

STRATEGIC COMMUNICATION IN ALLIANCES: PERCEPTIONS OF ALLIANCE PARTNERS ON RELATIONSHIP OUTCOMES

by

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A dissertation submitted in partial fulfilment of the requirements for the degree of

MCom (Communication Management)

in the

Faculty of Economic and Management Sciences
University of Pretoria

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Date: 24th June 2008

DEPARTMENT OF MARKETING AND
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ABSTRACT

Organisations experience increased social, political and economic pressure that is evident in the increased pressure that stakeholders place on organisations. Organisations increasingly realise that stakeholders' values and objectives need to be incorporated into organisational strategy as well as the day-to-day management of the organisation. Organisational success and survival consequently depends on the organisation's network of relationships, which provide the organisation with otherwise inaccessible resources and a competitive advantage.

Organisational relationships offer the best solution towards illustrating the value of public relations and communication in the organisation. These relationships enable the organisation to attain its long- and short-term goals. Communication is a key influencer of the success of these relationships and communication managers are consequently better adept to manage these relationships. The relationship perspective of communication posits that public relations and communication managers should act in a boundary spanning role by balancing the interests of companies and stakeholders through effective relationship management. A shift has consequently occurred from purely communication management towards building mutually beneficial relationships between an organisation and its key stakeholders.

There has also been an increased recognition of the need for strategically managed communication programs that can effectively contribute to organisational success. Strategic communication assists an organisation to adapt to its stakeholder environment by feeding into the organisation's strategy formulation process intelligence with regards to strategic stakeholders, which, in turn, assists in building mutually beneficial relationships with these stakeholders.

Communication managers' efforts towards the effective management of organisational relationships has been hampered by the lack of current literature on organisational relationships, a lack of knowledge regarding the factors that influence these relationships, as well as the lack of a reliable and quantifiable definition of organisational relationships. Knowledge on these key areas could enable

communication managers to manage these relationships effectively through strategic communication that is characterised by open and two-way communication.

This study aimed to determine the connection between organisational relationships and organisational success by investigating the relationship between organisational alliances (as a specific form of organisational relationship) and goal attainment. The three-stage model of organisational relationships proposed by Grunig and Huang (2000:34) was applied to organisational alliances in order to determine this relationship, as well as to determine the influence of key constructs like type of industry, type of alliance, duration of the alliance and the size of the organisation. The reliability of using this framework, specifically the relationship outcomes proposed by the three-stage model, was investigated.

The relationship outcomes (trust, commitment, relational satisfaction and control mutuality) were positively related to perceptions of goal attainment. This implies that if trust, commitment, relational satisfaction and control mutuality increases in an organisational alliance, the perceptions of goal attainment also increase within that organisational relationship. These findings suggest that effective communication contributes to perceptions of goal attainment within organisational relationships. It offers public relations and communication practitioners a means to demonstrate the contribution of this function to organisational success.

High correlations between the relationship outcomes reflected current findings on these outcomes and a factor analysis indicated that only one factor was being measured – the organisational relationship itself. The study proposed an improved measurement instrument for reliably measuring organisational relationships (Cronbach Alpha = 0.93). The type of industry, type of alliance, duration of the alliance as well as the size of the organisation did not have a significant influence on the relationship outcomes or the proposed measure of organisational relationships. This implies that the current proposed measurement instrument can be applied to numerous contexts.

A general linear model was applied to goal attainment (as the dependent variable) and the relationship outcomes (as the independent variables) in order to determine the specific contribution of each relationship outcome on perceptions of goal attainment.

The regression analysis indicated that control mutuality was the greatest influencer of perceptions of goal attainment within alliances. A noticeably low influence of trust was also measured.

These findings were obtained through the use of an e-mail survey that obtained cross-sectional data, where 154 alliances were observed (n=154). The study contributed to present literature on organisational relationships by using Grunig and Huang's (2000:43) three-stage model to explain the relationship between perceptions of goal attainment and the relationship outcomes in alliances within the South African context.

Strategic communication management provides a solution to a key organisational issue – the organisation's interdependence with the stakeholders in its environment and how these stakeholders can better be managed in order to more effectively contribute towards organisational success. Communication managers can demonstrate their value by effectively managing key organisational relationships like alliances by integrating these relationships into organisational strategy. These successful organisational relationships also contribute towards organisational sustainability by enabling the organisation to attain its long- and short-term goals.

Keywords: *Strategic communication, relationship management, relationship outcomes, alliances, goal attainment, South Africa.*

OPSOMMING

Organisasies ondervind 'n verhoging in sosiale, politieke en ekonomiese druk wat duidelik gemaak word deur die verhoogde druk wat belangegroepe op organisasies plaas. Organisasies begin al hoe meer beseft dat belangegroepe se waardes en doelwitte in organisatoriese strategie sowel as die dag-tot-dag bestuur van die organisasie geïnkorporeer moet word. Die sukses sowel as die voortbestaan van die organisasie hang dus af van die organisasie se netwerk van verhoudings wat andersins onbekombare bates en mededingende voordeel vir die organisasie beskikbaar stel.

Organisatoriese verhoudings bied die beste oplossing om die waarde van skakelwerk en kommunikasiebestuur te illustreer. Hierdie verhoudings stel die organisasie in staat om sy lang- en korttermyn doelwitte te bereik. Kommunikasie is dié sleutel tot die sukses van hierdie verhoudings en kommunikasiebestuurders is dus beter toegerus om hierdie verhoudings te bestuur. Die verhoudingsperspektief van kommunikasie stel dat skakelbeamptes en kommunikasiebestuurders in 'n grensoorspanningsrol moet tree deur die belange van belangegroepe en die organisasie deur effektiewe verhoudingsbestuur te balanseer. Gevolglik het daar 'n skuif plaasgevind vanaf suiwer kommunikasiebestuur na die bou van wedersyds voordelige verhoudings tussen die organisasie en sleutel belangegroepe.

Daar is ook verhoogde erkenning aan die behoefte om kommunikasie programme strategieë te bestuur sodat dit effektiewelik tot organisatoriese sukses kan bydra. Strategiese kommunikasie help die organisasie om by sy belangegroep omgewing aan te pas deur konstante inligting met betrekking tot strategiese belangegroepe in die organisatoriese strategie in te voer. Hierdie proses help met die bou van wedersyds voordelige verhoudings met hierdie belangegroepe.

Kommunikasiebestuurders se pogings om organisatoriese verhoudings effektief te bestuur word vertraag deur die gebrek aan huidige literatuur aangaande hierdie verhoudings, gebrek aan kennis oor wat hierdie verhoudings beïnvloed sowel as 'n gebrek aan 'n betroubare en kwantifiseerbare definisie van organisatoriese verhoudings. Kennis in hierdie area kan kommunikasiebestuurders in staat stel om

meer effektief te bestuur deur strategiese kommunikasie wat deur oop en twee-rigting kommunikasie gekarakteriseer word.

Hierdie studie het beoog om die verband tussen organisatoriese verhoudings en organisatoriese sukses te bepaal deur die verhouding tussen organisatoriese alliansies (as 'n vorm van organisatoriese verhouding) en doelwit bereiking te ondersoek. Die drie-fase model van organisatoriese verhoudings, voorgestel deur Grunig en Huang (2000:34), is op organisatoriese alliansies toegepas om hierdie verhouding vas te stel, sowel as die invloed van sleutel konstrakte soos die tipe industrie, tipe alliansie, duur van die alliansie en grootte van die organisasie te bepaal. Die betroubaarheid daarvan om hierdie raamwerk te gebruik om organisatoriese verhoudings te meet, spesifiek ten opsigte van die verhoudings uitkomstes voorgestel deur die drie-fase model, is ondersoek.

Die verhoudings uitkomstes (vertroue, toevertrouing, verhoudingsbevrediging en beheerwederkerigheid) was positief verwant aan persepsies van doelwit bereiking. Dit impliseer dat as vertroue, toevertrouing, verhoudingsbevrediging en beheerwederkerigheid in 'n organisatoriese verhouding vermeerder, dan sal die persepsies van doelwit bereiking ook binne daardie organisatoriese verhouding vermeerder. Hierdie bevinding stel voor dat effektiewe kommunikasie bydra tot persepsies van doelwit bereiking binne organisatoriese verhoudings. Dit bied skakelbeamptes en kommunikasiebestuurders 'n uitweg om die bydrae van hierdie funksie tot organisatoriese sukses te demonstreer.

Hoë korrelasies tussen die verhoudings uitkomstes het huidige studies gereflekteer en 'n faktor analise het aangedui dat slegs een faktor gemeet word – die organisatoriese verhouding self. Die studie het 'n verbeterde meetinstrument voorgestel om organisatoriese verhoudings betroubaar te meet (Cronbach Alpha = 0.93). Die soort industrie, tipe alliansie, duur van die alliansie sowel as die grootte van die organisasie het nie 'n beduidende invloed op die verhoudings uitkomstes of die algehele organisatoriese verhouding gehad nie. Dit bring mee dat die huidige meetingsraamwerk in verskeie kontekste toegepas kan word.

'n Algemene liniêre model was op doelwit bereiking (as die afhanklike veranderlike) en die verhoudings uitkomstes (as die onafhanklike veranderlikes) toegepas om die spesifieke bydrae van elke verhoudings uitkomste op persepsies van doelwit bereiking vas te stel. Die regressie ontleding het aangedui dat beheer wederkerigheid die grootse invloed op persepsies van doelwit bereiking binne alliansies gehad het. 'n Noemingswaardig lae invloed van vertrouwe is ook gemeet.

Hierdie bevindinge is verkry deur die gebruik van 'n e-pos opname wat kruis-seksionele data opgelewer het en waar 154 alliansies geobserveer is (n=154). Die studie dra by tot huidige literatuur oor organisatoriese verhoudings deur Grunig en Huang (2000:34) se drie-fase model te gebruik om die verhouding tussen persepsies van doelwit bereiking en organisatoriese verhoudings in alliansies binne die Suid-Afrikaanse konteks bloot te lê.

Strategiese kommunikasiebestuur bied 'n antwoord op 'n sleutel kwessie in die organisasie – die organisasie se interafhanklikheid met die belangegroepe in sy omgewing en hoe hierdie verhoudings beter bestuur kan word om meer effektiewelik tot organisatoriese sukses by te dra. Kommunikasiebestuurders kan hulle waarde demonstreer deur sleutel organisatoriese verhoudings soos alliansies te bestuur deur hierdie verhoudings in organisatoriese strategie te integreer. Hierdie suksesvolle organisatoriese verhoudings dra ook by tot die organisasie se volhoubare bestaan deur die organisasie in staat te stel om sy lang- en korttermyn doelwitte te bereik.

Sleutelwoorde: *Strategiese kommunikasie, verhoudingbestuur, verhoudingsuitkomste, alliansies, doelwit bereiking, Suid Afrika.*

ACKNOWLEDGEMENTS

To my Heavenly Father for bestowing His grace, love and strength upon me.

Here but for the grace of God, am I.

Please allow me to also thank the following key individuals:

- To my family and the Bothas, without whose help I would not have completed this dissertation. A special thanks to Gordon for your love and support and constant optimism and belief in me.
- To my supervisor, Dr. De la Rey van der Waldt, for your valuable insights and truly educational guidance.
- To IPSA for allowing me to use their database.
- To Sollie Millard and Jaqui Sommerville, from Statomet, for their patience and advice with the checking of the data and statistical analysis.
- To Dr. Anna-Mart van Wyk for the technical care and language editing of the document.
- To the personnel at the Department of Marketing and Communication Management at the University of Pretoria for their support and encouragement.

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CHAPTER 1: ORIENTATION, RESEARCH PROBLEM AND OBJECTIVES

1.1 INTRODUCTION

The study of public relations and communication management has shifted dramatically during the last few years. The focus of this field has moved away from a micro focus on techniques and programs towards a macro focus on relationships. This emergence of relationship management as a new paradigm for public relations and communication management redefines the essence of this field – “what it is and what it does or should do; its functions and value within the organisational structure and the society” (Jo, 2003:9). Ledingham (2003:183) states that “it would be difficult to overstate the importance of the relational concept to public relations”.

The quality of organisational relationships determines and predicts how stakeholders will attribute the responsibility for crises as well as the consequences of the crises (Heath, 2006:99). In the current turbulent times where change and crises are constant, quality relationships are an indication of organisational success. Competition within the global marketplace also requires that organisations continuously seek out products, processes and technologies that add value to their own offerings (Morgan & Hunt, 1994:24). An organisation’s purpose and direction is also affected by its relationships with key stakeholders in its environment (Dozier, Grunig & Grunig, 1995) since it influences the way stakeholders support the organisation’s goals (Ströh, 2005:111). One way in which communication managers can therefore contribute to organisational success is by aligning these relationships to organisational strategy (Steyn & Puth, 2002).

The relationship management perspective of public relations holds that public relations and communication balances the interests of organisations and its stakeholders through the management of organisational relationships. This relational perspective attempts to define the organisational function of communication and public relations while clarifying the role of communication within that function, as well as provide a

process for determining the contribution of this function to the attainment of organisational goals (Ledingham, 2003:182). Grunig (2006:159) also states that when communication develops successful relationships with strategic publics, “an organisation is more likely to develop goals desired by both the organisation and its publics and is more likely to achieve those goals because it shares those goals”. Effective communication is therefore also correlated to goals and the attainment of those goals through organisational relationships. The current study specifically addresses the contribution of alliances, as a form of organisational relationship, to perceptions of goal attainment.

Organisational relationships, like alliances, are essential in maintaining the viability of the stakeholder organisation (Spicer, 2007:29). Due to globalisation and the technology revolution, there is a tendency towards organising stakeholder relations into partnerships or alliances between companies, public institutions and community-based organisations (Pederson, 2005: [2]; Robson & Katsikeas, 2005:2). There has been an unprecedented growth in the number of alliances and voluntary arrangements worldwide. In today’s uncertain environment, alliances offer an influential mechanism for asserting corporate strategic control (Drucker, 2001 in Robson & Katsikeas, 2005:2). Because of this “proliferation”, organisations are now viewed as placed within a network of interorganisational relationships that “are crucial to their success and survival” (Gulati, 1995:1).

As the importance and number of organisational relationships has increased during the past few years, so has the role of the communication manager. Spicer (2007:38) concluded that “the two-way symmetrical model of public relations suggests that the public relations practitioners in the organisation may well find themselves leading the charge for collaborative engagement with the dependent stakeholders”, as key outcomes like trust are achieved through effective communication (Grunig & Huang, 2000). Consequently, as symmetrical communication has been identified as a key influencer in the success of organisational relationships (Grunig, 2006; Heath, 2006), communication managers have been tasked with managing these relationships.

Relationship is one of the key phrases in communication management and public relations and represents the “heart and soul” of current intellectual debate in the

discipline (Heath, 2001 in Spicer, 2007:27). It offers public relations and communication practitioners a means to demonstrate the contribution of this function to organisational effectiveness. Ströh (2005:111) argues that the domain of communication management is relationship management, as “it is the function that manages the communication between an organisation and its publics”. Public relations and communication add value far beyond programme level when it helps the organisation to identify stakeholders, segment these stakeholders and use symmetrical communication to develop and cultivate relationships with these strategic publics (Grunig, 2006:158).

The effectiveness of communication in terms of relationships lies in its use as a strategic tool to achieve relationship goals and objectives (Bruning & Ledingham, 2000). Within the relational perspective, communication functions “as a strategic tool in the building and maintaining” of organisational relationships (Ledingham, 2003:195). The communication within these relationships therefore needs to be strategic.

Strategic communication assists an organisation to adapt to its stakeholder environment by feeding into the organisation’s strategy formulation process intelligence with regards to strategic stakeholders. It also contributes to organisational success by building mutually beneficial relationships with these stakeholders through two-way communication (Steyn, 2007:139). Strategic communication management assumes communication management to be a strategic management function at the strategic and macro level of an organisation (Steyn, 2007:139). Steyn (2007:137) also found that public relations practitioners know that they should function in the boardroom at a strategic level, but still focus on their technical communication skills and plans. One way in which public relations practitioners and communication can therefore earn their place in the boardroom, as well as emphasise the importance of this organisational function, is by building mutually beneficial and sustainable organisational relationships with strategic stakeholders in the organisation’s environment (Grunig, 2002:2).

Public relations cannot have a role in strategic management unless it has a way to measure its effectiveness, where relationships may offer the answer towards demonstrating the return on investment of public relations within the organisation

(Grunig, 2006:157). For decades it has been said that “public relations is diverse and difficult to measure in that most of its elements are intangible” (Lesley, 1991 in Jo, 2003:2). However, the paradigm shift towards a relational perspective of this organisational function necessitates the measurement of relationships and its effect on organisations (Jo, 2003:2). Intangible assets, specifically relationships, are topical in current literature and studies in the field and no other topic in public relations has received greater attention in the past ten to fifteen years (Grunig, 2006).

Relationships between organisations, like alliances, are an increasingly important unit of analysis (Saxton, 1997:443) and offer a helpful “theoretical lens” through which researchers can examine value-creating linkages between organisations (Dyer & Singh, 1998:676) and their stakeholders. Few researchers measure relationships and fewer still organisation-public relationships (Broom, Casey & Ritchey, 2000:17). Organisational relationships have unique and measurable properties that define the relationship as being separate from the participants and therefore a separate construct that can be measured. These relationships can consequently be studied as a phenomenon distinct from the perceptions held by parties in the relationship (Broom *et al.*, 2000:17).

Due to the lack of a concrete definition of organisational relationships, the measurement of these relationships and their outcomes within management has been diverse, as it has not been based on a solid theory of relationships (Broom, Casey & Ritchey, 1997:81; Grunig & Huang, 2000; Ledingham & Bruning, 2000c; Ströh, 2005). Broom *et al.* (1997) called for a definition of organisation-public relationships and proposed a model of organisational relationships. Recently, there has been “significant progress” in developing measures for the concept of organisation-public relationships, where either “types of relationships” or relationship outcomes have been used as a measure of these relationships (Yang & Grunig, 2005:4). Using relationship outcomes to measure organisational relationships occurred through a process that started in interpersonal relationship literature. Ballinger (1991, in Broom *et al.*, 1997:88) created a framework for organisation-public relationships that is illustrated in Table 1.1.

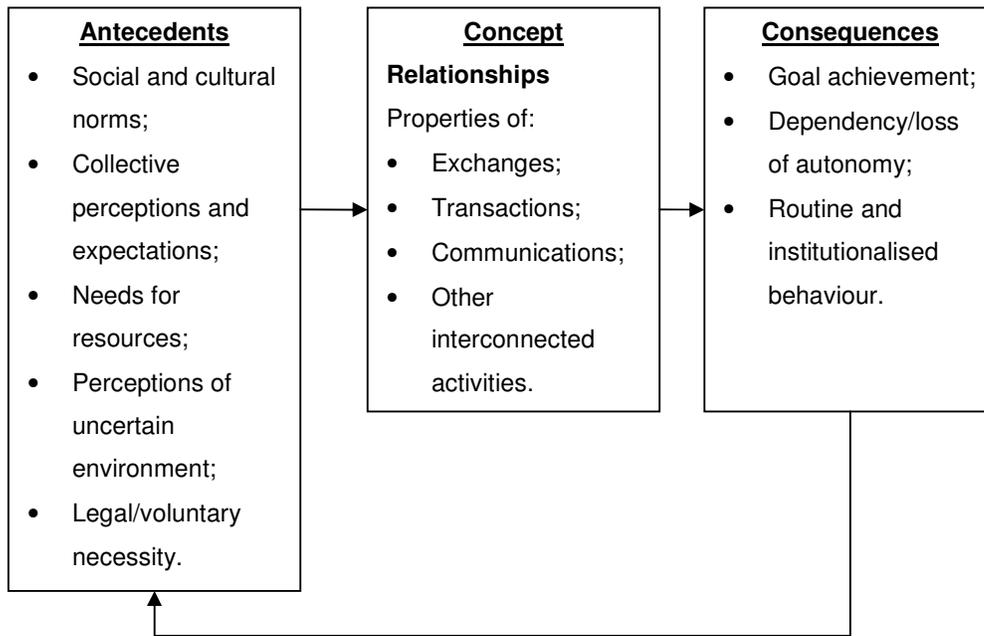
Table 1.1: Ballinger's (1991) relational model of organisation-public relationships

	Intimacy	Trust	Control
Perceptions	<i>Dependence</i>	<i>Confidence</i>	<i>Power</i>
Communication behaviour	<i>Frequency</i>	<i>Openness</i>	<i>Dominance</i>
Relational outcomes	<i>Knowledge</i>	<i>Reciprocity</i>	<i>Functionality</i>

SOURCE: Broom, G.M., Casey, S. & Ritchey, J. 1997. Toward a concept and theory of organisation-public relationships. *Journal of Public Relations Research*, 9(2):83-98.

Ballinger's (1991, in Broom *et al.*, 1997:88) conceptualisation was based on Millar and Rogers' (1987 in Broom *et al.*, 1997:88) framework. They proposed nine indexes for measuring relationships, which also formed the basis of Broom *et al.*'s model (1997). The nine measurement indexes for relationships were divided into three relational dimensions of intimacy, trust and control. Broom *et al.* (1997:94) used this and other models of relationships to conceptualise the antecedents and consequences of organisation-public relationships. They did this in order to come closer to an acceptable and universal definition of relationships. Broom *et al.*'s (1997:94) conceptualisation of relationships is based on the theory that at the level of organisation-public systems, the attributes of linkages among the participants describe the relationships within the systems. Their conceptualisation of relationships is illustrated in figure 1.1 below.

Figure 1.1: Antecedents and consequences of organisation-public relationships



SOURCE: Broom, G.M., Casey, S. & Ritchey, J. 1997. Toward a concept and theory of organisation-public relationships. *Journal of Public Relations Research*, 9(2): 83-98.

As a result of Broom *et al's* (1997) model of relationships, relationships started to be conceptualised and illustrated in terms of stages and specifically their antecedents and consequences. Broom *et al.* (1997) did not provide a definition or concept of relationships. It was only four years later that Grunig and Huang (2000) attempted to do so. Based on the work by Broom *et al.* (1997), Grunig and Huang (2000:34) formulated the three-stage model of organisational relationships as antecedents, maintenance strategies and relationship outcomes and provided general guidelines for the measurement of organisational relationships (see Figure 1.2). This conceptualisation was also useful in explaining why organisations engage in relationships with specific publics (Yang & Grunig, 2005:6).

The present study adapted Grunig and Huang's (2000:34) general guidelines for the measurement of relationship outcomes (see Appendix A) to measure relationship outcomes of alliances. During the scale purification process of the present study, specifically with the factor analysis, it was evident that the four relationship outcomes measured one construct: the organisational relationships itself. An improved measurement instrument was consequently proposed based on the findings of the

study for the measurement of organisational relationships (see Appendix C). The use of the relationship outcomes has formed an increasingly important framework for measuring organisational relationships (Yang & Grunig, 2005). These four elements, i.e. trust, commitment, relational satisfaction and control mutuality, formed the basis of the measurement instrument applied in this study.

Table 1.2: Three-stage model of organisational relationships

1 Situational antecedents →	2 Maintenance Strategies →	3 Relationship Outcomes
<ul style="list-style-type: none"> ▪ Organisation affects public; ▪ Public affects organisation; ▪ Organisation-public coalition affects another organisation; ▪ Organisation-public coalition affects another public; ▪ Organisation affects an organisation-public coalition; ▪ Multiple organisations affect multiple publics. 	<ul style="list-style-type: none"> ▪ Symmetrical: <ul style="list-style-type: none"> ○ Disclosure (openness); ○ Assurances of legitimacy; ○ Participation in mutual networks; ○ Shared tasks (helping to solve problems of interest to the other party); ○ Integrative negotiation; ○ Cooperation/ collaboration; ○ Be unconditionally constructive; ○ Win-win or no deal. ▪ Asymmetrical: <ul style="list-style-type: none"> ○ Distributive negotiation; ○ Avoiding; ○ Contending; ○ Compromising; ○ Accommodating. 	<ul style="list-style-type: none"> ▪ Control mutuality; ▪ Commitment; ▪ Trust; ▪ Satisfaction; ▪ Goal Attainment.

SOURCE: Grunig, J.E. & Huang, Y. 2000. From organisation effectiveness to relationship indicators: Antecedents of relationships, public relations strategies, and relationship outcomes. In: Ledingham, J.A. & Bruning, S.D. *Public Relations as Relationship Management: A Relational Approach to the Study and Practice of Public Relations* (p.34). New Jersey, USA: Lawrence Erlbaum Associates.

This model of organisational relationships illustrates organisational relationships as consisting of three stages. The first stage relates to the factors (antecedents) that might have an influence on the outcomes of organisational relationships. Thereafter, the specific communication activities and maintenance strategies, that are undertaken within the relationship and influence the outcomes of these relationships, are discussed. These strategies can broadly be classified into either symmetrical or asymmetrical communication strategies. Lastly, the relationship outcomes of

successful relationships are trust, commitment, relational satisfaction and control mutuality, where a natural consequence of these is assumed to be goal attainment. Goal attainment, according to Grunig and Huang (2000:34), is defined here as “complementary behaviour”, and does not necessarily relate to the actual attainment of organisational or relational goals. Consequently, when relationship partners are committed to the relationship, are satisfied with the relationship, feel that a relatively fair distribution of power exists within the relationship and feel that the organisation they are partnering with is trustworthy, the communication within the organisational relationship is considered to be successful (Grunig & Huang, 2000:34; Ströh, 2005:125). This, in turn, is proposed to lead to goal attainment (Grunig & Huang, 2000:34).

During 2000 and 2005, various studies (Hon & Brunner, 2002; Jo, Hon & Brunner, 2004; Ledingham & Bruning, 2000a; Yang & Grunig, 2005) used these relationship outcomes (trust, commitment, relational satisfaction and control mutuality) to measure various aspects related to or the outcomes of various organisational relationships. They indicated high correlations between the relationship outcomes (Grunig & Huang, 2000:47; Ledingham, 2000:8; Jo, 2003; Ströh, 2005). Only in 2005 did Yang and Grunig (2005) propose that these relationship outcomes may represent the organisational relationship itself. A primary objective of this study was to ascertain the reliability of using these relationship outcomes to measure organisational relationships.

The three-stage model of organisational relationships, specifically the relationship outcomes of this three-stage model, has also not been applied to alliances. Alliances represent a number of different types of organisational relationships including partnerships, manufacturing agreements, joint ventures, distribution agreements and co-operative research and development, to name but a few. Alliances represent an organisational relationship in that two independent parties enter into a strategic relation while remaining independent (Saxton, 1997:448). Communication plays an integral part in the formation, governing and success of alliances (Granovetter, 1985; Gulati, 1995; Gulati, 1998) and the importance of goal attainment in alliances cannot be overstated, as alliances are formed between two organisations in order to achieve predetermined goals (Gulati, 1998:294). Gulati (1998:294) explains a sequence of

events that take place when an alliance is formed, which includes the decision to enter an alliance, the choice of an appropriate partner and the dynamic evolution of the alliance as the relationship develops over time. This reflects Grunig and Huang's (2000:34) conceptualisation of organisational relationships.

These relationship outcomes were also specifically applied to perceptions of goal attainment within the alliance, questioning the influence of these relationship outcomes on perceptions of goal attainment within the alliance. Organisations can be seen as complex and dynamic "goal-oriented" processes, where the ability to attain goals is central to the functioning of the organisation (Peery, 2001:269). The organisation can use several ways to attain its goals (Baldwin, Perry & Moffitt, 2004:295), including relationships with stakeholders in their environment. An open systems perspective recognises that organisations are interdependent with other organisations and groups in their environment and that these stakeholders influence both what goals organisations choose and the extent to which they meet those goals (Katz & Kahn, 1978 in Grunig, Grunig & Ehling, 1992:67).

Public relations contribute to goal attainment in two ways: Firstly, it must be part of the strategic management of the organisation through surveying the environment and helping to define the mission, goals and objectives of the organisation. Secondly, in addition to contributing to overall strategic management, public relations should also manage its own programmes strategically. Therefore, the management of organisational relationships, as the key ambit of public relations (Ströh, 2005:111; Welch, 2006:1), should be managed more strategically in order to better contribute to organisational goal attainment and success.

Most studies on relationship management tend to emphasise the systems theory approach as an overarching construct (Ledingham & Bruning, 2000c:xiv), since relationships (interrelationships) are a central construct in systems theory (Broom *et al.*, 2000:17). From a systems theory perspective, organisations form linkages with other organisations because of their interdependence with these elements within the system to survive and to attain goals (Baldwin *et al.*, 2004:295). The focus of the study on goal attainment was consequently also justified by the use of the systems theory. Furthermore, the stakeholder theory was utilised in combination with the systems

theory and focuses on organisational relationships with key stakeholders that will enable the organisation to survive and attain goals (Grunig *et al.*, 1992:69). Both these theories focus on the importance of organisational relationships to the survival of an organisation and propose various ways in which organisations can effectively manage these relationships. These two theories are discussed in greater depth in the following chapter.

This study focused on previous studies that used relationship outcomes to measure organisation-stakeholder relationships (Grunig & Huang, 2000; Ledingham, 2000; Ströh, 2005) and organisation-organisation or interorganisational relationships (Bruning & Ledingham, 2000) in various contexts. Key studies on alliances (Gulati 1998), strategic communication (Grunig, 2006; Steyn & Puth, 2000; Verwey & Du Plooy-Cilliers, 2002), relationship management, trust, control mutuality, commitment and relational satisfaction (Grunig, 1992; Morgan & Hunt, 1994; Grunig & Huang, 2000; Ledingham & Bruning, 2000a; Grunig, 2002; Ströh, 2005) were also used. The key studies used are illustrated in Table 1.3.

