
CHAPTER 7

**SENIOR COMMUNICATOR VIEWS OF
STAKEHOLDER RELATIONSHIP MANAGEMENT
ACCORDING TO THE KING REPORT ON
GOVERNANCE**

7.1 INTRODUCTION

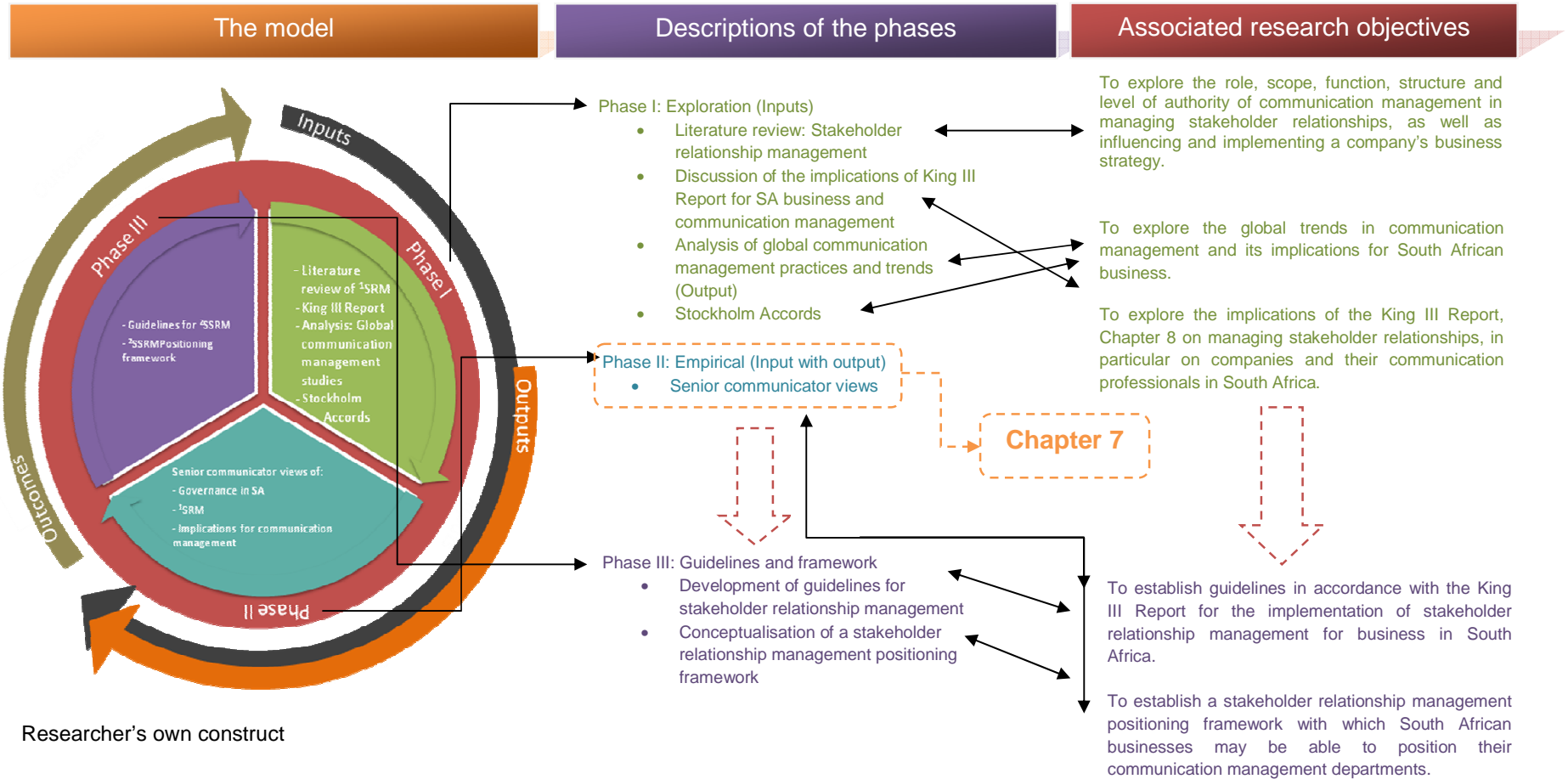
The views of senior communicators of selected top performing companies in South Africa form the basis for Phase II of the study and were needed for the development of guidelines for the management of stakeholder relationships as well as a stakeholder relationship management positioning framework. However, to achieve this, understanding of the role of communication management in stakeholder relationship management is necessary. Therefore, the role, scope, function, structure and level of authority of communication management in managing stakeholder relationships, as well as influencing and implementing strategy (including strategic communication) within business in South Africa, is explored.

Phases I and II informed this phase of the study and are used to understand the views of the senior communicators by relating these views to the theory as well as to Chapter 8 of the King III Report on Governance. Figure 7.1 provides a graphic display of the phases of the study as a reminder of how the phases inform and influence each other.

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Figure 7.1: The relationship between the phases model and the research objectives of this study related to Chapter 7



Researcher's own construct

7.2 SUMMARY OF PHASES RELATED TO THIS CHAPTER

A summary of the phases that have not been completed up to now in relation to the chapters of this study is provided in Table 7.1.

Table 7.1: Summary of the phases not completed in relationship to the chapters of this study

PHASES	CHAPTER	NAME OF CHAPTER
Phase II: In-depth interviews (Empirical research)	Chapter 7	Senior communicator views of the role of communication management in stakeholder relationship management
Phase III: Guidelines for the management of strategic stakeholder relationships and stakeholder relationship management positioning framework	Chapter 8	Guidelines and positioning framework for stakeholder relationship management

7.3 SENIOR COMMUNICATOR INTERVIEW RESULTS

The approach used in analysing the research results from the in-depth interviews conducted is done with the use of the approach outlined by Cresswell (2009:185). This process was discussed in Chapter 6. The research results are presented in accordance with the research objective it addresses, which is outlined in section 7.3. The research objectives are addressed through broad areas, themes and subthemes. The related summary of responses is provided in Table format, the associated theory outlined, followed by a brief discussion of what was found. A summary of the areas and themes is provided in Table 7.2 as a guideline to the presentation of the research results.

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Table 7.2: Areas and themes associated with Research Objective 1

RO	AREA	THEME	SUBTHEMES (WHERE APPLICABLE)
Research Objective 1	The description of communication management in South African business	<ul style="list-style-type: none"> • Definition of communication management • The functions of communication management • The role of communication management • Leadership communication • Integrated communication • Risk communication 	
	The legitimacy of communication management in South African business	<ul style="list-style-type: none"> • Authority of communication management • Reporting lines • The structure of the communication management department • The need for communication management • How communication management is viewed in South African business 	Strong authority Limited authority No authority
	The requirements for success of communication management in South African business	<ul style="list-style-type: none"> • Requirements for success itself • The company structure • The knowledge base of communication professionals • Measurement in communication management • The standards in the field 	
Research objective 2	Stakeholder relationships	<ul style="list-style-type: none"> • Stakeholder relationship management • Defining stakeholders • Identifying stakeholders • Stakeholder engagement • Issues management • Reputation management • Conflict resolution and crisis communication 	SRM as a proactive approach SRM as a reactive approach Other (engagement as proactive/reactive) Structured vs. unstructured approach to stakeholder identification What stakeholder engagement is Approaches to stakeholder engagement Specific engagement interventions for specific stakeholders
	Understanding corporate governance	<ul style="list-style-type: none"> • Corporate governance • Corporate social responsibility (CSR) • Sustainability • Citizenship 	
	Implications of King III, Chapter 8 for South African business and communication management	<ul style="list-style-type: none"> • Implications for South African business and communication management • The contribution of communication management • Communication strategy 	

Researcher's own construct

7.4 FIRMAGRAPHS OF THE PARTICIPANTS' COMPANIES

The firmagraphic details of the companies included in the study are outlined in Table 7.3. From this Table it is evident that companies from various sectors and industries are represented in this study. Only medium and large-sized companies are included in the study. Six companies are listed on the JSE Social Responsibility Index and all the companies are among the top performing companies in South Africa. Of the nine companies included in the sample, six have global operations.

Table 7.3: Firmagraphic details of the participants included in the study

Name	Sector	Size	Industry	SRI index
Participant 1	Tertiary	Large	Wireless Telecom Services	Yes
Participant 2	Tertiary	Large	Real Estate Holding and development	Yes
Participant 3	Secondary	Medium	Household appliances and consumer electronics	No
Participant 4	Secondary	Medium	Beverages - Distillers and vintners	No
Participant 5	Tertiary	Large	Broad line Retailers	Yes
Participant 6	Secondary	Medium	Hospital Management and Long-term care	Yes
Participant 7	Secondary	Large	Paper	Yes
Participant 8	Secondary	Medium	Building and construction materials	Yes
Participant 9	Tertiary	Large	Specialty and other finance: Accounting and consulting	No

7.5 RESEARCH RESULTS OF RESEARCH OBJECTIVES 1 AND 2

The views of senior communicators included in this study are presented in this section structured around Research Objectives 1 and 2.

7.5.1 RESEARCH OBJECTIVE 1

To explore the role, scope, function, structure and level of authority of communication management in managing stakeholder relationships, as well as influencing and implementing a company's business strategy

In addressing Research Objective 1, the data was coded into themes. The themes associated with this question are clustered around three broad areas, being the description of communication management in South African business, the legitimacy of communication management in South African business, and the requirements for success of communication management in South African business. The themes associated with each of the areas are briefly outlined below, after which the results are presented in Tables 7.4, 7.5 and 7.6. The Tables outline the area under discussion first, followed by the theme, responses and theory in three side-by-side columns. In a block below the three side-by-side columns, and a discussion of the theme's responses in relation to the theory are presented. The area under discussion is repeated at the top of each page for ease of reference.

(i) The description of communication management in South African business

The themes associated with this area are the definition of communication management, the functions of communication management, the role of communication management, leadership communication, integrated communication and risk communication. The results are presented in Table 7.4.

(ii) The legitimacy of communication management in South African business

The themes associated with this area are the authority of communication management, reporting lines, the structure of the communication management department, the need for communication management, and how communication management is viewed in South African business. The results are presented in Table 7.5.

(iii) The requirements for success of communication management in South African business

The themes associated with this area are the requirements for success itself, the company structure, the knowledge base of communication professionals, measurement in communication management and the standards in the field. The results are presented in Table 7.6. A discussion of the responses from each of these broad areas and associated themes follows, linked with the relevant theory.

Table 7.4: The description of communication management in South African business

Area 1: The description of communication management in South African business		
Theme	Responses	Theory
Definition of communication management	<p>In some instances, participants provided a description rather than a definition of communication management. The following descriptions provide a summary of the views:</p> <ul style="list-style-type: none"> • Consists of internal and external communication • Identifying stakeholders, managing relationships with these stakeholders • Managing channels and messages (sending and receiving messages), storytelling, mouthpiece communicating objectives and intent of the business, managing the spokesperson. • Leadership communication around integrity and respect. • Integration (dovetails to the core of the business, way/means of doing business, links the whole together, core to business activities where everyone is responsible/accountable for communication in the form of subject matter experts or task leaders. • Exists at corporate, divisional and site levels. • Issues driven • Provides views, guidance, advice and aids in execution of resolving problems. • It is not a stand-alone function, but integrated. • It is an inside-out approach. • Revolves around corporate social investment. • It is a brush approach. • Measurement is necessary. 	<p>Communication management is the management of the organisation's communication function contributing special concern for broader societal issues and approaches to problems (Van Ruler & Verčič, 2005:264).</p> <p>Communication management is seen to be managing communication for the organisation in order to enhance the effectiveness of the organisation with the use of establishing and servicing stakeholder relationships (Steyn & Puth, 2000:5).</p> <p>Communication management is defined as the "management through communication, of perceptions and strategic relationships between and organisation and its internal and external stakeholders" (Skinner et al., 2008:4). It is also referred to as managed communication for the organisation in order to enhance the effectiveness of the organisation using the establishment and servicing of stakeholder relationships (Steyn & Puth, 2000:197).</p>
<p>Discussion – The definition of communication management</p> <p>From the views of the participants, communication management is defined as <i>the management (which includes messages and channels) and facilitation of communication (through leadership communication, communication integration throughout the organisation and through providing advice and support), with the use of research (pre- and post-intervention implementation) at various levels of the organisation, driven by issues, through identifying stakeholders and managing relationships with these stakeholders, both internally and externally, with the aim of communicating business objectives and intent.</i></p> <p>The definition provided in the theory, closely supports this view of the participants of this study, where communication management is regarded as issues driven, managed to support organisational effectiveness, through the management of perceptions and strategic relationships between an organisation and its internal and external stakeholders. One notable difference is the emphases placed on the facilitation role where communication management supports leadership communication and staff in carrying messages.</p>		

