starting to understand the idea of attending to stakeholder needs and building relationships with them, but few understand the fundamental difference between being involved and being given a 'voice' (Deetz, 2001). Loyalty and commitment is encouraged through involving stakeholders, and most 'strategic' communication managers are co-opted into top management structures to form relationships that decrease resistance and resolve conflict. Communication managers should play the role of organisational activist (Holtzhausen & Voto, 2002) where collaborative decision-making results from genuine decisional inputs from stakeholders. In order to improve the positions of management, stakeholders and the environment, communication managers should become relationship managers by seeking alternative viewpoints to debate, providing forums for those conflicts, and contribute to meaning-making through continuous negotiations.

5.5 Change communication

There are basically two viewpoints of change communication: one dealing with single incidents of change (such as a crisis suggesting crisis communication), and the other dealing with communication in a constantly changing environment, thus suggesting a continuous approach to change management. The emergent approaches discussed in previous chapters address continuous change becoming part of everyday change communication. In a continuously changing environment, change is an everyday challenge to communications, and communication should become part and parcel of the change management process.

An investigation of the most popular change communication literature (Sanchez, 1997; D'Aprix, 1996; Larkin & Larkin, 1994; Cushman & King, 1995) has reflected a pure communication approach to change. Relationship management as part of the change process does not feature, and change communication is seen as one of the many issues to address during change. Larkin and Larkin's approach (1994) to change communication is summarized by: Communicate only facts; stop communicating values; communicate face-to-face; do not rely on videos, publications, or large meetings; target frontline supervisors; and do not let the executives introduce the change to frontline employees. This is a typical example of how change communication has been approached – a very technical, rules based, top-down approach. They do, however, place importance on uncertainty and probabilities.

D'Aprix (1996) mentions the importance of trust in change communication, but then continues not to explain or apply this principle any further. Chakravarthy's (1997) study into the change and corporate transformation strategies of two international telecommunication corporations finds that in order for successful change to happen, management needs to build trust by providing a voice for stakeholders. Participation and voice means inviting stakeholders to question decisions, file grievances, and verbalise conflicts.

Deetz (1995) summarises this rather eloquently:

> *The problem is that we are fighting over the direction of our companies and of our society. Those in control want to keep control at virtually any cost, and various consent processes keep others from being able to focus*

> *their energies on change and greater representation. The focus must be on the misunderstandings, misrecognitions, and suppressed conflicts before new programs can be embraced and successfully implemented. This requires reconceptualizing the nature of corporations and the processes of communication and representation. If meaningful change is to happen, reconceptualizing the process of interaction must be done together with structural changes in corporation along the line of the stakeholder model. Otherwise there is no space for the reclaimed conflicts and process of perpetual negotiation (p. 168).*

5.6 Applications and implications of emergent postmodern approaches for public relations and change management

5.6.1 Relationship management

In the management of organisations, effectivity is achieved when organisations attain their goals that are appropriate in relation to the organisation's environment. If not, strategic constituencies within that environment will keep it from achieving its goals and, ultimately, its mission (1992, p. 11). Communication management helps the organisation achieve these goals by identifying and building healthy relationships with the strategic constituencies. The healthier these relationships are, the more likely the organisation will be in achieving what it sets out to achieve. The quality of these relationships determines the effectiveness of the public relations function within the organisation. Living systems and learning organisations should concentrate on relationships and how they work (Flower, 1993, p. 50). As Youngblood (1997) points out,

> *Relationships skills are no longer a luxury. They are a necessity - both in business and for our global survival (p. 270).*

New and more fluid structures will replace traditional hierarchical structures, and information exchange will increase and accelerate (Marlow & 'O'Connor Wilson, 1997, p. 61). The 'network organisation' as mentioned by Bush & Frohman in 1991 (cited in Marlow & O'Connor Wilson, 1997, p. 68) is designed around communicators who "bridge, meld, and thus create synergy amongst the organisational units". This involves horizontal communication across departments and organisational borders in order to achieve creativity and innovation.