Table 1.3: Key articles and studies relevant to the present research

Chapter 2	Strategic Communication
	Grunig, 1992; Grunig, 2006; Steyn, 2007; Steyn & Puth, 2002; Verwey & Du Plooy-Cilliers, 2002.
	Systems Theory
	Baldwin, Perry & Moffitt, 2004; Gregory, 2000; Grunig, 1992; Littlejohn, 1989.
	Stakeholder Theory
Donaldson & Preston, 1995; Friedman & Miles, 2002; Friedman & Miles, 2006.	
	Organisational Relationships
	Broom et al., 1997; Broom et al., 2000; Grunig, 1992; Grunig & Huang, 2000; Ledingham & Bruning, 2000b; Ströh, 2005; Hung, 2005.
Chapter 3	Strategic Alliances
	Gulati, 1995; Gulati, 1998; Granovetter, 1992; Saxton, 1997.
	Relationship Outcomes
	Grunig, 2002; Grunig & Huang, 2000; Hon & Brunner, 2002; Jo, Hon & Brunner, 2004; Ledingham & Bruning, 2000a; Ströh, 2005; Yang & Grunig, 2005.

The remainder of this chapter discusses the specific problem statement that was identified within the literature and then specifies the research objectives that were measured in the study. Thereafter, the key terms and importance of the study is explained. Lastly, the methodology as well as the breakdown of the chapters is discussed.

1.2 PROBLEM STATEMENT

Strategic communication contributes to the success of the organisation by building sustainable and mutually beneficial relationships with its stakeholders (Steyn, 2007:137). If communication practitioners are to make a real contribution to organisational effectiveness, they need to become experts in using communication to remove the barriers to organisational success (Steyn, 2007:167). One specific barrier is the ineffective management of organisational relationships and the misalignment of these relationships to organisational strategy and organisational goals. Once communication managers understand how to successfully manage these organisational relationships by aligning it with organisational strategy, the role and importance of communication and public relations managers is increased. Communication managers also need to understand how these organisational relationships are linked to organisational goal attainment in order to align these relationships' goals to organisational goals and organisational strategy.

Too few studies have focused on organisational relationships as their unit of analysis (Hon & Brunner, 2002; Jo *et al.*, 2004). Grunig and Huang's (2000:34) three-stage model of organisational relationships offers a possible solution to the measurement of these relationships. The reliability of specifically using the relationship outcomes proposed by the three-stage model to measure organisational relationships like alliances needs to be tested. These relationship outcomes have not been applied to alliances and their link with perceptions of goal attainment has not been fully explained. The influence of the type of industry, the type of alliance, the duration of the alliance as well as the size of the organisation participating in the alliance on the outcomes of the relationship has also not been fully explained. Based on the literature discussed in the introduction and these specific shortcomings, the following problem statement was developed:

What is the relationship between goal attainment and the specific relationship outcomes of trust, commitment, relational satisfaction and control mutuality? These relationship outcomes have been proven to be the result of effective communication within the relationship. The reliability of using these outcomes to measure organisational relationships like alliances, as well as the influence of industry type, alliance type, duration of the alliance and size of the organisation on these relationship outcomes has not been determined. From a strategic communication orientation, how do these key constructs relate when applied to alliances?

1.3 OBJECTIVES OF THE STUDY

From the above problem statement, the following objectives were formulated.

1.3.1 Primary objective

The primary research objective of this study is to determine the relationship between goal attainment and relationship outcomes in alliances where strategic communication occurred.

1.3.2 Secondary objectives

From the problem statement, the following secondary objectives were also determined:

- **Objective 1:**
To determine whether differences exist regarding alliance partners' perceptions of goal attainment.
- **Objective 2:**
To determine the effectiveness of using relationship outcomes as a measure of organisational relationships like strategic alliances.

- **Objective 3:**
To determine whether industry type has an influence on relationship outcomes.
- **Objective 4:**
To determine whether alliance type has an influence on relationship outcomes.
- **Objective 5:**
To determine whether the duration of the alliance has an influence on the relationship outcomes.
- **Objective 6:**
To determine whether the size of the organisation has an influence on relationship outcomes.
- **Objective 7:**
To determine whether and how these constructs relate to one another: relationship outcomes, goal attainment, duration of the alliance, type of alliance and industry as well as size of the organisation.

The first of these objectives relate to whether alliance partners perceive that there is a difference between the achievement of their organisation's goals, the achievement of the alliance partner's goals or the achievement of the relationship's goals. The second objective attempts to ascertain whether the measurement instrument that was adapted for the measurement of organisational relationships, is reliable. Objective three to six relates to other possible influencing factors that may influence the relationship outcomes, including the industry type, alliance or relationship type, the duration of the alliance as well as the size of the organisation. The last objective attempts to ascertain the linear relationship between the key constructs in the study. These objectives were measured using the research methods as indicated in Table 1.4 below.

Table 1.4: Summary of research objectives

OBJECTIVE	KEY CONSTRUCTS MEASURED	MEASUREMENT	STATED HYPOTHESIS
Primary Objective	Goal Attainment, Relationship Outcomes	Hypothesis test	H ₆
1	Goal attainment	Hypothesis test	H ₁
2	Relationship outcomes (trust, commitment, relational satisfaction and control mutuality)	Reliability analysis using Cronbach Alpha (α) correlation coefficient	n.a.
3	Industry type, relationship outcomes	Hypothesis test	H ₂
4	Alliance type, relationship outcomes	Hypothesis test	H ₃
5	Duration of the alliance, relationship outcomes	Hypothesis test	H ₄
6	Size of the organisation, relationship outcomes	Hypothesis test	H ₅
7	Goal attainment, relationship outcomes, industry type, alliance type, duration of the alliance and size of the organisation	Linear modelling using general linear modelling techniques (GLM)	n.a.

The key constructs measured in the study as well as the key terms of the study are defined in the following section.

1.4 DEFINITION OF KEY TERMS

In order to understand the specific meaning of certain constructs used in this study, the following terms are defined: strategic communication, systems, stakeholders, organisational relationships, organisational alliances and the specific relationship outcomes expected from these alliances.

1.4.1 Strategic Communication

Communication is strategic when it enables an organisation to attain its goals. Strategic communication is seen as “the strategic planning of communication in order to ensure effective internal communication”, thereby enabling the organisation to achieve its short- and long-term goals (Verwey & Du Plooy Cilliers, 2002:4).

1.4.2 Organisational alliances

Gulati (1998:294) defines alliances as “voluntary arrangements between firms [or organisations] involving exchange, sharing, or codevelopment [sic] of products, technologies, or services”. Strategic alliances, as alliances are often referred to, are the “association of two or more firms that, while keeping their autonomy, choose to achieve a project, programme or activity by putting together the required resources and competencies” (Hadida, 2006:1). An alliance is therefore a formal agreement between two or more parties that remain independent in order to pursue a set of agreed-upon goals. The terms alliances, organisational alliances and strategic alliances were used interchangeably within this study.

A dyadic relationship refers to a relationship between only two partners. Alternatively, relationships where more than two relationship partners are involved, a multivariate relationship can be observed. The same principle applies to alliances, where a dyadic alliance was measured in the present study.

Various motives and objectives are associated with the occurrence of alliances and they can take a number of forms (Gulati, 1998:293). Examples of this type of relationship includes joint marketing or manufacturing agreements, cooperative Research and Development (R&D), licensing relationships, and joint ventures involving formation of separate legal entities (Saxton, 1997:448). Alliances are therefore a form of organisational relationship that incorporates a wide range of organisational relationships. The three-stage model of organisational relationships proposed by Grunig and Huang (2000:34) namely relationship antecedents,

maintenance strategies and relationship outcomes (see figure 1.2) can consequently be applied to alliances.

1.4.3 Alliance partners

Alliance partners are the organisations or individuals involved in an alliance. For the purpose of this study, the number of alliance partners was limited to two, as a dyadic analysis was conducted on the data. However, the number of organisations or individuals entering into an alliance does not have to be limited to two.

1.4.4 Organisational relationships

Neither scholars nor practitioners have defined the concept of relationships or developed reliable measures for organisational relationship (Broom *et al.*, 2000:4; Grunig & Huang, 2000:25; Hung, 2005:1; Ledingham & Bruning, 2000c:xiv). Based on the lack of definition, the Institute for Public Relations in America in conjunction with Ketchum Public Relations commissioned a task force to develop a theoretical model for the development of relationship measures in the late 1990's (Hon & Brunner, 2002:3). Partly based on this research and the thesis of a PhD student of Grunig by the name of Huang, Grunig and Huang (2000:34) conceptualised relationships as relationship antecedents, maintenance strategies and relationship outcomes. This three-stage model of organisational relationships was applied to alliances in this study, where the third stage of the relationship, relationship outcomes, was used as a measure for this specific form of relationship. These relationship outcomes – trust, commitment, relational satisfaction and control mutuality - have been extensively used in the measurement of various organisational relationships (Grunig & Huang, 2000; Hon & Brunner, 2002; Jo *et al.*, 2004; Ledingham & Bruning, 2000a; Ströh, 2005; Yang & Grunig, 2005) and relationships were consequently defined as “the degree that the organisation and its publics trust one another, agree on who has rightful power to influence, experience satisfaction with each other, and commit oneself to one another” (Yang & Grunig, 2005:3). This definition is also used by this study, since the relationship outcomes of trust, commitment, relational satisfaction and control mutuality are used to measure alliance (as a specific form of organisational

relationship) and were found to pose a reliable measure of the organisational relationship itself.

1.4.5 Relationship outcomes

Relationship outcomes refer to the final stage of organisational relationships and are influenced by both the antecedents and maintenance strategies that occur in that specific relationship (Grunig & Huang, 2000:33). The following four relationship outcomes have been identified as measures of successful organisational relationships.

- **Trust**

Trust has several underlying dimensions, including integrity, fairness and dependability (Jo *et al.*, 2004:4; Scott, 2007:13). Where integrity refers to fairness and justness in the relationship, dependability refers to consistency between verbal statements and behavioural actions. Alternatively, competence represents the extent to which “parties in a relationship have the ability to do what they say they will do” (Jo *et al.*, 2004:4).

- **Commitment**

Commitment refers to the extent to which each relationship partner believes that the relationship is worth spending energy on to maintain or promote (Scott, 2007:13) and refers to a situation where both parties in the relationship “direct their emotional attachment and behaviour towards ensuring a continuance of the relationship” (Jo *et al.*, 2004:4).

- **Relational satisfaction**

Relational satisfaction is an overall assessment of relationship quality and represents the extent to which one party feels favourably towards one another (Jo *et al.*, 2004:4). It also refers to the extent to which positive expectations are reinforced within the

relationship (Scott, 2007:13) and can occur when one party believes that the other party's relationship maintenance behaviours are positive (Jo *et al.*, 2004:4).

- **Control mutuality**

Control mutuality refers to “the degree to which parties agree on who has the rightful power to influence the other” (Scott, 2007:13) and relates to the power dynamics within the relationship, which is often made visible through shared decision-making practices within the relationship.

- **Goal attainment**

Goal attainment refers to the situation where relationship partners believe that specific goals, whether it be their organisation's goals, the specific relational goals or the goals of the partnering organisation are being accomplished through the organisational relationship.

These constructs were measured by using the following methodology.

1.5 RESEARCH METHOD

The method of data collection decided upon was determined by the sample and their capabilities. The sampling population of the study consisted of respondents who are participating in, or have participated in at least one strategic alliance. A census was conducted on the possible 2500 respondents of the database of the Institute of Procurement and Supply South Africa (IPSA), since these respondents all participated in alliances (at least with IPSA). These respondents were considered to be computer-literate professionals.

An electronic survey was chosen as the method of data collection, because other authors using the relationship guidelines provided by Grunig and Huang (2000:36) (see Appendix A) have also chosen survey as their method of data collection (Hon & Brunner, 2002; Jo *et al.*, 2004; Yang & Grunig, 2005). The specific method of data collection, i.e. electronic surveys, was chosen because electronic surveys do not limit

researchers by geographical area or budget and would thus allow national coverage (Cooper & Schindler, 2003). Since budget limitations are not applicable to electronic surveys, a census was conducted in order to obtain as many questionnaires as possible. The response rate of electronic surveys is low. A sample of only six percent of the sampling frame was realised. This amounted to 157 questionnaires in total. Attempts to increase the response rate of the survey were undertaken, where respondents received a follow-up e-mail, a time extension as well as a follow-up phone call to those respondents who had not yet completed their questionnaire near the cut-off date for data collection.

The measurement instrument sent out to respondents was based on the framework provided by Grunig and Huang (2000). The core construct of the measurement scale was developed and found reliable by Grunig and Huang (2000) and Jo *et al.* (2002), whereafter it contributed to various other studies on relationships (Grunig 2002; Hon & Brunner, 2002; Jo *et al.*, 2004; Ledingham & Bruning, 2000a; Ströh, 2005; Yang & Grunig, 2005). Five point Likert-type questions were used to measure the relationship constructs in order to obtain adequate data for inferential statistics.

1.6 DEMARCATION OF CHAPTERS

At completion, this research was presented in the form of both a dissertation and a research article, which was submitted in partial fulfilment of the requirements for the degree MCom in Communication Management. The dissertation consists of theoretical chapters, a methodological chapter and research findings chapters. The structure of the dissertation is illustrated in the figure below.

Figure 1.2: Outline of theoretical chapters

<p>CHAPTER 1: Orientation, Research Problem and Objectives</p>	<p>Introduction, Problem Statement, Research Objectives, Definition of Key Terms and Demarcation of Chapters</p>
<p>CHAPTER 2: Strategic Communication in Alliances, the Systems and Stakeholder Theories</p>	<pre> graph TD SC([Strategic Communication]) --> ST([Systems Theory]) SC --> SH([Stakeholder Theory]) ST --> OR([Organisational Relationships]) SH --> OR </pre>
<p>CHAPTER 3: Alliances and Relationship Outcomes in Organisational Relationships</p>	<pre> graph TD SA([Strategic Alliances]) --> GA([Goal Attainment]) SA --> RO([Relationship Outcomes]) RO --> T([Trust]) RO --> C([Commitment]) RO --> RS([Relational Satisfaction]) RO --> CM([Control Mutuality]) GA --> GA_out[] T --> T_out[] C --> C_out[] RS --> RS_out[] CM --> CM_out[] </pre>
<p>CHAPTER 4: Methodological Orientation</p>	<p>Revision of Research Question and Hypotheses, Methodological Context, Reliability and Validity of Measurement Instrument, Data Processing, Data Analysis and Ethical Considerations</p>
<p>CHAPTER 5: Research Results and Interpretation</p>	<p>Realisation Rate, Descriptive Statistics, Scale Purification, Hypotheses Testing and Regression Model</p>
<p>CHAPTER 6: Conclusions and Implications</p>	<p>Conclusion on the Research Problem and Research Objectives, Limitations of the Study and Future Research Suggestions</p>

In Chapter 2, the context for the entire study is given by first discussing strategic communication. The two theories used to improve organisational relationships are the

systems and stakeholder theories. These two theories' contribution to strategic communication, organisational relationships and goal attainment contribute towards explaining the relationship between organisational relationships and goal attainment. The chapter ends by discussing the three-stage model of organisational relationships (Grunig & Huang, 2000;36) and its application to alliances.

Chapter 3 explains alliances and how these organisational relationships can be measured and linked to goal attainment from a communication orientation. The chapter ends with a discussion of the use of relationship outcomes (trust, commitment, relational satisfaction and control mutuality) as a measure of these organisational relationships by providing adequate theory on these four individual constructs.

Chapter 4 applies these relationship outcomes to the measurement of organisational relationships by discussing the methodology and measurement instrument used in the study. The methodology chapter also discusses the statistical techniques that were used to link alliances' relationship outcomes with perceptions of goal attainment, the ethical implications thereof and the limitations of such a methodology. Chapter 5 follows with a discussion of the main findings from this methodology.

Chapter 6 concludes by integrating these findings with current theory as well as the theory discussed in the previous chapters. Some implications and recommendations are made to both management and academia. The chapter ends with a discussion of possible future research and the main conclusions from the study.

STRATEGIC COMMUNICATION IN ALLIANCES, THE SYSTEMS AND STAKEHOLDER THEORIES

<p>CHAPTER 1: Orientation, Research Problem and Objectives</p>	<p>Introduction, Problem Statement, Research Objectives, Definition of Key Terms and Demarcation of Chapters</p>
<p>CHAPTER 2: Strategic Communication in Alliances, the Systems and Stakeholder Theories</p>	<pre> graph TD SC([Strategic Communication]) --> ST([Systems Theory]) SC --> SH([Stakeholder Theory]) SC --> OR([Organisational Relationships]) ST --> OR SH --> OR </pre>

CHAPTER 2: STRATEGIC COMMUNICATION IN ALLIANCES, THE SYSTEMS AND STAKEHOLDER THEORIES

2.1 INTRODUCTION

Communication within an organisation is a strategic management function that contributes towards the management of organisational relationships. These relationships impact the company's mission, goals and objectives (Holtshauzen, 2007:28). Strategic communication focuses on aligning organisational activities like alliances with organisational strategy and thereby enables organisations to better attain their goals. After the relevant theory regarding strategic communication is discussed, the two key theories used to better understand alliances as a form of organisational relationship is discussed – the systems and stakeholder theories. These theories contribute to our understanding of organisational relationships, like alliances, and the measurement of trust, commitment, relational satisfaction and control mutuality in these relationships.

The systems theory was fundamental in the development of the model of relationships used in this study (Ledingham & Bruning, 2000c:xiv; Ströh, 2005:125) and focuses on the interdependence of organisations with other stakeholders in its environment (Littlejohn, 1989:36). The stakeholder theory, on the other hand, is critical in understanding that organisational relationship as well as the importance of stakeholders (Friedman & Miles, 2006:135) where stakeholder management has formed the framework for relationship management (Holtshauzen, 2007:21). Before these two theories are discussed, the theory regarding strategic communication needs to be fully explained.

2.2 STRATEGIC COMMUNICATION

An organisation's communication system is central in guiding and executing strategy (Dolphin & Fan, 2000; Van Riel & Fombrun, 2007:9). When organisations take a strategic approach towards communication, communication becomes integral to the

formulation and implementation of strategy (Argenti, Howell & Beck, 2005:84). Organisational communication should be aligned to strategic management processes and organisational goals in order to also become more strategic (Steyn & Puth, 2000; Verwey & Du Plooy-Cilliers, 2002). Strategic communication is described as communication aimed towards aligning the entire organisation towards the organisational strategy and, for instance, aligning different departments' goals or relationship building with organisational strategy (Steyn & Puth, 2002:3; Steyn, 2007). Strategic communication creates a competitive edge for an organisation through harnessing all its potential and by causing every day-to-day decision to be made with the organisational strategy in mind (Verwey & Du Plooy-Cilliers, 2002:3).

Strategic communication can be viewed as the collective noun for describing all communication in an organisation that is aimed towards the alignment of organisational goals and values with stakeholder goals and values. It thereby ultimately contributes to the management of organisational relationships. These relationships, in turn, contribute towards organisational success by impacting the organisation's ability to attain its goals and objectives. Strategic communication also aligns organisational activities, like relationship management, to organisational strategy (including vision and mission) and thereby ensures the attainment of long- and short-term organisational objectives. A few key constructs need to be discussed when addressing strategic communication: relationships, the strategic management of communication and symmetrical communication as an element of strategic communication.

Relationships like alliances form a central focus of strategic communication, as it influences the attainment of organisational goals and objectives. Ströh (2005:135) emphasises the importance of *relationships* as the core principle around which organisational strategies have to operate. Since communication is the tool used to manage organisational relationships, strategically managing this effort would entail making communication in this relationship strategic by aligning it with organisational strategy. Organisational alliances therefore, when managed effectively, should be aimed towards mutual benefit through the alignment of organisational strategy and stakeholder values and goals. This is accomplished through symmetrical

communication as part of a strategic management process within this organisational relationship.

In the strategic communication management process, the first step is to establish organisational goals and objectives from which the communication strategy will be developed. The next step in the strategy formulation process includes the identification of strategic stakeholders. This is followed by the “issue stage”, where possible problems are identified. Thereafter, the communication strategies, goals and objectives are developed (Ströh, 2005:134). Thus, strategic communication entails various steps towards building relationships with key stakeholders, where these relationships should be aligned to organisational strategy, and organisational strategy, in turn, should be aligned to key stakeholders in the organisation’s environment. These relationships can then be referred to as strategic relationships.

These strategic relationships should also be characterised by symmetrical communication in order to ensure their sustainable contribution to organisational success. Grunig and Huang (2000) state that symmetrical communication forms part of strategic communication and leads to desired relationship outcomes. Symmetrical communication is central to building relationships where mutual benefit is fostered (Heath, 2006:100). Mutual benefit, in turn, ensures that the needs and values of the organisation are aligned to the needs and values of the stakeholder. This two-way symmetrical approach to communication with stakeholders also has specific trust-building capabilities within the relationship (Spicer, 2007:37). Spicer (2007:37) refers to symmetrical dialogue that can generate “trust through collaborative advocacy”. He states that there are several benefits of collaborative communication, such as:

- Improved stakeholder relations, skills and knowledge;
- The development of evolving common purpose;
- A greater likelihood of understanding other views; and
- A greater willingness to trust the process and other stakeholders (Spicer, 2007:37).

Symmetrical communication is also necessary to attain specific relationship outcomes (Grunig, 2006; Ströh, 2005) and to ensure the success of the organisational

relationship. The symmetrical model of communication proposes that publics, or the organisation and its stakeholders, should “use communication to adjust their ideas and behaviour to those of others rather than to try to control how others think and behave” (Grunig, 2006:156). Heath (2006:106) states that relationships are symmetrical when the fit between the stakeholders and the organisation reflects the dynamics of *communitas* rather than *corporatas*, where *corporatas* reflects the highly profit-oriented and dominant view of the organisation as opposed to the more stakeholder-centric perspective of *communitas*. This relates to Steyn’s (2007:159) statement regarding the incorporation of stakeholder norms and values into an organisation’s communication strategy and consequently organisational relationships. Variables that define *communitas* and distinguish it from *corporatas* include:

- Open two-way communication;
- Trustworthiness, which relates to building trust with stakeholders through being reliable, non-exploitative and dependable;
- Cooperation, where stakeholders are engaged in collaborative decision-making;
- Alignment, referring to shared interests, rewards and goals between the organisation and its stakeholders;
- Compatible views or opinions that foster mutual understanding and agreement; and
- The fostering of commitment through involvement and investment (Heath, 2006:106).

The basic principles of *communitas* therefore narrowly reflect the desired relationship outcomes where successful communication took place. Symmetrical communication is consequently linked to *communitas*, and also intricately linked to the relationship outcomes measured in the study.

Spicer (2007:38) states that a symmetrical model for organisational relationships means that public relations and communication managers should lead these relationships. Since two-way symmetrical communication and relationship management are key influencing factors in the attainment of organisational goals through organisational relationships like alliances, it follows that communication

managers should be responsible for managing these relationships. The article by Spicer (2007:38) concluded with “the two-way symmetrical model of public relations suggests that the public relations practitioners in the organisation may well find themselves leading the charge for collaborative engagement with the dependent stakeholders”, as key outcomes like trust (also commitment, relational satisfaction and control mutuality) are achieved through effective communication (Grunig & Huang, 2000:34). Relationship management can therefore be regarded as the ambit of public relations and communication management.

Strategic communication entails the identification of strategic stakeholders and incorporating their needs into organisational goals in order to build mutually beneficial relationships with these key stakeholders (Steyn, 2007:139). This constraint of identifying key stakeholders has also been placed on communication managers. This effort has, in part, been limited due to the lack of a commonly agreed upon definition of organisational relationships (Broom *et al.*, 1997:81; Grunig & Huang, 2000; Ledingham & Bruning, 2000b; Ströh, 2005). Using the guidelines proposed by Grunig and Huang (2000:35) for the measurement of organisational relationship outcomes, to measure alliances as a form of organisational relationship that incorporates many types of organisational relationships, could enable communication managers to manage this function more strategically.

Grunig *et al.* (1992:81) states that the quality of these “strategic” relationships should be measured in important outcomes like trust, credibility, mutual legitimacy, openness, mutual satisfaction and mutual understanding. With the three-stage model of organisational relationships proposed by Grunig and Huang (2000:36), communication managers can measure the trust, commitment, relational satisfaction and control mutuality within the relationship. Communication managers could then identify to whom they should communicate the organisation’s trustworthiness, commitment, satisfaction with the relationship as well as the measure of control mutuality that is present in any specific organisational relationship in order to align these stakeholders with organisational strategy. Strategic communication within the organisational relationship consequently influences the outcomes of that relationship. This study specifically focuses on the relationship outcomes of the three-stage model of organisational relationships (trust, commitment, relational satisfaction and control

mutuality) and the influence of strategic communication on these relationship outcomes and their link to goal attainment.

Grunig (2006) views strategic communication not only as a collective noun, but as a theory of corporate communication. According to Grunig (2006:153), strategic communication is a general theory that explains how the public relations and communication function should be structured and managed “to provide the greatest value to organisations, publics and society”. Specifically, the “theory” addresses:

- How communication contributes value to the organisation;
- “How an empowered public relations [communication] function makes a unique contribution to strategic management” and consequently distinguishes it from other organisational functions;
- Techniques that communication managers can use to fulfil their strategic management role;
- “The critical role of relationships in the planning and evaluation of public relations [communication] programmes”;
- Different models for communication and the most effective strategies for cultivating relationships;
- The incorporation of ethics into the strategic role of communication and public relations; and
- How the theory can be applied globally (Grunig, 2006:154).

Grunig (2006:154) states that these components within the theory are logically related to one another.

Successful management of strategic communication means that communication must not only be viewed as a management tool, but rather a strategic process, linked to all the organisational levels and thereby impacting on the organisation’s ability to achieve its goals and its long-term sustainability (Broom *et al.*, 2000:13; Verwey & Du Plooy-Cilliers, 2002:3). Two theories that contribute towards a better understanding of organisational relationships are the systems and stakeholder theories, where the systems theory was used in the development of the three-stage model and the stakeholder management has formed the framework for relationship management.

The systems theory, which will first be discussed, also supports the importance of focusing on goal attainment through organisational relationships because of an organisation's interconnectedness with its environment.

2.3 SYSTEMS THEORY

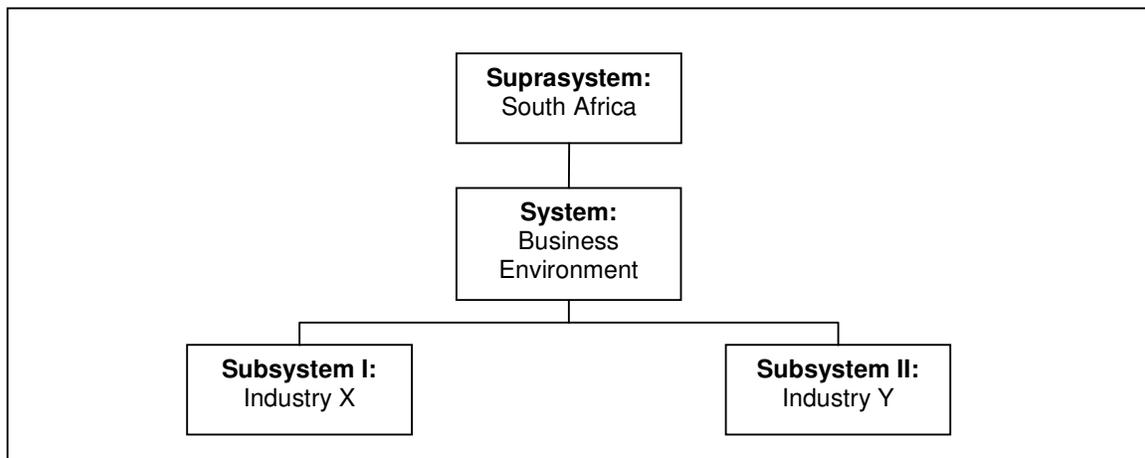
Systems theory can be defined as a transdisciplinary scientific domain that studies “the structure and properties of systems in terms of relationships from which new properties of wholes emerge” (Baldwin *et al.*, 2004:31). A system, as the ordered composition of elements into a unified whole, can be as small as the mind of an individual or as big as a nation. It refers to a set of interconnected parts of a group and the way materials are used to *meet goals* [own emphasis] (Baldwin *et al.*, 2004:31).

The systems theory is traditionally used to explain and underpin the practice of public relations and communication management (Baldwin *et al.*, 2004:322; Gregory, 1999:266). The primary connection between public relations and the systems theory is that both focus on organisational relationships. Littlejohn (1989:35) describes a system as a “set of objects or entities that interrelate with one another to form a whole”. A system consequently consists of both a structure (for example the organisation, objects or entities) and the processes between these structures that creates an interdependence between them. In focusing on the relationship between two organisations, the current study emphasises the *processes* between two structures (organisations) within a system. This reflects the early attempts to define communication where communication was seen as a process and many authors attempted to define the characteristics of this process (Bormann, 1980:26).