Area 1: The description of communication management in South African business		
Theme	Responses	Theory
<p>Functions of communication management</p>	<p>The main functions reported by the majority of the participants included:</p> <ul style="list-style-type: none"> • Internal communication (6) • Media relations (5) • Stakeholder engagement/relationship management/communication (5) <p>The other functions mentioned by some of the participants included:</p> <ul style="list-style-type: none"> • External communication (3) • Investor relations (including the annual report) (4) • Reputation and risk management (2) • Government and community relations (2) • Human resources (2) <p>The functions mentioned by only one participant included:</p> <ul style="list-style-type: none"> • Strategy development • Consumer communication • Industry affairs • Graphic design • Corporate citizenship • Business systems • Corporate advertising • Sustainability communication • Business development • Proactive communication • Crisis communication <p>In this theme, a participant mentioned that it is difficult for their department not to operate in silos, another mentioned that at an operational level, the task leaders execute the communication tasks and another noted that media relations made their department a high profile department in their company.</p>	<p>Goodman (2006:197) states that communication management is used as an umbrella term for a number of functions regarded as strategic. These functions include public relations, crisis communication, corporate citizenship, reputation management, community relations, media relations, investor relations, and the like.</p> <p>In a study conducted in 2008, South African companies regarded integrated communication, reputation management and crisis communication as the most important functions of communication management (Meintjes et al., 2009:73).</p>
<p>Discussion – The functions of communication management</p> <p>The functions highlighted by the participants seem to be fairly different to those mentioned in the theory. Three core functions emerged, being <i>internal communication</i>, <i>media relations</i> and <i>stakeholder engagement/relationship management/communication</i>. Those of lesser importance emerged as external communication, investor relationships, reputation (which now includes risk communication/management), government and community relations and human resources. A few functions, not previously noted in the theory emerged, being consumer communication, industry affairs, business development and systems and sustainability communication.</p>		

Area 1: The description of communication management in South African business		
Theme	Responses	Theory
Role of communication management	<p>The views of the role of communication management varied with little similarities found in the responses. Some similarities were found in the following role identified:</p> <ul style="list-style-type: none"> • Enhancing stakeholder engagement (3) • Getting messages across/distributing info (3) • Aligning and linking strategic goals (2) • Being the liquid transport/conduit of business activities (2) • Assisting in achieving business goals and strategic development through the obtaining input from people in the company (2) • Tactical media management (2) • Empowerment/improving communication capability of staff (2) • Reputation management (2) • Improving business value, growth and cost saving (through crisis avoidance and staff retention) (2) • Managing communication with stakeholders (2) <p>The following views were only expressed once by a single participant around three (3) subthemes:</p> <ul style="list-style-type: none"> • Messaging/channels/mediums <ul style="list-style-type: none"> ○ Clarifying messages ○ Removing communication blockages ○ Identifying key messages ○ Creating communication channels ○ Using various mediums • Business and communication strategy <ul style="list-style-type: none"> ○ Communicating business strategy ○ Developing communication strategy • Other <ul style="list-style-type: none"> ○ Set outline for stakeholder engagement (business units has unique stakeholders) ○ Advisory role ○ Channel management and integration ○ Managing perceptions and relationships ○ Crisis avoidance/issues management ○ Analysing the landscape, audiences and platforms ○ Growing goodwill ○ Creating awareness of the communication management function 	<p>The strategic role of communication management implies that communicators participate in strategic planning and consider the strategic implications of all the work they do for the organisation. Secondly, strategic communicators view themselves as communication experts and are seen as such by others in the organisation as well. Thirdly, strategic communicators are problem solvers in the area of communication and finally, strategic communicators interact with the environment to stay up-to-date with new stakeholder groups and societal trends and as such their work is future-focussed (Tindall & Holtzhausen, 2011:89).</p> <p>Steyn (in Toth, 2007:141) outlines three roles for communication professionals which include the role of the strategist as outlined above by Tindall and Holtzhausen, the role of the manager, which involves research and participation in management decision-making. Finally, the role of technician, which involves the execution of messages through different channels.</p>

Area 1: The description of communication management in South African business
Discussion – The role of communication management

Six roles are identified from the responses of participants, being stakeholder relationship management, strategy involvement and development, reputation management, advisory, crisis communication and message and channel management. Each of these is discussed in more detail below:

- *Stakeholder relationship management* can be regarded as a strategic role also outlined in the theory. This role involves engaging stakeholders, managing communication with stakeholders and establishing a stakeholder communication framework for the business.
- The *strategy involvement and development* role ideally fits with the strategic role outlined in the theory. This role involves improving business value and cost saving for the business, assisting in achieving business goals and developing strategy. This is done by acting as the conduit for business activities. This role further encompasses communicating business strategy and aligning communication goals with strategic business goals.
- *Reputation management*, although it contributes to business value and success, may be regarded as a managerial role from a communication management perspective. This involves growing goodwill among stakeholders, managing perceptions and relationships as well as media management.
- The *advisory* role identified, aligns well with the theory of the managerial role of communication management. This role involves the empowerment of staff in the business by improving their communication capability. It also includes creating awareness of the communication management function and the role it plays in the business.
- *Crisis communication*, again, aligns well with the theory of the managerial role of communication management. It involves crisis avoidance and crisis communication if and when a crisis occurs. Overlap exists with the reputation management role in terms of media management as well as the stakeholder relationship management role, where, if communication with stakeholders is managed well, crisis may be avoided.
- The *message and channel management* role is described in the theory as both a managerial and a technical role performed by communication professionals. It involves developing communication strategy and the clarification and management of messages to ensure blockages for understanding are eliminated. It further involves identifying key messages, creating and identifying channels and managing these channels and mediums for optimum results. This may be achieved through integration of both the message and channel. Integrated communication identified here overlaps with the theme of integrated communication identified as part of this area.

Theme	Responses	Theory
Leadership communication	A theme around leadership communication emerged where two (2) participants highlighted the importance of leadership communication. The integrity of the message is enhanced if it originates and is reflected by the CEO, illustrating respect for stakeholders. Furthermore, the CEO checks issues with staff and then assumes responsibility for communicating on the issue.	<p>Grunig (1992b:236) highlights the importance of the CEO's communication abilities in creating a climate internally for communication management to be effective, and externally for stakeholder affairs.</p> <p>Puth (2006:4) argues that "for communication to become an effective leadership tool and a force in business, it has to be practiced and applied effectively by the organisational leadership". He refers to this effective practice and application of communication by leadership as leaders becoming "the communicating leader".</p>

Discussion – Leadership communication

The theory supports the idea of effective leadership communication highlighted by some participants. The CEO's abilities to externally deal with stakeholder affairs allude to issues management that are driven by the CEO as mentioned by the participants.

Area 1: The description of communication management in South African business		
Theme	Responses	Theory
Integrated communication	One (1) participant highlighted communication integration in that it dovetails to core business issues. Integration starts internally. It was referred to as the use of vertical or horizontal channelling of the message and intent.	<p>Integrated communication can be applied to communication management in three ways (Hallahan, 2007:310):</p> <ul style="list-style-type: none"> • one voice/one look communication approach, which suggests that a business must develop a single persona and voice that is consistent, • the coordinated approach between communication management and marketing, and • communicating purposefully, which suggests that integration involves everyone in the business. <p>Integrated communication is based on the view that all communication from and about the organisation is to portray a unified message (Burger, 2009:106). The concept of integrated communication – in brief – means unity of effort across the organisation (Niemann, 2005:274).</p>
<p>Discussion - Integrated communication</p> <p>The theme of integrated communication directly emerged through one participant. However, indirectly, the concept is mentioned in different ways, considering the theory highlighted. Participants referred to message consistency and unity, coordinating communication management and marketing efforts. In some instances, communication management and marketing existed in a single department. Two participants in particular structured their communication in the business around everyone taking responsibility and being held accountable for the communication. This supports the notion of communicating purposefully as a key area of integrated communication.</p>		
Theme	Responses	Theory
Risk communication	<p>Four (4) respondents referred to risk and risk communication as follows:</p> <ul style="list-style-type: none"> • Communication risk is diluted if the company has a thorough understanding of its stakeholders • Stakeholder relationship management assists in risk management. • If there is no proper communication around risk, problems arise with implications for reputation management. • Risk communication is about the issues raised by stakeholders, which should be management according to priority and significance for the business. 	<p>Globally, the recognition of the reputation risks and opportunities of corporate responsibility, and thus governance, is increasing. For organisations, the alignment of corporate behaviour with stakeholder expectations is a business priority. This implies an information requirement among stakeholders who are not currently being satisfied by many organisations (Dawkins, 2004:108). Also, organisational relationships should reflect the efficient organisation of information and risk-bearing costs (Eisenhardt, 1989:59)</p> <p>Communication management is regarded as scarce or valuable research as it is able to take advantage of a change in the business environment or in neutralising a risk (Doh, 2005:699).</p>
<p>Discussion – Risk communication</p> <p>The concept, risk communication, is not mentioned in the theory as such. However, the theory, in support of the views of participants, highlight reputation risk, where communication management is able to neutralise this risk through satisfying the information requirement among stakeholders. This implies the efficient organisation of information and revolves around issues.</p>		

Table 7.5: The legitimacy of communication management in South African business

Area 2: The legitimacy of communication management in South African business		
Theme	Responses	Theory
Authority of communication management	<p>Three distinct views emerged:</p> <ul style="list-style-type: none"> • Strong authority <ul style="list-style-type: none"> ○ Result of focus on sustainability ○ Measurement provides authority ○ Based on company structure ○ Based on personal reputation <ul style="list-style-type: none"> ▪ Knowledge of the organisation ▪ Has a strategic focus ▪ Has the CEO's trust ○ Results of role in media and message management and resultant reputation management ○ Result of audience interaction ○ Task based ○ Result of the relevance and impact of content • Limited authority <ul style="list-style-type: none"> ○ Industry specific ○ Informal authority ○ Situational authority ○ Only plays an advisory role • No authority <ul style="list-style-type: none"> ○ Result of dinosaur thinking (old, narrow-minded view) 	<p>To achieve the successfully contribution of communication management to business strategy, senior manager involvement is imperative, communication should be integrated, communication must have a long-term orientation, and the top communicators must have broad general management skills (Argenti et al., 2005:88-89). Artgenti et al. (2005:83) termed this the strategic communication imperative.</p> <p>Organisational structure has an undeniable impact on communication management in the organisation (Bowen, 2006:331). The structure of the organisation should allow for autonomy for the communication management function, by allowing the top communicator to report directly to the CEO and to be actively involved in issues management, ethical counsel and strategic planning (Bowen, 2006:331).</p> <p>Knowledge and skills are necessary to enact the management and strategic roles required (Bowen, 2006:332).</p> <p>Decision-making and responsibility are often influenced by how managers see their subordinates, which is further influenced by the ideology or world view held by managers (discussed in Chapter 2).</p> <p>Communicators should have enough power and authority to counsel the top decision-makers in the organisation on issues of policy, CSR, risk management and ethics (Bowen, 2006:332).</p>

Area 2: The legitimacy of communication management in South African business
Discussion – Authority of communication management

For communication management to contribute to the business and have authority, it is necessary to have a long-term orientation. This is supported by the views of the senior communicators who felt that the authority of communication management lies in its focus on sustainability, which inevitably is geared towards a long-term orientation.

Furthermore, both the theory and in the view of senior communicators, the need for broad management skills and business knowledge exists. From the theory – this long-term view and skills and knowledge base are referred to as the strategic communication imperative.

Senior communicators expanded on the notion of the authority of communication management referring to the impact of the organisation structure, the influence of the industry and situation as well as management thinking. The importance of measuring communication management strategies and actions was highlighted. Furthermore, the personal reputation of professionals was mentioned, as well as the role of communication management specifically in media and message management as well as reputation management, ensuring the relevance and impact of content.

The counselling of the CEO and top management is central to the role of communication management, but is seen by senior communicators as negatively impacting upon the authority of communication management in the organisation.

Theme	Responses	Theory
Reporting lines	The reporting lines varied as follows: <ul style="list-style-type: none"> • Directly to CEO • Report to Head of Marketing and then CEO • Report to Head of Marketing with a dotted line to the CEO 	Often, communication management is subsumed by a marketing department and in effect receives significantly less support and value from the CEO. The implication of this is that it is less likely to be excellent, and cannot contribute regularly to strategic management and planning (Bowen, 2006:332).

Discussion – Reporting lines of communication management

Two thirds of the companies in this study had a senior communicator who reported to the Head of Marketing. In half of the cases, the Head of Marketing then reported to the CEO and in other cases the senior communicator had a dotted line to the CEO. The theory warns against this phenomenon in that communication management's impact is diluted as it becomes less likely to be excellent and cannot contribute regularly to strategic management and planning.