Communication managers could fulfil the bridging functions and facilitate interaction and network building, as well as contributing to management by

> *helping the corporation adjust to this change by creating understanding and making knowledge more productive (Marlow & O'Connor Wilson, 1997, p. 72).*

The role of communication management is becoming increasingly relevant, if not invaluable. The core responsibility of communication management is the maintenance of relationships and the facilitation of interaction (Grunig, 1992, p. 11; Ledingham & Bruning, 1997, p. 27). Therefore, communication becomes the basic requirement for self-organisation, and communication management becomes the strategic tool to manage the interactions. As Grunig (1992) notes, public relations and communication management describe communication with

> *both external and internal publics - groups that affect the ability of an organisation to meet its goals (p. 4).*

Kiel (cited in Evans, 1996, p. 492) promotes the idea that management should create learning organisations that are flexible and fluctuating. He proposes citizen participation and stresses that although this could bring about complexity,

> *empowered and involved citizens could fulfil the intention of democracy (Evans, 1996, p. 492).*

They participate in the process of creating service to customers and clients. Thus they create their own reality and take ownership of it. The borders of the organisation become open and no definite lines can be distinguished. The implications for the other functions within the organisation become prevalent. Strict differentiation between functions in the organisation can cause fragmentation. Sub-systems should be more flexible with an interdisciplinary approach of working together to achieve strategic organisational goals.

Within the emergent perspectives more emphasis is placed on relationships between entities, and not on the characteristics of the entities themselves (Wheatley, 1994, p. 68); Cilliers, 1998, p. 116). As McDaniel(1997) point out,

> *Relationships are all there is to reality and nothing exists independent of its relationships with the environment (p. 24).*

If communication management is all about relationship building, then the importance of this field of study to management is self-evident.

5.6.2 The role of participation

Another major contribution of the emergent theories to change management is the participative nature of new sciences management (Wheatley, 1994, p. 64). If employees participate in decision-making, they will also take ownership for the work they are doing and will feel that they have an emotional investment in their work. Just as reality is what is observed in quantum logic, in the same manner employees will only see a decision as 'real' if they have interacted with it, and will only commit once they have participated. It is almost possible to say that if employees participate in all the decision-making processes, it would not be necessary for management to take the responsibilities for changes to happen—the people themselves will make it happen.

But this participation does not merely suggest interaction (communication) with stakeholders, but also participation (negotiation, discourse) by all stakeholders in the creation of the strategic process itself. This is essentially a bottom-up approach to strategic management. Steyn (2000, p.192) alludes to this notion when she refers to participation of and partnering with stakeholders of an organisation, although the rhetoric used in her suggestions still indicate traditional management ontology. The use of such terms as 'appointment to board of directors', 'management', 'control', 'included in major decisions', implying that the processes are still managed by the organisation, and stakeholders are appointed or included in decision-making by management. In short, the control in this context is still in the hands of management. A postmodern perspective would suggest taking a step back where diverse stakeholders are part of a network of relationships and decisions resolve and flow naturally out of discourse and constant change. The emphasis is on the relationships and not on the decision-making processes. If the relationships are strong, then the outcomes of decisions would almost not matter because whatever the outcome of a decision, the consequences would work out to be to the benefit of the organisation in the long run.

5.6.3 Free flow of information

The traditional view of management, in terms of communication, is that information is power and it has to be controlled and "fed to employees in little doses" (Flower, 1993: 51). This worldview implies that structures determine the information needed, and that perceptions must be managed by feeding the 'right' information and withholding information that might lead to disorder and chaos (Youngblood, 1997, p. 62). The immediate reaction to disorder caused by changes was to clamp down on information and to control it (Flower, 1993, p. 51).