The systems theory approach thus represents the earliest kind of organisational communication understanding, and “permits a fuller understanding of how basic internal and external components interact with each other and how organisations relate to one another” (Baldwin *et al.*, 2004:293 & 295). As the structure of a system is defined by the relationship among the units, and communication is the primary exchange between these systems, communication serves as a major determinant of both relationships and the overall functioning of the system (Broom *et al.*, 2000:13).

Alliances are one type of relationship that can be studied within a system. When applying systems theory to alliances between organisations, these participating organisations are embedded within a larger system consisting of all the other organisations and stakeholders that influence both these organisations and their relationship. The boundary between systems, nonetheless, is hard to distinguish. Boundaries both connect and separate the organisation from its environment (Gregory, 1999:267). Littlejohn (1989:36) states that since systems are part of other systems, “the boundary of the system may be quite arbitrary and can only be established by the observer”. The system and supra-system where-in an alliance takes place is illustrated in the following figure.

Figure 2.1: Position of strategic alliance within a system hierarchy



SOURCE: Adapted from Littlejohn, S.W. 1989. *Theories of Human Communication*. 3rd ed. Belmont, California, USA: Wadsworth.

The two organisations participating in an alliance form two subsystems within the larger business environment, and the supra-system wherein the business environment functions is the larger South Africa, because the respondents from this study were all situated in South Africa. Communication or public relations managers can therefore use the systems theory to study organisational relationships within the larger environment (South Africa) wherein the alliance took place. Each system that is formed within its larger environment has specific characteristics.

2.3.1 Characteristics of systems

Systems consist of four elements and possess eight common characteristics. Littlejohn (1989:35) proposes a simple conceptualisation of the systems theory and

explains that a system can be said to consist of four elements, including, firstly, *objects*. Objects within a system are the parts, elements or members of the system and may be physical or abstract. Secondly, a system consists of *attributes* or qualities of both the system and its elements. Thirdly, a system possesses internal *relationships* among its elements. Relationships are crucial to defining the quality of systems and imply a mutual effect or interdependence and constraint. Lastly, systems possess an *environment*. In other words, they do not exist within a vacuum but are affected by their surroundings (Littlejohn, 1989:35). The relationship within a system forms the focus of this study.

Having briefly discussed the four elements of a system, a more in-depth discussion of the eight characteristics of systems will now be rendered. These characteristics provide more insight into why the systems theory is useful in understanding organisational relationships like alliances. These eight characteristics include (Littlejohn, 1989:35):

2.3.1.1 Wholeness and interdependence

A system is composed of regularly interacting or interrelating groups or “parts” (for example people or organisations) which, when viewed together, form a new whole, where this unique whole is a product of the forces or interactions among its parts (Baldwin *et al.*, 2004:294; Littlejohn, 1989:36). In most cases this “whole” has properties that cannot be found in the constituent elements (Littlejohn, 1989:35). These parts interrelate and cannot be understood separately and this pattern of interdependence is what creates organisation in the system (Littlejohn, 1989:36). The general systems theory distinguishes a system and “allows for its parts to be described”, and the relationship between those parts comes into focus (Baldwin *et al.*, 2004:293). There are two basic types of research on systems: those concerned with the objects or things in the system, or the structure of the system, and those concerned with the linkages or relations among them or the processes (Klir, 1991 in Broom *et al.*, 2000:13). The further discussion of the systems theory refers to the system concerned with the relationships between the elements of a system, i.e. processes within the system.

2.3.1.2 Hierarchy

Systems are also embedded within one another and as a result, one system is part of a “higher” system. Systems are complex, and every complex system consists of a number of subsystems. Therefore, the system is a series of levels of increasing complexity (Baldwin *et al.*, 2004:31; Littlejohn, 1989:36). In studying the relationships within a system, one can take a very broad view, observing a number of interacting systems in a large supra-system. Alternatively, one can take a narrower view, observing one or two smaller sub-systems within the larger system as environment (Littlejohn, 1989:37). This study takes a narrow view, observing two subsystems within the larger system, i.e. two organisations and the relationship between these organisations.

2.3.1.3 Self-regulation and control

Systems are viewed as goal-oriented organisms that are governed by these purposes or goals (Littlejohn, 1989:37). Littlejohn (1989:37) also states that a system’s activities are controlled by its goals and the system regulates its behaviour in order to achieve those aims. Systems control and regulate themselves in order to attain these system goals, by sending messages to different parts of the system, either to keep everything in line or to change (Baldwin *et al.*, 2004:31). These messages or communication within the system are therefore aimed at aligning the system with its goals.

Goal attainment forms a central theme within systems and this study, which focuses on aligning organisational relationships with organisational goals. Traditionally, the primary and overarching goal of systems has been to survive. In order to survive, organisations have to adjust and maintain a balance within themselves and with their environments (Gregory, 1999:267). From a systems perspective, this is established through feedback and communication in the system. It also implies that the goals of different organisations or objects in the system are aligned. In order for systems to survive and attain their goals, they need to interact with other systems in their environment. Closed systems, or systems that do not interact with their environment, are not able to survive in the long term and are therefore not sustainable.

2.3.1.4 Interchange with the environment

Open systems are those that interchange with their environment and therefore have inputs and outputs as opposed to being a *closed system*, which does not interchange with its environment. It can therefore be said that the system both affects and is affected by the environment (Littlejohn, 1989:37). The outcomes of an alliance, by implication, have an effect on the organisation itself as well as other stakeholders within its environment. The outcomes generated through effective communication therefore have an impact on the other organisational relationships within an organisation's system. These relationship outcomes form a central theme within this study.

The open systems approach provides a framework for considering the organisation within a specific context and forces organisations to examine external forces as well as internal processes and structures (Gregory, 1999:269). The General Systems Theory is concerned mainly with open systems – those that allow inputs and outputs into its environment and is oriented towards growth (Littlejohn, 1989:35). This study utilises the General Systems Theory, specifically an open systems approach, to better understand alliances as a form of organisational relationships.

2.3.1.5 Balance

Balance within systems, also referred to as homeostasis (Baldwin *et al.*, 2004:31; Littlejohn, 1989:37), is related to a systems interchange with its environment and self-regulation and control and is aimed at self-maintenance. In other words, it is when the self-regulation and control of systems as well as its interchange with the environment is successful and the organisation survives and remains in balance. A task of the system is to “remain alive” and to stay in balance. The eventual fate of systems that cannot remain in balance is that of a closed systems fate - increasing entropy (disorganisation) and then disintegration (Littlejohn, 1989:37). Thus, systems both grow and die while seeking to maintain a comfortable, but not exact balance (Baldwin *et al.*, 2004:31). Because this balance is not exact and often shifts, systems have to constantly change and adapt.

2.3.1.6 Change and adaptability

Because systems exist in a dynamic environment, they must be adaptable. Advanced systems must be able to reorder themselves, based on pressures from their environment (Littlejohn, 1989:38). Also referred to as requisite variety, an organisation must be able to be aware of and adjust to its external environment or cease to exist (Baldwin *et al.*, 2004:294). The following characteristic of systems incorporates most of the other characteristics and relates to its ability to change, adapt, balance, self-regulate, control and interchange with its environment in order to achieve its goals.

2.3.1.7 Equifinality

Finality is the goal attainment or task accomplishment of the system, where equifinality refers to the particular final state that may be accomplished in different ways and from different starting points. An adaptable or open system, which has this final state as a goal, can achieve that goal in a variety of environmental conditions (Baldwin *et al.*, 2004:294; Littlejohn, 1989:38). Simply put, the final state that systems strive to accomplish can be accomplished in many ways through a variety of environmental states or conditions. Forming alliances is therefore just one way through which organisations can strive to attain their goals. These alliances, then again, can arise and take place in a variety of environments, for instance in social society where businesses form alliances with non-governmental organisations (NGOs) in order to attain their corporate governance goals.

2.3.1.8 Cybernetics

Cybernetics refers to the study of regulation and control in systems, with an emphasis on feedback (Littlejohn, 1989:38). These properties that emerge from the feedback within the system relates to the relationship outcomes in this study – the relationship outcomes of trust, commitment, relational satisfaction and control mutuality, as these are formed due to the communication maintenance strategies that takes place between two organisations in a system (Grunic & Huang, 2000). The regulation and control of these are not measured in this study; only the outcomes of organisational relationships within systems are measured.

From the above characteristics, the relevance of using the systems theory to study alliances is evident. Various limitations can be associated with the use of the systems theory, including:

- Over-emphasis on outcomes as opposed to the process of communication within the system (Gregory, 1999:270); and
- The stated goals of the alliance and the organisations participating in the alliance can often be regarded as idealistic, not stated in operational terms and based on competing values (Amos, 2005:3; Peery, 2007:271).

Peery (2001:275) states that the limitations of the systems perspective are rather linked to those using the systems theory as opposed to inherent weaknesses in the theory itself. By focusing on the influence of strategic communication in alliances and only then measuring the outcomes of this process, counters the first limitation posed by using the systems theory. The second limitation is addressed by measuring goal attainment from three different perspectives – whether the organisation's goals were attained, whether the partnering organisation's goals were attained and lastly whether the alliance's goals were attained. By doing this, the possibility of goal incongruence is controlled.

Having discussed and applied the eight general characteristics of the systems theory (Littlejohn, 1989), as well as possible limitations that could be encountered while using the systems theory, three key constructs from the systems theory that are central to this study are discussed in more depth in the following sections – strategic communication, organisational relationships and goal attainment.

2.3.2 Systems theory and its application to strategic communication

The structure of a system is defined by the relationship among the units and communication is the primary exchange between these systems. From a systems perspective, the terms relationship and communication are inseparable, where the system is constructed of relationships and the means wherein the different parts of the system interact is through communication. Communication serves as a major

determinant of both relationships and the overall functioning of the system (Broom *et al.*, 2000:13). The overall functioning of the organisation here refers to its ability to attain goals (Peery, 2001:268). Communication is thus regarded as key to all processes in a system.

The communication within the system facilitates the functioning and therefore the relationships within the system (Baldwin *et al.*, 2004:294). These relationships within a system function as part of the bigger whole in order to attain the system's goals. Applied to an organisation, this implies that the organisational relationships between a system and its stakeholders all contribute to the ability of an organisation to attain its goals. These relationships are facilitated through communication, which tries to align the relationships to organisational goals. Communication that is aligned with organisational strategy and goals is therefore strategic (Verwey & Du Plooy Cilliers, 2002:4).

An organisation's communication system is a key tool for guiding and executing corporate strategy (Dolphin & Fan, 2000:99; Van Riel & Fombrun, 2007:9). The most significant factor accounting for the "total behaviour of the organisation, is its communication system" (Walton, 1969 in Broom *et al.*, 2000:16; Grunig *et al.*, 1992:72). Walton (1969 in Broom *et al.*, 2000:16) states that the dynamics of the organisation can best be understood by understanding its systems of communication. When these systems of communication are aligned to attaining organisational goals, the communication within these systems becomes strategic.

Dolphin and Fan (2000:106) state that further research is needed in a number of areas relating to strategic communication, including the impact of excellent communication and its effect on strategic processes like organisational relationships. One way that was recently developed that can be used to measure the impact of strategic communication in organisational relationships is to measure the outcomes of those relationships. Organisational relationships where effective communication are practised are those where trust, commitment, relational satisfaction and control mutuality exist (Grunig & Huang, 2000:34; Hon & Brunner, 2002; Jo *et al.*, 2004; Ledingham & Bruning, 2000a; Ströh, 2005:125; Yang & Grunig, 2005). These relationship outcomes are attained, in part, by symmetrical communication: an

element of strategic communication. Communication within the system is therefore critical to the existence and functioning of the system (Broom *et al.*, 2000:13).

2.3.3 Systems theory and its application to organisational relationships

Theories on organisational relationships support the notion that there is a functional connection between the quality of communication and the nature of the relationships between the organisation and various stakeholders (Grunig *et al.*, 1992:82). Organisational communication is aimed at building relationships with key stakeholders (Dolphin & Fan, 2000:99; Van Riel & Fombrun, 2007:1) and public relations practitioners exist “to create and foster relations between organisations and their publics” (Bowman & Ellis, 1969 in Dolphin & Fan, 2000:99). The practice of public relations or communication management within an organisation contributes by managing the interdependencies that the organisation faces. Hung (2005:396) states that stakeholder relationships arise when organisations and their publics become interdependent. This interdependence according to Hung (2005:396) results in consequences that must be managed constantly. Public relations departments and personnel in organisations manage this interdependence by “building stable, open and trusting relationships with strategic constituencies” (Grunig, 1992:11). Communication and public relations managers have for that reason used the systems theory to better understand and manage these interrelationships.

In order for organisations to succeed, it must build and maintain “healthy interactive” relationships with their stakeholders, where the purpose of an organisation’s communication system is to facilitate that “engagement” (Van Riel & Fombrun, 2007:9). Relationships and communication are therefore intricately linked to organisational effectiveness and therefore also, both directly and indirectly, the achievement of organisational goals.

Current theory on interorganisational and organisational relationships is often either directly or indirectly linked to the systems perspective (Ledingham & Bruning, 2000c:xiv) and central to the systems theory perspective is the construct of relationships and interdependence (Grunig, 1992; Littlejohn, 1989:42). Interdependence refers to the relationship that is formed in a system and the

importance of these relationships to the system. Goldhaber (1986, in Gregory, 1999:267) describes interdependence in systems as “the interlocking relationship between the parts of a system and the whole system”. According to Littlejohn (1989:42), what also distinguishes system theory from other approaches is “its high level of generality and emphasis on interrelationships among elements”. Systems theory moves away from the traditional focus on the elements of the system, in order to focus on the interrelationships between these elements (Baldwin *et al.*, 2004:31; Littlejohn, 1989:35). Applied to this study, the relationship between two organisations within an alliance forms the focus of research instead of the organisations themselves. The link between these outcomes and perceptions of goal attainment is also investigated.

An open systems perspective recognises that the stakeholders with which an organisation is interdependent, influence both what goals organisations choose and the extent to which they meet those goals (Katz & Kahn, 1978 in Grunig *et al.*, 1992:67). Goal attainment therefore also forms a central construct in the systems theory.

2.3.4 Systems theory and its application to goal attainment

From a systems perspective, organisations can be seen as complex and dynamic “goal-oriented” processes (Peery, 2001:269). Central to the functioning of the system is its ability to attain goals and this goal attainment is associated with the relative success of a system. Traditionally, organisational effectiveness has been defined in terms of goals and the ability of organisations to attain their stated goals. The goal attainment perspective on organisational effectiveness states that the effective organisation realises its goals. In Broom *et al.*'s (1997) initial model of organisational relationships, goal attainment was also the first relationship outcome listed as a measure of organisational effectiveness.

The effectiveness of a system (or organisational success) can, according to Etzioni (in Peery, 2001:272) be measured by the relative accomplishment of its goals through the relationships that exist within the system. Communication within organisational relationships represents interactions aimed at attaining goals (Broom *et al.*, 1997:95).

As a result, systems (like organisations) are goal-oriented processes that attain their goals through the relationships in the system (Littlejohn, 1989:37). These relationships, in turn, are created by and facilitated through communication (Broom *et al.*, 2000:13). The three constructs are consequently intricately linked from a systems perspective, where this section then focuses on goal attainment.

System goals can be attained and pursued in various ways (Baldwin *et al.*, 2004:295) and organisations constantly struggle to achieve these goals in spite of constraints imposed by stakeholders in the environment (Grunig *et al.*, 1992:67). Grunig *et al.* (1992:86) conclude their chapter in the IABC excellence study by proposing that “public relations contribute to organisational effectiveness when it helps reconcile the organisation’s goals with the expectations of its strategic constituencies”.

When focusing on goals in systems theory, it is referred to as the rational-systems model and according to Grunig *et al.* (1992:78) seems to be the “most reasonable” when considering the different systems approaches to organisational effectiveness – especially where goals are clear, time bound and measurable. It is attractive because it emphasises purposeful action. However, the stated goals are often idealistic and not measurable, and a focus on goal attainment has often been criticised (Amos, 2005; Peery, 2007). This is mainly due to the problem of goal congruence – or the assumption in systems studies that goals are similar just because they function in the same system. One problem that may arise is where the two organisations entering into a relationship, like an alliance within a system, may not have similar goals – referred to as goal incongruence or incompatible goals.

In systems theory, many researchers focus on the holistic or total system, where subsystems are designed to contribute “synergistically” to the accomplishment of the overarching system goal. The overarching system goal is assumed a given for the purposes of the systems design and is factored into a number of sub-goals, where these sub-goals account for most of the multiple goal seeking activities within complex organisations (Peery, 2001:268). In applying this to the study, forming an alliance constitutes a goal seeking activity within the system and the various goals of organisations as elements of a system. This means that two organisations from the same system participating in an alliance would have some extent of goal congruence,

because they are functioning within the same system. This addresses the issue of goal congruence within the system. Peery (2001: 268) goes as far as to say that subsystems, for instance two organisations participating in an alliance, are traditionally viewed purely as “instrumental means to total system goal accomplishment”. This controversial statement has been contested, and various studies have found that the principle of self-interest determine the pursuit of goals and that fairly autonomous subsystems within a larger system is capable of pursuing inconsistent objectives (Grunig *et al.*, 1992:79). This study measures whether such an assumption is valid and therefore also the validity of using the systems theory to study organisational relationships.

In order to test whether goal congruence is present in the current study, consequently establishing the validity of using the systems theory, a scale was developed by the researcher to measure whether there is a difference between the various goals within the alliance. The following hypothesis was formulated:

H₁: *There is a difference between perceptions of goal attainment within the alliance.*

Systems that are purely mechanistic or closed are designed to meet pre-determined goals and are unable to change. More recent management theorists assume an open systems approach as opposed to a closed one (Gregory, 1999:267). Studies have shied away from focusing too strongly on goal attainment, as it could be viewed as too mechanistic. However, one way in which communication managers can indicate the impact of effective strategic communication is to correlate goal attainment to effective organisational relationship outcomes. In this way, communication managers could show the impact of effective communication on perceptions of goal attainment.

In order not to be too mechanistic, this study only measured respondents' *perception* of whether goal attainment has occurred within the alliance instead of literally measuring stated goals and whether they have objectively been achieved. The subjective opinion of the respondent allows for changes in the environment where actual outputs were measured; thus only the perception of whether these outputs were obtained, were measured. Stating a broad, instead of narrow, question of “do you

think that the stated goals were achieved through this alliance?” did also not force respondents to quantify exact outcomes.

In summary, the systems theory has traditionally been used in communication studies (Ledingham & Bruning, 2000c:xiv) regarding organisational relationships and also contributes to this study by focusing on strategic communication, goal attainment and the interrelatedness between the elements in a system. In the present study, the systems theory has been applied to alliances and explains that in order for organisations to survive. Organisations are interdependent in its relationship with other stakeholders in its environment, and these relationships are formed and maintained through the communication in the system.

In order to better understand the role and contribution of strategic communication within these relationships, a second theory is utilised. In this study, the stakeholder theory is used as a complementary theory to better understand the importance of organisational relationships like alliances, as well as strategic communication’s role in these relationships. Relationship management is also rooted in stakeholder management (Holtshauzen, 2007:21) and the inclusion of the stakeholder theory thereby contributes towards a better understanding of organisational relationships.

2.4 STAKEHOLDER THEORY

Stakeholder management is increasingly becoming a key factor in improving business performance, due to the debate of the position of the various stakeholders and their relationships with the organisation (Goodjik, 2003:225). Freeman’s (1984, in Key, 1999:319) seminal work on the stakeholder theory attempted to explain the relationship that the organisation has with its external environment as well as its behaviour within this environment. He suggested that other internal and external actors impacted organisational behaviour besides stockholders, as the opposing economic model of the organisation suggests (Key, 1999:319). The stakeholder theory was therefore conceptualised, as organisations realised that an increasing number of stakeholders impacted their ability to attain organisational goals.

The popularity of the stakeholder concept has grown over the past few decades, partly due to:

- A rise in the importance attributed to stakeholder relations; and
- More visible strategies of prominent stakeholder groups and intermediaries claiming to represent stakeholder groups (Friedman & Miles, 2006:135).

The stakeholder theory attempts to ascertain which groups are stakeholders in an organisation. Many definitions of stakeholders abound in management literature (Friedman & Miles, 2006:4). Stakeholders are most often described as groups or individuals who affect and are affected by the achievement of the organisation's goals and objectives (Freeman, 1984 in Friedman & Miles, 2006:4). Grunig and Repper (1992:125) also state that stakeholders are those groups or individuals affected by the decisions of an organisation, while the decisions of these stakeholders also affect the organisation. The term *public* and *stakeholder* are often used synonymously (Grunig & Repper, 1992:125), and the term "publics" has traditionally been used in public relations literature (Grunig, 1992:4). These two constructs have been used as synonymous terms in this study.

The stakeholder concept has traditionally been used in strategic management and has achieved widespread popularity among academics, policy makers, the media and corporate managers. Along with this popularity has come "a profusion of different and overlapping approaches" (as noted earlier) to the stakeholder concept (Friedman & Miles, 2006:28). Because of the apparent diverse nature of the stakeholder theory, a great debate erupted in 1999 regarding the convergence or divergence of the theory. A prominent contribution made by Donaldson and Preston (1995) dealt with this conceptual confusion by distinguishing between three different approaches in stakeholder theory, namely the normative, instrumental and descriptive stakeholder theory.

Stakeholder theory needed to be advanced and justified in management literature on the basis of its descriptive accuracy, instrumental power and normative validity. The following approaches to stakeholder theory were identified (Friedman & Miles, 2006:29):

- *Descriptive:* Where the corporation is viewed as a constellation of cooperative and competitive interests possessing intrinsic value and the theory is used to describe specific corporate characteristics of the organisation, for instance managers' thought on managing, how organisations are managed and how board members think about the interests of constituencies. Spicer (2007:29) states that the descriptive approach attempts to describe what the organisation actually does in response to stakeholder influences and claims and therefore builds theory from the ground up. The descriptive approach thus attempts to describe the organisation from a stakeholder approach.
- *Instrumental:* This approach establishes a framework for examining connections between the practice of stakeholder management and the achievement of various corporate performance goals, where instrumental stakeholders are defined by the need of management to take them into consideration when trying to attain their goals. This approach therefore argues for the inclusion of stakeholders in striving for organisational goals, and therefore also the consideration of stakeholders in formulating organisational strategy.
- *Normative:* The normative approach identifies moral or philosophical guidelines for the management of corporations and assumes that stakeholders are persons or groups with legitimate interests in various aspects of the corporate activities. It also assumes that the interests of all stakeholders are of intrinsic value and each group therefore merits consideration for its own sake – not merely because of its ability to further the interests of some group. Normative stakeholders therefore have valid normative claims on the organisation.

This study takes an instrumental approach to stakeholder theory, as it attempts to correlate relationship outcomes of alliances with goal attainment. It establishes a framework for measuring organisational relationships and applies this framework to alliances. The study also establishes the importance of including these stakeholders in organisational strategy due to their contribution to organisational goal attainment. Various limitations have been associated with the use of the stakeholder approach,

including the weakening of the fiduciary duty owed by managers and weakening the power of certain stakeholder groups (Friedman & Miles, 2006:119), which prompts the inclusion of the systems approach.

From an instrumental approach, the focus is on the contribution of stakeholders to organisational goal attainment. Strategic communication is the tool through which organisations can realise this, as strategic communication in organisational relationship contributes to organisational success by aligning these organisational relationships to organisational strategy. Strategic communication also contributes towards building relationships with the most important stakeholders of an organisation (Grunig & Repper, 1992:123). The stakeholder theory can be used by communication managers in organisations to help identify which stakeholders are strategic and build sustainable relationships with these stakeholders.

2.4.1 Stakeholder theory and its application to strategic communication

Grunig *et al.* (1992:76) state that the “increasingly common interplay between organisations and their external environments makes this perspective particularly important to public relations practitioners”. The responsibility of determining which stakeholders are the most strategic at a certain time could be the ambit of the public relations and communication practitioner.

Public relations managers can begin to contribute to organisational effectiveness by first identifying strategic constituencies (Grunig & Huang, 2000:32) and thereafter build sustainable relationships with these stakeholders (Grunig, 2006) based on mutual benefit (Heath, 2006). Various stakeholders can be identified. The Excellence Study in Public Relations identified eight categories of stakeholders for which organisations developed specialised programmes:

- Employees;
- Media;
- Investors;
- Community;
- Customers;

- Government;
- Members of associations; and
- Donors (Grunig, 2006:169).

However, the most common groups of stakeholders traditionally included by stakeholder theorists are:

- Shareholders;
- Customers;
- Suppliers and distributors;
- Employees; and
- Local communities (Friedman & Miles, 2006:13).

All of these could be considered as affected in some way by the actions organisations take to achieve their objectives. More recently, the following stakeholder groups have been included in the list above:

- Stakeholder representatives such as trade unions or trade associations of suppliers or distributors;
- NGOs;
- Activists;
- Competitors;
- Government(s), regulators and other policy makers;
- Financiers other than stockholders (creditors, bondholders, debt providers);
- The media;
- The public in general;
- Business partners;
- Academics (Friedman & Miles, 2006:13).

Spicer (2007:31) states that a distinction should be made between the various stakeholders that are affected by or affects the organisations; in essence, which stakeholders are strategic to organisations, and therefore prompt strategic action from the organisation. From a resource dependency view, the degree to which an

organisation is dependent on a stakeholder is determined by the nature of the resource provided, indicated by “stakeholder power”, and the ability of the stakeholder to influence the organisation, as illustrated in the figure below.

Figure 2.2: Dependency Matrix

		Stakeholder Power	
		Low	High
Organisation Power	Low	1. No Dependence	2. Organisation dependent on stakeholder
	High	3. Stakeholder dependant on organisation	4. Independant

SOURCE: Spicer, C.H. 2007. Collaborative advocacy and the creation of trust: Toward an understanding of stakeholder claims and risks. In Toth, E.L. (ed). *The Future of Excellence in Public Relations and Communication Management: Challenges for the Next Generation* (p.31). New Jersey, USA: Lawrence Erlbaum Associates.

The above conceptualisation of stakeholders deals with the power that is present within the relationship, where the relative power of each stakeholder determines its importance. This also relates to control mutuality or the relative distribution of power in decision-making within the organisational relationship (Grunig, 2002:3).

In quadrant four, the power within the relationship between the organisation and the stakeholder is relatively equal and the organisation is interdependent with this stakeholder. Interdependence is a term traditionally used in systems theory (Littlejohn, 1989:35). The inclusion of the stakeholder theory contributes towards differentiating between different types of stakeholders, and does not merely group all stakeholders as interdependent stakeholders. Alternatively, the stakeholders in quadrant one either has nonexistent power, or their influence on the organisation (as well as the organisation’s influence on them) is not relevant. In quadrant two and three power is unequally distributed between the two partners. In quadrant three, the stakeholders are affected by the organisation but have no relative power over the organisation. Spicer (2007:31) refers to these stakeholders as *moral stakeholders*. In quadrant two, which is a key quadrant for public relations or communication practitioners,

stakeholders are identified that might have a claim and increased relative power on the organisation and are therefore referred to as *strategic stakeholders*. Strategic communication would then also be aimed at these stakeholders and further study can be conducted into the benefits of forming strategic alliances with this specific stakeholder group. Alliances incorporate a much broader group of stakeholders.

Stakeholder theory has been applied to all organisational stakeholders and contributes towards communication management, firstly because it emphasises the importance of building relationships with various influencing stakeholders, and secondly, because of the difference between public relations and marketing lie primarily in the types of stakeholders served, where public relations serve not only customers, clients, consumers and distributors, but a large array of influencing parties (Ströh, 2006:116). The stakeholder theory therefore greatly contributes to studies regarding organisational relationships.

2.4.2 Stakeholder theory and its application to organisational relationships

The interdependence between the organisation and various publics means that organisations have relationships with outside stakeholders, whether they want such relationships or not (Grunig *et al.*, 1992:69). The value of these organisation-public relationships has been widely recognised as a strategic asset to organisations (Yang & Grunig, 2005:3). The instrumental perspective of the stakeholder theory poses three assumptions with regard to organisation-stakeholder relationships that are relevant to the present study:

- 1) Organisations have relationships, or contracts, with many stakeholders, which can therefore be seen as a set of principle agent relationships between themselves and their stakeholders;
- 2) Organisations are run by professional managers who establish these relationships (contracting agents); and
- 3) Organisations exist in markets where competitive pressures influence behaviour (Jones, 1995 in Friedman & Miles, 2006:91).

The instrumental approach to stakeholder theory further aligns itself with the relationship outcomes measured in this study, which includes trust, commitment, relational satisfaction and control mutuality (Grunig & Huang, 2000:34). Friedman and Miles (2006:91) maintain that trust, as a relationship outcome, could lead to a competitive advantage of the organisation.

2.4.3 Stakeholder theory and its application to goal attainment

The development of the stakeholder theory was accompanied by a shift away from a focus on goal attainment as a measure of organisational effectiveness and success, to a focus on organisational relationships. Grunig *et al.* (1992:80), state that perhaps the most useful theory that defines organisational effectiveness “is the extent to which an organisation satisfies the demands of the strategic constituencies in the environment”. This relates to the resource-based view of the organisation, where organisations need to obtain resources in order to survive. For organisations to obtain these resources, they must interact with the stakeholders in their environment that control these resources (Grunig *et al.*, 1992:80). Therefore, through mergers and joint ventures, amongst others, organisations try to shape their environment and thereby try to reduce uncertainty (Pfeffer & Salancik, 1987 in Grunig *et al.*, 1992:80). The stakeholder theory consequently focuses on organisational success in terms of the quality of its relationships with stakeholders instead of only whether organisational goals were attained. Combining the stakeholder theory with its focus on relationships and the systems theory with its focus on goal attainment provides a comprehensive theoretical foundation towards measuring the correlation between relationship outcomes and goal attainment.