Theme	Responses	Theory
Structure of the communication management department	The structure of the communication management departments varies: <ul style="list-style-type: none"> • Two consist of one or two individuals of whom one is administrative in nature • One is completely integrated with the marketing department • One is completely integrated throughout the organisation • Five have medium to large departments with regional offices structured around: <ul style="list-style-type: none"> ○ Media ○ Branding, marketing and communication ○ Internal communication ○ External communication ○ Graphic design ○ Digital platforms ○ Stakeholder communication 	Rensburg and Cant (2009:44) mention the different ways in which the communication management department may be structured/organised, which includes: <ul style="list-style-type: none"> • Structure by stakeholder/public • Structure by management process • Structure by communication technique • Structure by geographic region • Structure by organisational subsystem • Structure according to the account executive system

Area 2: The legitimacy of communication management in South African business
Discussion – The structure of the communication management department

The theory mentions a variety of ways in which the communication management department may be structured. None of these however includes structuring the department according to communication. However, it may be regarded in line with what the theory described as structure by communication technique. The majority of communication management departments are structured around media, branding, marketing and communication, internal and external communication, design, and digital in terms of platforms/channels used and stakeholder communication. It is no surprise that branding, marketing and communication are included, as the majority of communication management departments are housed within a marketing department.

The more interesting result comprises the two organisations that integrate communication, either completely within the marketing department, or within the organisation as a whole.

Theme	Responses	Theory
Need for communication management	<p>Three participants mentioned that the need for communication management in their organisations is questioned, with reasons for this revolving around:</p> <ul style="list-style-type: none"> • Private business owners do not see the need for it • Management has majority shares and do not value communication management • Participants only see the consumer protection act impacting the business, which alone does not warrant having a communication management department. <p>A different view expressed provided reasons for the need for communication management which include:</p> <ul style="list-style-type: none"> • Changing business owners with a different outlook and focus on sustainability • The consumer protection act • BEE and the process of being rated • Communication with stakeholders, especially employees, unions and customers. 	<p>The value of and need for communication lies in effectively modifying stakeholder opinions, attitudes, decisions and behaviours. In the 21st century, the practice of communication management shifted to an approach of building relationships with stakeholders through dialogue to improve the quality of organisational decision-making processes by listening to stakeholders' expectations. The value of communication management now lies in effectively governing stakeholder relationship systems (Falconi, 2009:[5]).</p>

Discussion – The need for communication management

Senior communicators posit management's lack of recognition for the need for communication management. Changes in the environment around legislation especially have changed these views in some companies, while some others are in the process of changing those views. This legislation, specifically mentioned by senior communicators, has the interest of employees and the consumer in mind. Both these are strategic stakeholders for companies in South Africa. The theory highlights the need for and value of communication management in building relationship with stakeholders.

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Area 2: The legitimacy of communication management in South African business		
Theme	Responses	Theory
How communication management is viewed in South African business	<p>On the one hand communication management is still not viewed as a core and important function to the business and only applies to crisis management. This view is however limited. On the other hand, most participants reported a positive view where communication management is seen as follows:</p> <ul style="list-style-type: none"> Integral and necessary to achieve business goals An appreciation from top management exists The department is seen as credible 	Steyn and Puth (2000:7,10) note that top management do not understand the importance and value of communication management. However, top management feel that the communication management department should be less focussed on its own activities and media, and more focussed on key organisational issues and outcomes.
Area 2: The legitimacy of communication management in South African business		
Theme	Responses	Theory
How communication management is viewed in South African business continue	<ul style="list-style-type: none"> It is seen as proactive as it puts out positive, impact stories as part of reputation management It is seen as playing a strategic role The management of issues before becoming a crisis is viewed as important Communication management is seen as integral in aligning messages 	
<p>Discussion – South African businesses’ views of communication management</p> <p>From the senior communicator views it seems that the top management of some companies still do not understand the value and importance of communication management as it is outlined in the theory. However, there are those companies that appreciate communication management and view it as credible, integral to business success, playing a strategic role, managing issues, aligning messages and being proactive in terms of reputation management. This is also what is expected from communication professionals in some companies.</p>		

Table 7.6: The requirements for success of communication management in South African business

Area 3: The requirements for success of communication management in South African business		
Theme	Responses	Theory
Requirements for success - general	<p>The requirements for success of communication management in business that featured more than others, include:</p> <ul style="list-style-type: none"> Content management that is issues specific The illustration that communication management follows a disciplined, structured approach that links back to strategy <p>The other requirements mentioned include:</p> <ul style="list-style-type: none"> Top management embracing the value of communication management (specifically around reputation management) Top management understanding the value of communication management Communication professionals avoiding emotional excitement 	<p>For communication management to successfully contribute to company success, a few issues need to be noted, as outlined by Steyn and Puth (2000:9,10):</p> <ul style="list-style-type: none"> Top management dissatisfaction Differing viewpoints Shortcomings of communication professionals Insufficient managerial training A limited role being played/acknowledged Lack of CEO understanding

Area 3: The requirements for success of communication management in South African business
Discussion – The requirements for success of communication management in South African business

Senior communicators highlighted the need for communication professionals to illustrate that this field is managed in a disciplined and structured way, aligned with company strategy. They further highlighted that two of the areas to focus on are managing content that is issue specific and not generic, and professionals avoiding emotional excitement. A need for top management to embrace and understand the value of communication management was expressed. This aligns closely with the theory in terms of the shortcomings of communication professionals themselves as well as the lack of CEO understanding.

Theme	Responses	Theory
Company structure	The company structure, as a requirement for success of communication in business evoked different views, including: <ul style="list-style-type: none"> • Communication management is to be structurally, close to the CEO • A flat, task matrix (with flexibility) allows for communication success. Task leaders become communication champions • The company structure contributes to the authority of communication management 	Often, the organisational structure is not ideal for communication managers to be autonomous enough to contribute to its full potential (Bowen, 2006:332). According to Spicer (1997:30), this is called organisational arrogance and managerialism that keep communication management marginalised in an organisation or constrained to technical functions.

Discussion – Company structure as a requirement for success of communication management in South African business

The theory refers to organisational arrogance and managerialism that marginalise communication management to focussing its efforts on technical aspects, rather than strategic orientations. Senior communicators acknowledge that communication management, structurally, should be close to the CEO to be successful and contributes to the authority of communication management in the company. It is suggested that a flat, task matrix is used, which integrates communication management into every aspect of the business.

Theme	Responses	Theory
Knowledge base of communication professionals	The knowledge base of communication professionals revolves around: <ul style="list-style-type: none"> • Deep knowledge and understanding of the business • Knowledge of ethics 	Meintjes et al. (2009:79) highlight the lack of understanding of South African communicators of the strategic challenges of companies, as well as the role communication management can play in addressing these challenges. Limited understanding of issues and issues management was also noted. Rensburg and Cant (2009:251) noted that integration of ethics into business decision-making should be implemented by corporate leaders and communication professionals.

Discussion – The knowledge base of communication professionals as a requirement for success of communication management in South African business

The knowledge base of communication professionals has been under discussion in the theory for around two decades. Professionals are required not only to have knowledge and skills in the area of communication management and all of its subareas of specialisation, but more importantly have business and industry knowledge. Ethics has emerged as another area where knowledge is required.

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Area 3: The requirements for success of communication management in South African business		
Theme	Responses	Theory
Measurement	<p>The views of measurement as a requirement for communication management success focussed on:</p> <ul style="list-style-type: none"> Clipping services Reputation audit Measuring perceptions of stakeholders (quantitative and qualitative) Benchmarks Feedback mechanisms Surveys Social media monitoring Scorecards/metrics Tacking studies Landscape analysis <p>The need for better, more advanced measurement was noted, being able to make it understandable by other disciplines.</p>	<p>Communication professionals and firms have been on a quest to develop a single indicator of the value of communication management. Most of these have been unsuccessful (Grunig et al., 2006:32).</p> <p>Rensburg and Cant (2009:117) argue that the focus of measurement should be on the state of relationships initiated and built, the reputation of the company, the effectiveness and efficiency of all communication management efforts, as well as return on investment.</p>
<p>Discussion – Measurement as a requirement for success of communication management in South African business</p> <p>A variety of approaches and tools are utilised by senior communicator and their companies in an attempt to measure communication management efforts and impact. However, it seems that these tools are used in on an ad hoc basis focussed on certain efforts alone. These senior communicators are voicing the needs to more advanced measurement approaches. However, researchers have worked on this for many years with little progress, as noted in the theory.</p>		
Theme	Responses	Theory
Standards	<p>One (1) participant noted the disparity in standards of the profession of communication management.</p>	<p>Certain standards of professionalism must be met in communication management in order for the field to be recognised (Rensburg & Cant, 2009:297):</p> <ul style="list-style-type: none"> Acquisition of specialised education preparations Production of a unique and essential service recognised as such within the community Emphasis placed on public service and social responsibility Professionals are granted autonomy as well as personal responsibility that links to individual accountability Enforceable code of ethics and standards
<p>Discussion – The standards of the profession as a requirement for success of communication management in South African business</p> <p>Although only one senior communicator voiced the concern of disparate standards in the communication management field, the theory highlights this problem and outlines particular areas where communication management can work more towards standards of professionalism. This will improve the standing of communication management in business, give it more authority to make a more significant contribution to companies achieving business goals and thus ensure the communication management is successful in business.</p>		

7.5.2 RESEARCH OBJECTIVE 2

To explore the implications of the King III Report, Chapter 8 on governing stakeholder relationships, in particular on companies and their communication professionals in South Africa

In addressing Research Objective 2, the data was again coded into themes. The themes associated with this question are divided into three broad areas being stakeholder relationships, understanding corporate governance and the implications of King III, Chapter 8 for South African business and communication management. Each of these areas and associated themes are briefly outlined next and the results presented in Tables 7.7, 7.8 and 7.9. The information is presented in Tables in the same way as with research objective 1.

(i) Stakeholder relationships

The themes associated with this area are stakeholder relationship management, defining stakeholders, identifying stakeholders, stakeholder engagement, issues management, reputation management, conflict resolution and crisis communication. The results are presented in Table 7.7.

(ii) Understanding corporate governance

The themes associated with this area are corporate governance, corporate social responsibility (CSR), sustainability and citizenship. The results are presented in Table 7.8.

(iii) *Implications of King III, Chapter 8 for South African business and communication management*

The themes associated with this area are the implications for communication management, the contribution of communication management, and communication strategy. The results are presented in Table 7.9. A discussion of the findings from each of these broad areas and associated themes follows, linked with the relevant theory.

Table 7.7: Stakeholder relationships

Area 1: Stakeholder relationships		
Theme	Responses	Theory
Stakeholder relationship management (SRM)	<p>Three broad categories within the stakeholder relationship management theme were identified being:</p> <ul style="list-style-type: none"> • SRM as a proactive approach • SRM as a reactive approach • Other (engagement as proactive/reactive) <p>Within the pro-active stakeholder relationship management category, two further categories were identified, being stakeholder management and stakeholder relationship management. Each of these, with the views of the participants, is outlined:</p> <ul style="list-style-type: none"> • Stakeholder management <ul style="list-style-type: none"> ○ SM takes place both formally and informally ○ Continuity is necessary ○ It's about management, not control of stakeholders ○ Research is used to identify the stakeholders 	<p>Stakeholder relationship management's focus is on building long-term relationships with key stakeholders and considering the rightful power to influence, trust, satisfaction with the relationship, commitment, exchange and communal relationships. It is based on two-way communication through dialogue-based empowered relationships.</p> <p>Stakeholder inclusion should be the norm as well as the alignment of values.</p> <p>Four approaches to managing stakeholder relationships are outlined (Steyn & Puth, 2000:18):</p> <ul style="list-style-type: none"> • Inactivity – ignoring opinions and values of stakeholders

Area 1: Stakeholder relationships		
Theme	Responses	Theory
Stakeholder relationship management (SRM) (continued)	<ul style="list-style-type: none"> ○ It is about information and data warehousing ○ SM is stakeholder engagement that is managed ○ It is about creative ways to reach stakeholders as sometimes it is not possible to reach them directly ○ It's about message and perception management ○ SM is managing relationships where there is a win-win for everyone. ○ It is also about monitoring stakeholders and managing information ○ It's not centralised, but organised ○ It is real-time tracking of stakeholder movement ○ A stakeholder report is used for SM ○ It is issues driven ○ Risks should be identified ○ A stakeholder policy is needed ○ It impacts reputation ○ Communication management helps management understand stakeholder groups. ● Stakeholder relationship management (SRM) <ul style="list-style-type: none"> ○ Profiling of stakeholders (knowledge of issues and risks management needed) <ul style="list-style-type: none"> ▪ 1. Address issues and determine on whom in impacts ▪ 2. Determine what connects the company and the stakeholders ▪ 3. Conduct issues alignment/interest alignment ○ SRM impacts decisions ○ Ongoing consultation is needed ○ Stakeholders are prioritised based on the issues at hand ○ It is strategic as understanding of stakeholders is necessary. ○ It makes reputation management easier and enhances the reputation ○ It's about putting across correct messages for better understanding and acceptance of that message ○ It impacts decisions made by the company and revolves around business priorities ○ It is based on long-term, two-way communication ○ The business is built on relationships 	<ul style="list-style-type: none"> ● Reactivity – waiting for something to happen and then responding ● Proactivity – attempting to predict behaviour of stakeholders and positioning the organisation towards those ● Interactivity – active involvement with stakeholder groups