Flower (1993, p. 51) suggests a radical approach to the flow of information. That chaos should be created by providing an overflow of relevant and important information to such an extent that it overwhelms employees. People then get scared and frustrated, and will try to control the information. The overload of information finally causes people to give up and let go. Only then can people develop the ability to look at the information holistically and form knowledge and wisdom—knowledge that is adaptive and transforming.

The flow of information in a system is what keeps a system alive (Youngblood, 1997, p. 69) and builds strength into a system (Wheatley, 1994, p. 102). Communication managers are responsible for the creation and translation of symbols in organisations (Holtzhausen, 1995, p. 154) and the more complex the system, the more the responsibility the manager has to create shared meanings about the interpretations of symbols (Spicer, 1997, p. 188; Gayeski & Majka, 1996, p. 24). It is also interesting that the more information is processed during times of change, conflict, and complex decision-making, the higher the quality of the decisions ultimately made. According to Spicer (1997),

> *communication managers are more likely to engage in symbol creation behaviours, especially ones involving external stakeholders during times of uncertainty (p. 242).*

5.6.4 Conflict management

Spicer (1997, pp. 70-73) argues that although the systems theory holds that the public relations function attempts to maintain a degree of equilibrium between elements in the environment and the organisation, it falls short because this

implies an apparent self-centred focus of the alignment process, as well as a degree of control. From the perspective of chaos theory, the systems approach to public relations also denies the fluctuations in the environment to such an extent that non-linearity and complexity could move the organisation into chaos and disorder. Within the chaos paradigm, it is almost impossible for public relations to be held responsible for maintaining homeostasis in an environment as volatile as the one in which organisations currently have to function.

The political approach of Spicer (1997, p. 138) comes closer to the chaos approach in the sense that it stresses that the more uncertain an environment, the more politics of management will come into play. Spicer suggests that because of the boundary spanning function of public relations, it acts as an "uncertainty absorbing buffer" (1997, p. 139). During times of change uncertainty abounds and ambiguity arises because of

> *our inability to understand complexity and change or our inability to forge shared understandings on how best to respond to those complexities and changes (Spicer, 1997, p. 227).*

Contrary to the Newtonian approach to organisational management, the chaos paradigm suggests that instead of taking responsibility for the maintenance of equilibrium with the environment, organisations could actually create chaos and ambiguity in order to stimulate growth and development. Conflict would then be only a symptom of the organisations attempting to reorganise itself (Dennard, 1996, p. 498). Managers should become "facilitators of disorder" (Wheatley, 1994, p. 116), and should involve employees in seeking disconforming information. They should set processes in place to support the conflict that organisational ambiguity creates (Wheatley, 1994, p. 116).

Again in Spicer (1997, p. 266), it is suggested that public relations managers should become more involved in strategic management decision-making the more complex the environment becomes. The relationships with the environment should be analysed to determine what strategies should be followed in conflict situations, and a combination of the collaborative and the advocacy conflict management approaches should be followed. Spicer (1997, p. 266) further suggests that the concern over the ethical issues involved in conflict management should be the

responsibility of the organisational ombudsperson. Because public relations should know the intricacies of organisation-stakeholder relationships, the communication manager should be involved in this conflict management process. Organisations are often seen as arrogant in the way they manage conflict situations during times of change, because they become involved in an assertion/counter-assertion spiral that could lead to negative entropy and ultimate breakdown. Only a true understanding of relationships, channels that carry information in both directions, and symmetrical conflict management can contribute to wise management decision-making. As Spicer (1997) states,

> *Accurately understanding the perspective of outside groups is the art of public relations and the mark of a truly talented practitioner (p. 297).*

5.6.5 Diversity management

Together with conflict management comes the new role of relationship management from the perspective of the chaos and complexity paradigm, which introduces as much diversity as possible into organisations (Dennard, 1996, p. 499). Marlow & Wilson (1997) argue that

> *...innovation occurs, in part, as a result of an individual or group of individuals having the courage to highlight their relative cognitive diversity (p. 58).*

Stacey (2003) adds to this:

> *Diversity is a prerequisite for the emergence of the new (p. 262).*

Diversity brings conflict and ambiguity but it also delivers creativity, variety, strength, increased dialogue and adaptability. Dialogue explores different ideas and in turn produces more complete understanding (Youngblood, 1997, p. 255). The traditional approach in public relations and marketing communication that calls for 'one voice', in terms of consistent and controlled communication, should also be questioned as this does not support a divers approach, that is, where dialogue, discourse, conflict, and learning in the organisation can take place (Holtzhausen & Voto, 2002). As Grunig et al. (2002) so aptly put it:

> *The organisation may gain an advantage in speaking with one voice; it suffers the disadvantage of listening with one ear (p. 280).*

Employees should develop a mindset where they can interpret, understand and appreciate diverse points of view without being taken aback by these differences. Organisations will only become diverse if minority groups are empowered (Marlow & O'Connor Wilson, 1997, p. 59) and, again, the role of ethical conscience that the communication manager could play in the organisation is of significance. There is also a direct link between excellence in communication in an organisation and the diversity of employees (Dozier et al., 1995, p. 151). The choice of channels of communication, understanding different internal and external audiences, and facilitating relationship building and two-way symmetrical communication, are competencies that communication managers could bring to effective diversity management (Marlow & O'Connor Wilson, 1997, p. 59; Dozier et al., 1995, p. 151).

5.6.6 Issues management and social responsibility

As organisations change, they carry a great responsibility to the stakeholders who could be affected by all these changes. They should be considered in terms of decision-making and should participate in the strategic planning of the changes (Marlow & O'Connor Wilson, 1997, p. 43). As strategic managers, communicators should fulfil a boundary spanning role, perform environmental scanning, and act as a warning system in times of crises and change (Dozier et al., 1995, p. 15). Environmental scanning could alert an organisation about issues in the changing environment that could amplify and cause negative entropy in the organisation. Research is an invaluable tool for the communication manager to scan the publics affected by changes, and provide information vital in building relationships, sensing conflicts and strategic decision-making (Dozier et al., 1995, p. 199).

As with the chaos principle of fragmentation and fractals, issues managers find relationships between social concerns and issues within the organisation (Murphy, 1996, p. 103). These relationships are impossible to fully understand and identify when considered in a linear, quantitative and fragmented way. Rather, they should be studied over time and from a distance so that the patterns may be identified. Linkages should be made almost with a 'sixth sense' developed by experience of the industry and through networks and well-formed relationships.

The 'flow' of the different publics of the organisation could also be described and identified within the chaos paradigm (Murphy, 1996, p. 103). Just as the flapping of the butterfly's wings can gain momentum and cause a tornado, isolated dissatisfied individuals can gather force by grouping together in increasing complexity. Publics and stakeholders that change constantly in terms of becoming more of less active, depending on the issues at stake, make in difficult for communication managers to identify points of bifurcations and what the 'real' issues are. Murphy (Murphy, 1996, p. 103) suggests that they should learn from chaos theory in order to look further than short-term demands and complaints, and search for the true strange attractors by building relationships with publics. This is where corporate social responsibility becomes relevant as a

> *concern and active two-way involvement with social, economic and political forces which influence the environment within which it exists (Overton-De Klerk, 1994).*

Social responsibility is a constant dialogue with the environment in order to fit the organisation to the needs of publics, rather than trying to influence publics to change according to the needs of the organisation (Murphy, 1996, p. 103). The strange attractors of this chaotic system, such as interest groups, make it very difficult to 'manage' publics. They resist changes from the outside, but their inherent fluctuations cause their own changes. It is thus important to build relationships with these groups through education and dialogue that might amplify to larger and unpredictable.

All systems are independent and an organisation only exists because the environment, within which it exists, allows it to be lucrative. There is a symbiotic relationship between an organisation and its environment, so some of the profits generated through customers and consumers should be ploughed back into the environment (Ledingham & Bruning, 1997, p. 27). Ethical and responsible public relations will contribute to a better understanding, not only between organisations and publics, but also to constructive conflict management (Grunig, 1993, p. 137).