The traditional approach to the measurement of organisational effectiveness, or its ability to attain organisational goals, has been followed by contemporary criterion of strategic constituencies or stakeholders as the measure of organisational effectiveness (Grunig *et al.*, 1992:77). This study contributes by linking both the old and the new paradigm of organisational effectiveness by measuring both goal attainment and the relationship outcomes of alliances and relating these constructs with one another. This was done by using both the systems and stakeholder theories, where systems theory focuses on attaining goals (Littlejohn, 1989:37) and stakeholder

theory focuses on the importance of stakeholders, where stakeholders are increasingly being recognised for their contribution to organisational success (Goodjik, 2003:225).

Few inputs of the stakeholder theory have been devoted to the study of organisation-stakeholder relationships and more research is required (Friedman & Miles, 2006:135). Friedman and Miles (2002:15) state that the greatest weakness of the stakeholder theory lies in the under-specification of the organisational relationship itself. The focus of this chapter therefore moves towards the relationship itself that is established between these two partners.

2.5 ORGANISATIONAL RELATIONSHIPS

Grunig (2006:166) states that, since the Excellence study, public relations researchers have studied relationships more than any other topic in the discipline. Relationships “offer a means for evaluating both the long-term and short-term contributions of public relations programs and of the overall function to organisational effectiveness” (Grunig, 2006:166). He believes that these relationships will eventually enable public relations practitioners and academics to demonstrate that the return on investment (ROI) of public relations develops through the intangible asset that relationships provide to an organisation.

Dyer and Singh (1998:660) state that relationships as a unit of analysis also offer a means for understanding competitive advantage. Four potential sources of competitive advantage are rendered by these organisational relationships:

- Relation-specific assets;
- Knowledge-sharing routines;
- Complementary resources / capabilities; and
- Effective governance.

A resource based view is taken here, where Dyer and Singh (1998:662) state that through organisational relationships, organisations firstly attain assets that it would otherwise not have been able to attain and that relate specifically to the relationship

between the organisations as well as the capabilities of the organisations. These resources complement one another and also contribute to more effective governance structures. From this perspective, organisations gain competitive advantages through the specific relationships that they have with other organisations and stakeholders. Dyer and Singh (1998:661) argue that organisations that combine resources in a unique way could realise an advantage over competing organisations that are unwilling to do so.

Grunig and Huang (2000:23) also state that the unit of study in public relations should not be the organisation, nor the stakeholder, nor the communication process, but the relationship between the organisation and their stakeholders. They further state that public relations contributes to organisational effectiveness by both reconciling the organisation's goals with the expectation of its stakeholders and by building quality, long-term relationships with strategic constituencies. Recently, management literature has advocated a more collaborative stance between the organisation and its stakeholders (Spicer, 2007:28). This collaborative stance can only be realised through symmetrical communication (Grunig, 2006), which is an element of strategic communication (Grunig & Huang, 2000).

Symmetrical communication in alliances (and other organisational relationships) implies the integration of stakeholder values and norms into organisational strategy through two-way and open communication. Holtshauzen (2007:23) states that organisational goals are traditionally developed around financial and other strategic objectives, but instead should be developed around relationships, and communication is the tool that assists in achieving this goal. This calls for effective relationship management and strategic communication within all organisational relationships.

The nature of relationships between organisations and key stakeholders, according to Grunig *et al.* (1992:81), emerges as a central concept in the theory of public relations and organisational effectiveness. In trying to place a value on public relations in organisations, Grunig *et al.* (1992:84) in Grunig's (1992) IABC Excellence Study, conclude that public relations can increase the effectiveness of an organisation by:

- Firstly helping the organisation endorse an environment that includes the stakeholders most likely to constrain or enhance the ability of the organisation to meet its goals.
- Secondly, increasing the organisational effectiveness by developing communication programs that reinforce and build quality relationships. These relationships help the organisation manage its various other interdependencies.

Communication in this context contributes to organisational effectiveness through building relationships. This, in turn, should be done as a strategic management function by ensuring that the communication within organisational relationships, like alliances, is strategic. Public relations and communication management adds value to the organisation when it identifies strategic publics that develop because of the “consequences that organisations and publics have on each other”. Grunig (2006:160) states that public relations must be organised in such a way that it builds sustainable relationships as a strategic management function through symmetrical communication. The IABC study and the conclusions from this study formed the foundation of relationship management, where the quality of organisational relationships can indicate “the level at which the company is committed to excellence and company effectiveness” (Holtshauzen, 2007:3). Another key outcome of the IABC’s Excellence Study was the development of the two-way symmetrical model of communication.

Symmetrical communication programmes develops and maintains quality relationships with these “strategic publics” (Yang & Grunig, 2005:3). Broom and Dozier (1990, in Holtshauzen, 2007:20) states that in order for a two-way flow of communication to be established, the communication department in an organisation needs to be designed around organisational relationship goals with communication strategies employed to support the achievement of these goals. Measuring how effective communication strategies are in the organisation rests upon their ability to achieve relationship objectives and goals (Holtshauzen, 2007:23). This study specifically investigates the relationship between goal attainment and relationships and consequently contributes towards measuring how effective communication contributes to organisational success.

The term organisational relationship is a general and broad term that incorporates a wide range of organisational relationships that include employee, customer, stakeholder and investor relationships, to name but a few. One specific form of organisational relationship that is on the increase is alliances (Gulati, 1995:1). Gulati (1995:1) stated that these alliances are crucial to the future existence and success of an organisation. In order not to apply the three-stage model of organisational relationships (specifically the relationship outcomes) on too broad a range of organisational relationships, which would influence the impact of the data analysis as well as the generalisability of the findings, a focus on organisational alliances was taken in the study.

2.5.1 Alliances as organisational relationships

Alliances can be studied as an organisational relationship from both a partnership and strategic relations perspective. A strategic relation is a “strategic partnership” that takes place between two parties where “mutual communications” takes place among the partners (Iunctura, 2007). Alliances are also seen as a partnership between two stakeholders (Small Business Notes, 2007). A partnership and strategic relation both implicate an organisational relationship between two parties.

The conceptualisation of organisational relationships that form the seminal articles referenced in this study (Huang, in Yang & Grunig, 2005; Grunig & Huang, 2000) and all relevant discussion on organisational relationships can be applied to alliances. A specific focus on alliances was taken both from a measurement and practical implication perspective. Applying this study to a broad and generic construct like organisational relationships would dilute from the impact and statistical viability of the study. In applying the organisational relationship framework to alliances allows for the application thereof on specific types of organisational relationships, for example manufacturing agreements, joint ventures, research and development co-operatives, distribution agreements and partnerships.

The three-stage model of organisational relationships (Grunig & Huang, 2000:34) has also not been applied to alliances in previous research and the contribution of the

study is thereby further increased. The following section explains the specific model of organisational relationships used in the study.

2.5.2 A communication orientation towards organisational relationships

Traditional functions of public relations and communication managers have “developed based on the requirements of specific relationships” between the organisation and their various stakeholders (Heath, 2006:99). Thus, the communication function in the organisation has traditionally, even if this was not explicitly stated at the time, been responsible for organisational relationship and a relational view of public relations consequently developed.

The relational view of public relations and communication state that relationships is the main focus of this organisational function and communication managers should be responsible for the management thereof. From this perspective, various models of organisational relationships have been developed (Ledingham, 2003:186). The “pioneering model” of Broom *et al.* (1997) included antecedents, subsequent states and consequences of organisational relationships and formed the basis for the model developed by Grunig and Huang (2000:34) and used in this study. These models draw from interpersonal relationship literature that was adapted to the management environment.

Grunig *et al.* (1992:65) asked if and how managed communication can make an organisation more effective. Their research indicated that managed communication makes organisations more effective by “using communication programs to build relationships with strategic constituencies of an organisation – those constituencies that constrain or enhance the ability of an organisation to achieve its goals”.

In a study on the various elements relating to organisational relationships, Morgan and Hunt (1994:29) state that communication within relationships is positively related to various aspects, including relationship benefits, shared values, relationship commitment, trust, acquiescence, cooperation and functional conflict. Communication within the relationship was also negatively correlated to opportunistic behaviour, propensity to leave and uncertainty within the relationship.

Grunig and Huang (2000:35), in taking a communication orientation on organisational relationships, conceptualised a three-stage model of relationships as antecedents, maintenance strategies and relationship outcomes (as illustrated in Table 1.3 in Chapter 1). These three stages of relationships were applied to alliances in the present study, where a specific focus was rendered on relationship outcomes. The following sections address the three stages in organisational relationships in more depth.

2.5.2.1 Situational antecedents of relationships

According to Grunig and Huang's (2000:35) model, the antecedents of organisational relationships influence its outcomes. The research by Hung (2005:1) and Ströh (2005:125) confirm this influence. Grunig and Huang (2000:35) state that the antecedents of relationships are situational, just as publics are situational, and emphasise that consequences of relationships stem from the behaviour of both parties in the relationship. Grunig and Huang (2000:34) conceptualised the situational antecedents that lead to various outcomes in relationship behaviour of one or multiple publics that affect the outcome of the organisational relationship, here referred to as a coalition (as illustrated by Table 2.1 where the symbol O represents organisations and P represents publics). Broom *et al.* (1997:94), as key authors in the development of Grunig and Huang's (2000:35) three-stage relationship model, defined relationship antecedents as "sources of change, pressure, or tension on the system derived from the environment" and strongly link these to the resource dependency theory. These relationship antecedents need to be discussed not in isolation, but with regards to their influence on relationship outcomes.

Table 2.1: Situational antecedents of relationships

Behavioural consequences on each partner	Interpenetration
Organisation affects public	$O^1 \rightarrow P^1$
Public affects organisation	$P^1 \rightarrow O^1$
Organisation-public coalition affects another organisation	$O^1P^1 \rightarrow O^2$
Organisation-public coalition affects another public	$O^1P^1 \rightarrow P^2$
Organisation affects an organisation-public coalition	$O^1 \rightarrow O^2P^2$
Multiple organisations affect multiple publics	$O^n \rightarrow P^n$

SOURCE: Grunig, J.E. & Huang, Y. 2000. From organisation effectiveness to relationship indicators: Antecedents of relationships, public relations strategies, and relationship outcomes. In: Ledingham, J.A. & Bruning, S.D. *Public Relations as Relationship Management: A Relational Approach to the Study and Practice of Public Relations* (pp. 23-54). New Jersey, USA: Lawrence Erlbaum Associates.

Grunig and Huang (2000:35) explain that publics come and go and change as situations change and different relationship outcomes can be expected from different relationships. Relationship antecedents are thus situational, just as publics or stakeholders are situational (Grunig & Huang, 2000:34). The relationship partners also behave differently towards each other, and as a result, different relationship outcomes can be expected.

Ströh (2005:125) adapted and simplified this model to include the *types and nature of relationships and relationships between single and multiple publics*, where both of these variables will influence the outcomes of the relationship. The measurement instrument is applied only to dyadic organisational relationships, but the type and nature of the relationship is measured (see Appendix B). In order to fully understand the factors that may have an influence on the outcomes of the organisational relationship, the duration of the alliance and the size of the participating organisation was also measured. The following hypotheses were consequently developed to account for these possible relationship antecedents, which is later linked to the relationship outcomes of the alliance:

H₂: *There is a relationship between the type of industry and the relationship outcomes of the alliance.*

H₃: *There is a relationship between the type of alliance and the relationship outcomes of the alliance.*

H₄: *There is a relationship between the duration of the alliance and the relationship outcomes of the alliance.*

H₅: *There is a relationship between the size of the organisation and the relationship outcomes of the alliance.*

Not only do the type and nature of the relationship influence its outcomes, but also the communication maintenance strategies employed in the organisational relationship.

2.5.2.2 Maintenance strategies in relationships

The maintenance strategies put forward by Grunig and Huang (2000:36) focus on communication variables that influence the outcomes of relationships. The adapted and simplified three-stage model of organisational relationships proposed by Ströh (2005:125) list the following maintenance strategies that impact the organisational relationship: symmetrical communication, disclosure (openness), assurance of legitimacy, participation in mutual networks, shared tasks, integrative negotiation, asymmetrical communication and distributive negotiation. Ströh (2005:125) identified the following five key dimensions that include these strategies:

- *Positivity*: This can be described in terms of the symmetrical model in public relations and compares well with variables of open communication, conflict resolution and interdependence in relationship marketing. The symmetrical model of communication calls for “dialogue, negotiation, listening and conflict management” (Grunig, 1992 in Ströh, 2005:125).
- *Openness or disclosure*: This refers to the ethical conduct that took place within the relationship in terms of transparency and open communication.
- *Shared values and behaviour*: This relates to assurances of legitimacy between partners and acceptance of each other in terms of values and through shared behaviour.

- *Shared networking*: This shared networking needs to take place with the same group of people. It also refers to participation in decision-making and various other aspects within the relationship.
- *Sharing of tasks*: Successful relationships result from, amongst the other variables, sharing of tasks. This refers to partnership of all parties in order to solve problems of interest (Grunig & Huang, 2000).

Recent work in the maintenance strategies that can be employed to deliver the desired relationship outcomes (Hung, 2002 in Grunig, 2006:167) have re-labelled these maintenance strategies as *cultivation strategies*. Organisational relationships, like crops, need to be cultivated according to the conditions that affect them; they are not simply maintained (Grunig, 2006:168). Grunig (2006:168) also states that the list of cultivation strategies is too long to discuss but can be broadly classified as either symmetrical or asymmetrical strategies. These cultivation strategies “identify specific ways in which symmetrical communication can be used to cultivate relationships” and act as “heir to the models of public relations”.

Grunig and Huang (2000:41) state that “a true evaluation of the effectiveness of public relations must come from measuring the relational outcomes” and process indicators (maintenance strategies) are only valuable when linked to outcome indicators. Outcomes measure whether communication between stakeholders resulted in a change in behaviour, opinion or attitudes (Lindenmann, 1997 in Grunig & Huang, 2000:27).

2.5.2.3 Relationship Outcomes

Among numerous relationship indicators that have been studied, trust, commitment, relational satisfaction and control mutuality are “the most essential and pertinent indicators representing the quality of organisational-public relationships” (Huang, 1997, in Grunig and Huang, 2000:42). An increasing amount of researchers are using these outcomes not only as a measure of these individual constructs, but as a measure of the organisational relationship itself (Scott, 2007; Yang & Grunig, 2005). This development has occurred due to the high correlations between these four

constructs (Grunig & Huang, 2000:47; Ledingham, 2000:8; Ströh, 2005). The present study also investigates the possibility of using these relationship outcomes as a measure of organisational relationships.

The relationship outcomes measured by Grunig and Huang (2000:45) (see Appendix A) were not clearly linked to goal attainment and were only stated as one of the relationship outcomes. Even though goal attainment was stated as one of the relationship outcomes where strategic communication or communication maintenance strategies was practised, the specific relationship between goal attainment and the relationship outcomes of trust, commitment, relational satisfaction and control mutuality has not been fully explained. The main objective of this study is to correlate these constructs with one another. Therefore, these key constructs are discussed in the following chapter in the context of alliances.

2.6 CONCLUSION

This chapter elaborated on the importance of stakeholder relationships to organisational success from both a systems and stakeholder perspective. Strategic communication within these organisational relationships would enable the organisation to better align relationships to organisational strategy and thereby increase the likelihood of organisational goal attainment. It would also, in turn, align organisational strategy to the needs and goals of stakeholders. Strategic communication, organisational relationships (specifically alliances) and goal attainment are the three key constructs of this study.

From a systems perspective, organisations represent multiple goal seeking activities and they attain these goals through the multiple interdependencies (or relationships) that it has with various stakeholders in their environment. These multiple goal seeking activities are facilitated through communication and communication is therefore central to the functioning of a system and the relationships within that system.

The stakeholder theory also focuses on organisational relationships. The increasing importance of stakeholders to organisational success is highlighted. Three approaches can be utilised from a stakeholder perspective, namely the normative,

descriptive and instrumental approaches. An instrumental approach to the stakeholder theory allows for the measurement of organisational relationships and their contribution to organisational goal attainment. Similarities between the systems and stakeholder theories relevant to this study include:

- Both theories focus on the interdependence and interrelationships between an organisation and its stakeholders.
- Both theories emphasise the importance of these relationships to organisational success.

The systems theory (with its focus on goal attainment) with the stakeholder theory (with its focus on relationships and stakeholders) provides a more comprehensive foundation for measuring the link between relationship outcomes and goal attainment in organisational alliances. Previous studies have primarily used the systems theory in explaining organisational relationships (Ledingham & Bruning, 2000c:xiv). The use of this theory was validated in this study, as no significant difference was measured regarding the goals stated in the alliance and goal congruence is an assumption of the systems theory (Friedman & Miles, 2006:13; Spicer, 2007:31). If one of its assumptions had been violated, the validity of using this theory could be questioned.

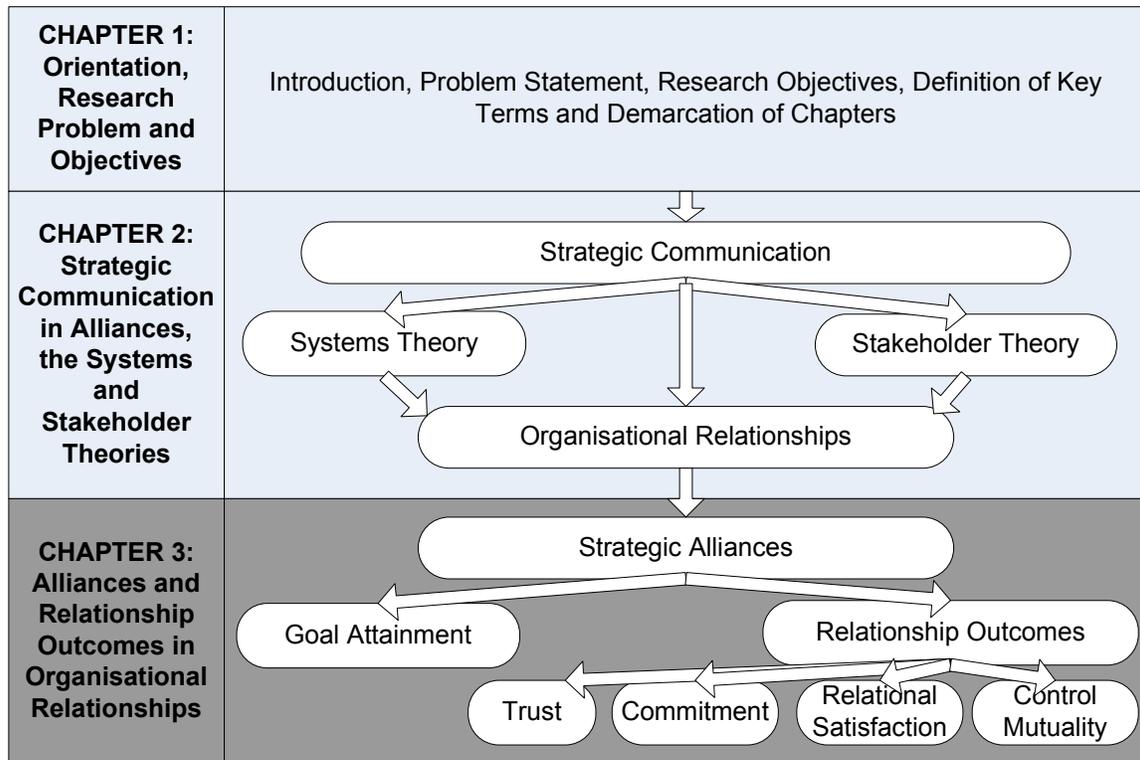
From a systems approach, communication provides a fuller understanding of how the elements within a system interact (Baldwin *et al.*, 2004:293). The systems approach also allows for the inclusion of goal attainment in the study. As in the three-stage model of organisational relationships (Grunig & Huang, 2000:36), communication within systems serves as a major determinant of both relationships and the overall functioning of organisations (Broom *et al.*, 2000:13).

The stakeholder theory contributes towards a more comprehensive understanding of organisational relationships. The contribution of the stakeholder theory relates to the management of these organisational relationships by determining which stakeholders are strategic (Friedman & Miles, 2006:13; Spicer, 2007:31) and forms the basis of relationship management (Holtshauzen, 2007:23). Communication managers can consequently develop focused communication strategies aimed at key stakeholders in

an organisation's environment while communicating a consistent core message to all the stakeholders in an organisation's environment.

Combining these two theories allows for a better understanding of which organisational relationship to measure and manage while simultaneously linking these relationships to perceptions of goal attainment. The following section addresses how these organisational relationships can be conceptualised and measured from a communication orientation.

ALLIANCES AND RELATIONSHIP OUTCOMES IN ORGANISATIONAL RELATIONSHIPS



CHAPTER 3: ALLIANCES AND RELATIONSHIP OUTCOMES IN ORGANISATIONAL RELATIONSHIPS

3.1 INTRODUCTION

Chapter 2 focused on the importance of strategic communication in organisational relationships and goal attainment from a systems and stakeholder theories perspective. This chapter further investigates the association between organisational relationships and goal attainment by applying current theory on organisational relationships to alliances.

Organisational relationships can be conceptualised as antecedents, maintenance strategies and relationship outcomes (Grunig & Huang, 2000:34), where an increasing number of researchers are using the relationship outcomes of trust, commitment, relational satisfaction and control mutuality to measure organisational relationships like alliances (Yang & Grunig, 2005:3). In this chapter, literature on alliances as a form of organisational relationship is first addressed, whereafter the individual relationship outcomes are discussed. After discussing the theoretical foundation of the individual relationship outcomes, the following chapter proceeds to discuss the measurement of these outcomes.

3.2 ORGANISATIONAL ALLIANCES

Strategic alliances, as alliances are also referred to, allow organisations to “procure assets, competencies, or capabilities” that are not otherwise available to the organisation. These assets include particularly specialised assets like reputation (Oliver, 1997 in Dyer & Singh, 1998:667). In today’s uncertain environment, alliances offer an influential mechanism for asserting corporate strategic control (Drucker, 2001 in Robson & Katsikeas, 2005:2). Collaborations like alliances are essential in maintaining the viability of the stakeholder organisation (Spicer, 2007:29). Due to globalisation and the technology revolution, there is a tendency towards organising

stakeholder relations into partnerships or alliances between companies, public institutions and community-based organisations (Pederson, 2005:2; Robson & Katsikeas, 2005:2). An unprecedented growth in the number of alliances and voluntary arrangements worldwide has been observed (Drucker, 2001 in Robson & Katsikeas, 2005:2). Due to this “proliferation”, organisations are now viewed as placed within a network of interorganisational relationships that “are crucial to their success and survival” (Gulati, 1995:1). The organisational benefits that have been associated with successful alliances include (Dyer & Singh, 1998:660):

- Relation-specific assets that are obtained through the organisational relationship. These assets would otherwise not have been attainable.
- Complementary resources or capabilities that are defined as resources of individual organisations that deliver greater advantages and returns combined, than the individual resources would have delivered.
- Knowledge sharing also takes place between the two partnering organisations, where organisational learning and know-how have been identified as key factors in generating competitive advantage.
- Effective governance is promoted, where the cost of contracts and agreements is minimised, as trust and goodwill exist between the alliance partners. The transaction cost of the alliance is also minimised, since costly governance mechanisms do not have to be employed.

Alliances have become an important research topic that covers a range of theoretical bases and perspectives (Saxton, 1997:443). Research on alliances has focused on either partner characteristics or alternatively the interactive nature of cooperation between organisations, where this link between the organisations is the focus of the analysis (Saxton, 1997:443). This study also focused on the latter, i.e. the link or relationship between the organisations. Strategic alliances have been addressed in relationship marketing literature as one of the ten discrete forms of relationship marketing (Morgan & Hunt, 1994:21).

A common question in prior research on alliances has been why alliances are formed. The answer for this has varied from transaction cost economics, to learning new skills or acquiring tacit knowledge, a quest for legitimacy or to improve their strategic

position (Gulati, 1995:1). Resource exchange (from the resource-based view) has traditionally been viewed as the main reason for alliance formation (Gulati, 1995; Saxton, 1995:443), where an alliance “makes sense” when the partnering organisations have complementary strengths (Investorwords, 2007). Stakeholder theorists also use this resource-based approach, as it emphasises the external environment (Grunig *et al.*, 1992:77).

The resource-based view can be linked to systems theory, where the survival of systems (a key outcome) depends on whether organisations can interact to acquire resources (Hung, 2005:395). These resources include not only money, but also resources such as specialised skills and access to particular markets, amongst others. From the strategic interdependence perspective of alliance formation, organisations enter into an alliance with the organisation with which they share the greatest interdependence (Gulati, 1995:3). Uncertainty in the environment thereby becomes “increasingly decisive” when coupled with interdependence between the organisation and its stakeholders (Grunig *et al.*, 1992:77).

Saxton (1997:444) states that scholars know little about the underlining causes of successful alliances. Even though there has been a rapid increase in alliance formation in the past two decades, alliances are still considered a risk. One reason for this view could be related to organisations' vulnerability to opportunistic behaviour from partners (Gulati, 1995:3). Trusting relationships are distinctive in addressing many of these concerns and trust has been found to be an “extraordinary lubricant” for alliances that involve considerable interdependence (Gulati, 1998:304). Trust was one of the relationship outcomes of alliances measured in this study.

Effective communication enables alliances to attain stated goals (Steyn, 2007:139) and attain specific relationship outcomes (Grunig & Huang, 2000:34; Ströh, 2005:125), where alliances are formed in order to attain specific goals (Broom *et al.*, 1997:91; Gulati, 1995:2). Communication consequently plays a key role in the success of alliances (Granovetter, 1985; Gulati, 1995; Gulati, 1998) and is central to organisational relationships (Broom *et al.*, 2000:13).

3.3 RELATIONSHIP OUTCOMES IN ALLIANCES

Organisational relationships has only been measured by a handful of researchers (Hon & Brunner, 2002:2). Despite the importance of relationships for effective communication and relationship management, “most evaluation of public relations efforts has remained focused on measuring communication outputs and the effects of programmes on target audiences rather than measuring whether the organisation has built positive relationships” (Hon & Brunner, 2002:2). The authors also state that a paradigm shift is needed from thinking of communication as merely “achieving programme effects among target audiences to assessing the state of an organisation’s relationship with the publics whose support is needed to optimise the organisation’s ability to achieve its mission” (Hon & Brunner, 2002:2). Organisational relationships in this regard enable organisations to attain goals, where there has been a call for public relations and communication managers to manage and measure these.

Grunig and Huang’s (2000:35) three-stage model of organisational relationships developed out of this process and formed the basis for this study. Various studies use the relationship outcomes proposed in the three-stage model in studying various aspects related to organisational relationships (Grunig & Huang, 2000; Hon & Brunner, 2002; Jo *et al.*, 2004; Ledingham & Bruning, 2000a; Ströh, 2005; Yang & Grunig, 2005). These relationship outcomes have also been found to have an indirect effect on the overall evaluations of organisational performance (Yang & Grunig, 2005:13). This study applied these relationship outcomes to alliances in an attempt to link these organisational relationships to perceptions of goal attainment. The theory on each relationship outcome discussed in the following sections forms the basis of the key hypotheses measured in the study.

Hon and Brunner (2002:3) in their study that used the same relationship outcomes, provide a synopsis of the development of these relationship outcomes, which is summarised in the paragraph below:

In the mid-1990s, the Institute for Public Relations together with Ketchum Public Relations launched a number of meetings regarding the status of public relations evaluation, which later resulted in a task force on relationships that included

researchers like James Grunig, Linda Hon and Kitty Ward. At around the same time, scholar Glen Broom was developing a theoretical model for the measurement of relationships and suggested that relationships must be measured independent of parties' perceptions, such as parties' exchanges, transactions, communications and any other interconnected activities. John Ledingham and Stephen Bruning were also beginning to formulate measures of public relationships. A critical breakthrough in the research on relationships in public relations came with Yi-Hui Huang's doctoral dissertation. He used interpersonal communication variables that represent outcomes of positive relationships – trust, control mutuality, commitment and satisfaction.

Some authors do not support the relationship outcome based definition of relationships. Outcome intangibility is the “belief that the full, long-term outcomes or benefits of public relations cannot be quantified” (Ehling, 1992:619). And some public relations practitioners are of the opinion that public relations outcomes cannot be qualified, and can therefore not be knowable. The latter viewpoint has led to few attempts to clarify what “good” or effective public relations or communication can be. Such conceptualizations of public relations reflect a lack of commitment to public relations as a strategic management function (Ehling, 1992:617). If communication managers can quantify what effective organisational relationships should look like, they will be one step closer to quantifying what effective communication and public relations should look like and contribute.

According to Grunig and Huang (2000:35), organisational relationships where effective communication was practised exhibit trust, commitment, relational satisfaction and control mutuality as outcomes of the relationship. These constructs are discussed in the literature below. The correlation between the individual outcomes is addressed in a separate heading.