Area 1: Stakeholder relationships		
Theme	Responses	Theory
Stakeholder relationship management (SRM) (continued)	<p>The views around reactive stakeholder relationship management includes:</p> <ul style="list-style-type: none"> • Having no formal communication management plan • Business units/departments need to do stakeholder relationship management with no guidance • It is done on an ad hoc basis • There is room for improvement when it comes to stakeholder relationship management <p>The views around stakeholder engagement as both proactive and reactive focussed on:</p> <ul style="list-style-type: none"> • Could be once-off, one-sided and unsolicited • Considered to be the same as stakeholder relationship management 	
<p>Discussion – Stakeholder relationship management</p> <p>Stakeholder relationship management in South African business is either proactive or reactive or seen as similar to stakeholder engagement. The description of the reactive approach to stakeholder relationship management in South African businesses is similar to that outlined in the theory. However, the proactive approach described in the data, aligns to both the proactive and interactive approach to stakeholder relationship management. This is particularly relevant where participants described the process of stakeholder relationship management around stakeholder profiling consisting of a process of three steps:</p> <ul style="list-style-type: none"> ▪ 1. <i>Address issues and determine upon whom it impacts</i> ▪ 2. <i>Determine what connects the company and the stakeholders</i> ▪ 3. <i>Conduct issues alignment/interest alignment</i> <p>An area, not mentioned by participants, but outlined in more recent theory, is that of governing stakeholder relationships as an extension of stakeholder engagement and stakeholder relationship management. Spitzreck and Hansen (2010:384) outline stakeholder power and scope of dimensions of stakeholder governance. Power is the level of influence given to stakeholders in decision-making. On the one hand there may be non-participation where stakeholders do not have any voice in decisions, and on the other hand stakeholders may possess the power to decide for the organisation. Scope is the breath of power in decision-making.</p> <p>Some differences can be noted between stakeholder engagement, stakeholder relationship management and the governing of stakeholder relationships. It seems that the more encompassing concept is that of stakeholder relationship management, which includes aspects of both stakeholder engagement and the governing of stakeholder relationships.</p>		
Theme	Responses	Theory
Defining stakeholders	<p>Two broad categories were identified when talking about defining stakeholders, being having a focussed stakeholder definition and protocol and not defining stakeholders. The views in each instance are outlined below:</p> <ul style="list-style-type: none"> • Stakeholder definition and protocol <ul style="list-style-type: none"> ○ <i>Protocol:</i> <ul style="list-style-type: none"> ▪ Primary and secondary, which is situational and differentiated ▪ Referred to as a stakeholder universe ▪ Defined around business issues that are task based ▪ Definition is based on who the company impacts 	<p>Freeman (1984:31) defines stakeholders as “those groups without whose support the organization would cease to exist”. Stakeholders also have an impact on an organisation’s actions, behaviours and policies including interest groups, parties, actors, claimants and institutions (Mitroff, 1983:4).</p> <p>Three viewpoints of a stakeholder exist (Spitzreck & Hansen, 2010:380):</p> <ol style="list-style-type: none"> 1. The instrumental view proposes

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Area 1: Stakeholder relationships		
Theme	Responses	Theory
	<ul style="list-style-type: none"> ▪ Based on intuition The board defines the stakeholders, and communication management refines and expands the definition to include more stakeholders ○ <i>Definition:</i> ▪ Referred to as interested and affected parties ▪ Referred to as anyone with a potential interest or who is affected by the business ▪ Referred to as any individual / group / organisation that has the ability to impact the brand directly/indirectly • Referred to as anyone we interact with • Not defining stakeholders <ul style="list-style-type: none"> ○ Little stakeholder talk in the company ○ No central repository of stakeholders – it is up to business units to define 	<p>that the organisation only pay attention to the stakeholders who can affect the value of the organisation.</p> <ol style="list-style-type: none"> 2. The descriptive view identifies and classifies stakeholders without consideration of their legitimacy of their power. 3. The normative view considers the value and moral rights of stakeholders being affected by the behaviour of the organisation and highlights the rights and duties of the actors involved.
<p>Discussion – Defining stakeholders</p> <p>Some participants defined their stakeholders around the way in which their stakeholders are identified. An overlap thus exists between defining and identifying stakeholders. Of concern is that some companies engage in little stakeholder talk or discussion, which results in their inability to define and identify their stakeholders. The result is little or no strategic, structured or planned engagement and relationship building initiatives. Those who do identify their stakeholders, are mostly aligned with the normative view of stakeholders, which considers the value and moral rights of stakeholders being affected by the behaviour of the organisation and highlights the rights and duties of the actors involved.</p>		
Theme	Responses	Theory
Identifying stakeholders	<p>Three broad categories emerged from the views of participants around the structured approach to stakeholder identification, the unstructured approach to stakeholder identification and who these stakeholders are. More details are provided below:</p> <ul style="list-style-type: none"> • Structured approach to stakeholder identification <ul style="list-style-type: none"> ○ Primary and secondary ○ Internal and external ○ Assess business issues followed by stakeholders being impacted by these issues ○ Based on 4 Cs being channel, community, colleague and client ○ Plot the interface with stakeholders and issues – how stakeholders are engaged and what the company response is ○ Based on stakeholder report and matrix • Unstructured approach to stakeholder identification <ul style="list-style-type: none"> ○ Intuition based ○ Don't profile stakeholder yet • Who stakeholders are (the stakeholders) 	<p>In the theory various models, frameworks, guidelines and processes exist to identify, categorise, prioritise, communicate with and build relationships with stakeholders. The models, frameworks, guidelines and processes related to stakeholder identification include:</p> <ul style="list-style-type: none"> • Stakeholder management framework (Freeman, 1984) • Linkages model (Grunig & Hunt, 1984) • Three-part taxonomy (Donaldson & Preston, 1995) • Primary and secondary stakeholder identification (Clarkson, 1995) • Stakeholder typology around the attributes of power, legitimacy and urgency as well as the classes of stakeholders (Mitchell et al., 1997) • Types of publics (Steyn & Puth, 2000) • Situational theory of publics (Grunig, 2005)

Area 1: Stakeholder relationships		
Theme	Responses	Theory
Identifying stakeholders (continued)	(2), NGOs (2), consumers (2), funder bodies (2), special interest groups (2), brands (1), political groups (1), society (1), competitors (1), other (unique stakeholders) such as doctors, alumni, talent pipeline, global firm, bursars, recruits, mentioned by participants including the number of participants who mentioned them. These stakeholders include employees (9), customers/clients (8), media (8), government/regulators (8), community (7), suppliers (6), shareholders (5), industry associations (4), Investors (4), business partners (3), financial services (3), unions (3), academic institutions (2), professional bodies	<ul style="list-style-type: none"> Four-step process to prioritising stakeholders (Rawling, 2006) <p>Rensburg and Cant (2009:39,40) outline some of the stakeholders of organisations in South Africa including the media, government, educators, customers, the community, suppliers, industry bodies, employees, management, shareholders and unions.</p>

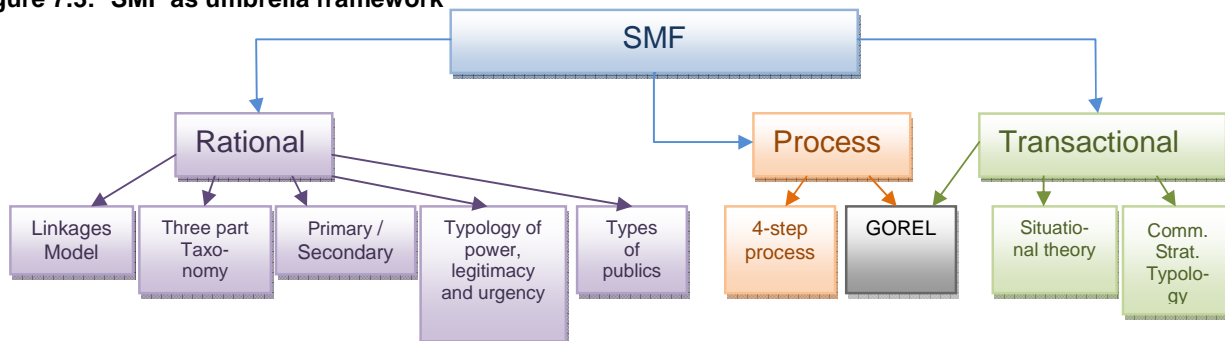
Discussion – Identifying stakeholders

The theory proposed various structured ways with which stakeholders can be identified. Some of these seem to be used in South African business to a more or lesser extent. The ones that could clearly be identified as being applied from the data are those of primary and secondary stakeholder identification by Clarkson (1995) and perhaps the situational theory of publics by Grunig (2005). Some approaches found are that of stakeholder identification around the 4 Cs (Client, colleague, channel and community), which could be useful in some business contexts. Of concern is that some South African businesses make use of intuition to identify stakeholders, or in some extreme cases, pay little attention to stakeholder identification and thus engagement and relationship building.

The stakeholders mentioned by participants are close to those mentioned in the theory as an organisation's typical stakeholders.

Freeman proposed a stakeholder management framework (SMF) around three levels in the organisation, being the rational, process and transactional levels. Looking at the various ways in which the different authors approach and understand the communication, relationship management, identification, classification and prioritisation of stakeholders, this framework seems to provide an umbrella view under which each of the works of these authors can fall. With regard to the rational level, which involves understanding who the stakeholders are, coupled with the perceived stakes, the linkages model of Grunig and Hunt (1984), the three part taxonomy of Donaldson and Preston (1995), the primary and secondary stakeholder classification of Clarkson (1995), the stakeholder typology of power, legitimacy and urgency of Mitchell et al.(1997) the classes of stakeholders of Mitchell et al.(1997) and the types of publics of Steyn and Puth (2000), naturally find a link. The four-step process of Rawlins (2006) as well as the GOREL process of Falconi (2009) can both be associated with the process level of the SMF. The situational theory of Grunig (2005), Gregory's (2007) communication strategy typology and Falconi's (2009) GOREL process are all related to the transactional level, which provides understanding of the interactions between the organisation and its stakeholders. The umbrella view provided by Freeman's (1984) SMF is depicted in Figure 7.3.

Figure 7.3: SMF as umbrella framework



Area 1: Stakeholder relationships		
Theme	Responses	Theory
Stakeholder engagement	<p>Three broad themes emerged from the data identifying what stakeholder engagement is, approaches to stakeholder engagement and specific engagement interventions for specific stakeholders. Each of these are discussed below:</p> <ul style="list-style-type: none"> • What stakeholder engagement is <ul style="list-style-type: none"> ○ It is integrated in the business and embedded in people's jobs (4) ○ Issues driven ○ Outcomes-based approach around issues ○ It is a plan which is flexible ○ It is dynamic and varied ○ It is tactical where different activities are used for different messages ○ It is structured and targeted ○ It is sometimes once off and one way • Approaches to stakeholder engagement <ul style="list-style-type: none"> ○ Creation of platforms/channels for continuous information providing ○ Scorecards are used to facilitate ○ Formal vs. informal ○ Stakeholders are prioritised and then engaged accordingly ○ Portfolio committees are used to determine engagement ○ Message management framework are used as follows: <ul style="list-style-type: none"> ▪ Identify and segment audiences ▪ Take their considerations and challenges into account ▪ Identify platforms to communicate the messages ○ Stakeholder framework (to be provided by communication management) which confirms: <ul style="list-style-type: none"> ▪ Who stakeholders are ▪ What the associated issues are ▪ What needs to be communicated ▪ Methodology used to communicate • Specific engagement interventions <ul style="list-style-type: none"> ○ Government (ad hoc consultation) ○ Customers (sales team, touch points, call centres, research i.e. focus groups, face-to-face communication, response to media type issues, facebook) ○ Staff (weekly emails, CEO messages, workshops, Yammer, webcasts, employee call-centre, day-to-day management) 	<p>Stakeholder engagement is the process of involving stakeholders (Sloan, 2009:26). The purpose is to gain acceptance and build trust with stakeholders. It is also used to drive strategic direction and operational excellence, which leads to sustainable development.</p>