Ethical and successful organisational-public relationships build on "trust, openness, involvement, investment and commitment" (Ledingham & Bruning, 1997, p. 28). The correspondence between this advice of Ledingham & Bruning for

openness, involvement, and investment in the community and the arguments of chaos specialist (see also Wheatley, 1994; Youngblood, 1997; Briggs & Peat, 1989; Murphy, 1996) for open, borderless, participative systems, are obvious. It also follows that the more the organisation is in close contact and dialogue with the environment, the easier possible crises can be assessed and issues can be identified, and these can be included in strategic planning.

5.6.7 Crisis relationship management

Recall Aula's (1999) depiction of bifurcations:

> *Bifurcation refer to a system's condition or behaviour's suddenly dividing or branching into two different or merging part behaviours (p. 193).*

These points of bifurcations can happen if an organisation's structure becomes unstable or the environment changes so rapidly that the organisation loses control (Aula, 1999, p. 197). These bifurcation points can occur recursively and thus form bifurcation trees, which are multiple points of change and complexity that are difficult to control. This is typical of a crisis situation within an organisation.

A crisis is a bifurcation point in the

> *organisation's history which irreversibly changes its culture and business (Murphy, 1996, p. 106).*

These points are not random but they occur because of accumulated flaws or problems within the system. But just as all crises do not necessarily lead to negative outcomes (compare the building of trust and credibility in the famous Tylenol-tampering crisis), these questions can therefore be asked: why is chaos seen as negative? That is, if a system could evolve into such a large negative chaotic state, why couldn't the same momentum be used to generate positive energy and change? Communication management has the potential of turning a chaotic state into a positive state (McDaniel, 1997, p. 25). That is, a communication manager could facilitate the building of positive values, and thereby contributing to large positive outcomes in the future state of the organisation.

Effective communication management is a critical tool in the management of a crisis situation (Marlow & O'Connor Wilson, 1997, p. 84). Organisations often experience information meltdown during a crisis, and decide to take total control of all information, and feeding through only what they consider important, necessary or 'safe'. It is at this point that open, free and total flow of information is crucial as propagated by the chaos approach (Flower, 1993, p. 50).

5.6.8 Knowledge management and learning organisations

According to the chaos concepts of holism, systems should be understood as relationships that exist between all the entities of the system (Wheatley, 1994, p. 9). These systems are ever changing and, if viewed from a distance, display recurring patterns that have characteristics of earlier patterns. Organisations go through cycles, and because of their inherent ability to change, there is also an inherent need to learn (Youngblood, 1997, p. 134). The more changes occur, and the more diversity is built into the system, the more conflict becomes a regular occurrence. But, as mentioned earlier, this can lead to growth and development. Marlow & Wilson (1997, p. 79) warn that employees should not only be motivated to make the correct decisions during times of change, but also be empowered with knowledge. According to statistics from an unpublished United States by Career Systems Advantage, Inc. white paper,

> *knowledge workers (professionals and technical workers) are the fastest growing segment of the workforce, predicted to be 20 percent by 2005 (cited in Marlow & O'Connor Wilson, 1997, p. 38).*

Marlow & Wilson (1997, p. 79) suggest that an organisations' inclination to learn is directly influenced by management of information and communication. By examining the process of learning, the communication manager can contribute through the facilitation of dialogue and reduction of barriers to effective communication. Only by listening to the needs of employees, encouraging team interaction, challenging existing approaches, and providing communication channels, can an organisation truly learn and improve (Head, 1997, p. 197).