3.3.1 Trust as a relationship outcome

Sherman (1992, in Morgan & Hunt, 1994:24) states that the biggest stumbling block to the success of strategic alliances is a lack of trust. Trust has consequently been a key factor in strategic alliance and relationship literature. In addition, trust has formed an increasingly important role in public relations literature. Heath (2001, in Spicer, 2007:27), in his handbook of public relations, identified 20 words and phrases that

constitute the emerging vocabulary that represent the “heart and soul” of current intellectual debate in the discipline. Two of the key words that he identified were relationships and trust. Murphy (2003:2), chair of the PR coalition of America, states that “the need to restore trust in the minds and hearts of the public, employees and other stakeholders is one of the great challenges” faced by American organisations. He also states that trust is an overriding concern for business leadership around the globe and that this construct has been identified as a key factor in successful leadership and management. Trust is one of the basic elements of a cooperative relationship and a salient factor in determining the effectiveness of many relationships, as it facilitates interpersonal acceptance and openness of expression (CII, 2006; Wong & Cheung, 2005:1).

No generally accepted definition of trust exists in current literature; rather, the term is used to refer to different things by different scholars and researchers. This has resulted in an assortment of definitions that have accumulated in the literature (Greguras, 2003:3; Saxton, 1997:455; Spicer, 2007:35). Greguras (2003:4) integrated current theory on trust and states that it is a complex construct that consists of ten defining characteristics illustrated in the following table.

Table 3.1: Defining characteristics of trust

Category		Characteristic
Referents of trust	Defines the phenomenon to which trust refers.	1. Attitudinal
		2. Social
		3. Versatile
		4. Functional
Components of trust	Defines the sentiments that trust contains.	5. Hypothetical
		6. Consequential
		7. Motivational
Dimensions of trust	Defines the judgements that levels of trust infer.	8. Symmetrical
		9. Incremental
		10. Conditional

SOURCE: Greguras, G.J. 2003. *The nature of trust: Conceptual and operational clarification*. Unpublished dissertation (p.4). Louisiana, USA: Louisiana State University and Agricultural and Mechanical College.

Each characteristic of trust reflects a specific aspect of trust that is necessary, but as an individual construct, it is not sufficient to define the term. Definitions of trust

distinguish various aspects of trust. An example is that trust is an *attitudinal*, as opposed to *behavioural*, construct. In this instance, one can trust the relationship partner without doing avert actions associated with this construct, for example cooperation and risk-taking. Morgan and Hunt (1994:24) also state that behaviour is best viewed as an outcome of this construct and should not form part of its definition. These actions, like delegation and collaboration, are potential outcomes of trust. Trust is rather defined in terms of thoughts, feelings and behavioural intentions and is therefore an attitudinal construct.

Trust is also a social construct that is embedded in a complex social system. Trust is versatile as it differs across trustors, targets (or participants) and contexts. By implication, trust can be considered as a single construct that is versatile in nature and can be adjusted according to the perceived dynamics of any given situation. However, even though a trustor's assessment of trust may vary from situation to situation, the construct itself remains conceptually stable. Lastly, trust is functional, as it represents a trustor's attempt to attain a sense of control in a situation where limited external cues exist (Greguras, 2003:10).

An often used definition of trust is that "trust is a psychological state comprising the intention to accept vulnerability based on positive expectations of the intentions or behaviour of another" (Rousseau, Sitkin, Burt & Camerer, 1998 in Spicer, 2007:35). In trusting alliances, the intentions of alliance partners were adequately communicated. Trust is also accompanied by an assumption of duty to protect the rights and interests of others (Hosmer, 1995 in Spicer, 2007:32). Some misinterpretations exist, however, where trust has been applied to business studies. While it is intuitively known that trust can have an impact on the "financial health" of an organisation, a consistent methodology for measuring stakeholders' trust in the organisation has not yet been developed (Murphy, 2003:9). The abundance of definitions and applications of trust has impaired the measurement of this construct, which in turn limits the integration and comparison of research on this construct (Greguras, 2003:1). Refining the direct and indirect measures of trust is an important step towards understanding the role of trust in alliances (Saxton, 1997:456).

In organisations, trust can imply that the business keeps its commitments, does not disadvantage its stakeholders, and communicates in an “open, timely and honest manner” (MacMillan, Money & Downing, 2000). A trusting relationship between alliance partners is based on a “mutual understanding of each other’s capabilities and limitations” as well as the “corporate integrity” of both parties (CII, 2006). Previous studies by Saxton (1997) and Gulati (1995) indicate that various factors influence the formation of trust in an alliance. Some factors include similarities between partners, shared decision-making within the alliance (Saxton, 1997:446) and partner reputation (Gulati, 1995; Saxton, 1997:445).

Spicer (2007:37) explains that trust can be generated through collaborative advocacy and therefore within organisational relationships that are managed collaboratively. He contends that “not only is trust generated between individuals, it is also derived from cooperation”. Where the creation and nurturing of trust is a “critical coping mechanism” between partners, it follows that collaborative and symmetrical communication between the organisation and its stakeholders is critical (Das & Teng, 1998 in Spicer, 2007:37).

Parkhe (in Saxton, 1997:446) found that trust is the result of each partner’s investment and involvement in the relationship. This close involvement and interaction relates to shared decision-making in the alliance. Saxton (1997:446) concluded his research by stating that:

Information symmetry is thereby reduced when both partners have high participation in and knowledge of strategic decisions and actions. Thus, a high level of mutual involvement acts as both a signalling and a monitoring mechanism by establishing and building trust and commitment.

According to Gulati (1995:2), information forms the basis of trust and a high degree of mutual involvement in the strategic decision-making of the alliance positively builds the trust in the relationship and enhances the dissemination of knowledge. In this way, trust is linked to control mutuality, where control mutuality specifically measures alliance partner participation in decision-making (see the questionnaire, Appendix B). Saxton (1997:455) goes as far as to state that given the difficulties in defining and

directly measuring trust as a latent construct, the ability to share in decision-making may be considered a condition or determinant of trust.

Trust is a basic component of relationships and can help renew relationships with key stakeholders. Strong relationships with key stakeholders reduces the cost of litigation, regulation and legislation, where a high level of trust can also cultivate relationships with consumers, shareholders and others needed to support organisational goals (Murphy, 2003:9). According to Dyer and Singh (1998:670), trust can also decrease the governance cost of alliances and other organisational relationships through:

- Avoiding contracting costs, as relationship partners can trust that the benefits from the relationship will be divided fairly. Consequently, relationship partners do not have to bear the cost and time of specifying every detail of the agreement in a contract;
- Lowering monitoring costs through relying on self-enforcing agreements instead of relying on costly external or third party monitoring;
- Lowering the costs associated with complex adaptation, since relationship partners can adjust their agreements as they respond to unforeseen market changes; and
- Not subjecting alliance and relationship agreements to the time limitations of a formal contract.

Relationships often begin as exchange relationships and then develop into communal relationships as they mature (Grunig, 2002:2). Grunig (2002:2) refers to trust as a characteristic of quality relationships that form over time. When prior alliances have occurred between partners, a certain amount of trust exists between the actors as an outcome of both their past and current actions. Previous studies (Gulati, 1995:4) show that repeated alliances between organisations do occur and that these prior ties lead to emerging trust between the partners.

The study by Spicer (2007:37) also states the trust-building capabilities of symmetrical dialogue and communication. Effective communication is therefore a critical ingredient in the formation of trust. Alternatively, trust is also an outcome of effective communication. Research has shown that trust in particular is an important

consideration for explaining alliance behaviour (Saxton, 1997:453). Saxton (1997:447) studied the effect of relational and organisational characteristics on organisational outcomes and states that with the presence of trust between partnering organisations, the likelihood of positive or successful relationship outcomes increases. Trust can therefore be regarded as a relationship outcome from a communication orientation and is therefore measured within this study and used to explain alliance behaviour.

The elements of trust evaluated by Grunig and Huang's (2000) three-stage model of relationships all relate to fairness and caring within the relationship (Hon & Brunner, 2002:9). Previous studies (Hon & Brunner, 2002:3; Jo *et al.*, 2004:4) using the similar guidelines to measure trust (based on Grunig and Huang, 2000:36) in their measurement instrument, differentiated between several underlying dimensions of trust including integrity, fairness and dependability. Morgan and Hunt (1994:23) also conclude that trust occurs when one party has confidence in a relationship partner's reliability and integrity. Integrity refers to "fairness and justness", dependability deals with consistency between verbal statements and behavioural actions", and also the way in which relationship partners "have the ability to do what they say they will do" (Jo *et al.*, 2004:4). These constructs form the basis of the measurement instrument used in this study, even though trust has also been associated with such qualities as consistent, competent, honest, fair, responsible, helpful and benevolent (Morgan & Hunt, 1994:23).

3.3.2 Commitment as a relationship outcome

Conceptualisations of commitment can be drawn from social exchange, marriage and organisational literature (Morgan & Hunt, 1994:23). Commitment, in this context, refers to the extent that both parties in a relationship feel or believe that the relationship is "worth spending energy on to maintain and promote" (Grunig, 2002:2). It is when a relationship partner believes that an ongoing relationship with another is "so important as to warrant maximum efforts at maintaining it" (Morgan & Hunt, 1994:23). Jo *et al.* (2004:4) defined commitment as the "situation in which one or both parties in a relationship direct their emotional attachment and behaviour towards ensuring a continuance of the relationship". It is a "desire to continue with the relationship in supporting the goals and values of the organisation, and putting in the effort to

maintain the relationship” (Ströh, 2005:127). In alliances, commitment therefore also refers to the emotional attachment and plans for continuing the relationship that both parties have within the alliance. In organisations, this would imply that relationship partners plan to continue, for instance, the supply agreement with a specific contractor and act accordingly to lengthen the duration of the relationship.

Morgan and Hunt (1994:23) state that commitment is only present in relationships that are considered important and where the relationship partner wants the relationship to endure indefinitely and is therefore willing to work on the relationship. The scale items that were used in the measurement instrument of the present study relates to whether alliance partners wish to continue with the relationship and therefore feel it is worth their while. The partnering organisation should also want to create a long-term relationship with the organisation (Grunig & Huang, 2000).

Hon and Brunner (2002:9) found in their research in a university setting that pride and loyalty among students seem to resonate with commitment. When students enjoy the relationship, they are engaged in relationship maintenance strategies that express and enhance their commitment to the organisation (Hon & Brunner, 2002:9). These findings concur with the relationship model of Grunig and Huang (2000), which states that relationship maintenance strategies lead to these relationship outcomes.

Another aspect of commitment could pertain to calculations on the part of a partnering organisation of the possible costs that could be incurred upon exiting the alliance (Ströh, 2005:128). In Hon and Brunner’s (2002:8) study, the partnering organisation realised that their relationship with the organisation had components of costs and benefits for both sides that impacted the commitment within the relationship. Morgan and Hunt (1994:23) conclude that commitment among exchange or relationship partners is “key to achieving valuable outcomes for themselves” and these parties endeavour to develop and maintain this precious attribute in relationships.

3.3.3 Relational satisfaction as a relationship outcome

Relational satisfaction refers to feelings of favourability within the relationship, because positive expectations were met within the relationship (Grunig, 2002:2). It is

the result of positive maintenance behaviour within the relationship (Jo *et al.*, 2004:4). In relationships where satisfaction is present, the rewards connected to the relationship outweighs the costs of that relationship (Grunig, Grunig & Dozier, 2002:553), which include both material (for instance value for money, pay, holidays, training) and non-material benefits (for instance emotional benefits, recognition, identification with the organisation) (MacMillan *et al.*, 2000:72). Relational satisfaction can also be understood as “a measure of the extent to which the benefits of the relationship exceed the expectations that both parties have” (Jo *et al.*, 2004:4).

The social exchange theory states that relationship satisfaction is one of the focal consequences of exchange partners’ relationship management behaviours (Smith, 1998 in Robson & Katsikeas, 2005:5). According to Robson and Katsikeas (2005:5), relationship satisfaction results from the appraisal of all aspects of an organisation’s working relationship with another organisation.

The measuring instrument (see Appendix B) measures whether stakeholder needs are being met, whether the organisation is “good”, whether they are experiencing problems and whether they are generally satisfied with the relationship in order to establish an overall measure for relational satisfaction within the relationship. These are all constructs related to whether a stakeholder within an alliance is satisfied with the relationship (Grunig & Huang, 2000; Hon & Brunner, 2002:8).

The final relationship outcome measured in this study relates to the power relations that exist within the relationship.

3.3.4 Control mutuality as a relationship outcome

Control mutuality refers to the degree to which parties in a relationship are satisfied with the amount of control they have in a relationship (Grunig, 2002:2), and implies equality in power (Grunig & Huang, 2000:45). Hon and Brunner (2002:3) affirm that control mutuality is the “power balance” in their use of the construct within a university setting. Heath (2006:100) states that control and power are at the centre of stakeholder exchange and therefore organisational relationships. Still, managements from all kinds of organisations may engage in decision-making through communication

in order to “foster the illusion of efficacy whereby they proclaim competence to account for positive outcomes and place blame for negative outcomes” (Conrad, in Heath, 2006:100). These illusions of control mutuality, referred to as efficacy by Heath (2006:100), may be more symbolic than instrumental. Power is a key concept in public relations theory and practice, as it is an essential dimension of symmetry and “rests on shared meaning as well as the ability to influence outcomes” (Heath, 2006:104).

Grunig (2002:2) contends that most stable and positive relationships result when organisations and stakeholders have some degree of control, or power, over one another. Heath (2006:102) however states that control “must be symmetrical” in that the organisation adapts to others as much as it needs others to adapt to it. It refers to the degree to which partners in a relationship agree about which one of them should decide relationship goals and behavioural routines (Stafford & Canary, 1991).

Control mutuality relates to the power balance within the relationship that in turn also influences who decides the goals within the relationship. According to Grunig (1992, in Gregory, 1999:270), the dominant coalition determines the goals as well as how they are attained. Grunig and Grunig (1992:311) are of the opinion that in allowing participation in decision-making, organisations designate stakeholders to accept control. Excellent organisations realise that “they can get more of what they want by giving publics [stakeholders] what they want”. Nevertheless, where power is not equally distributed, the norm of reciprocity could lead to good relationships (Grunig & Huang, 2000:43). Gregory (1999:274) states that effective communication allows the organisation to attempt to control and influence the environment while at the same time being sensitive to it. Hon and Brunner (2002:8) also suggest that strategic public relations can be used here to empower stakeholders and thereby create a sense of shared control in the relationship.

Reciprocity implies that stakeholders sacrifice some things for mutually beneficial relationships. This logic breaks down, however, when there is one stakeholder who has more power than another. In many organisational relationships where the organisation still holds the upper hand, the “generalised norm of reciprocity” would solve the dilemma of unequal power. Organisations that do not adhere to this principle lose the trust and credibility of the environment in which they practise (Grunig & White,

1992:47). The norm of reciprocity provides a “starting mechanism” for social relationships and allows stakeholders to work with one another even though no previous relationship exists (Gouldner, 1960 in Grunig & White, 1992:47). Grunig and White (1992:48) conclude that the norm of reciprocity is an integral part of excellent public relations.

Control mutuality comments on influence and input of stakeholders (Hon & Brunner, 2002:8). Where control mutuality has been found to be a weaker indicator of relationship quality than trust, satisfaction or commitment, it could be an indication that partnering stakeholders have felt that they can do little to affect the organisation (Hon & Brunner, 2002:8).

The measurement instrument (see Appendix B) looks at whether the alliance partner is satisfied with the decision-making process and whether they perceive themselves and the organisation to have equal influence within the decision-making process. Shared decision-making is a key influencer in successful relationships, as commitment and trust is increased in relationships where shared decision-making takes place. Information asymmetry is also reduced when both relationship partners have a high participation in and knowledge of strategic decisions and actions (Saxton, 1997:446). Steyn (2007:159) also states that a competitive advantage can be gained by the organisation through involving stakeholders in decision-making and thereby stabilising organisational relationships.

From an organisational learning perspective, the ability of relationship partners to facilitate learning and innovation and share knowledge requires close involvement in an alliance and its decision-making processes (Nooteboom, 1992 in Saxton, 1997:447). Therefore, a high degree of shared decision-making in relationships positively affect the outcomes of the relationship, as such involvement builds trust and enhances the sharing of knowledge within the relationship (Saxton, 1997:447).

Alliance partners, where control mutuality exists, also know what to expect from one another (Grunig & Huang, 2000). The scale items measuring this construct therefore focuses on the power relations within the alliance in terms of shared decision-making and transparent expectations.

The present study investigates the relationships between these four individual constructs as well as their contribution towards measuring the organisational relationship itself. The primary objective of the present study, subsequently, is to link these relationship outcomes with perceptions of goal attainment. The following inclusive and broad hypothesis was therefore created:

H₆: *There is a positive correlation between the relationship outcomes of the alliance and perceptions of goal attainment within the alliance.*

3.3.5 Correlation between relationship outcomes

Research in alliances indicate that the degree to which relationship partners trust one another and are committed to the relationship is a result of their investment and involvement in that relationship (Parkhe, 1993 in Saxton, 1997:1997). In this context, trust and commitment is the result of involvement in the relationship, or alternatively, shared decision-making – a key factor in control mutuality. The investment that relationship partners make through shared decision-making signifies two aspects: firstly, a commitment to and interest in outcomes which in turn decreases the perceived likelihood of opportunistic behaviour, and secondly, an increase in the likelihood that a partner's opportunistic behaviour will be recognised. Therefore, according to Saxton (1997:446), these three constructs (involvement, trust and commitment) are intricately linked in organisational relationships: a high level of mutual involvement “acts as both a signalling and monitoring mechanism by establishing and building trust and commitment”.

A linear relationship between trust and control has also been assumed, where a lack of trust represents a reduction in perceived control. Control was discussed in terms of a trustor's level of confidence in another's intentions and actions in a given situation (Greguras, 2003:11). Greguras (2003:12), conversely states that this linear relationship limits the functional nature of trust to cases in which there is only high trust, where one cannot assume that no action will be taken if one person or stakeholder does not trust another.

Morgan and Hunt (1994:22) proposed a commitment-trust theory of relationship marketing, where communication is an important antecedent of these outcomes, and state that commitment and trust are key influencing factors as they encourage marketers to:

- Work at preserving relationship investments by cooperating with the exchange partners;
- Resist attractive short-term alternatives in favour of the expected long-term benefits of staying with existing partners; and
- View potentially high-risk actions as being prudent because of the belief that their partners will not act opportunistically.

Morgan and Hunt (1994:24) also state that trust directly influences commitment in relationships, as relationships characterised by trust are so highly valued that parties will desire to commit themselves to such relationships. Furthermore, as commitment entails vulnerability in a relationship, relationship parties will seek only trustworthy partners. They conclude that trust is a major determinant of relationship commitment.

From the above, it is clear that various studies from diverse perspectives and fields of specialisation have narrowly correlated two or more of the relationship outcomes. Current theory on organisational relationships (Hon & Brunner, 2002; Jo, 2003; Jo *et al.*, 2004; Yang & Grunig, 2005) emphasises a high correlation between the relationship outcomes of trust, commitment, relational satisfaction and control mutuality. These relationship outcomes have also been used as a measurement instrument for one construct, namely relationships (Yang & Grunig, 2005). Jo (2003:xii) found that trust, commitment, satisfaction and control mutuality are global relational measures. A secondary objective of the current study is to determine the effectiveness of using the above four relationship outcomes as a measure of organisational relationships.

3.4 CONCLUSION

Organisational relationships like alliances enable organisations to attain stated goals. When these organisational relationships attain their goals, their contribution to

organisational strategy is increased. Strategic communication contributes towards both the success of organisational relationships as well as alignment of the organisational relationship to organisational strategy. Successful organisational relationships rely on trust, commitment, relational satisfaction and control mutuality as relationship outcomes. These four relationship outcomes are closely correlated to one another, where trust has traditionally been viewed as the most important of the four. Each outcome, however, has a unique and paramount contribution to the organisational relationship's success.

Clearly connecting relationship outcomes with goal attainment enables communication managers to further explicate the importance of organisational relationships. The present study emphasises this significance as a primary objective and further attempts to substantiate the role of communication in sustaining these organisational relationships.

This chapter ends the literature review of the dissertation. Chapter 4 describes the research method and design in depth. This is followed by the results of the survey in Chapter 5.

METHODOLOGICAL ORIENTATION

<p>CHAPTER 1: Orientation, Research Problem and Objectives</p>	<p>Introduction, Problem Statement, Research Objectives, Definition of Key Terms and Demarcation of Chapters</p>
<p>CHAPTER 2: Strategic Communication in Alliances, the Systems and Stakeholder Theories</p>	<pre> graph TD SC([Strategic Communication]) --> ST([Systems Theory]) SC --> SH([Stakeholder Theory]) ST --> OR([Organisational Relationships]) SH --> OR </pre>
<p>CHAPTER 3: Alliances and Relationship Outcomes in Organisational Relationships</p>	<pre> graph TD SA([Strategic Alliances]) --> GA([Goal Attainment]) SA --> RO([Relationship Outcomes]) RO --> T([Trust]) RO --> C([Commitment]) RO --> RS([Relational Satisfaction]) RO --> CM([Control Mutuality]) </pre>
<p>CHAPTER 4: Methodological Orientation</p>	<p>Revision of Research Question and Hypotheses, Methodological Context, Reliability and Validity of Measurement Instrument, Data Processing, Data Analysis and Ethical Considerations</p>

CHAPTER 4: METHODOLOGICAL ORIENTATION

4.1 INTRODUCTION

In chapter 3 the theory regarding the individual relationship outcomes was explicated. The following chapter addresses how these relationship outcomes will be measured in alliances. Public relations and communication managers should move away from measuring communication outputs towards measuring communication outcomes in order to better contribute to the strategic management of the organisation. The measurement of outcomes is often referred to as evaluation. Evaluation involves “the systematic collection of information about the activities, characteristics and outcomes of programmes” (Noble, 1999:16). Noble (1999:15) states that there is no simple, single solution to the problem of public relations evaluation.

The measurement of trust, commitment, relational satisfaction and control mutuality as well as perceptions of goal attainment within alliances can be referred to as evaluation and consequently contributes to the establishment of communication management as a strategic management process. The methodological orientation of how these relationship outcomes were measured is provided in this chapter as well as a discussion on the development of the measurement instrument, its reliability and validity, the data processing and analysis that was conducted and the ethical considerations that was associated with the research. Firstly, the research question, objective and resulting hypotheses are discussed. The following chapter summarises the research results and interpretation of the study.

4.2 RESEARCH QUESTION AND OBJECTIVES

The research question and objectives influence the research methods and design used in the study (UP Statistics, 2002:1) and the present study’s research question and objectives are accordingly summarised in sections 4.2.1 and 4.2.2.

4.2.1 Research question

The theory on organisational relationships emphasises a correlation between the specific relationship outcomes of trust, commitment, relational satisfaction and control mutuality influenced by the communication maintenance strategies that are employed in the relationship. Traditionally, research has focussed on the characteristics of the relationship partners. Research only recently started to measure the relationship itself as a separate construct from the relationship partners. The relationship outcomes in Grunig and Huang's (2000:34) model of organisational relationships are increasingly applied as a measure of the organisational relationship itself. The reliability of applying these outcomes to organisational alliances has not been thoroughly investigated. The connection between perceptions of goal attainment and these outcomes has also not been clearly explained. A further constraint in the literature on organisational relationships like alliances is that the influence that the duration of the relationship, the type of industry and the size of the organisation will have on the outcomes of these relationships, have not yet been ascertained.

Based on these current gaps in organisational relationship literature, the following research question and objectives were formulated.

What is the relationship between goal attainment and the specific relationship outcomes of trust, commitment, relational satisfaction and control mutuality? These relationship outcomes have been proven to be the result of effective communication within the relationship. The reliability of using these outcomes to measure organisational relationships like alliances, as well as the influence of industry type, alliance type, duration of the alliance and size of the organisation on these relationship outcomes has not been determined. From a strategic communication orientation, how do these key constructs relate specifically when applied to alliances?

4.2.2 Research objectives

The primary research objective of this study was to determine the relationship between goal attainment and relationship outcomes in alliances where strategic communication occurred.

The secondary research objectives of the study attempt to ascertain the influence of external factors like the type of industry and organisational size, mentioned in the problem statement, on the relationship outcomes of the alliances. The present study also attempts to ascertain whether differences exist in perceptions regarding goal attainment as well as the effectiveness of using the relationship outcomes as a measure of organisational relationships. Finally, each relationship outcomes' influence on perceptions of goal attainment is questioned and a fitted regression model is used to determine the size of the influencing factors.

Some of these objectives were related into hypotheses. Table 4.1 summarises the stated objectives and their associated hypothesis, which are in turn illustrated in Table 4.2.

Table 4.1: Summary of objectives and their associated hypothesis tests

OBJECTIVE NUMBER	KEY OBJECTIVE MEASURED	HYPOTHESES ASSOCIATED WITH OBJECTIVE
Primary Objective	To determine the relationship between goal attainment and relationship outcomes in alliances where strategic communication occurred.	H ₆
1	To determine whether differences exist regarding alliance partners' perceptions of goal attainment.	H ₁
2	To determine the effectiveness of using relationship outcomes as a measure of organisational relationships like strategic alliances.	Hypothesis not formulated. Reliability analysis using Cronbach Alpha (α).
3	To determine whether industry type has an influence on relationship outcomes.	H ₂
4	To determine whether alliance type has an influence on relationship outcomes.	H ₃
5	To determine whether the duration of the alliance has an influence on the relationship outcomes.	H ₄
6	To determine whether the size of the organisation has an influence on relationship outcomes.	H ₅
7	To determine whether and how these constructs relate to one another: relationship outcomes, goal attainment, duration of the alliance, type of alliance and industry as well as size of the organisation.	Hypothesis test not formulated. Linear modelling using general linear modelling techniques (specifically General Linear Modelling (GLM)).

The following section summarises the hypotheses stated in chapters two and three.

4.3 HYPOTHESES

A research hypothesis can be defined as a “theory based expectation about some characteristic of a target population” (Kotze, 2005:60). Table 4.2 provides a summary of all the hypotheses that were tested.

Table 4.2: Summary of research hypotheses

HYPOTHESES		RELATIVE FOCUS
H ₁	<i>There is a difference between the perceptions of goal attainment within the alliance.</i>	Goal attainment
H ₂	<i>There is a relationship between the type of industry wherein the alliance takes place and the relationship outcomes of the alliance.</i>	Descriptive variables
H ₃	<i>There is a relationship between the type of alliance and the relationship outcomes of the alliance.</i>	
H ₄	<i>There is a relationship between the duration of the alliance and the relationship outcomes of the alliance.</i>	
H ₅	<i>There is a relationship between the size of the organisation and the relationship outcomes of the alliance.</i>	
H ₆	<i>There is a positive correlation between the relationship outcomes of the alliance and perceptions of goal attainment within the alliance.</i>	Connecting organisational relationships with goal attainment

Differences in perceptions of goal attainment are firstly ascertained, whereafter hypotheses regarding the influence of the duration of the alliance, the size of the organisation, the type of industry and the type of organisational relationship are formulated. Lastly, the correlation between relationship outcomes and perceptions of goal attainment will be tested.

4.4 METHODOLOGY

Diamantopoulos and Schlegelmilch (2000:220) state that the methodology of a study includes a precise definition of the population that was studied, as well as detailed information on the sample size, sampling procedure, response rate, the research instrument and the way the variables were measured. The sections below discuss how the study's research objectives were measured and analysed, where organisational relationship outcomes played a central role in all the stated objectives.

The context wherein the research was conducted was that of quantitative as opposed to qualitative research. The purpose of quantitative research is "to determine the

quantity of extent of some phenomenon in the form of numbers”. Qualitative research provides a greater understanding of a concept or “crystallizes” a problem rather than providing precise measurement or quantification. Qualitative research is also often associated with exploratory research, where descriptive research was conducted in the study (Zikmund, 2003:111).

4.4.1 Research design

The research design is the plan that is to be followed to answer the research objectives or hypotheses. It provides the structure and framework to solve a specific problem (McDaniel & Gates, 2001:28; Tustin, Lighthelm, Martins and Van Wyk 2005:82). Hence, it is a master plan that specifies the methods and procedures on how to collect and analyse the required information (Tustin *et al.*, 2005:82). The following sections discuss the type of research as well as the method of data collection that was influenced by the purpose of the study, time dimension, topical scope as well as time dimension.

4.4.1.1 Type of Research

Types of business research include exploratory studies, descriptive research and causal research (Zikmund, 2003:54). The purpose of the study was to investigate the relationship between the relationship outcomes of trust, commitment, relational satisfaction and control mutuality and goal attainment. This study was therefore a *descriptive research study*, as it described the research problem or opportunity in detail. The purpose of the descriptive study was to provide an accurate picture of some aspects of relationship outcomes in alliances and their link to goal attainment. Descriptive research can be conducted in two ways: longitudinal and cross-sectional. In this study, the descriptive research consisted of *cross-sectional* data, as a single sample survey was conducted once in 2007 (Cant, Gerber-Nel, Nel & Kotzé, 2003:31) as opposed to a longitudinal study, where data is collected on the same respondents or research phenomena over a period of time. A specific time limitation existed for the research.

A *two-stage research design* was used in this study and implies that the research was conducted in two phases. The first stage was characterised by a thorough analysis of secondary data that existed on the relevant constructs. In the second stage, a formal study was conducted in order to test the stated hypotheses (Cooper & Schindler, 2003:147).