Area 1: Stakeholder relationships		
Theme	Responses	Theory
Stakeholder engagement (continued)	<ul style="list-style-type: none"> ○ Suppliers (forums, conferences) ○ Investors (handled by Investor Relations, road shows) ○ Communities (foundation, conferences, liaison committee) ○ Environmental groups (forums) ○ Unions (regular meetings) 	AccountAbility (2008:13) outlines a stakeholder engagement framework which involves thinking and planning for engagement, preparing and actually engaging stakeholders and then responding to and measuring the engagement. The thinking and planning element involves identifying stakeholders and their concerns, determining and defining how these will be addressed through an engagement strategy, and drafting an engagement plan and implementation schedule. Simultaneously, the organisation needs to prepare itself through identifying ways of engagement that work (i.e. that facilitates understanding, learning and improvement), and build and strengthen its capacity to do so. At the same time the organisation needs to respond and measure its success.
<p>Discussion – Stakeholder engagement</p> <p>Similar to the theory, stakeholder engagement, is seen as inherent and integrated in the business. Mostly, it is seen as a process of identifying and understanding stakeholders, creating platforms or means to communicate with them and developing appropriate messaging. Some companies have an informal, unstructured approach to stakeholder engagement, while others make use of a stakeholder framework. The theory proposes a more formal, structured approach to stakeholder engagement as part of stakeholder relationship management through the AccountAbility stakeholder engagement framework. This framework provides guidelines on ensuring that all legitimate stakeholders are considered, that different ways in terms of platforms are considered in engaging stakeholders, that the company's capacity to handle stakeholder engagement is enhanced, and that the company learns from its engagement with stakeholders through measurement.</p>		
Theme	Responses	Theory
Issues management	<p>A variety of views emerged:</p> <ul style="list-style-type: none"> • It helps to determine the message and the channel (2) • It is part of risk management (2), which makes it a strategic consideration (2) • It provides an opportunity to the company to communicate its position (2) • Issues should be prioritised and its significance determined (2) • An issues register needs to be used to inform management is necessary (2) • Proactivity is needed that is timeous and require the right people handling the issue (2) • Disciplined approach which makes communication focussed • It informs the stakeholder engagement framework • The profiling of stakeholders is issues driven • Sometimes it requires a short-term 	<p>Grunig (1992a:13) states that issues management is used to anticipate issues and resolve conflict before stakeholders make it an issue.</p> <p>Issues are created by stakeholders and are based on their subjective interpretation of the organisation with regard to a particular issue (Steyn & Puth, 2000:214).</p> <p>Issues management has been encouraged to (Veil & Kent, 2008:388):</p> <ul style="list-style-type: none"> • build relationships • engage in corporate philanthropy and serve both organisations and stakeholder • engage in corporate

Area 1: Stakeholder relationships		
Theme	Responses	Theory
Issues management (continued)	<p>intervention</p> <ul style="list-style-type: none"> • Research in the form of benchmarks and audits is used to identify issues that impact reputation • It impacts reputation and revolves around integrity management • Issues could lead to crisis which may require conflict resolution • It assists in understanding stakeholder expectations • Stakeholder relationships are industry affairs <p>Two different views emerged around the role of communication management in issues management. On the one hand, communication management is seen to handle issues management and on the other, top management is seen to handle issues management. In the last instance, communication management's role revolves around handling the media around issues only.</p>	<ul style="list-style-type: none"> • advocacy and to create relationships with stakeholders • have a long term focus on issues and sustainability of the organisation and the environment. <p>Issues management involves identifying and analysing issues, setting priorities for the organisation, selecting appropriate communication strategies in addressing the prioritised issues, implementing programmes of action and communication, and finally evaluating effectiveness (Steyn & Puth, 2000:216). However, Griffin (2008:115) urges organisations to first categorise their issues before they prioritise them. The categories he suggests include (Griffin, 2008:115):</p> <ul style="list-style-type: none"> • <i>Corporate issues</i>, which are issues arising from the running of the business and may include product quality concerns, corporate governance issues, values and performance • <i>Global issues</i>, which are not just about the individual organisation, but may include environmental and ethical issues • <i>Local issues</i>, which are the issues with a defined affected group (stakeholder). <p>Although some overlap may exist between these categories, corporate issues should come first, followed by global issues and finally local issues (Griffin, 2008:115). When issues become impossible to manage, the result is often conflict and crisis, which require a communication intervention.</p>

Area 1: Stakeholder relationships
Discussion – Issues management

The areas identified from the theory that emerged from the senior communicator views, are that issues lead to crisis, that issues management is a disciplined approach, that the company's position on issues plays a role in resolving or avoiding the issues, research is needed, that it is a strategic consideration and impacts relationships and thus reputation.

The theory suggests the disciplined management of issues, should take place, which did not emerge from the data. This involves a process first categorising and then prioritising issues. This would typically be followed by identifying stakeholders associated with those issues prioritised. Although some senior communicators noted that issue identification precedes stakeholder identification, others noted that stakeholder identification precedes issue identification.

From the theory, the prioritisation of issues should revolve around corporate issues taking precedence over global and local issues.

The theory, although indirectly, notes that communication management should be involved in the process of issue identification and prioritisation as part of issues management, and not only in managing media responses as mentioned by some senior communicators.

Theme	Responses	Theory
Reputation management	<p>The main subtheme that emerged with regard to reputation management is that it is the management and change of perceptions of key stakeholders.</p> <p>Senior communicators also regard reputation management as a process which consists of:</p> <ul style="list-style-type: none"> • Conducting a reputation audit • Identifying issues from the audit results • Developing performance indicators for managers to address those issues identified. <p>Other views includes:</p> <ul style="list-style-type: none"> • Issues based and about how issues are managed • It needs action plans • It is a disciplined approach that is linked to performance management. • It is about the customer experience and 	<p>Corporate reputation is regarded as a result of the interactions between a company and its stakeholders. Therefore each stakeholder's decision affects the individual's impression about the company and what that person communicates to others (Deephouse, 2000:1097). Reputation is thus an organisation's image, built up over time and not simply a perception at a given point in time. Furthermore, it is a product of internal and external constituencies (stakeholders) and is thus different from identity, which is constructed by internal constituencies only. Therefore, reputation can be defined as the sum of the perception of all stakeholders. A good reputation exists when an organisation's identity</p>

Area 1: Stakeholder relationships		
Theme	Responses	Theory
Reputation management (continued)	<p>revolves around the company's licence to operate.</p> <ul style="list-style-type: none"> • Reputation management is about authenticity, integrity, credibility, trust and goodwill. • Research and evaluation are needed through benchmarks, audits and surveys. • New platforms are a challenge. It's about proactively putting out positives about the company, such as impact stories and new product benefits • It needs to consider industry affairs – similar to issues. • It gets developed over years • Good relationships impact reputation management • It contributes to company sustainability and competitiveness • A structured conversation with stakeholders is needed through action plans • Stakeholders should be partnered and engaged. <p>Communication management is the conscience of the company and needs to put the partnerships in place. If a crisis occurs and there is a reputational fall-out, communication management needs to handle it. There is a reputational risk if risk itself is not communicated, which in turn can lead to an issue or crisis.</p>	<p>and image are aligned (Argenti, 2009:83). The process or alignment may be regarded as the management of reputation. Griffin (2008:19) argues that reputation management consists of three components that can be separated and managed in different ways. These components are corporate social responsibility, issues management and crisis management.</p> <p>From a communication perspective, the management of reputation is heavily influenced by the perceptions of stakeholders. These stakeholder perceptions can be regarded as the domain of communication management (Dihl & Vinen, 2005:7).</p> <p>Reputation is often evaluated around five elements which include: financial performance, quality of management, social and environmental responsibility performance, employee quality, and the quality of the goods/services provided (Bebbington et al., 2008:339,340).</p>
<p>Discussion – Reputation management</p> <p>Senior communicators seem to understand reputation as the sum of the perceptions (in the form of company image) of stakeholders, over a period of time. Reputation management's components include corporate social responsibility, issues management and crisis management, although only issues and crisis are highlighted by senior communicators. Communication management, with stakeholder perceptions and the management thereof, at its core, is in a position to manage reputation for the benefit of the company. The company aspects that stakeholders consider in forming an image about the company, and thus, ultimately, reputation, are financial performance, quality of management, social and environmental performance, employee quality and the quality of the goods/services provided. Thus, senior communicators feel that stakeholders should be partnered and engaged through having a structured conversation with them.</p>		
Theme	Responses	Theory
Conflict resolution and crisis communication	<p>Two subthemes emerged around general views on conflict resolution and crisis management and the role of communication management in conflict resolution and crisis management. The general views of senior communicators include:</p> <ul style="list-style-type: none"> • Systems are needed with performance objectives to manage conflict resolution with stakeholders • Conflict resolution is a last resort and only used in certain instances • Consumer protection act can impact this area • Direct engagement with stakeholders is 	<p>Three categories are outlined by Grunig and Hon (1999:16-17) in the theory:</p> <ul style="list-style-type: none"> • Integrative approach, which focuses on a win-win solution that values the integrity of a long-term relationship with stakeholders • Distributive approach, which focuses on a win-lose or self-gain perspective

Area 1: Stakeholder relationships		
Theme	Responses	Theory
<p>Conflict resolution and crisis communication (continued)</p>	<p>needed</p> <ul style="list-style-type: none"> • An interim process is needed before the legal process, which is not currently in place • It is a positive outcomes-based approach • It is a formal, legal process • Ethics helps avoid conflict • Mutual collaboration is used with legal advice. Used for mostly employees and environmentalists • It is dealt with by the risk and legal departments • Crisis management is different to conflict resolution in some industries • Some companies engage in limited conflict resolution interventions • Issues lead to crises that should be handled by management • Social media impact the necessity for conflict resolution <p>The views on the role of communication management in conflict resolution varies:</p> <ul style="list-style-type: none"> • Communication management should play a proactive role and prepare a communication plan where positioning statements are crafted • Communication management should foresee areas of potential conflict and recommend ways to pre-empt the issues • Top management, in consultation with communication management, should handle conflict resolution • Communication management should engage, learn from and resolve the conflict on a one-on-one basis 	<ul style="list-style-type: none"> • Dual concern approach, which focuses on balancing the interests of stakeholders with the interests of the organisation. Strategies used include contending, avoiding, accommodating and compromising. These are also considered the dimensions of conflict resolution. <p>Grunig and Hon (1999:17) outline two further dimensions:</p> <ul style="list-style-type: none"> • Unconditionally constructive approach, where the company acts in a way that will be good for the relationship and good for the company even if the stakeholder does not reciprocate • Win-win or no-deal approach means that if the parties cannot find a solution that would benefit both, they would agree to disagree. <p>The role of communication management in conflict resolution and crisis communication is necessary as it assists in understanding the organisation's stakeholders (Hagan, 2007:429), assess the vulnerabilities of the organisation (Hagan, 2007:423), conduct environmental scanning research and issues management, as well as designating a crisis management team and conduct training activities including mock crisis drills/simulations (Hagan, 2007:433). Coombs (2007:172) proposes three lessons for crisis communication management, which include being quick, being consistent and being open. Three main strategies for responding to a crisis include (Coombs, 2007:176):</p> <ul style="list-style-type: none"> • Corporate apologia, which is a form of self-defence where the list of potential responses includes denial, claiming no responsibility, or bolstering (in other words, accepting responsibility). • Corporate impression management includes making excuses, justifying, getting approval, intimidating,

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Theme	Responses	Theory
Conflict resolution and crisis communication (continued)		apologising, blaming someone else or factual distortion. <ul style="list-style-type: none"> • Image restoration may include denial, evasion of responsibility, reducing offensiveness of the event, corrective action and mortification
<p>Discussion – Conflict resolution and crisis communication</p> <p>Some confusion seems to exist among senior communicators with regard to the strategies to handling conflict resolution and crisis management, as well as determining who needs to drive/take responsibility for conflict resolution and crisis communication. Senior communicators do understand though that conflict and crisis are caused by issues and that direct engagement with stakeholders is needed. In the theory, various approaches as well as strategies for handling conflict are provided, which include the integrative, distributive and dual concern approaches. The strategies for handling conflict resolution include contending, avoiding, accommodating, compromising, constructive and win-win/no deal approaches.</p> <p>In South African businesses, conflict resolution is handled either by the legal department, the risk department, top management, communication management, or a combination of some of these departments. A combination of the legal and risk department, of the legal and communication management department and of communication management and top management was reported. The theory does not stipulate which department should drive/take responsibility for conflict resolution and crisis management. However, it does stipulate that communication management has a role to play in terms of assisting in understanding the organisation’s stakeholders, assessing the vulnerabilities of the organisation, conducting environmental scanning research and issues management, as well as designating a crisis management team and conducting training activities including mock crisis drills/simulations (Hagan, 2007:423-433).</p> <p>Senior communicators view conflict resolution and crisis communication as similar. However, the theory indicates different approaches to handling crisis communication. These include being quick, being consistent and being open. In other words, transparency is important. Further strategies in dealing with crisis communication include corporate apology, corporate impression management and image restoration in cases where the image and reputation have been damaged.</p>		

Table 7.8: Understanding corporate governance

Area 2: Understanding corporate governance		
Theme	Responses	Theory
Corporate governance	The senior communicator views revolve around: <ul style="list-style-type: none"> • Corporate governance should be institutionalised/embedded and not just done for compliance reasons • Being a responsible corporate citizen built on the value of the company. • It is part of the listing process on the JSE as a requirement, considering due diligence, internal control, having a committee structure on the board of directors, and making use of an integrated report. • The company secretary is responsible for corporate governance. • Global players listing on more than one stock exchange sometimes have to abide by conflicting requirements. Corporate governance is about being transparent where information with shareholders is shared via a shared portal. 	Corporate governance is defined as the body of principles and rules which guide and limit the actions of directors (Bonnafous-Boucher, 2005:37). Ingredients of good governance include corporate leadership and strategy setting which, in turn, involve defining roles and responsibilities, orienting management towards a long-term vision of performance, setting resource allocation plans, and contributing knowledge, expertise and information where required. Corporate governance also involves honesty and transparency (Jamali et al., 2008:444).