5.6.9 Strategic planning to scenario planning

As organisations become less predictable and less controlled, the question that can be asked is what the role of strategic planning will be. Suggested here is that it might become more important to plan strategically by looking at possible outcomes, that is, scenario management. If we manage as according to chaos theory, we will not be able to predict accurately (McDaniel, 1997, p. 24). The answer could thus be to look at possibilities of what could happen in future, and then plan for those possibilities. These plans would also have to be totally flexible and adjustable. The new slogan, according to T. J. Cartwright (cited in Flower, 1993, p. 50), a planning expert, should be "order without predictability". If this is true the importance of ongoing, two-way symmetrical communication and dialogue, as well as environmental scanning, again become significant. The contingency approach to strategic management posits that

> *organisations are most successful if they align their internal structures and processes with the demands of the environment (Spicer, 1997, p. 61).*

This can only be done by maintaining positive relationships through mutual adjustment and constant dialogue, and by scanning the environment for information on possible changes and crises.

Larkin & Larkin (1994) summarise this well in saying that in the complex and changing world we live in

> *the decision to restrict communication to certainty is a decision not to communication at all. Communication must be brought into alignment with the sorts of changes we are trying to communicate: uncertain, changing, and full of probabilities (p. 238).*

5.7 Role of the relationship manager and other leadership roles in change management

McDaniel (McDaniel, 1997, p. 29) believes that it is the responsibility of management to get people together and help them engage in dialogue, so that they can improve the process of self-organisation. The new leaders should constantly seek opportunities to connect groups and individuals. High quality, long-term

relationship's where mutual understanding and enrichment is promoted and nurtured, should be one of the key issues of strategic management (Youngblood, 1997, p. 115).

Wheatley (cited in Dennard, 1996) notes that the new manager should be more concerned with the maintaining of relationships than ever before because of the self-organising nature of relationships. That is,

> *In effect, goals are secondary to those relationships that make it possible to achieve goals (p. 499).*

Furthermore, effective leadership is about guiding organisational vision, values and beliefs. The leader's task is to communicate these, "keep them ever-present and clear" (Wheatley, 1994, p.133), but still allow employees the freedom to question, discuss and think laterally (Wheatley, 1994, p. 133).

Flower (1993, p. 52) suggests a revolutionary idea for managers who want to motivate their employees: just don't! Because of the self-organising ability of systems employees will make adjustments that would be required from them to prosper. Therefore, it will not be necessary for managers to find ways to drive people; rather that they should be provided with a suitable environment for developing themselves. More interestingly still, according to Flower (1993, p. 52), one of the most important factors that contribute to this 'suitable environment' is for employees to be involved in "satisfying social relationships". That is, they must be able to learn, have access to information, and be free to choose between a variety of relationships.

For many managers the chaos management approach holds many problems as they are afraid to lose control and to work with so little structure. However, many MBA students have reported that after a few years of completing their programs, they "wished they had focused more on people management skills while at school" (Wheatley, 1994, p. 144).

Communication consultants suggest that the communication manager's role in chaotic organisations is changing, and that it will not be sufficient to merely create effective technical communications, such as newsletters or annual reports (Gayeski & Majka, 1996, p. 5; McGoon, 1994, p. 13). They should become involved in

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establishing effective communication channels to facilitate dialogue, diversity of ideas, and participative decision-making for change. As Gayeski & Majka (1996) point out, communicators should

> *learn the business and coach management to lead by example - that is one of the most effective tools around today (p. 6).*

Interpersonal and management communication skills are becoming increasingly important, and communication managers could assist executives in building their skills so that they can identify issues, provide contexts for information, and interpret possibilities (McGoon, 1994, p. 15; D'Aprix, 1996, p. 112).

5.8 Summary

In this chapter, the concept of relationships was explored with reference to the development of the concept and major contributions from other fields of study, such as marketing, interpersonal communication and strategic management. The theoretical move from strategic communication management to strategic relationship management has also been explained. In the latter part of the chapter the applications and implications of the emergent approaches, discussed in Chapter 3, for public relations and change management were discussed. In the methodology chapter that follows each of the previous theoretical chapters are combined to represent the independent and dependent variables tested in Chapter 6.