In the first of the research design, a literature review provided the relevant theory on all related theories and information relevant to the study in question (Ströh, 2005:164). Aspects relating to goal attainment, trust, commitment, relational satisfaction and control mutuality and other constructs and theories relevant to this study were investigated in the following order:

- Chapter 2 relates the theoretical background to the study, first discussing strategic communication and thereafter explicating the relevant theory on the systems and stakeholder theories. Thereafter, Grunig and Huang's (2000:34) three-stage model of organisational relationships is discussed, as well as the guidelines proposed by the authors for measuring organisational relationship outcomes. It also provides the connection to alliances as a form of organisational relationship.
- Chapter 3 applied this three-stage model of organisational relationships to alliances, specifically focusing on goal attainment within these alliances and their relationship outcomes.

4.4.1.2 Method of data collection and researcher control of variables

Respondents' were questioned and their responses collected through a self-completion questionnaire, collected by means of a survey. This is specifically referred to as an *electronic or e-mail survey*. No control over the variables in the study was practised, therefore an *ex post facto design* was used to conduct the study (Cooper & Schindler, 2003:149) and the researchers were only able to describe the influence of relationship outcomes on perceptions of goal attainment.

4.4.1.3 Topical scope and research environment

The topical scope of the study is *statistical*. This implies that the stated hypothesis was measured quantitatively and statistically analysed. The study took place in a natural field setting because the conditions are not staged or manipulated as in laboratory settings; therefore a *field experiment* was conducted. The respondents also knew that they were participating in the study, therefore the research activity was a *modified routine* (Cooper & Schindler, 2003:147).

4.4.2 Sampling and target population

According to Tustin *et al.* (2005:337), a sample is defined as a subset of a population, and within the context of a population, it is defined as the total group of people from whom information is required. The target population of a survey is also described as the total collection of elements from which inferences will be made (Cooper & Schindler, 2003:179) or the total group of people from whom information is needed (McDaniel & Gates, 2001:328). The population of a study should include all the people whose opinions, behaviour, preferences and attitudes will deliver information that will answer the research question (Cooper & Schindler, 2005:96).

The research problem indicated that professional respondents needed to be studied where the target population had to be specifically involved in a strategic alliance. The research population included respondents who were actively involved in any relationship related to alliance activities, including joint marketing or manufacturing agreements, cooperative research and development, licensing relationships and joint ventures involving formation of separate legal entities (Saxton, 1997:448). The target population in this research was consequently assumed to be business professionals who are computer literate and have access to computers.

A sample frame is a list of the population elements (Diamantopoulos & Schlegelmilch, 2000:14; McDaniel & Gates, 2001:333). The *sampling frame* of this study consisted of a mailing list of the Institute for Procurement and Supply South Africa (IPSA). Members of IPSA are involved in the supply and/or procurement chain of various organisations from various industries. Members of IPSA join the organisation in order

to get professional advice, amongst other benefits, on how to form a strategic alliance as well as the implications thereof. As a result, the respondents listed on the IPSA mailing list are those directly involved in a strategic alliance, at least with IPSA, but also likely with other organisations in the supply and/or procurement chain.

A census, as opposed to sampling, is when the entire population is studied (Tustin *et al.*, 2005:337; Steyn, Smit, Du Toit & Strasheim, 2003:16). Two conditions are appropriate for a census study. Firstly, a census is feasible when the population is small. Secondly, a census is necessary when the elements are regarded as different from one another (Cooper & Schindler, 2003:337). Both these conditions were met in this study, as a diverse range of relationships were measured and the survey instrument (an e-mail survey) rendered the possibility of reaching all the respondents in the sampling frame. The use of an email survey as survey instrument rendered the possibility of contacting all the respondents as 2500 respondents is relatively small for an email survey, thus meeting the first condition of census. A census was also decided upon because of the nature of the data collection method (electronic survey), where no additional costs would have been involved with a greater number of respondents. The largest amount of possible respondents was also obtained in this manner.

The amount of questionnaires realised from a sampling population of 2500 respondents totals 157 (three questionnaires could not be used, resulting in $n=154$). This relates to a response rate of six percent. According to Alreck and Settle (1995:184), the relatively high non-response of mail surveys is “by far the most important shortcoming”. The refusal rate of respondents depend on, amongst other things, the nature of the respondents, the “auspices of the research”, the circumstances surrounding the contact and the “nature of the subject” (Churchill & Iacobucci, 2002:534). The response rate of the study was expected to be low, as professionals were targeted on their business e-mail addresses, although the response rate was considerably more than other studies using this measurement guideline. StrategyOne has applied the framework to six major and several smaller companies, where according to Scott (2007:267), the focus was rather given to selecting the right respondents. Their sample sizes have consistently been lower than 50. Cost and time factors had an influence and the importance of securing a large

sample size was diminished, even though a large sample seems methodologically appropriate for a quantitative instrument (Scott, 2007:268).

Various tactics can be used in order to increase the initial response rate, including preliminary notification, follow-ups and/or repeated contacts, sponsorship, appeals, provision of reply/return envelopes, return postage, personalisation, incentives, promise of anonymity, the questionnaire length (where four or less pages is considered to be short) as well as the specification of the deadline for the return of the questionnaire (Churchill & Iacobucci, 2002:537; Malhorta, 2002:206).

As the use of incentives is considered unethical, it was not used. On the other hand, tactics that were used to increase the response rate included preliminary notification, sponsorship, provision of envelopes, return postage and personalization. The questionnaire was also less than four pages long, and thereby considered to be a short questionnaire (Churchill & Iacobucci, 2002:537; Malhorta, 2002:206). The deadline was stated in the questionnaire and anonymity was promised, and follow-ups and repeated contacts were done. After a “reminder e-mail” was sent out to respondents in order to remind them of the approaching deadline, a random sample of the population framework was phoned to ensure at least their cooperation in the study. All possible tactics were therefore employed to increase the response rate of the study.

4.4.3 Data collection

Data collection is often referred to as the fieldwork of the study (Tustin *et al.*, 2005:99). In this study, primary data was collected through the use of a self-completion questionnaire in an electronic e-mail survey.

4.4.3.1 Survey method

The target group of a study determines in what manner the questionnaire is to be completed (UP Statistics, 2002:1). Previous studies (Hon & Brunner, 2002; Jo *et al.*, 2004) measuring relationship outcomes have used surveys in order to collect data. This study employed the same data collection technique and an *electronic self-*

completion (or self-administered) questionnaire was used in the study. The self-administered questionnaire is a short questionnaire that is completed by the participant in a convenient location (Cooper & Schindler, 2003:339). Electronic self-administered questionnaires for example use organisational intranets, the Internet or online services to reach survey participants (Cooper & Schindler, 2003:339; Mouton, 2005:153). This type of survey also costs relatively less than other survey methods (Cooper & Schindler, 2003:324). In this study, a Word document (which can be edited) was attached to an e-mail sent to the mailing list of IPSA.

Due to the nature of the respondents targeted, the two disadvantages posed by this are minimised. Even though e-mail surveys fall under the umbrella of “computer-administered” surveys, some of the advantages listed in the table above, like real-time capture of data, are not applicable. Surveys aim to “provide a broad overview of a representative sample of a large population” (Mouton, 2005:152). Cooper and Schindler (2003:324) list a number of advantages and disadvantages that can be associated with specifically self-administered surveys.

Table 4.3: Advantages and disadvantages of self-administered surveys

ADVANTAGE	DISADVANTAGE
Allows contact with otherwise inaccessible respondents.	Low response rates.
Incentives may be used to increase response rate.	No interviewer intervention available for probing or explanation.
Often lowest cost option.	Cannot be long or complex.
Expanded geographical coverage without increase in cost.	Accurate mailing lists needed.
Requires minimal staff.	Often respondents returning survey represent extremes of the population – skewed response.
Perceived as more anonymous.	Anxiety among some respondents.
Allows respondents time to think about questions.	Directions/software instruction needed for progression through the instrument.
More complex instruments can be used.	Computer security.
Fast access to the computer literate.	Need for low-distraction environment for survey completion.
Rapid data collection.	
Respondents who cannot be reached by phone may be accessible.	
Visuals may be used.	

SOURCE: Cooper, D.R. & Schindler, P.S. 2003. *Business Research Methods*. 8th ed. (p.324) New York, USA: McGraw-Hill.

An electronic self-completion questionnaire was used as data collection method because of the limited time, capital and staff available to the researcher and the target population used for the study was computer literate. These respondents were not easy to get hold off - another reason why this study employed this technique. An accurate mailing list was available from IPSA with the contact details of the person directly involved in the alliance. The research population was spread across South Africa and a wide geographical area could therefore be reached, even though this was not directly measured. A specific set of instructions were included on the cover page of the questionnaire as to how specifically respondents had to save, edit and resend the questionnaire (see Appendix B). This cover letter also informed respondents of their anonymity and acted as a consent form for the use of his/her responses in the study.

This cover letter was approved by the research ethics committee of the Faculty of Economic and Management Sciences at the University of Pretoria (see Appendix B).

4.4.3.3 Measurement scales

The key constructs within this study (the relationship outcomes and perceptions of goal attainment) was analysed by using *five point Likert scales*. Likert scales are used to measure the intensity of respondents' feelings (UP Statistics, 2002:7). The Likert scale points range from 1=strongly disagree, to 5=strongly agree. Only the 1st and 5th values were explained to respondents and the other scale points were given only numerical values (2,3,4) in order to ensure that interval data was obtained.

Rensis Likert developed the scale so that “a researcher could look at a summed score and tell whether a person’s attitude toward a concept was positive or negative” (McDaniel & Gates, 2001:274). According to Malhorta (1996:276, in Kotze, 2005:73), the Likert scale is a *non-comparative, summated (multi-item) rating scale*. A non-comparative scale indicates that data collected at one stage is analysed without comparing it to data collected at another stage (Tustin *et al.*, 2005:485), whereas a summated scale “consists of statements that express either a favourable or unfavourable attitude towards the object of interest” (Cooper & Schindler, 2003:253). The data obtained through a Likert scale can be classified as *interval data*, meaning that responses are grouped according to specific numbers and no order exists.

Multiple-choice single response and a ratio scale were both used to measure the influencing factors that might affect perceptions of goal attainment and relationship outcomes. Multiple-choice single response questions were used to test whether respondents have participated in an alliance, as well as to determine the type of alliance, the industry and the size of the organisation. A ratio scale was used to determine the duration of the alliance.

4.4.3.4 Scale purification

Reliability assessment (Cronbach Alpha) and factor analyses was used to purify the scale and determine how effectively the measurement instrument measured goal

attainment and the relationship outcomes. Reliability assessment is discussed in the following section.

Factor analysis is used “to find latent variables or factors among observed variables”, where factor analysis group variables with similar characteristics (Tustin *et al.*, 2005:668). Three steps to factor analysis can be observed:

1. A correlation matrix is generated for all the variables. A correlation matrix is “the table used to display coefficients for more than two variables” (Cooper & Schindler, 2003:577). Correlation coefficients are used to determine whether there is a relationship between the variables, where a positive correlation ranges from 0 to 1 and a negative correlation ranges from 0 to -1 (Ströh, 2005:199), and 1 (on either side of 0) indicates the strongest relationship;
2. The factors based on the correlation coefficients of the variables are extracted from the correlation matrix; and
3. The factors are rotated in order to maximise the relationship between the variables and some of the factors (Tustin *et al.*, 2005:668).

Factor analysis is discussed in greater depth in section 4.9.2.4. The following sections address how the validity and reliability of the measurement instrument and data was ensured.

4.5 RELIABILITY

Reliability refers to the consistency of the measurement instrument as well as the degree to which the same results would be obtained if the measure was repeated (Cooper & Schindler, 2003:236; Ströh, 2005:197). Reliability estimates include:

- *Stability*, which is applicable when consistent results are obtained when the same test is administered twice to the same respondents over an interval of less than six months.
- *Equivalence*, which is the degree to which alternative forms of the same measure produce the same or similar results. Because the framework for the measurement of relationship outcomes have been used by various researchers

at different times while focusing on different populations, and similar results have been found, the equivalence of the measurement instrument is relatively good.

- *Internal consistency*. Refers to the degree to which the instrument items are homogeneous and reflect the same underlying constructs (Cooper & Schindler, 2003:237).

The reliability of the measurement instrument was obtained by using Cronbach Alphas, denoted by the symbol α . Cronbach Alphas range from 0 (no internal reliability consistency) to 1 (perfect internal reliability consistency), where a value of 0.70 and higher indicate a good reliability and higher than 0.90 is considered excellent (McDaniel & Gates, 2001:256; Stacks, 2002 in Ströh, 2005:197). The study conducted by Jo *et al.* (2004) attempted to measure the validity of Grunig and Huang's (2000) measurement scale for organisational relationships and found that all the Cronbach Alpha measures demonstrated an acceptable level of reliability (trust was 0.86, commitment 0.84, relational satisfaction 0.88 and control mutuality 0.85). These estimates reflect the findings of this study (trust was 0.84, commitment 0.92, relational satisfaction 0.91, control mutuality 0.77), indicating a high equivalence of the measurement instrument.

4.6 VALIDITY

Validity simply means that the researcher is measuring what he/she intends to measure. There are three basic approaches to the evaluation of validity (Zikmund, 2003:302):

- Firstly, *face or content validity* refers to “the subjective agreement among professionals that a scale logically appears to reflect accurately what it purports to measure”. In this evaluation, researchers must also establish whether the measurement instrument used correlates to other studies measuring the same construct.
- If a new measurement instrument is developed, the *criterion validity* needs to be determined. Within criterion validity, researchers need to ascertain whether concurrent validity (the measure accurately explains the current phenomenon)

or predictive validity (the measure accurately predicts a future phenomenon) is established.

- *Construct validity* is established by “the degree to which a measure confirms a network of related hypotheses generated from a theory based on the concepts”. This is determined during the data analysis stage of the research and implies that the empirical evidence generated by the data and data analysis is consistent with the theoretical logic about the constructs.

The current study applied the three-stage model of organisational relationships of Grunig and Huang (2000:34) as well as their guidelines on measuring relationship outcomes to alliances in this study. These guidelines were applied to alliances and improved to develop a proposed measure of organisational relationships. The content validity of the measurement instrument is confirmed by the use of this measurement framework by various other authors (Hon & Brunner, 2002; Jo *et al.*, 2004; Ledingham & Bruning, 2000a; Ströh, 2005; Yang & Grunig, 2005). As an existing framework is used for the measurement of the key constructs of the study, the criterion validity of the measurement instrument does not have to be ascertained. The construct validity of the measurement instrument is discussed in the following chapter.

The whole set of variables are therefore examined and presented in terms of the underlying factors. As the scales and their purification as well as the research design of the study have been discussed, the measurement instrument that was used can now be fully explained.

4.7 MEASUREMENT INSTRUMENT

The framework for measuring organisational relationship outcomes developed by Grunig and Huang (2000:47) was used in this study. Various other studies have also employed the framework provided by the above authors to measure relationship outcomes and possibly link it to other constructs (Grunig, 2002; Hon & Brunner, 2002; Jo *et al.*, 2004; Ledingham & Bruning, 2000a; Ströh, 2005; Yang & Grunig, 2005).

4.7.1 General remarks regarding the contents of the questionnaire

The format of a self-administered questionnaire is significant as it affects the general appearance of the document and the likelihood that the respondent will complete and return the questionnaire (Alreck & Settle, 1995:187). This is especially relevant where the researcher has no contact with the respondent.

An introductory letter was included in the questionnaire in which respondents were instructed on how to answer, save and return the questionnaire (see Appendix B). They were also given a brief sketch of the study and thanked for their cooperation. The letter introducing the e-mail survey is referred to as a “cover” letter (technically referred to as a “letter of transmittal”) and in the absence of personal contact and conversation, the cover letter must thoroughly explain the project all on its own. This was accomplished, as the cover letter of this study addressed the various questions that the respondent may ask (Alreck & Settle, 1995:195).

A qualifying question was included in the study to ensure that only respondents who have participated in a strategic alliance completed the questionnaire. In question 1 (see Appendix B), respondents were asked whether they (their organisation) has participated in a strategic alliance. All the questionnaires received stated that they have participated in a strategic alliance.

The length of the questionnaire was determined by the size of the sample as well as the target group and the method of data collection. Problems that may occur with questionnaires include lengthy questionnaires, which can lead to respondent frustration and exhaustion. Furthermore, if the sample is not sufficiently large, questions with too many categories could lead to low frequencies that can statistically be of little use (UP Statistics, 2002:2). Subsequently, a short questionnaire was compiled, which aimed to be as concise as possible measuring only the minimum required to correlate relationship outcomes to perceptions of goal attainment while controlling for other possible factors that may influence these relationship outcomes. In the following section, each of the variables measured is operationalised.

4.7.2 Operationalisation of variables

The questionnaire design followed the following structure:

- 1) A qualifying control question was asked to ensure that only respondents where strategic alliances occurred, were used in the study.
- 2) Possible influencing factors were identified and tested for. The following factors, as well as their influence on relationship outcomes, were measured:
 - Type of industry wherein the alliance took place;
 - Type of alliance measured;
 - Time, or the duration of the alliance; and
 - Organisational size.
- 3) Goal attainment was measured with a five point Likert scale where a difference between the organisation's goals, the relationship goals and the partnering organisation's goals were identified.
- 4) The guidelines on measuring relationship outcomes provided by Grunig and Huang (2000:47) were adapted in order to measure each of the relationship outcomes in alliances (see Appendix A). A five-point Likert scale was applied to these adjusted statements for the present quantitative study.

The general guidelines for the measurement of relationship outcomes have been used by various researchers (Grunig, 2002; Hon & Brunner, 2002; Jo *et al.*, 2004; Ledingham & Bruning, 2000a; Ströh, 2005; Yang & Grunig, 2005) and was developed by Grunig and Huang (2000), based on both the doctoral dissertation of Huang (Jo *et al.*, 2004) and the establishment of a commission on the measurement of relationships in public relations by the Public Relations Institute of America. This commission was led by Grunig and Hon in 1999. The following studies contributed to the development of the relationship outcomes measurement scale by Grunig and Huang (2000:47).

Table 4.4: Contributing studies to the development of the relationship outcome measurement scale

Relationship Outcome	Contributing Study
Trust	Huang, 1997.
	Morgan & Hunt, 1994.
Commitment	Huang, 1997.
	Stafford & Canary, 1991.
	Morgan & Hunt, 1994.
	Mowdey, Steers, & Porter, 1979.
Relational Satisfaction	Huang, 1997.
	Hendrick, 1988.
Control Mutuality	Stafford & Canary, 1991.
	Canary & Cupach, 1988.

SOURCE: Grunig, J.E. & Huang, Y. 2000. From organisational effectiveness to relationship indicators: antecedents of relationships, public relations strategies, and relationship outcomes (p.47). In: *Public Relations as Relationship Management*.

The questionnaire that was used obtained a combination of nominal, ratio and interval data, where nominal data (measurable on a nominal scale) is usually used to merely identify categories and the numbers themselves have no mathematical value (Tustin *et al.*, 2005:592). The nominal data obtained was used to describe the population measured as well as to determine whether there were differences between the groups identified by the nominal data questions. Ratio data is generated when the ratios between the potential values of the variables have numerical significance (Tustin *et al.*, 2005:594). It is, for instance, when an open numerical answer is expected where zero could be an answer, for example open questions like “How much money do you earn per month?”

Interval data, on the other hand, is generated when variables are arranged in sequence and “the interval between the values has numerical significance” (Tustin *et al.*, 2005:593). Five-point Likert scales were used in this study to gather the interval data on goal attainment and the relationship outcomes. This is consistent with other studies using the same framework to measure relationship outcomes (Grunig, 2002; Hon & Brunner, 2002; Jo *et al.*, 2004; Ströh, 2005; Yang & Grunig, 2005). The different data obtained by each question of the measurement instrument is illustrated in the following table.

Table 4.5: Data obtained by measurement instrument

	Nominal Data	Ratio Data	Interval Data
Question number	1,2,3,4	5	6,7

The following section looks at whether the questions measured the stated objectives of the study.

4.7.3 Linking the measurement instrument with the research objectives

After taking note of all these changes to the questionnaire, the research objectives of this study can be achieved through analysing the following questions in the measurement instrument.

Table 4.6: Research objectives and survey questions matrix

Research objective	Stated objective	Question(s) or scale(s) in questionnaire
Primary objective	The primary research objective of this study is to determine the relationship between goal attainment and relationship outcomes in alliances where strategic communication occurred.	Question 6 and 7
1	To determine whether differences exist regarding alliance partners' perception of goal attainment.	Question 6
2	To determine the effectiveness of using relationship outcomes as a measure of organisational relationships like strategic alliances.	Factor analysis of question 7.
3	To determine whether industry type has an influence on relationship outcomes.	Question 3 and 7
4	To determine whether alliance type has an influence on relationship outcomes.	Question 2 and 7
5	To determine whether the duration of the alliance has an influence on the relationship outcomes.	Question 5 and 7
6	To determine whether the size of the organisation has an influence on relationship outcomes.	Question 4 and 7
7	To determine how these constructs relate to one another: relationship outcome, goal attainment, length of alliance, type of alliance and industry as well as the size of the organisation.	Questions 2 to 7

From the above table, it is evident that all the questions used in the questionnaire attempted to measure the objectives of the study. However, before these objectives could be measured, the data first had to be processed.

4.8 DATA PROCESSING

Thorough data processing can improve the quality of the data analysis and statistical results (Ströh, 2005:182). Data processing refers to raw data that has been converted into a suitable format that can be analysed (Malhorta, 1993 in Ströh, 2005:182). The data processing procedure that was followed is illustrated in Appendix D and shortly summarised in the following paragraph.

The two statistical software programs used to analyse the data were SAS and SPSS, since the researcher is proficient in both. The framework used to develop the measurement instrument was found to be reliable and acceptable by various other researchers (Hon & Brunner, 2002; Jo *et al.*, 2004) and was subsequently sent out to the sampling population after being adequately coded. Coding refers to numbers that are assigned statements, responses or answers (Ströh, 2005:182). Statomet, the statistical support department of the University of Pretoria, requires questionnaires to be coded upon return, where the accompanying number of responses is indicated next to the question. In this way, the codes and responses were double checked both by the researcher and Statomet in order to minimise error. Missing values of completed questionnaires were substituted with zero values so that statistical analysis would not be affected. Codes and values were then transferred to an electronic database and saved in an Excel file. Data was captured and independently verified (both by the researcher and Statomet). It was not deemed necessary to convert the data deck into a computer readable form. Thereafter, the data was cleaned for statistical use by both the researcher and Statomet.

4.9 DATA ANALYSIS

Previous studies measuring relationship outcomes have linked these outcomes to various constructs, including the type of relationship (Hon & Brunner, 2002; Jo *et al.*, 2004), change management (Ströh, 2005) and reputation (Yang & Grunig, 2005).

These studies have employed varying techniques in their analysis from just descriptive statistics (Hon & Brunner, 2002; Jo *et al.*, 2004) to structural equationing (Yang & Grunig, 2005).

As this study aimed to link relationship outcomes with goal attainment, some inferential statistical techniques were utilised. However, the population studied also needed to be described and analysed. Descriptive statistics therefore had to be used. As a result, the study employed various statistical techniques that can be divided under either the descriptive statistics or inferential statistics umbrella.

4.9.1 Descriptive statistics

The purpose of descriptive analysis is to provide preliminary insights into the nature of the responses obtained; to help detect errors in the coding and the data capturing processes; to provide transparent means of presenting the data; to provide summary measures of responses; and to provide “an early opportunity for evaluating whether the distributional assumptions of subsequent statistical tests are likely to be satisfactory” (Tustin *et al.*, 2005:523). There is also a minimum amount of descriptive statistics that is associated with the different types of data that was generated by the measurement instrument. Frequency counts, the mode and a pie chart need to be reported for nominal data. The mean and standard deviations of interval scales need to be reported. Finally, the mean, standard deviation as well as a histogram need to be reported for ratio data (Kotze, 2005). These descriptive statistics were reported in the following chapter. Descriptive analysis provides a useful initial examination of the data, but what is of “ultimate concern” to the researcher is inferential in nature (Tustin *et al.*, 2005:522).

4.9.2 Inferential statistics

Some of the inferential statistical techniques used in the study include:

4.9.2.1 Test for normality

Because the assumption for normality is needed for both the parametric hypothesis tests as well as the regression analysis done in the study, a normality test was also conducted on the sample population and the dependent variable of the regression model. A normal distribution is achieved when the “various arithmetic means of a large number of samples distribute themselves symmetrically around the population mean” and a bell-shaped curve is formed (Tustin *et al.*, 2005:364). The necessary normality assumptions for the regression analysis were met (for one of the two proposed models) and the relationship outcomes of the alliance could be plotted against perceptions of goal attainment. After establishing that none of the individual constructs in the study have normal distributions, the non-parametric alternative of the Pearson’s product momentum, namely Spearman’s rank order correlation, was used to test the hypotheses.

4.9.2.2 Spearman’s rank order correlation

Spearman’s rank order correlation was the non-parametric alternative used for testing the hypotheses of the study. This statistical test investigates the strength of the positive or negative association between the variables, which ranges from -1 to +1, with values close to 0 indicating little or no association between the variables (Tustin *et al.*, 2005:637).

4.9.2.3 Regression analysis

As the influence of relationship outcomes on goal attainment needed to be determined, regression analysis provided an opportunity to distinguish whether such a model would be significant, as well as an indication of the relative influence of these individual constructs on perceptions of goal attainment. The regression coefficient is “a measure of the linear relationship between a chosen predictor and the dependent variable” (Tustin *et al.*, 2005:6). Goal attainment was used as the dependent variable of the study. The specific influence of the individual relationship outcomes on perceptions of goal attainment was therefore ascertained. It is also a statistical technique used for predicting the value of one variable based on the value of others

(Kotze, 2005:123). Three assumptions need to be tested before the model could be significantly used, namely the normality of the residuals of the dependent variable, and whether multicollinearity and heteroscedasticity impact the model. The influence of outliers was also minimised in order to get the best possible model. Outliers are a few observations that are unnaturally high or low, which are removed from the data set because their influence on the averages and outcomes of the data analysis are disproportionate and possibly misleading. The specific statistical technique used is referred to as multivariate regression analysis (Kotze, 2005:123). The findings from the regression analysis were then also used to determine which relationship outcomes had the greatest influence on perceptions of goal attainment.

4.9.2.4 Factor Analysis

A factor analysis was used to identify the size and significance of the influence of the individual relationship outcomes on perceptions of goal attainment. A factor analysis was also used to determine whether the size of the organisation, type of industry, type of alliance and duration of the alliance had an influence on either the relationship outcomes or perceptions of goal attainment. A factor analysis is used to find constructs or factors among observed variables. Therefore, if the data contains many variables, the factor analysis can be used to reduce the number of variables by grouping variables with similar characteristics (Cooper & Schindler, 2003:635; Tustin *et al.*, 2005:669). The result of a factor analysis is a correlation matrix that is generated for all the variables whereafter highly related variables are extracted from the correlation matrix (Tustin *et al.*, 2005:669).

The most frequently used approach to factor analysis is principal component analysis and is also used in the current study. Linear combinations of variables, called factors, are generated to account for the variance in the data as a whole (Cooper & Schindler, 2003:635). Cooper and Schindler (2003:635) states that the best combination makes up the first principle component and is the first factor. The second principle is defined as “the best linear combination of variables for explaining the variance *not* accounted for by the first factor”. This process can continue until k factors, each being the best linear combination of variables not accounted for by the previous factors and all the variance is accounted for.

4.10 ETHICAL CONSIDERATIONS

According to Malhorta (2002:216), the researcher has the “responsibility to use an appropriate survey method in an ethical and legal way”. Ethics can be defined as what is deemed acceptable (good) or unacceptable (bad) in human conduct and is critical in all research (Tustin *et al.*, 2005:42). Researchers have the following ethical obligations to research respondents:

- Participants should not be harmed;
- Participants should not be deceived;
- Participants should be willing and informed; and
- Data should be held in confidence (Tustin *et al.*, 2005:46).

The Research Ethics Committee comprises of senior teaching staff of the Faculty of Economic and Management Sciences, University of Pretoria. They concluded on the 31st of July 2006 that the study poses no ethical dilemmas, the research did not harm the respondents and they were not forced to answer the questionnaires. Incentives were also not used to entice respondents to answer the questionnaire. The written permission of IPSA was furthermore obtained for the distribution of the questionnaire on their database. Therefore, all ethical considerations were met in conducting the study.