Area 2: Understanding corporate governance

Discussion – Corporate governance

South African business views corporate governance as good corporate leadership and strategy development ensuring value for the company and transparency in its activities. The theory further outlines that corporate governance is about having a long-term vision of performance, resource allocation and making a contribution to knowledge, expertise and information. It is also about the structures and systems that provide a framework for the sustainable management of a company.

Theme	Responses	Theory
Corporate Social Responsibility (CSR)	<p>The most prominent view expressed by four (4) participants was that their company's CSR was managed by a Foundation/Trust. Another view expressed by three (3) participants was that CSR contributes to companies being seen as good corporate citizens. Some of the other views expressed by at least two (2) participants in each case were:</p> <ul style="list-style-type: none"> • Companies in South Africa are moving away from a philanthropic approach to CSR • CSR is driven by corporate culture • Community CSR is implemented while it provides human capital • Volunteerism is a focus area • Communities and CSR are integrated throughout the business • Areas of high impact include mostly training or education, but also: <ul style="list-style-type: none"> ○ Scholarships ○ HIV/Aids clinics ○ Reach for a Dream ○ Enterprise development <p>Other views include:</p> <ul style="list-style-type: none"> • The corporate citizenship team develop the CSR strategy • It revolves around South Africa's national priority issues • It is a strategic tool • It is the right thing to do • It is a systematic approach focussed on business strengths • It is part of doing business • An entrepreneurial approach is used as it is more sustainable and value creating for business • It is about partnerships with stakeholders i.e. partnering with government, as they provide the framework for doing business and partnering with communities as they provide the human capital to run the business • CSR strategy is structured around public-private projects, NGO/Community involvement and volunteerism <p>One (1) participant said that it is done because it is a legal requirement. Another participant (1) expressed the view that the intent behind CSR needs to be communicated as it forms part of</p>	<p>Corporate Social Responsibility constitutes an organisation's respect for society's interests, demonstrated by taking ownership of the effect its activities have on stakeholders. It prompts an organisation to look beyond its traditional bottom line at the social implications of its business (Drucker, 1993:6).</p> <p>According to Hancock (2005:70), the attention of corporate leadership should revolve around the four pillars of CSR, which include strategic governance, human capital, stakeholder capital and the environment. Together these pillars account for 80% of a company's true value and future value creating capacity. Porter and Kramer (2006:91) argue that a CSR strategy, if implemented carefully, can enhance an organisation's competitiveness. Goodman (2001:118) found, in a study conducted by the Corporate Communication International (CCI), that organisations are expected to be good corporate citizens, as well as make money.</p> <p>Corporate leadership should concern them with accountability towards CSR, as in terms of reputation management, failure to address the challenges of intended beneficiaries, may result in future reputationally damaging campaigns (Bendell, 2005:370).</p> <p>CSR, according to Novelli (2008:269), is an area of communication management related to stakeholder engagement and empowerment in which organisations are becoming more aware of their social impact. The assumptions relevant to strategic communication management include (Steyn, 2003:179):</p>

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Chapter 7

Area 2: Understanding corporate governance		
Theme	Responses	Theory
Corporate Social Responsibility (CSR) (continued)	reputation management, brand building and communication activities	<ul style="list-style-type: none"> The corporate Social Responsibility (CSR) approach proposes that the organisation has ethical responsibilities in addition to its economic and legal obligations. The corporate social performance (rectitude) approach states that what is of real importance, is what organisations are able to accomplish with regard to specifying the nature of their responsibilities, adopting a philosophy of responsiveness and identifying the stakeholder issues to which responsibilities are linked. In the stakeholder approach, managers perceive stakeholders not only as those groups that management thinks have some stake in the organisation, but those who themselves think they have a stake. The issues approach regards the analysis of societal issues and trends as important because the values and beliefs of key stakeholders are derived from broader societal influences.
<p>Discussion – Corporate Social Responsibility (CSR)</p> <p>There is awareness among South African businesses that CSR is part of doing business and not merely meeting a legal requirement. The realisation is there that it forms part of being a good corporate citizen, as outlined by Goodman (2001:118), and can contribute to the competitiveness and reputation of a company.</p> <p>An aspect, not expressed by any of the senior communicators, is that CSR forms part of communication management as it relates to stakeholder engagement and empowerment (Novelli, 2008:269). Steyn (2003:179) argues that CSR has moved beyond the ethical responsibilities towards society where companies are more responsive and identify the stakeholder issues to which their responsibilities are linked. The definition of who these stakeholders are, is shifting to include those who themselves think they are stakeholders. Finally, the analysis of societal issues and trends is important because the values and beliefs of key stakeholders are derived from broader societal influences.</p>		
Theme	Responses	Theory
Sustainability	<p>Eight (8) of the nine (9) participants felt that their companies were being managed in a sustainable way. The one participant, who indicated that their company was not managed in a sustainable way, noted the short-term view of shareholders as the main contributor.</p> <p>The views regarding sustainability include:</p> <ul style="list-style-type: none"> Sustainability is long-term, focussing on finances, people and the environment. It's about leaving a legacy for the future 	Sustainability is the primary moral and economic imperative of the 21 st century organisation. It is one of the most important sources of both opportunities and risks for businesses. Nature, society, and business are interconnected in complex ways that should be understood by decision-makers (Institute of Directors, 2009:9).

Area 2: Understanding corporate governance		
Theme	Responses	Theory
Sustainability (continued)	<ul style="list-style-type: none"> It is responsible management, having a culture of accountability It is a balanced approach to managing issues It is contextual, dynamic and being able to adapt It is subject to competitive situations, focussing on what is relevant to the business It is about going green (environmental sustainability) and company sustainability It is about all stakeholders benefiting from the company's existence It is prudent management and work ethic It is about a focus on issues around a company's licence to operate and industry trends It's about renewable energy and energy efficiency <p>From a communication management point of view, the view expressed includes:</p> <ul style="list-style-type: none"> Communication management is important as sustainability is integrated into the strategy It gives a company a value proposition and competitive edge A system to record engagements with stakeholders is needed <p>Communication management is tasked by the executive team to partner stakeholders with the primary objective to be regarded as no. 1 from a reputation perspective. In that way, communication management contributes to sustainability of the enterprise.</p>	<p>Sustainability is focussed on the future and is concerned with ensuring that the choices of future resource utilisation are not constrained by decisions taken in the present. This does not only have implications for society, but also the organisation itself. Furthermore, the creation of value within the business is followed by the distribution of value to the stakeholders of that organisation (including shareholders) (Aras & Crowther, 2008:439).</p>
<p>Discussion – Sustainability</p> <p>South African senior communicators regard sustainability as top management having a long-term vision, with value for both the company and stakeholders in mind, through a culture of accountability and ethics. It needs to consider the unique industry context of a particular company and balance issues around what is relevant to the business.</p> <p>A matter raised by senior communicators, not explicitly stated in the theory, is that communication management contributes to sustainability as it should be integrated into the strategy. Communicators need to take cognisance of the fact that sustainability may give a company a value proposition and competitive edge. Practically, a system to record engagements with stakeholders is needed.</p>		
Theme	Responses	Theory
Citizenship	<ul style="list-style-type: none"> Citizenship is regarded to be a structured approach used to create the right perceptions. It is a work-in-progress where people need to appreciate the work a company does. It is criteria used to view a company and improving credibility It has a reputational impact BEE is regarded the biggest challenge as a 	<p>Waddock (2004:10) believes that corporate citizenship involves the strategies and practices developed in operationalising its relationships with, and influences on stakeholders, as well as the environment, and consists of seven dimensions (Mirvis & Googins, 2006:107) including:</p> <ul style="list-style-type: none"> The <i>citizenship</i> dimension involves how citizenship is

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Area 2: Understanding corporate governance		
Theme	Responses	Theory
Citizenship (continued)	driver of citizenship. <ul style="list-style-type: none"> • Research to monitor how a company is seen in the form of tracking studies are done 	defined. <ul style="list-style-type: none"> • The <i>strategic intent</i> dimension revolves around the purpose of citizenship in a company. • The <i>leadership</i> dimension involves the extent to which top leaders support and lead citizenship in the organisation • The <i>structure</i> dimension involves how responsibilities for citizenship are managed, • The <i>issues management</i> dimension involves the way in which an organisation deals with citizenship issues that may arise • The <i>stakeholder relationships</i> dimension involves the way in which an organisation engages its stakeholders • The transparency dimension involves the extent to which an organisation is “open” about its financial, social and environmental performance.
<p>Discussion – Citizenship</p> <p>The understanding of corporate citizenship among senior communicators seems fairly limited as only a few views are recorded. These views revolve around citizenship impacting perceptions, credibility and reputation. Some participants acknowledge that it is still a work in process and note the importance of research. The theory provides a more comprehensive view of citizenship outlining seven (7) dimensions, being how citizenship is defined in a company, the strategic intent of the company, leadership and support towards citizenship, the influence of structure on how citizenship is managed, how citizenship issues are handled, the way stakeholders are engaged and the extent to which the company’s communication is transparent around its financial, social and environmental performance.</p>		

Table 7.9: Implications of King III, Chapter 8 for South African business and communication management

Area 3: Implications of King III, Chapter 8 for South African business and communication management		
Theme	Responses	Theory
Implications for South African businesses and communication management	The views around the implications of King III, Chapter 8 for businesses include: <ul style="list-style-type: none"> • It pushes the boundaries of business • It’s a call to companies to be more open, transparent, consistent and timeous in their communication • Policies are needed that are transparent and must be communicated • It is a tool to do a health check on communication management in companies, which requires top management’s attention • It influences communication strategy, but it starts at a higher level first 	The implications for South African business and communication management include an increased responsibility to make the board of directors or management aware of how stakeholders view the organisation, and how best to communicate with them as this has implications for the reputation of the organisation. Knowledge of the stakeholders themselves is important to build and maintain relationships. Various ways exist to identify and classify stakeholders where communication management is in the

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Area 3: Implications of King III, Chapter 8 for South African business and communication management

Theme	Responses	Theory
Implications for South African businesses and communication management (continued)	The view around the implications of King III, Chapter 8 for communication management includes: <ul style="list-style-type: none"> Four (4) participants noted that it is a call for communication management to be more proactive, especially around the positioning of the company It helps communication management to consolidate stakeholder relationship management initiatives undertaken throughout the business It helps defining stakeholders and finding the most effective modes of engagement It's given more structure/systems for communication management which implies having specific targets, methodologies and records of engaging stakeholders It's an opportunity for communication management to challenge business, address communication issues and raise awareness of communication management as well as obtain management buy-in It's a way to obtain legitimacy in illustrating the communication management is a systematic approach A challenge is to ensure that the silos that exist in some companies are communicated in an integrated way. 	ideal position to have a deeper understanding of stakeholder interests and expectations and assist the company in aligning company strategy and stakeholder expectations with each other (See detail in Chapter 4).
Discussion – The implications of King III, Chapter 8 for South African business and communication management		
From the theory the implication for communication management is to proactively inform management of stakeholder views and how that impacts the reputation and business. Knowledge of stakeholders and ways to reach them are imperative. Communication management, with this knowledge of stakeholders, is able to align company strategy and stakeholder expectations with each other. Other implications noted by senior communicators are that communication management needs to be proactive in communicating the position of the business, consolidate stakeholder relationship management initiatives undertaken throughout the business, illustrate the structure and systematic approach to communication management, challenge business to address communication issues and raise the awareness of the function as well as eliminate the silos some companies operate in.		
Theme	Responses	Theory
The contribution of communication management	The contribution of communication management is noted on three levels: <ul style="list-style-type: none"> • Organisational level <ul style="list-style-type: none"> ○ Help company focus messages and actions to ensure transparency and consistency ○ Doing the right things to help business perform optimally ○ Communication management is the conscience of the company by raising issues ○ In the modern economy of information, there is a psychological dependence on communication management for 	Strategic communication management provides focus and direction for an organisation's communication in building relationships with strategic stakeholders. It further considers the internal and external environment of the organisation. It is a proactive capability to adapt the organisation to changes in stakeholder expectations and opinions and can create a competitive advantage for an organisation through the detection and management of issues. It aligns

Area 3: Implications of King III, Chapter 8 for South African business and communication management