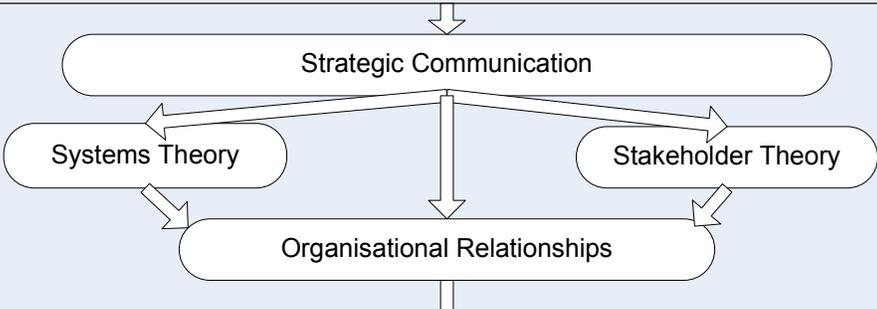
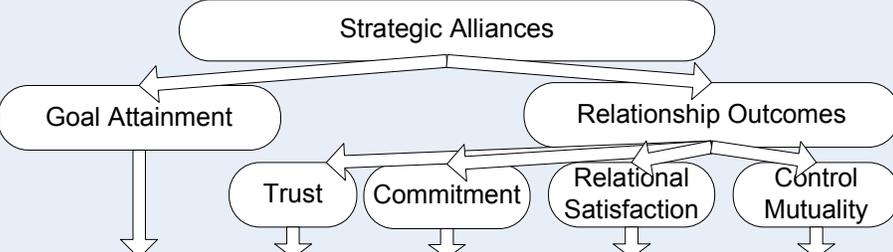
4.11 CONCLUSION

It was decided that an electronic survey was the best method to obtain information from the IPSA database to address the research objectives and research question. The measurement of alliance outcomes was based on the guidelines provided by Grunig and Huang (2000:36) for the measurement of organisational relationship outcomes. A scale for the measurement of perceptions on goal attainment was also developed. After the necessary amount of questionnaires was obtained, the data could be entered and the necessary data cleaning and statistical analysis tests could be conducted. The following chapter discusses the findings from these statistical tests.

CHAPTER 4: METHODOLOGICAL ORIENTATION

In clearly explaining the theory regarding the research design, methodology and statistical methods that were employed, a clearer and accurate picture of the findings could be formed. When a clear understanding of the theory that underlines the research findings is obtained, the accuracy and importance of the research findings can be highlighted.

RESEARCH RESULTS AND INTERPRETATION

CHAPTER 1: Orientation, Research Problem and Objectives	Introduction, Problem Statement, Research Objectives, Definition of Key Terms and Demarcation of Chapters
CHAPTER 2: Strategic Communication in Alliances, the Systems and Stakeholder Theories	 <pre> graph TD SC[Strategic Communication] --> ST[Systems Theory] SC --> SH[Stakeholder Theory] ST --> OR[Organisational Relationships] SH --> OR </pre>
CHAPTER 3: Alliances and Relationship Outcomes in Organisational Relationships	 <pre> graph TD SA[Strategic Alliances] --> GA[Goal Attainment] SA --> RO[Relationship Outcomes] RO --> T[Trust] RO --> C[Commitment] RO --> RS[Relational Satisfaction] RO --> CM[Control Mutuality] </pre>
CHAPTER 4: Methodological Orientation	Revision of Research Question and Hypotheses, Methodological Context, Reliability and Validity of Measurement Instrument, Data Processing, Data Analysis and Ethical Considerations
CHAPTER 5: Research Results and Interpretation	Realisation Rate, Descriptive Statistics, Scale Purification, Hypotheses Testing and Regression Model

CHAPTER 5: RESEARCH RESULTS AND INTERPRETATION

5.1 INTRODUCTION

After a thorough discussion of the research problem and the relevant theory associated with this problem, the objectives and research methodology was explained in the previous chapters. These chapters indicated that the outcomes of successful organisational relationships, like alliances, are trust, commitment, relational satisfaction and control mutuality. These relationship outcomes may be linked to perceptions of goal attainment both in the organisation and within the relationship. The relevant methodology was consequently discussed in order to test this possible relationship as well as other key objectives in the study.

This chapter focuses on the findings that resulted from the data collection based on the methodological orientation. It includes the realisation rate, descriptive statistics, hypotheses tests and the fitted regression model.

5.2 REALISATION RATE

All 2500 respondents in the mailing list of IPSA were e-mailed and 157 questionnaires were returned. Three questionnaires could not be used, resulting in $n=154$. This relates to a relatively low response rate of six percent, which is characteristic of e-mail surveys (Alreck & Settle, 1995:184). The response rate was however considerably more than other studies using Grunig and Huang's (2000:36) three-stage model of organisational relationships, specifically their guidelines on measuring relationship outcomes. StrategyOne has applied the framework to six major and several smaller companies, but their sample sizes have consistently been lower than 50. According to Scott (2007:267-268), focus should rather be placed on selecting the right respondents. He believes that securing the right respondents is more important than obtaining a large sample size.

From the returned 154 questionnaires, the following descriptive statistics were realised.

5.3 DESCRIPTIVE STATISTICS

The following descriptive statistics attempts to describe the type of alliances that were investigated, the duration of the organisational relationship, in which industry it took place as well as the size of the organisation participating in the organisational relationship.

5.3.1 Nominal data questions

Frequency counts, including the percentages, cumulative percentages and cumulative frequencies are reported on all the nominal data scales. These tables are accompanied by a brief description of the question and an interpretation of the findings.

5.3.1.1 Has your organisation participated in a strategic alliance?

Question 1 functioned as a control question to ensure that the respondents who answered the questionnaire had participated in an alliance. The following frequencies were obtained: All the respondents (154) indicated that they have indeed participated in a strategic alliance and answered the remainder of the questions with their latest alliance in mind. The term strategic alliance was used in this question as “strategic alliances” as opposed to “alliances” is more frequently used in the industry.

5.3.1.2 Type of strategic alliance

A multiple-item single response scale was developed to measure the type of alliance and respondents were asked in question 2 what the nature of the strategic alliance was. The following frequencies were obtained with regards to the type of alliance.

Table 5.1: Frequency count for type of alliance

Alliance Type	Frequency	Percent	Cumulative Frequency	Cumulative Percent
Subcontracting	35	22.73	35	22.73
Manufacturing agreement	19	12.34	54	35.06
Licensing relationship	12	7.79	66	42.86
Partnership	21	13.64	87	56.49
Joint marketing	25	16.23	112	72.73
Cooperative R&D	4	2.6	116	75.32
Joint ventures	30	19.48	146	94.81
Other	8	5.19	154	100

The majority of respondents (22.73%) were involved in subcontracting as a specific type of alliance and the smallest percentage (2.6%) was involved in cooperative research and development (R&D) alliances. This can be explained by the sampling population. IPISA members are more often involved in the supply or procurement and sub-contracting of their organisation. They were, however, not limited to this type of alliance and other types of alliances were fairly represented.

From the above table it is evident that a relatively representative sample was obtained with regards to the distribution of respondents across types of alliances. However, the amount of cooperative R&D alliances is too few to be statistically significant. Therefore, this group of alliances was included into the “other” type of alliance category for further analysis. The following adjusted frequency counts were therefore obtained.

Table 5.2: Adjusted frequency count for type of alliance

Alliance Type	Frequency	Percent	Cumulative Frequency	Cumulative Percent
Subcontracting	35	22.73	35	22.73
Manufacturing agreement	19	12.34	54	35.06
Licensing relationship	12	7.79	66	42.86
Partnership	21	13.64	87	56.49
Joint marketing	25	16.23	112	72.73
Co-operative R&D, Other	12	7.79	124	80.52
Joint ventures	30	19.48	154	100.00

All the possible types of alliances are now represented by relatively equally sized groups.

5.3.1.3 Type of industry

The possible industries wherein the alliance took place were based on the national SIC framework. Respondents were asked in question 3: “In which industry does your organisation function?”, and the following frequencies were obtained.

Table 5.3: Frequency count of type of industry

Type of Industry	Frequency	Percent	Cumulative Frequency	Cumulative Percent
Agriculture	13	8.50	13	8.5
Manufacturing	17	11.11	30	19.61
Construction	15	9.80	45	29.41
Motor trade and repair services	2	1.31	47	30.72
Catering, Accommodation and other trade	7	4.58	54	35.29
Finance and Business services	33	21.57	87	56.86
Mining and Quarrying	13	8.50	100	65.36
Electricity, gas and water	5	3.27	105	68.63
Retail	13	8.50	118	77.12
Wholesale trade, Commercial agents and Allied services	5	3.27	123	80.39
Transport, Storage and Communications	16	10.46	139	90.85
Community, Social and Personal Services	14	9.15	153	100

The largest percentage of organisations that participated in the study was from the finance and business services (21.57%). The motor trade and repair services industry is the industry most poorly represented in the study (1.31%). This could also be ascribed to the use of the IPISA database.

Because some of the industries were poorly represented (motor trade and repair services (1.31%); electricity, gas and water (3.27%); and wholesale trade, commercial agents and allied services (3.27%), it was decided to use a smaller segmentation framework, also based on the SIC classification, in order to get fewer but more

representative groups of industries classifications. The industries were grouped into four categories, represented in the following table.

Table 5.4: Adjusted frequency count for type of industry

Type of Industry	Frequency	Percent	Cumulative Frequency	Cumulative Percent
Agriculture; Construction; Mining and Quarrying	41	26.80	41	26.80
Finance and Business services	33	21.57	74	48.37
Manufacturing; Catering, Accommodation and other trade; Motor trade and repair services; Retail; Wholesale trade, Commercial agents and Allied services	44	28.76	118	77.12
Electricity, gas and water; Transport, Storage and Communications; Community, Social and Personal Services	35	22.88	153	100.00

Business and financial services remained adequately large and therefore remained independent. All industries relating to agriculture and building were grouped together, all trade and retail industries were grouped together, and lastly, services and products relating to public administration were grouped together. These four groups were formed in order to ascertain the influence of the type of industry on the relationship outcomes, and were used in the regression model discussed in a later section.

5.3.1.3 Size of the organisation

Since relationships were measured, the SIC framework for organisation size relating to the amount of people in the organisation, was used. Respondents were asked in question 4: “What is the size of your organisation?”, and the following distribution of organisation size were obtained.

Table 5.5: Frequency count for size of the organisation

Organisation size (based on number of personnel in the organisation)	Frequency	Percent	Cumulative Frequency	Cumulative Percent
Small (1 to 49 employees)	73	47.71	73	47.71
Medium (between 50 and 200 employees)	20	13.07	93	60.78
Large (more than 200 employees)	60	39.22	153	100

From the above table, it is clear that a relatively equal distribution of small (47.71%), medium (13.07%) and large (39.22%) companies were obtained, where the majority of respondents worked for small companies (1 to 49 employees). As these findings are representative, the groupings were not adjusted.

Question 1 to 4 obtained information regarding the relationship antecedents and other possible influencing factors that could impact the relationship outcomes of the alliances. A relatively representative sample was obtained, where adjustments were made in order to make the groupings more statistically significant. The following section describes another influencing variable, i.e. the duration of the alliance, whereafter the key constructs measured in the study will be addressed, as well as perceptions of goal attainment and the relationship outcomes.

5.3.2 Interval and ratio data questions

According to Kotze (2005), when ratio and interval data is obtained, the mean, standard deviation as well as a histogram (for ratio data scales) has to be reported.

5.3.2.1 Duration of the alliance

An open-ended question was used to measure the duration of the observed alliances, noted in months, not years. Question 5 asked respondents: “How many months did your strategic alliance last (or have you been in this strategic alliance)?” in order to obtain the duration of the alliance. This open-ended question rendered ratio data summarized in the following table.

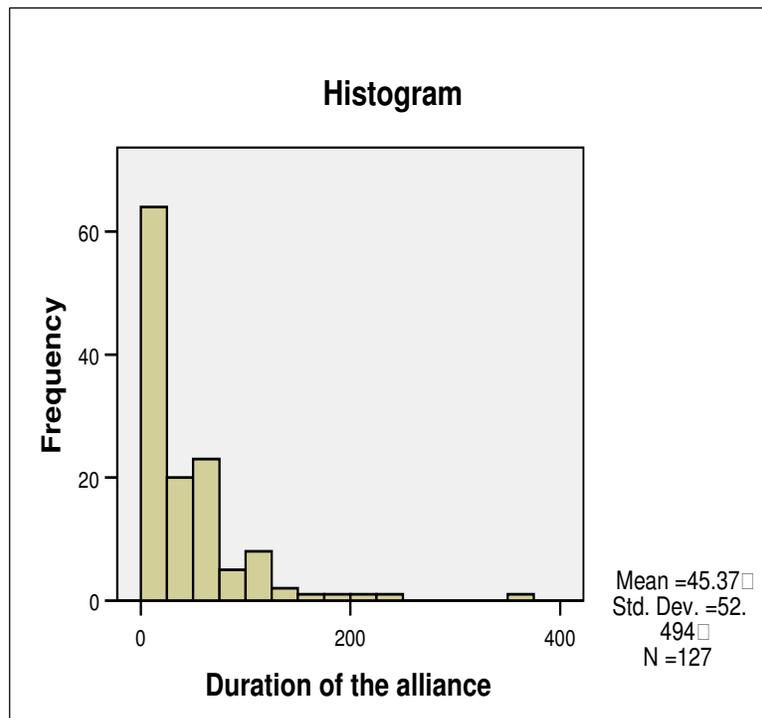
Table 5.6: Means and standard deviation of duration of the alliance

	N	Minimum	Maximum	Mean	Standard Deviation	Skewness
Length of alliance	127	1	360	45.37	52.49	2.75
Valid N (listwise)	127					

A skewness of larger than one indicates that a variable is not normally distributed. The observed skewness of 2.75 is thus an indication that the duration of the observed alliances was not normally distributed. This had an impact on whether parametric or non-parametric tests could be used in any hypothesis tests relating to the duration of the alliance. The normality of the variable was directly tested in a later section.

The highest number of missing values (27) was observed from this question. The shortest observed alliance was one month and the longest observed alliance was 30 years (360 months). The average length of the observed alliances, however, was 45 months (3.75 years). The high standard deviation obtained is an indication that some extreme cases and outliers were observed. Therefore, even though the average length of alliances was 45 months, a wide range of alliances were observed. These extreme cases are illustrated in the following histogram.

Figure 5.1: Histogram of duration of the alliance



From the above illustration, it is evident that an even distribution of “length of alliance” was not obtained, which contributed to the high standard deviation. The histogram also indicates that the majority of respondents participated in alliances of a shorter duration. The duration of alliances then rapidly declined.

The remaining two questions used a five point Likert scale to measure respondent perceptions.

5.3.2.2 Goal attainment

In order to obtain a reliable measure for goal attainment, as well as to control for goal congruence, a Likert scale was developed to first measure if there was a difference between respondents' perceptions of whether their goals, the alliances' goals and the partnering organisations' goals were obtained. The following frequencies were obtained.

Table 5.7: Frequencies for goal attainment scale

Goal attainment	N	Mean	Std. Deviation
Your organisation's goals.	152	4.01	1.00
The goals formed during the strategic alliance by both parties.	154	3.96	0.94
Your alliance partner's organisational goals.	154	3.99	1.00

All three scale items have a mean of 4, indicating that, on average, respondents agreed that their goals, the alliance's goals and the partnering organisation's goals were obtained within the alliance. These three scale items also need to be discussed individually. Respondents were asked in the first scale item: "with regards to the success of the strategic alliance, do you agree or disagree that the following goals were obtained through the alliance?"

- **Your organisation's goals – scale item 1**

The first scale item measuring perceptions on respondents' own organisation's goals rendered the following descriptive statistics.

Table 5.8: Frequencies for goal attainment scale – scale item 1

Your organisation's goals	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1 Strongly disagree	6	3.95	6	3.95
2	7	4.61	13	8.55
3	18	11.84	31	20.39
4	70	46.05	101	66.45
5 Strongly agree	51	33.55	152	100

The majority of respondents either indicated that they agreed (46%) or strongly agreed (33%) that their organisation's goals were obtained through the alliance. This indicates that, on average, when organisations enter into strategic alliances to further organisational goals, those goals are realised.

- **The goals formed during the strategic alliance by both parties – scale item 2**

Not only did respondents feel that their organisational goals were attained through the strategic alliance, but also the goals formed within that specific relationship, as evident from the following table.

Table 5.9: Frequencies for goal attainment scale – scale item 2

Relationship goals within the alliance	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1 Strongly disagree	4	2.6	4	2.6
2	6	3.9	10	6.49
3	29	18.83	39	25.32
4	68	44.16	107	69.48
5 Strongly agree	47	30.52	154	100

Most respondents (44%) agreed that the goals formed within the relationship were attained, and 31% of respondents strongly agreed with this statement. Only 3% of respondents felt that the relationship goals formed within the alliance were not attained. The majority of goals formed for the alliance by both the parties partaking in the alliance were perceived to be obtained.

- **Your alliance partner's organisational goals – scale item 3**

The third scale item measured whether respondents perceived that the partnering organisations attained their goals through the alliance.

Table 5.10: Frequencies for goal attainment scale – scale item 3

Alliance partner's organisational goals	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1 Strongly disagree	6	3.9	6	3.9
2	4	2.6	10	6.49
3	29	18.83	39	25.32
4	62	40.26	101	65.58
5 Strongly agree	53	34.42	154	100

Most respondents (40%) indicated that they agreed that the partnering organisation's goals were attained through the alliance, and 34% of respondents strongly agreed with this statement. Of these respondents, 4% strongly disagreed and 3% disagreed with this statement. Most respondents therefore felt that in entering into an alliance, partnering organisations also attained their goals.

When analysing the individual scale items, no apparent difference is detected in the perceptions of alliance partners regarding whether their, the alliance or the partnering organisation's goals were attained. The following section takes a closer look at whether a statistically significant difference exists in the perceptions of alliance partners on goal attainment. The frequencies of the relationship outcomes first have to be analysed.

5.3.2.3 Control mutuality

Three scale items were used to measure whether any control mutuality existed within the alliance.

Table 5.11: Frequencies for control mutuality

Scale items	N	Mean	Std. Deviation
Generally speaking, the partnering organisation and my organisation are both satisfied with the decision-making process.	154	3.88	0.93
In most cases, during decision-making, both the partner and my organisation have equal influence.	154	3.50	1.10
Both organisations within the alliance agreed on what the participating organisations can expect from one another.	153	4.02	0.88

All three scale items have an average of 4, indicating that respondents agreed with the statements regarding control mutuality within the relationship. A measure of control mutuality was therefore present, on average, in the alliances measured. The respondents furthermore agreed that the decision-making process was fair and that they knew what to expect from one another.

The three scale items also need to be discussed individually.

- **Generally speaking, the partnering organisation and my organisation are both satisfied with the decision-making process – scale item 1**

The first scale item of the control mutuality scale relates to whether alliance partners were satisfied with the decision-making process.

Table 5.12: Frequencies for control mutuality – scale item 1

Both organisations are satisfied with the decision-making process	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1 Strongly disagree	3	1.95	3	1.95
2	7	4.55	10	6.49
3	38	24.68	48	31.17
4	64	41.56	112	72.73
5 Strongly agree	42	27.27	154	100

The majority of respondents (42%) agreed that they were satisfied with the decision-making process within the alliance and 27% strongly agreed with this statement. Only

2% of respondents strongly disagreed, and 5% disagreed, that they were satisfied with the decision-making process.

- **In most cases, during decision-making both the partner and my organisation have equal influence – scale item 2**

The second scale item also relates to the decision-making process, but focuses on whether alliance partners perceive that they have equal influence in the relationship.

Table 5.13: Frequencies for control mutuality – scale item 2

Equal influence in the decision-making process	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1 Strongly disagree	5	3.25	5	3.25
2	28	18.18	33	21.43
3	37	24.03	70	45.45
4	53	34.42	123	79.87
5 Strongly agree	31	20.13	154	100

The majority of respondents (34%) agreed that they had equal influence in the alliance, and 20% strongly agreed with this statement. Some respondents (24%) only stated a neutral position (3) with regards to this statement and 18% disagreed. However, only 3% of respondents strongly disagreed with the statement. All the values of the scale item's descriptive statistics needed to be reported on, as the scale item received a relatively more equal distribution of answers as opposed to the previous scale items, where most answers were skewed to the agreement side of the scale.

- **Both organisations within the alliance agreed on what the participating organisations can expect from one another – scale item 3**

The third scale item relating to control mutuality refers to whether partners' expectations have been communicated effectively, and they therefore know what to expect from one another.

Table 5.14: Frequencies for control mutuality – scale item 3

Agreement on expectations	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1 Strongly disagree	2	1.31	2	1.31
2	7	4.58	9	5.88
3	24	15.69	33	21.57
4	73	47.71	106	69.28
5 Strongly agree	47	30.72	153	100

This scale reflects current findings. The majority of respondents (48%) agreed on what partnering organisations could expect from one another, and 31% strongly agreed that they knew what to expect from one another. From this construct, this was the lowest observed frequency. Partner expectations were therefore, on average, well communicated in the measured alliances. Only 1% of respondents indicated that they strongly disagreed with this statement.

The next relationship outcome relates to the trustworthiness of the alliance partner.

5.3.2.4 Trust

Three scale items were used to measure trust in the alliance and the following frequencies were obtained.

Table 5.15: Frequencies for trust

Trust scale	N	Mean	Std. Deviation
Generally speaking, I don't trust the partnering organisation.	149	1.86	1.18
Members of the partnering organisation are truthful with us.	152	3.93	0.95
The partnering organisation treats me fairly and justly, compared to other organisations.	153	3.97	0.94

The first scale item of the trust scale was negatively worded as a cross-check to respondent responses. Grunig and Huang (2000:47) also used this negatively worded item in their conceptualisation of relationship outcomes measures. The scale item,

however, was not reverse scored or included in the overall measure of trust within alliances, as it did not contribute to the overall reliability of the scale. This is discussed in more depth in the following section.

The average of the first scale item is 2, indicating that on average, alliance partners disagreed that they do not trust the partnering organisation. The second and third scale items, however, was consistent with the other scale items in that on average, respondents agreed (4) with the statements regarding the trustworthiness of the partner.

In individually analysing these scale elements individually, the following findings were obtained:

- **Generally speaking, I don't trust the partnering organisation – scale item 1**

The results of this negatively stated scale item is summarised in the table below.

Table 5.16: Frequencies for trust – scale item 1

Distrust in the partnering organisation	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1 Strongly disagree	78	52.35	78	52.35
2	41	27.52	119	79.87
3	13	8.72	132	88.59
4	7	4.7	139	93.29
5 Strongly agree	10	6.71	149	100

The majority of respondents (52%) stated that they strongly disagreed with this statement and 28% of respondents merely disagreed. However, a relatively large number of respondents (7%) strongly agreed with the statement (as opposed to those who strongly disagreed with the positive statements). This could be an indication that some of the respondents did not understand the question. This scale item also had a large non-response rate (5 questionnaires did not have any value for this item, where most of the positively worded scales had a 0 non-response rate). This could also be an indication that respondents were unsure in answering this question.

- **Members of the partnering organisation are truthful with us – scale item 2**

This second scale item relates to the truthfulness of alliance partners.

Table 5.17: Frequencies for trust – scale item 2

Truthfulness of partners	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1 Strongly disagree	5	3.29	5	3.29
2	6	3.95	11	7.24
3	26	17.11	37	24.34
4	72	47.37	109	71.71
5 Strongly agree	43	28.29	152	100

The majority of respondents (47%) agreed that alliance partners were truthful and 28% strongly agreed with this statement. Only 3% of respondents strongly disagreed with this statement and only 4% disagreed at all. The rest of the respondents were neutral regarding this statement. This is an indication that, on average, the communication within the observed alliances was perceived to be fruitful.

- **The partnering organisation treats me fairly and justly, compared to other organisations – scale item 3**

Fair and just treatment can lead to the development of trust within an organisational relationship (Grunig, 2002). When respondents were asked whether they were measured on the third scale item relating to trust, the following responses were obtained.

Table 5.18: Frequencies for trust – scale item 3

Fair and just treatment	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1 Strongly disagree	4	2.61	4	2.61
2	8	5.23	12	7.84
3	21	13.73	33	21.57
4	76	49.67	109	71.24
5 Strongly agree	44	28.76	153	100

The majority of respondents agreed that alliance partners treated them fairly and justly (50%) compared to other organisations, and a further 29% of respondents strongly agreed with this statement. Only 3% of respondents strongly disagreed with this statement and therefore, on average, respondents felt that they were treated fairly and justly within the alliance.

From the above analysis of the individual scale items, it is evident that with regards to all the elements relating to trust, the relationship between alliance partners was on average perceived to be trustworthy. The following relationship outcome that was measured was relational satisfaction or satisfaction with the relationship.

5.3.2.5 Satisfaction with the relationship

Respondents' satisfaction with the relationship was measured using four scale items. One scale item's statement was negatively worded for control purposes, while the other three were all positively worded.

Table 5.19: Frequencies for relational satisfaction

Relational satisfaction	N	Mean	Std. Deviation
Generally speaking, the partnering organisation's members meet our needs.	153	3.92	0.90
Generally speaking, our relationship with the partnering organisation has problems.	149	2.17	1.07
In general, we are satisfied with the relationship.	152	3.96	0.96
Our relationship with the partnering organisation is good.	152	4.06	0.86

The average for scale items 1, 3 and 4 indicate that on average, respondents were satisfied with the relationship. On the other hand, respondents disagreed (2) on average that their relationship with alliance partners had problems. On average, therefore, respondents were satisfied with their alliances.

The scale items will now be discussed individually.

- **Generally speaking, the partnering organisation's members meet our needs – scale item 1**

The first scale item relating to relational satisfaction measures whether alliance partners' needs were met.

Table 5.20: Frequencies for relational satisfaction – scale item 1

Alliance partners' need	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1 Strongly disagree	5	3.27	5	3.27
2	5	3.27	10	6.54
3	23	15.03	33	21.57
4	85	55.56	118	77.12
5 Strongly agree	35	22.88	153	100

A large majority of respondents (56%) agreed that their needs were being fulfilled through the alliance, and a further 23% of respondents strongly agreed with the statement. Therefore, approximately 80% of participating organisations' needs were being met in the alliance. Only 3% of respondents disagreed and 3% strongly disagreed with this statement. This suggests that, in general, respondents' needs were met through the alliance.

- **Generally speaking, our relationship with the partnering organisation has problems – scale item 2**

This scale item is the second negatively worded item in the relationship outcomes scale proposed by Grunig and Huang (2000:47).

Table 5.21: Frequencies for relational satisfaction – scale item 2

Problems within the alliance	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1 Strongly disagree	44	29.53	44	29.53
2	60	40.27	104	69.8
3	25	16.78	129	86.58
4	15	10.07	144	96.64
5 Strongly agree	5	3.36	149	100

Five missing values were reported on this scale item, which could indicate that respondents did not understand the question. The majority of respondents (40%) disagreed with this statement, which correlates with the other findings of this study. However, a relatively high percentage of respondents stated that they agreed with this statement (10%), or were neutral with regards to this statement (17%). This contradicts some of the findings of the other scale items.

- **In general, we are satisfied with the relationship – scale item 3**

This scale item directly measures respondents' satisfaction with the relationship.

Table 5.22: Frequencies for relational satisfaction – scale item 3

Satisfaction with the relationship	Frequency	Percent	Cumulative Frequency	Cumulative Percent
Strongly disagree	5	3.29	5	3.29
2	6	3.95	11	7.24
3	24	15.79	35	23.03
4	72	47.37	107	70.39
5 Strongly agree	45	29.61	152	100

The majority of respondents (47%) agreed that they were satisfied with the alliance, and a further 30% of respondents strongly agreed with this statement. Only a total of 7% of the respondents disagreed with this statement.

The last scale item for relational satisfaction measured whether their relationship with the partnering organisation was perceived to be “good”.

- **Our relationship with the partnering organisation is good – scale item 4**

The fourth scale item for relational satisfaction measured whether the relationship between the partnering organisations was perceived to be “good”. The following descriptive statistics were obtained.

Table 5.23: Frequencies for relational satisfaction – scale item 4

Relationship is good	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1 Strongly disagree	3	1.97	3	1.97
2	5	3.29	8	5.26
3	18	11.84	26	17.11
4	80	52.63	106	69.74
5 Strongly agree	46	30.26	152	100

A large majority (53%) of the respondents indicated that they agreed that their alliance was “good” and another 30% of respondents strongly agreed with this statement. Only 2% of respondents strongly disagreed with this statement. Therefore, on average, the measured alliances were perceived to be good.

5.3.2.5 Commitment to the relationship

Commitment to the relationship is measured by how willing the partnering organisations are to continue the relationship and four scale items were used to measure this construct. Two of these statements were negatively worded. A summary of the findings related to this construct is provided in the following table.

Table 5.24: Frequencies for commitment

Commitment	N	Mean	Std. Deviation
I do not wish to continue a relationship with the partnering organisation.	152	1.76	1.19
I believe that it is worthwhile to try to maintain the relationship with the partnering organisation.	153	4.32	0.88
I wish to keep a long-lasting relationship with the organisation.	153	4.29	0.93
I wish I had never entered into the relationship with the organisation.	151	1.45	0.98

The first and last scale items were negatively worded and on average, respondents strongly disagreed with the statement that they wished they had never entered into the relationship. They also disagreed, on average, with the statement that they did not wish to continue the alliance. On the other hand, respondents agreed, on average,

that it was worthwhile to maintain the alliance as well as to keep a long-lasting relationship with the organisation. These scale items are also discussed individually below.

- **I do not wish to continue a relationship with the partnering organisation – scale item 1**

The first negatively worded scale item used to measure commitment relates to whether an alliance partner intends to continue the alliance.

Table 5.25: Frequencies for commitment – scale item 1

Continuing the relationship	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1 Strongly disagree	93	61.18	93	61.18
2	30	19.74	123	80.92
3	9	5.92	132	86.84
4	12	7.89	144	94.74
5 Strongly agree	8	5.26	152	100

The majority of respondents (61%) strongly disagreed that they wished to end the relationship and a further 20% just disagreed with this statement. However, 6%, 8% and 5% of respondents respectively were either neutral, or agreed or strongly agreed with the statement respectively. As a pattern is starting to evolve, it is evident that these negatively worded scale items could be impacting the reliability of the scale.