Theme	Responses	Theory
<p>The contribution of communication management continues</p>	<p>information and knowledge that is trustworthy</p> <ul style="list-style-type: none"> ○ Provide checkpoints for the business to determine the level of effective communication. It is the liquid transport of messages and activities ○ Communication activities with a strategic purpose in mind make a contribution ○ Communication management plays an agency advisory role ○ Communication management enhances brand reputation through managing perceptions and relationships ○ Communication management breaks down company silos <ul style="list-style-type: none"> ● Stakeholder level <ul style="list-style-type: none"> ○ Help management to understand stakeholders ○ Keep employees engaged considering morale, trust and performance ○ Empower managers to communicate face-to-face with employees ○ Build partnerships with stakeholders and gain co-operation from stakeholders ○ Managing information to and from stakeholders ○ Give clarity and create consensus ○ It translates company issues to stakeholders ○ It has the ability to prioritise stakeholders ● Environmental level <ul style="list-style-type: none"> ○ Communication management is at the centre of sustainability ○ Doing research to monitor and gather information from the environment to identify risks ○ Creates the context and framework in dealing with issues <p>Communication management requires a holistic communication strategy where measurement is imperative.</p>	<p>communication goals to the organisational goals and mission (Steyn, 2003:179-180). For this to materialise communication integration is needed (Niemann, 2005:4). This integration takes place at three levels, being the organisational level (horizontal and vertical across business units through CEO/top management involvement and communication management playing a strategic role), the stakeholder level (requiring two-way, purposeful and personalised communication) and the environmental levels (considering environmental changes and demands) (Niemann, 2005:248,249,255,260).</p> <p>Communication management contributes to the organisation as it helps reconcile the organisation's goals with the expectations of its stakeholders, which results in monetary value for the organisation. It further assists in promoting ethically and socially responsible organisational decisions and behaviour if the organisation approaches strategy as an integrative grand strategy. In this regard, communication management can transmit information and interpret it. The role of communication management in the organisation towards achieving its goals includes stakeholder communication management with communication programmes aimed at communicating corporate sustainability and corporate social responsibility, the management of stakeholder relationships, issues management coupled with crisis communication, and finally reputation management (See Chapter 3 for more detail).</p>

Area 3: Implications of King III, Chapter 8 for South African business and communication management

Discussion – The contribution of communication management

The three levels of strategic communication integration, where communication management contributes to organisational success and sustainability include the organisational, stakeholder and environmental levels. These levels seem to, although not explicitly stated, exist in the participant organisations. At the organisational level, communication management assists the company to build its reputation, to break down silos that hinder integration in the organisation, help the company make its voice heard and provide some strategic guidance. At the stakeholder level, communication management helps the company understand stakeholders, manage the perceptions, relationships and information to and from stakeholders which implies a two-way flow of communication. At the environmental level, communication management engages in research and monitors the environment to help the company identify and manage risks and deal with issues.

Theme	Responses	Theory
<p>Communication strategy</p>	<p>Two different views from the senior communicators emerged with regard to having a more prominent deliberate communication strategy or a more prominent emergent communication strategy. Those participants who have a communication strategy (7) have a more prominent deliberate communication strategy with the following views:</p> <ul style="list-style-type: none"> • Communication strategy is based on stakeholders • King III informs strategy indirectly • Strategy is holistic in nature and provides checkpoints to business to determine if it is communicating appropriately with its stakeholders • Stakeholder identification and audience segmentation are involved in development communication strategy • Communication platforms to invest in with regard to ROI are identified based on stakeholder considerations and challenges • Specific messages are tailored for specific stakeholders <p>One (1) participant indicated that their communication strategy forms part of a higher level marketing strategy. As such they don't have a dedicated communication strategy per se.</p> <p>One (1) participant indicated that their communication strategy is predominantly emergent in nature and is inherent in the business as a whole.</p>	<p>Dawkins' (2004:119) research highlights that for communication management to be effective in communicating corporate responsibility, a clear communication strategy should be developed, where the content, style and channel are tailored and all coordination if communication is managed.</p> <p>Steyn (2007:140) contends with much of Dawkins' research where she outlines the functional responsibilities of communication management with a strategic mandate, in contributing to business effectiveness as follows:</p> <ul style="list-style-type: none"> • Developing a communication management strategy addressing the key strategic goals, which have emerged from societal and stakeholder issues of the business, and which, in turn, translate into a communication management strategy with its own goals and themes. • Formulating a strategic communication management plan to achieve the abovementioned goals. • Counselling business leaders/managers/supervisors on their communication role toward employees. <p>Managing the activities of a support function. This includes developing, implementing and evaluating communication plans in support of strategies developed at different business levels, developing, implementing and evaluating communication plans in support of the strategies of other business functions and developing, implementing and evaluating communication plans in</p>

Area 3: Implications of King III, Chapter 8 for South African business and communication management		
Theme	Responses	Theory
Communication strategy (continued)		support of the top management's communication to employees and other stakeholders.
<p>Discussion – Communication strategy</p> <p>South African senior communicators, mostly use a deliberate communication strategy to contribute to business effectiveness. This strategy is based on stakeholders, is holistic in nature, and provides checkpoints to business to determine if it is communicating appropriately with its stakeholders. Stakeholder identification and audience segmentation are involved in the development of communication strategy impacting which platforms to invest in, in terms of ROI. Finally, specific messages are tailored for specific stakeholders.</p> <p>An area not highlighted by the participants of this study, is the strategic alignment of communication strategy with the strategic goals of the company, as outlined in the theory. Steyn (2007:140) argues that the strategic mandate of communication management includes not only the development of communication strategy and plans, but also the counselling of business leaders/managers/supervisors on their communication role toward employees, as well as managing the activities of a support function. These activities include developing, implementing and evaluating communication plans in support of strategies developed at different business levels, developing, implementing and evaluating communication plans in support of the strategies of other business functions, and developing, implementing and evaluating communication plans in support of the top management's communication to employees and other stakeholders.</p>		

7.6 DISCUSSION OF FINDINGS

The results from the interviews with senior communicators of a selection of South African companies are summarised and discussed under 7.6.1 and 7.6.2.

7.6.1 RESEARCH OBJECTIVE 1

To explore the role, scope, function, structure and level of authority of communication management in managing stakeholder relationships, as well as influencing and implementing a company's business strategy

The discussion of the results related to Research Objective 1 is structured around three key areas, namely, the description of communication management in South African business, the legitimacy of communication management in South African business, and the requirements (or pre-requisites) for the success of communication management in South African

business. The findings and how they relate to the theory, as highlighted through Phase 1 (in Chapters 2, 3 and 4) are summarised next.

(i) *Area 1: The description of communication management in South African business*

In South African businesses, communication management is defined as the management (which includes messages and channels) and facilitation of communication (through leadership communication, communication integration throughout the organisation and through providing advice and support), with the use of research (pre- and post intervention implementation) at various levels of the organisation, driven by issues, through identifying stakeholders and managing relationships with these stakeholders, both internally and externally, with the aim of communicating business objectives and intent.

The functions mostly performed by South African communication professionals are *internal communication, media relations and stakeholder engagement/relationship management/communication*. Other functions performed are external communication, investor relationships, reputation management (which now includes risk communication/management), government and community relations and human resources. New functions noted include consumer communication, industry affairs, business development and systems, as well as sustainability communication.

Six key roles are identified as follows:

- *Stakeholder relationship management* which is strategic in nature. This role involves engaging stakeholders, managing communication with stakeholders, and establishing a stakeholder communication framework for the business.

- The *strategy involvement and development* is also strategic in nature. This role involves improving business value and cost saving for the business, assisting in achieving business goals and developing strategy. This is done by acting as the conduit for business activities and encompasses communicating business strategy and aligning communication goals with strategic business goals.
- *Reputation management* is mostly managerial in nature. This involves growing goodwill among stakeholders, managing perceptions and relationships as well as media management.
- The *advisory* role is managerial in nature and involves the empowerment of staff in the business by improving their communication capability. It also includes creating awareness of the communication management function and the role it plays in the business.
- *Crisis communication* is managerial in nature and involves crisis avoidance and crisis communication if and when a crisis occurs. Overlap exists with the reputation management role in terms of media management as well as the stakeholder relationship management role, where, if communication with stakeholders is managed well, crises may be avoided.
- The *message and channel management* role is both managerial and technical in nature. It involves developing communication strategy and the clarification and management of messages to ensure blockages for understanding are eliminated. It further involves identifying key messages, creating and identifying channels and managing these channels and mediums for optimum results. This may be achieved through integration of both the message and channel. This integration is regarded as message consistency and unity, and coordinating communication management and marketing efforts.

Effective leadership communication especially that of the CEO, is central to communication management effectiveness. The CEO should ideally drive stakeholder affairs and issues management.

Risk communication was noted as a new area of importance for communication management, previously only regarded as reputation risk. Risk communication is about neutralising risk through satisfying the information requirements among stakeholders. Efficient organisation of information around specific issues is important.

(ii) Area 2: The legitimacy of communication management in South African business

Sustainability, as a focus area of communication management, drives the authority of communication management in South African businesses. However, broad management skills and business knowledge are needed among communication professionals to enhance this authority. Sustainability, with its long-term focus, coupled with the necessary skills and knowledge is known as the strategic communication imperative. Organisational structure, the industry within which the company operates, measurement, the personal reputation of senior communicators, the counselling role of communication management, as well as the role in media and message management (ensuring the content is relevant) impacting reputation in companies, all influence the authority this function has within businesses. All these aspects contribute to the enhancement of the authority of communication management, except the counselling role played by senior communicators, which devalues the function.

Most communication management departments are still reporting to a larger marketing department. However, senior communicators seem to be moving closer to top management, especially the CEO through dotted-line reporting or reporting directly into the Head of Marketing, who in turn, reports directly to

the CEO. This means that the influence and impact of communication management is still diluted as it becomes less likely to be excellent and cannot contribute regularly to strategic management and planning.

Communication management departments vary in size, with some being very small (with 2 to 4 members of staff) to large departments with representatives in different regions. The departments are mostly structured around function or communication technique, especially around media, branding, marketing and communication, internal and external communication, design, digital in terms of platforms/channels used and stakeholder communication. It is no surprise that branding, marketing and communication are included, as the majority of communication management departments are housed within a marketing department. Although limited, some companies integrate their communication either completely within the marketing department, or within the organisation as a whole.

There are still some companies that do not acknowledge the need for communication management in their companies. However, changes in the environment, especially around legislation, are starting to influence these views in some companies. This legislation has the interest of employees and the consumer in mind, both of whom are strategic stakeholders for companies in South Africa. Those companies that do not see the need for communication management do not understand the value and importance of communication management. On the other hand, there are those companies that appreciate communication management. They view communication management as credible, integral to business success, playing a strategic role, managing issues, aligning messages and being proactive in terms of reputation management. This is also what is expected from communication professionals in some companies.

(iii) Area 3: The requirements for the success of communication management in South African business

Communication professionals need to illustrate that this field is managed in a disciplined and structured way, aligned with company strategy. Two of the areas to focus on are managing content that is issue-specific and not generic, and professionals avoiding emotional excitement. These may be considered shortcomings of the professionals themselves. However, a lack of CEO understanding also exists.

Some companies are guilty of organisational arrogance and managerialism that marginalise communication management to focussing its efforts on technical aspects, rather than strategic orientations. Structurally, communication management should be close to the CEO to be successful, which in turn, contributes to the authority of communication management in the company. A flat, task matrix company structure integrates communication management into every aspect of the business, and thus enhances the influence and impact of communication management.

The knowledge base of communication professionals has been under discussion for around two decades where professionals are required not only to have knowledge and skills in the area of communication management and all of its sub-areas of specialisation, but also business and industry knowledge. Ethics has emerged as another area where knowledge is required.

A variety of approaches and tools are utilised in an attempt to measure communication management efforts and impact. However, it seems that these tools are applied in an ad hoc fashion focussed on certain efforts alone. The need for more advanced measurement tools and techniques exists although researchers have worked on this for many years with little progress. Until more advanced measurement tools and techniques become available, a more

structured, integrated and all-encompassing research/measurement strategy may be useful, which is aligned to the communication strategy in a bid to get a more broad-based view of the impact of communication management in a particular company.

Disparate standards in the communication management field is an area of concern which, if addressed, may improve the standing of communication management in business, give it more authority to make a more significant contribution to companies achieving business goals and thus ensure that communication management are successful in business.

7.6.2 RESEARCH OBJECTIVE 2

To explore the implications of the King III Report, Chapter 8 on governing stakeholder relationships in particular on companies and their communication professionals in South Africa

The discussion of the results related to Research Objective 2 is structured around three key areas outlined earlier in the chapter, being stakeholder relationships, understanding corporate governance and the implications of King III, Chapter 8 for South African business and communication management.

(i) Area 1: Stakeholder relationships

Stakeholder relationship management in South African business is either proactive or reactive, or seen as similar to stakeholder engagement. The description of the reactive approach to stakeholder relationship management in South African businesses is similar to that outlined in the theory. However, the proactive approach described in the data, aligns to both the proactive and interactive approach to stakeholder relationship management. This is

particularly relevant where participants described the process of stakeholder relationship management around stakeholder profiling, consisting of a process of three steps:

1. Address issues and determine upon who it impact.
2. Determine what connects the company and the stakeholders.
3. Conduct issues alignment/interest alignment.

An area, not mentioned by participants, but outlined in more recent theory, is that of governing stakeholder relationships as an extension of stakeholder engagement and stakeholder relationship management. Spitzbeck and Hansen (2010:384) outline stakeholder power and scope of dimensions of stakeholder governance. Power is the level of influence given to stakeholders in decision-making. On the one hand there may be non-participation where stakeholders do not have any voice in decisions, and on the other hand stakeholders may possess the power to decide for the organisation. Scope is the breath of power in decision-making.

Some participants defined their stakeholders around the way in which their stakeholders are identified. An overlap thus exists between defining and identifying stakeholders. Of concern is that some companies engage in little stakeholder talk or discussion, which results in their inability to define and identify their stakeholders. The result is little or no strategic, structured or planned engagement and relationship building initiatives. Those who do identify their stakeholders, are mostly aligned with the normative view of stakeholders, which considers the value and moral rights of stakeholders being affected by the behaviour of the organisation and highlights the rights and duties of the actors involved.

The theory proposed various structured ways with which stakeholders can be identified (Falconi, 2009:[14]; Gregory, 2007:65; Rawlins, 2006:2; Grunig, 2005:778; Steyn & Puth, 2000:201; Mitchell et al., 1997:853; Clarkson,

1995:107; Donaldson & Preston, 1995:66; Freeman, 1984:52; Grunig & Hunt; 1984:141).

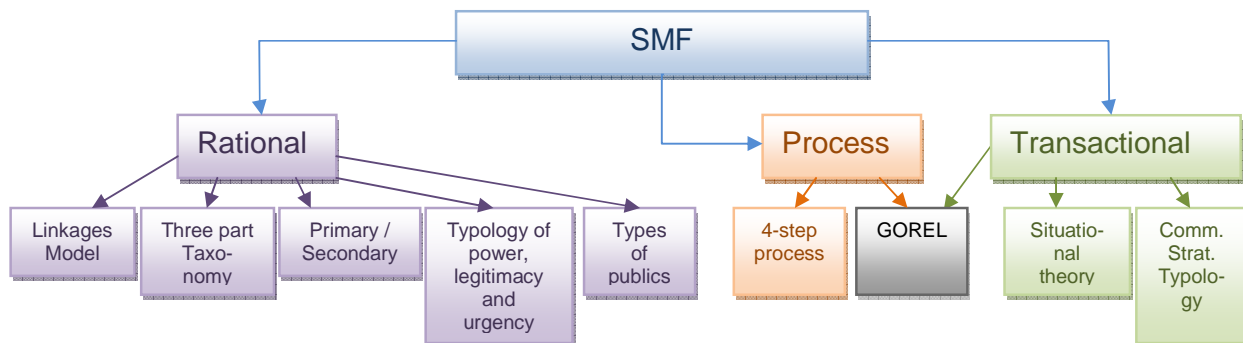
Some of these seem to be used in South African business to a more or lesser extent. The ones that could clearly be identified as being applied from the data, are those of primary and secondary stakeholder identification by Clarkson (1995) and perhaps the situational theory of publics by Grunig (2005). Some approaches, not outlined in the theory, but mentioned by participants in the study, are those of stakeholder identification around the four (4) Cs (Client, colleague, channel and community), which could be useful in some business contexts. Of concern is that some South African businesses make use of intuition to identify stakeholders, or in some extreme cases, pay little attention to stakeholder identification and thus engagement and relationship building.

The stakeholders mentioned by participants are close to those mentioned in the theory as an organisation's typical stakeholders.

Freeman (1984:52) proposed a stakeholder management framework (SMF) around three levels in the organisation, being the rational, process and transactional levels. Looking at the various ways in which the different authors approach and understand the communication, relationship management, identification, classification and prioritisation of stakeholders, this framework seems to provide an umbrella view under which each of the works of various authors can fall. With regard to the rational level which involves understanding who the stakeholders are, coupled with the perceived stakes, the linkages model of Grunig and Hunt (1984), the three-part taxonomy of Donaldson and Preston (1995), the primary and secondary stakeholder classification of Clarkson (1995), the stakeholder typology of power, legitimacy and urgency of Mitchell et al.(1997), the classes of stakeholders of Mitchell et al. (1997) and the types of publics of Steyn and Puth (2000), naturally find a link. The four-step process of Rawlins (2006) as well as the GOREL process of Falconi

(2009) can both be associated with the process level of the SMF. The situational theory of Grunig (2005), Gregory's (2007) communication strategy typology and Falconi's (2009) GOREL process are all related to the transactional level, which provides understanding of the interactions between the organisation and its stakeholders. The umbrella view provided by Freeman's SMF is depicted in Figure 7.2.

Figure 7.2: SMF as umbrella framework



Researcher's own construct

Similar to the theory, stakeholder engagement, is seen as inherent and integrated in the business. Mostly, it is seen as a process of identifying and understanding stakeholders, creating platforms or means to communicate with them and developing appropriate messaging. Some companies have an informal, unstructured approach to stakeholder engagement, while others make use of a stakeholder framework. The theory proposes a more formal, structured approach to stakeholder engagement as part of stakeholder relationship management through the AccountAbility stakeholder engagement framework. This framework provides guidelines on ensuring that all legitimate stakeholders are considered, that different ways in terms of platforms are considered in engaging stakeholders, that the company's capacity to handle stakeholder engagement is enhanced, and that the company would learn from its engagement with stakeholders through measurement.

The areas around issues management, identified from the theory that emerged from the senior communicator views, are that issues lead to crisis,

that issues management is a disciplined approach, that the company's position on an issue plays a role in resolving or avoiding the issue, research is needed, that it is a strategic consideration and impacts relationships and thus reputation. The theory suggests the disciplined management of issues, which did not emerge from the data. This involves a process first categorising and then prioritising issues. This would typically be followed by identifying stakeholders associated with those issues prioritised. Although some senior communicators noted that issue identification precedes stakeholder identification, others noted that stakeholder identification precedes issue identification. The prioritisation of issues should revolve around corporate issues taking precedence over global and local issues.

The theory, although indirectly, notes that communication management should be involved in the process of issue identification and prioritisation as part of issues management, and not only in managing media responses as mentioned by some senior communicators.

Senior communicators seem to understand reputation as the sum of the perceptions (in the form of company image) of stakeholders, over a period of time. Reputation management's components include corporate social responsibility, issues management and crisis management, although only issues and crisis are highlighted by senior communicators. Communication management, with stakeholder perceptions and the management thereof, at its core, is in a position to manage reputation for the benefit of the company. The company aspects stakeholders consider in forming an image about the company, and thus, ultimately, its reputation, are financial performance, quality of management, social and environmental performance, employee quality and the quality of the goods/services provided. Thus, senior communicators feel that stakeholders should be partnered and engaged through having a structured conversation with them.

Some confusion seems to exist among senior communicators with regard to the strategies to handling conflict resolution and crisis management, as well as determining who needs to drive/take responsibility for conflict resolution and crisis communication. Senior communicators do understand though that conflict and crises are caused by issues and that direct engagement with stakeholders is needed. In the theory, various approaches as well as strategies for handling conflict are provided, which include the integrative, distributive and dual concern approaches. The strategies for handling conflict resolution include contending, avoiding, accommodating, compromising, constructive and win-win/no-deal approaches.

In South African businesses, conflict resolution is handled either by the legal department, the risk department, top management, communication management, or a combination of some of these departments. A combination of the legal and risk department, of the legal and communication management department and of communication management and top management was reported. The theory does not stipulate which department should drive/take responsibility for conflict resolution and crisis management. However, it does stipulate that communication management has a role to play in terms of assisting in understanding the organisation's stakeholders, assessing the vulnerabilities of the organisation, conducting environmental scanning research and issues management, as well as designating a crisis management team and conducting training activities including mock crisis drills/simulations (Hagan, 2007:423-433).

Senior communicators view conflict resolution and crisis communication as similar. However, the theory indicates different approaches to handling crisis communication. These include being quick, being consistent and being open. In other words, transparency is important. Further strategies in dealing with crisis communication include corporate apologia, corporate impression management and image restoration in cases where the image and reputation have been damaged.

(ii) Area 2: Understanding corporate governance

South African businesses view corporate governance as good corporate leadership and strategy development ensuring value for the company and transparency in its activities. The theory further outlines that corporate governance is also about having a long-term vision of performance, resource allocation and making a contribution to knowledge, expertise and information. It is also about the structures and systems that provide a framework for the sustainable management of a company.

There is awareness among South African businesses that CSR is part of doing business and not merely meeting a legal requirement. The realisation is there that it forms part of being a good corporate citizen, as outlined by Goodman (2001:118) and can contribute to the competitiveness and reputation of a company.

An aspect not expressed by any of the senior communicators, is that CSR forms part of communication management as it relates to stakeholder engagement and empowerment (Novelli, 2008:269). Steyn (2003:179) argues that CSR has moved beyond the ethical responsibilities towards society, where companies are more responsive and identify the stakeholder issues to which their responsibilities are linked. The definition of who these stakeholders are, is shifting to include those who themselves think they are stakeholders. Finally, the analysis of societal issues and trends is important, because the values and beliefs of key stakeholders are derived from broader societal influences.

South African senior communicators regard sustainability as top management having a long-term vision, with value for both the company and stakeholders in mind, through a culture of accountability and ethics. It needs to consider the

unique industry context of a particular company and balance issues around what is relevant to the business.

A matter raised by senior communicators, not explicitly stated in the theory, is that communication management contributes to sustainability as it should be integrated into the strategy. Communicators need to take cognisance of the fact that sustainability may give a company a value proposition and competitive edge. Practically, a system to record engagements with stakeholders is needed.

The understanding of corporate citizenship among senior communicators seems fairly limited as only a few views are recorded. These views revolve around citizenship impacting perceptions, credibility and reputation. Some participants acknowledge that it is still a work-in-process and note the importance of research. The theory provides a more comprehensive view of citizenship outlining seven (7) dimensions, being:

- How citizenship is defined in a company
- The strategic intent of the company
- Leadership and support towards citizenship
- The influence of structure on how citizenship is managed
- How citizenship issues are handled
- The way stakeholders are engaged
- The extent to which the company's communication is transparent around its financial, social and environmental performance.

(iii) Area 3: Implications of King III, Chapter 8 for South African business and communication management

From the theory, the implications of King III, Chapter 8 for communication management in South African businesses, is to proactively inform management of stakeholder views and how that impacts the reputation and

business. Knowledge of stakeholders and ways to reach them are imperative. Communication management, with this knowledge of stakeholders, is able to align company strategy and stakeholder expectations with each other. Other implications noted by senior communicators are that communication management needs to be proactive in communicating the position of the business, consolidate stakeholder relationship management initiatives undertaken throughout the business, illustrate the structure and systematic approach to communication management, challenge business to address communication issues and raise the awareness of the function, as well as eliminate the silos within which some companies operate.

The three levels of strategic communication integration, where communication management contributes to organisational success and sustainability, include the organisational, stakeholder and environmental levels. These levels seem to, although not explicitly stated, exist in the participant organisations. At the organisational level, communication management assists the company to build its reputation, to break down silos that hinder integration in the organisation, help the company make its voice heard, and provide some strategic guidance. At the stakeholder level, communication management helps the company understand, manage the perceptions, relationships and information to and from stakeholders, which implies a two-way flow of communication. At the environmental level, communication management engages in research and monitors the environment to help the company identify and manage risks and deal with issues associated with its strategic stakeholders.

South African senior communicators mostly use a deliberate communication strategy to contribute to business effectiveness. This strategy is based on stakeholders, is holistic in nature, and provides checkpoints to companies to determine if they are communicating appropriately with their stakeholders. Stakeholder identification and audience segmentation comprise the

development of communication strategy impacting in which platforms to invest. Finally, specific messages are tailored for specific stakeholders.

An area not highlighted by the participants of this study, is the strategic alignment of communication strategy with the strategic goals of the company, as outlined in the theory. Steyn (2007:140) argues that the strategic mandate of communication management includes not only the development of communication strategy and plans, but also the counselling of business leaders/managers/supervisors on their communication role towards employees, as well as managing the activities of a support function. These activities include developing, implementing and evaluating communication plans in support of strategies developed at different business levels, developing, implementing and evaluating communication plans in support of the strategies of other business functions, and developing, implementing and evaluating communication plans in support of the top management's communication to employees and other stakeholders.

7.7 CONCLUSION

Chapter 7 focussed on exploring the role, scope, function, structure and level of authority of communication management in managing stakeholder relationships, as well as the implications of the King III Report, Chapter 8 on governing stakeholder relationships in particular on companies and the communication professionals in South Africa.

An overriding conclusion is that, while stakeholder relationship management is practised in different ways to a more or lesser extent in South African companies, a strategic orientation towards stakeholder relationship management is lacking. A more proactive structured, systematic and scientific approach (in the form of guidelines) to managing strategic stakeholder relationships is needed for organisations to not only meet the requirements

outlined in the King III Report, Chapter 8, but also use stakeholder relationship management as a strategic means to enhance company reputation and contribute to value creation for both the company and its strategic stakeholders.

Although communication management still consists of the legacy of public relations and corporate communication in terms of its role, scope, function, structure and level of authority in contributing to business strategy and success, a shift has to some extent taken place in expanding its influence through strategic stakeholder relationship management. Six key roles form part of communication management. These are stakeholder relationship management, strategy involvement and development, reputation management, a communication advisory role, crisis communication as well as message and channel management. Whereas in the past, the role of communication management was mainly described around the technical role of communication management, more emphasis is now being placed on both the managerial and strategic role of communication management.