- **I believe that it is worthwhile to try to maintain the relationship with the partnering organisation – scale item 2**

Table 5.26: Frequencies for commitment – scale item 2

Maintaining the relationship	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1 Strongly disagree	2	1.31	2	1.31
2	6	3.92	8	5.23
3	12	7.84	20	13.07
4	54	35.29	74	48.37
5 Strongly agree	79	51.63	153	100

The majority of respondents (52%) strongly agreed that it was worthwhile to maintain the strategic alliance, as opposed to only 1% of respondents who strongly disagreed with this statement. A further 35% of respondents agreed with maintaining the alliance.

- **I wish to keep a long-lasting relationship with the organisation – scale item 3**

The third scale item relates to the sustainability of the relationship and whether alliance partners are considering a long-term relationship.

Table 5.27: Frequencies for commitment – scale item 3

Long-lasting relationship	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1 Strongly disagrees	3	1.96	3	1.96
2	6	3.92	9	5.88
3	14	9.15	23	15.03
4	50	32.68	73	47.71
5 Strongly agrees	80	52.29	153	100

The majority of respondents (52%) strongly agreed that they intended to have a long-lasting or sustainable relationship with the alliance partner. This could imply that the relationship outcomes are linked to the sustainability of the relationship. Only 2% of respondents strongly disagreed with this statement and only 4% disagreed.

- **I wish I had never entered into the relationship with the organisation – scale item 4**

The second negatively worded and last scale item of this construct relates to alliance formation and whether partners regret entering into the alliance.

Table 5.28: Frequencies for commitment – scale item 4

Regrets about entering into the alliance	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1 Strongly disagree	115	76.16	115	76.16
2	19	12.58	134	88.74
3	8	5.3	142	94.04
4	3	1.99	145	96.03
5 Strongly agree	6	3.97	151	100

A large majority of respondents (76%) strongly disagreed with this statement and indicated that they did not regret entering into an alliance with the alliance partner. Only 2% and 4% respectively agreed and strongly agreed with this statement. This would help managers with a case for entering into an alliance, as three quarters of the respondents did not regret entering into the alliance. Therefore, on average, alliance partners did not regret entering into an alliance.

From the descriptive statistics, it is clear that the negatively worded items need to be checked for their reliability and contribution to the relationship outcomes measurement scale. The following section assesses the reliability of all the scales and discusses the improvement of the measurement instrument through factor analysis.

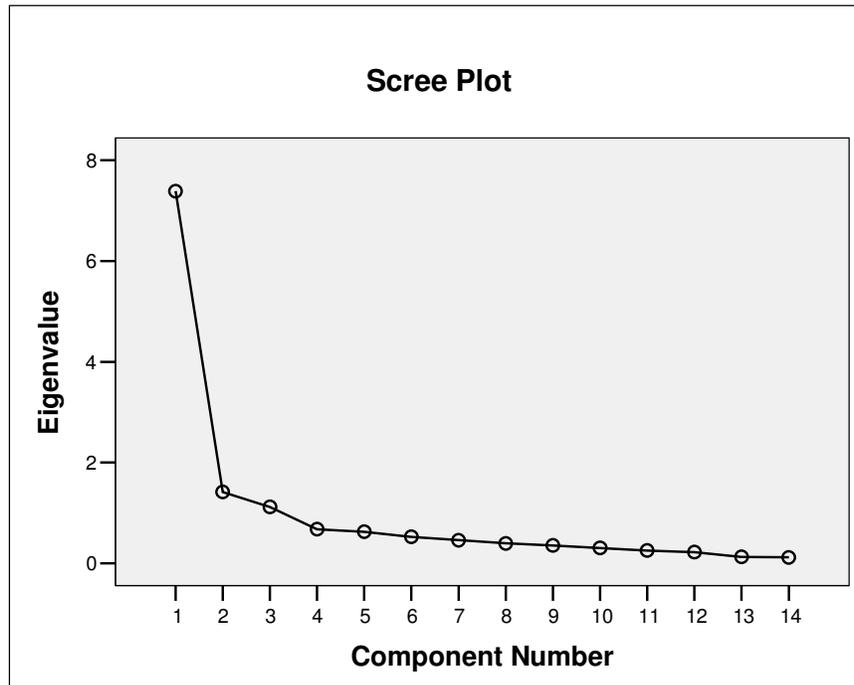
5.4 SCALE PURIFICATION

Both a factor analysis and reliability assessment was conducted in order to purify the used scale. These were discussed in more depth in the previous chapter.

5.4.2 Factor analysis

Numerous studies have shown high correlations among the four relationship outcomes (Grunig & Huang, 2000:47; Ledingham, 2000:8; Ströh, 2005). A factor analysis, specifically a principal component factor analysis (see section 4.9.2.4), was conducted on these relationship outcomes in order to ascertain whether specific factors account for the variance in the data. The following scree plot is an indication of the factors that were identified in the factor analysis.

Figure 5.2: Factor analysis on relationship outcomes: scree plot



Only one component was explained and identified by the principle component analysis. The principle component of the factor analysis explained 53% of the variance in the data. Table 5.29 illustrates the one factor that was identified when the four individual relationship outcomes (trust, commitment, relational satisfaction and control mutuality) were combined in the factor analysis.

Table 5.29: Factor analysis on relationship outcomes

Component matrix	Construct	Component 1
Generally speaking, the partnering organisation and my organisation are both satisfied with the decision-making process.	Control mutuality item 1	0.78
In most cases, during decision-making, both the partner and my organisation have equal influence.	Control mutuality item 2	0.64
Both organisations within the alliance agreed on what the participating organisations can expect from one another.	Control mutuality item 3	0.69
Generally speaking, I don't trust the partnering organisation.	Trust item 1	-0.53
Members of the partnering organisation are truthful with us.	Trust item 2	0.77
The partnering organisation treats me fairly and justly, compared to other organisations.	Trust item 3	0.80
Generally speaking, the partnering organisation's members meet our needs.	Relational satisfaction item 1	0.82
Generally speaking, our relationship with the partnering organisation has problems.	Relational satisfaction item 2	-0.50
In general, we are satisfied with the relationship.	Relational satisfaction item 3	0.86
Our relationship with the partnering organisation is good.	Relational satisfaction item 4	0.87
I do not wish to continue a relationship with the partnering organisation.	Commitment item 1	-0.58
I believe that it is worthwhile to try to maintain the relationship with the partnering organisation.	Commitment item 2	0.78
I wish to keep a long-lasting relationship with the organisation.	Commitment item 3	0.78
I wish I had never entered into the relationship with the organisation.	Commitment item 4	-0.67

Extraction Method: Principal Component Analysis.

a 1 components extracted.

The component analysis indicates how much of the component (or factor) can be explained by the scale items. For example, 78% of the variance in Control Mutuality

Scale item 1 can be explained by component or factor 1. This is similar to and often referred to as Eigenvalues. On average, more than one factor is identified through a factor analysis. The significance of only one factor being identified in the current study is therefore increased.

These findings could imply that trust, commitment, relational satisfaction and control mutuality are not four separate items representing the individual relationship outcomes, but are indeed the sub-categories of one construct – organisational relationships. This correlates to a recent study by Yang and Grunig (2005:3), who used the following definition of organisational relationships:

Relationships are defined as “the degree that the organisation and its publics trust one another, agree on who has rightful power to influence, experience satisfaction with each other, and commit oneself to one another”.

When viewing the scale items of trust, commitment, relational satisfaction and control mutuality as one unit measuring organisational relationship, the measurement instrument could be improved by excluding the negatively worded items - both shortening the measurement instrument and improving its reliability (see Appendix C). The reliability is further discussed in the following section, where the improved scale item is provided in the following chapter. The measurement of organisational relationships provides the foundation for the development of a quantifiable definition of organisational relationships, as Yang and Grunig (2005:3) indicated above. The implications of a quantifiable definition of relationships in management are immense and this measurement instrument now needs to move through a process of further retesting.

Before these negatively worded items could be removed from the measurement scales, the impact of their removal on the reliability of the scale first had to be determined.

5.4.2 Reliability assessment

The following section attempts to determine the following objective of the study:

To determine the effectiveness of using relationship outcomes to measure organisational relationships like strategic alliances.

In order to measure the key constructs of this study, a summated scale (or scale that represents the mean of all the scale items) was calculated for all the constructs. With the relationship outcomes, the inclusion of the negatively worded items for each scale had to be determined. The following section analyses the reliability of these summated scales as well as the reliability of excluding the negatively worded scale items.

5.4.1.1 Goal attainment scale

The reliability of the scale measuring goal attainment rendered a Cronbach Alpha of 0.85, where each individual scale item contributed to this reliability as illustrated in the table below. No negatively worded items were included in the measurement scale on goal attainment.

Table 5.30: Reliability of goal attainment scale

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted (α)
Your organisation's goals.	7.95	3.18	0.70	0.81
The goals formed during the strategic alliance by both parties.	7.99	3.32	0.71	0.80
Your alliance partner's organisational goals.	7.97	3.06	0.75	0.76

The reliability of the goal attainment scale would not be increased by deleting any of the scale items. These findings were confirmed with both a Spearman and Pearson's correlation coefficient. However, as the construct does not comply with the test for normality, the Spearman's rank order correlation is reported in the following table.

Table 5.31: Spearman's correlation coefficient of goal attainment scale

Goal attainment scale	Scale item 1	Scale item 2	Scale item 3
Scale item 1	1.00	0.62	0.61
		p=<0.0001	p=<0.0001
Scale item 2	0.62	1.00	0.69
	p=<0.0001		p=<0.0001
Scale item 3	0.61	0.69	1.00
	p=<0.0001	p=<0.0001	

From the above table, it is evident that these scale items are highly correlated and significantly related to one another on a 5% level of significance. Based on these findings, the following hypothesis can be rejected:

H₁: *There is a difference between perceptions of goal attainment within the alliance.*

Coupled with the following research objective:

To determine whether differences exist regarding perceptions of goal attainment.

The scale items therefore all contribute to the measurement of one construct – perceptions of goal attainment. The rejection of this hypothesis can be confirmed by another factor analysis, where these three scale items describe 77% of one construct and the following output was delivered.

Table 5.32: Factor analysis of goal attainment scale

Scale item	Statement	Component 1
Scale item 1	Your organisation's goals.	0.87
Scale item 2	The goals formed during the strategic alliance by both parties.	0.87
Scale item 3	Your alliance partner's organisational goals.	0.89

Extraction Method: Principal Component Analysis.

A summated scale could therefore be calculated for goal attainment, which rendered the following descriptive statistics.

Table 5.33: Frequencies for summated goal attainment scale

Summated goal attainment scale	N	Mean	Std. Deviation
Total: Goal attainment	154	3.98	0.86
Valid N (listwise)	154		

On average, respondents perceived that goals were attained through the alliance. The same process was followed for each of the relationship outcomes.

5.4.1.2 Trust scale

The reliability of the scale measuring trust, where all the scale items were included, resulted in a Cronbach Alpha measurement of -0.09. The value is negative due to a negative average covariance among items, which violates reliability model assumptions. When the negatively worded scale item was removed, a Cronbach Alpha value of 0.84 was obtained. The remaining scale items' individual contribution to scale reliability is illustrated in the following table.

Table 5.34: Reliability of trust scale

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted (α)
Members of the partnering organisation are truthful with us.	3.97	0.88	0.72	.(a)
The partnering organisation treats me fairly and justly, compared to other organisations.	3.93	0.91	0.72	.(a)

(a) The value is negative due to a negative average covariance among items. This violates reliability model assumptions.

The reliability of the trust scale could not be improved by deleting any more of the scale items; the model assumptions would only be violated. The descriptive statistics for the summated scale is summarised in the following table.

Table 5.35: Frequencies for summated trust scale

Summated trust scale	N	Mean	Std. Deviation
Total trust	153	3.95	0.88
Valid N (listwise)	153		

On average, respondents found alliance partners trustworthy.

5.4.1.2 Commitment scale

The Cronbach Alpha value of the commitment scale where all the original scale items were included, was -0.39. After the two negatively worded items were deleted, a Cronbach Alpha of 0.92 was obtained. The impact of the negatively worded items can especially be seen with this scale, where traditionally, the reliability of the scale decreases as the scale items decrease. However, even though only two scale items remained in measuring commitment, the final scale was found to be excellently reliable ($\alpha=0.92$). The Cronbach Alphas of the remaining scale items is illustrated in the following table.

Table 5.36: Reliability of commitment scale

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted (α)
I believe that it is worthwhile to try to maintain the relationship with the partnering organisation.	4.29	0.87	0.86	.(a)
I wish to keep a long-lasting relationship with the organisation.	4.32	0.77	0.86	.(a)

(a) The value is negative due to a negative average covariance among items. This violates reliability model assumptions.

No other items had to be deleted and a summated scale could be calculated for commitment. The descriptive statistics on this scale is illustrated in the following table.

Table 5.37: Frequencies for summated commitment scale

Summated commitment scale	N	Mean	Std. Deviation
Total commitment	153	4.31	0.87
Valid N (listwise)	153		

The summated commitment scale shows that, on average, respondents were committed to the alliance and therefore planned to continue the organisational relationship.

5.4.1.3 Relational satisfaction scale

The Cronbach Alpha of the relational satisfaction scale, which included all the scale items, was 0.39 and improved to 0.91 when the negatively worded item was removed. The remaining scale items' contribution to the Cronbach Alpha is depicted in the following table.

Table 5.38: Reliability of relational satisfaction scale

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted (α)
Generally speaking, the partnering organisation's members meet our needs.	8.02	3.01	0.79	0.90
In general, we are satisfied with the relationship.	7.97	2.73	0.83	0.87
Our relationship with the partnering organisation is good.	7.87	3.00	0.85	0.85

Removing any of the other scale items would not improve the Cronbach Alpha of the scale and a summated scale was therefore developed for commitment with the following descriptive statistics.

Table 5.39: Frequencies for summated relational satisfaction scale

Summated relational satisfaction scale	N	Mean	Std. Deviation
Total relational satisfaction	153	3.98	0.83
Valid N (listwise)	153		

On average, the respondents of the study were satisfied with the alliance.

The final relationship outcome that had to be analysed was control mutuality.

5.4.1.4 Control mutuality scale

No negatively worded items were included in the control mutuality scale and a Cronbach Alpha value of 0.78 was obtained. The individual contribution of the scale items is summarised in the following table.

Table 5.40: Reliability of the control mutuality scale

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted (α)
Generally speaking, the partnering organisation and my organisation are both satisfied with the decision-making process.	7.53	2.97	0.65	0.67
In most cases, during decision-making both the partner and my organisation have equal influence.	7.90	2.51	0.63	0.70
Both organisations within the alliance agreed on what the participating organisations can expect from one another.	7.39	3.28	0.59	0.73

Deleting any of the scale items would not improve the reliability of the scale and therefore a summated scale could be calculated using all three these scale items. The following descriptive statistics of the summated scale was then obtained.

Table 5.41: Frequencies for summated control mutuality scale

Summated control mutuality scale	N	Mean	Std. Deviation
Total control mutuality	154	3.80	0.82
Valid N (listwise)	154		

In the strategic alliances studied, respondents were, on average, pleased with the control mutuality within the relationship and therefore felt that they were satisfied with and had equal say in the decision-making process. They also knew what to expect from the alliance partner.

As there was no apparent difference between the individual relationship outcomes, which was previously confirmed by the factor analysis, a summated score for an overall scale measuring all the relationship outcomes (without the negatively worded items) was developed.

5.4.1.5 Organisational relationship scale

The Cronbach Alpha value for the overall scale measuring the relationship outcomes, where the negatively worded scale items were excluded, is 0.93. The individual contribution of each of the scale items is illustrated in the following table.

Table 5.42: Reliability of the relationship scale

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted (α)
Control mutuality item 1	35.99	44.46	0.75	0.92
Control mutuality item 2	36.37	44.38	0.62	0.93
Control mutuality item 3	35.85	46.33	0.64	0.93
Trust item 2	35.95	44.64	0.72	0.93
Trust item 3	35.92	44.17	0.77	0.92
Relational satisfaction item 1	35.97	44.41	0.79	0.92
Relational satisfaction item 3	35.93	43.55	0.81	0.92
Relational satisfaction item 4	35.83	44.36	0.84	0.92
Commitment item 2	35.57	45.47	0.71	0.93
Commitment item 3	35.59	44.92	0.72	0.93

The reliability of the scale could not be improved by deleting any more of the scale items. The improved measurement instrument is further discussed in the following chapter. A summary of the Cronbach Alpha values of the summated and final construct scales used is illustrated in the following table.

Table 5.43: Summary of final Cronbach Alpha values

Construct measured		Cronbach Alpha value (α)
Goal attainment		0.85
Overall relationship outcomes scale		0.93
	Trust	0.84
	Commitment	0.92
	Control mutuality	0.78
	Relational satisfaction	0.91

The reliability of all the scales is above the required 0.70. The scale for goal attainment, trust and control mutuality had a good reliability (between 0.7 and 0.90), where all the other scales' reliability was excellent.

5.4.3 Validity assessment

In the previous chapter, the content and criterion validity of the measurement instrument was discussed and ascertained (see section 4.6). The construct validity, however, could only be determined after the data analysis phase of the research.

Construct validity refers to the “the degree to which a measure confirms a network of related hypotheses generated from a theory based on the concepts” (Zikmund, 2003:302) and relates to the match between the theory and the findings of the study. The following key findings from the data analysis have confirmed the theoretical background that was provided in chapters two and three of the dissertation:

- The three-stage model of organisational relationships, specifically the relationship outcomes, provided a reliable measure of organisational alliances ($\alpha=0.92$).
- There is a positive relationship between these relationship outcomes and perceptions of goal attainment. Holtshauzen (2007:17) states that there has been an increasing recognition of the need for “strategically managed communication programs that can contribute effectively to the company’s

relationships with its stakeholders, which in turn might make it possible for the company to achieve its business objectives”.

The following sections contribute to the validation of the theory stated in chapter two and three.

5.5 HYPOTHESES TESTING

The hypotheses can be divided into two groups – hypotheses regarding the correlation between the relationship outcomes and goal attainment, and hypotheses regarding the influence of the descriptive statistics on the relationship outcomes. Before the relevant hypotheses could be tested, the associated parametric assumptions first had to be tested.

5.5.1 Testing for hypotheses assumptions

The parametric test used to test correlational hypotheses is Pearson’s product moment correlation, which is based on the following assumptions (Kotze, 2005:30; Diamantopoulos & Schlegelmilch, 2000:203):

- There is a linear relationship between the constructs in the hypothesis; and
- The individual constructs that are being measured have normal distributions.

Since the sample of respondents is bigger than 50, the Kolmogorov-Smirnov test was used to test for normality. The following findings were obtained with regards to the normality of each of the key constructs.

Table 5.44: Normality test for all key constructs

	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Goal attainment	0.17	126	0.00	0.89	126	0.00
Control mutuality	0.15	126	0.00	0.94	126	0.00
Trust	0.24	126	0.00	0.86	126	0.00
Relational satisfaction	0.26	126	0.00	0.85	126	0.00
Commitment	0.23	126	0.00	0.75	126	0.00
Relationship	0.16	126	0.00	0.89	126	0.00
Alliance type	0.15	126	0.00	0.90	126	0.00
Industry type	0.13	126	0.00	0.93	126	0.00
Size of the organisation	0.34	126	0.00	0.69	126	0.00
Length of alliance	0.20	126	0.00	0.73	126	0.00

The null hypothesis of normality was rejected for all the key constructs measured. The histograms and normal probability plots also indicate that these constructs did not have a normal distribution. Because one of the assumptions of the Pearson's product momentum correlation was already violated, the non-parametric alternative to this hypothesis test was used, namely Spearman's rank order correlation.

5.5.2 Testing for hypotheses using Spearman's Rank Order correlation

All the hypotheses were tested using a 5% level of significance. They were divided into two groups:

5.5.2.1 Hypotheses regarding relationship outcomes and goal attainment

The following hypotheses were tested:

H₆: *There is a positive correlation between the relationship outcomes of the alliance and perceptions of goal attainment.*

H₆ attempted to measure the following primary objective of the study: *To determine the correlation between the relationship outcomes and perceptions of goal attainment.*

The following table correlate both the relationship outcomes, the overall relationship outcomes scale (organisational relationship) as well as perceptions of goal attainment against one another.

Table 5.45: Correlations of relationship outcomes, the overall relationship and goal attainment

		Goal attainment	Control mutuality	Trust	Relational satisfaction	Commitment	Organisational Relationship
Goal attainment	Correlation Coefficient	1.00	.63(**)	.53(**)	.49(**)	.50(**)	.65(**)
	Sig. (1-tailed)	---	.00	.00	.00	.00	.00
	N	154	154	153	153	153	154
Control mutuality	Correlation Coefficient	.63(**)	1.00	.64(**)	.64(**)	.52(**)	.86(**)
	Sig. (1-tailed)	.00	---	.00	.00	.00	.00
	N	154	154	153	153	153	154
Trust	Correlation Coefficient	.53(**)	.64(**)	1.00	.72(**)	.53(**)	.85(**)
	Sig. (1-tailed)	.00	.00	---	.00	.00	.00
	N	153	153	153	153	153	153
Relational satisfaction	Correlation Coefficient	.49(**)	.64(**)	.72(**)	1.00	.58(**)	.86(**)
	Sig. (1-tailed)	.00	.00	.00	---	.00	.00
	N	153	153	153	153	153	153
Commitment	Correlation Coefficient	.50(**)	.52(**)	.53(**)	.58(**)	1.00	.75(**)
	Sig. (1-tailed)	.00	.00	.00	.00	---	.00
	N	153	153	153	153	153	153
Organisational Relationship	Correlation Coefficient	.65(**)	.86(**)	.85(**)	.86(**)	.75(**)	1.00
	Sig. (1-tailed)	.00	.00	.00	.00	.00	---
	N	154	154	153	153	153	154

** Correlation is significant at the 0.01 level (1-tailed).

From the above table the following findings were obtained:

- The relationship outcomes were both positively and highly correlated to one another (on a 0.01 level of significance). Each relationship outcome was also positively correlated to the overall measurement of the organisational relationship at a 5% level of significance; and

- Goal attainment was positively correlated to both the individual relationship outcomes as well as the overall measure for organisational relationships at a 5% level of significance.

The above findings confirm that there is a positive correlation between the relationship outcomes and perceptions of goal attainment on both a 5% and 1% level of significance. This implies that when alliance partners are trustworthy, committed to the relationship, satisfied with the relationship and satisfied with the control mutuality within the relationship, alliance partners are likely to perceive that their, the partnering organisation's and the relationship goals are attained through the alliance. As these relationship outcomes are attained through effective communication, these findings imply that perceptions of goal attainment and therefore relationship and organisational success exist where effective communication was employed within the relationship.

5.5.2.1 Hypotheses regarding descriptive statistics

The influence of the type of alliance, type of industry wherein the alliance took place, the size of the organisation as well as the duration of the alliance were determined. Because no significant difference was detected between the individual relationship outcomes, the overall measure of the relationship outcomes (organisational relationship) was used to test the following hypotheses.

- **Type of industry**

H_2 *There is a difference between the type of industry and the relationship outcomes.*

This hypothesis was rejected at a 5% level of significance, where a p-value larger than 0.05 (0.14) was obtained. This implies that there is no correlation between the type of industry wherein the alliance took place and the relationship outcomes obtained from the organisational relationship. This implies that the industry wherein the alliance took place had no influence on the relationship outcomes and the measurement instrument can be applied to any industry type.

- **Type of alliance**

H₃ *There is a difference between the type of alliance and the relationship outcomes of that alliance.*

This hypothesis rejected at 5% level of significance. As the p-value of the Spearman's rank order correlation is larger than 0.05 (0.37), there is no correlation between the type of alliance and the relationship outcomes. This means that these relationship outcomes can be applied to all types of alliances and is not excluded for certain specific types of alliances. The original measurement instrument was developed for all organisational relationships and the findings therefore agree with this statement. Ledingham and Bruning (2000:55) applied the same relationship outcome measurement guidelines to business-to-business relationships and also concluded that this measurement scale can be applied to all organisational relationships. Scott (2007) also applied the relationship outcomes to various stakeholders including employees and stockholders. This confirms that managers can apply the relationship outcomes to measure any relationships that the organisation has with any and all of its stakeholders. This contradicts the relationship model proposed by Ströh (2005:125), which states that the type of organisational relationship will have an impact on its outcomes.

- **Duration of the alliance**

H₄ *There is a difference between the duration of the alliance and the relationship outcomes obtained from the alliance.*

Interestingly, the duration (length) of the alliance is not correlated to the relationship outcomes of the alliance on a 5% level of significance, as a p-value of 0.67 was obtained, which is significantly larger than 0.05. This implies that whether the alliance had just started, or had been going for years, the alliance partners could still be perceived as trustworthy, committed, and satisfied within the relationship, and felt that a fair amount of control mutuality could be perceived in the relationship. This also means that the relationship measurement instrument can be applied at any time in the alliance – at the beginning of the alliance or at the end. The relationship measurement

can also be used as a control measure in a longitudinal study to evaluate any changes that might occur in the organisational relationship between alliance partners.

- **Size of the organisation**

H₅ *There is a difference between the size of the organisation and the relationship outcomes obtained from the alliance.*

There is no correlation between the size of the organisation and the relationship outcomes obtained from the alliance at a 5% level of significance. The p-value larger than 0.05 (0.10) implies that the size of the organisation does not influence the relationship outcomes. Therefore, the relationship measurement scale can be applied by any size organisation.

These hypotheses tests measured the following objectives:

- To determine whether industry type has an influence on relationship outcomes;
- To determine whether alliance type has an influence on relationship outcomes;
- To determine whether the duration of the alliance has an influence on the relationship outcomes; and
- To determine whether the size of the organisation has an influence on relationship outcomes.

5.6 REGRESSION MODEL OF THE INFLUENCE OF RELATIONSHIP OUTCOMES AND OTHER VARIABLES ON GOAL ATTAINMENT

The study aimed to ascertain the specific influence of the relationship outcomes and control variables on perceptions of goal attainment in order to satisfy the following objective of the study:

To determine whether and how these constructs relate to one another: relationship outcomes, goal attainment, duration of the alliance, type of alliance and industry as well as size of the organisation.

This was accomplished by fitting a regression model with all these variables. The assumptions of a regression model first had to be tested, whereafter the model could be fitted. The outlier questionnaires were first taken out of the data before the assumptions of the model was tested. The outlier questionnaires constituted the few questionnaires that observed unnaturally high or low observations and were removed from the data set, as their influence on the averages and outcomes of the data were disproportionate and possibly misleading. The following questionnaires were outliers – 34, 82, 86, 104, 129.

5.6.1 Statistical test regarding the assumptions of the model

The statistical assumptions that need to be satisfied in order to fit a regression model through general linear modelling included (Tustin *et al.*, 2005:660):

- That no multicollinearity exists within the data;
- The residuals of the dependent variable needs to be normally distributed; and
- A test for heteroscedasticity.

The tests were conducted for two possible models. The first model tried to plot all the elements that could have an influence on perceptions of goal attainment together, including the relationship outcomes, the type of alliance and industry, the size of the organisation as well as the duration of the alliance. In order to do this, a mixed model (including both categorical and continuous data) would have to be fitted, where the duration of the alliance was used as a continuous variable and dummy variables were formulated for the other descriptives.

5.6.1.1 Regression model of all possible variables

In order to test the assumptions of the regression model, each individual variable included in the model was tested for the normality of its residuals, multicollinearity and heteroscedasticity. Heteroscedasticity looks at the equality of the variances in the data and the residuals of the model was plotted and modelled. If the model for the residuals is significant (F-value has a p-value of smaller than 0.05), then no heteroscedasticity is

present within the model. Each of the key constructs' residuals was plotted against the other descriptive variables, and the following key findings were obtained:

- *Control mutuality*: the model of the plotted residuals is not significant, heteroscedasticity may be present.
- *Trust*: the model of the plotted residuals is not significant, heteroscedasticity may be present.
- *Relational satisfaction*: a significant model of the residuals was obtained; however, the individual factors contributing towards the model was not significant.
- *Commitment*: the model of the plotted residuals is not significant, heteroscedasticity may be present.

The majority of the models of the residuals were not significant, implying that heteroscedasticity was present within the regression model and data. These residuals were also not found to be normal. It was furthermore found that multicollinearity could be present within the model. Because of these findings, a significant and statistically valid model could not be fitted to the data. This correlates to the findings of hypotheses H₁ to H₄ regarding the control variables, i.e. that there is no significant relationship between these control variables (type of alliance and industry, size of the organisation and duration of the alliance) and the relationship outcomes and perceptions of goal attainment.

The second possible regression model aimed to determine the specific influence and relationship between the individual relationship outcomes and goal attainment.

5.6.1.2 Regression model of goal attainment (dependent variable) and relationship outcomes

Similar tests were used to test the assumptions of this regression model and it was found that no multicollinearity or heteroscedasticity was present within the model, and the residuals of the dependent variable were normally distributed. A regression model was therefore fitted and goal attainment was modelled as the dependent variable, and

the relationship outcomes as the independent variables. The following regression model was therefore fitted:

$$\text{Goal attainment} = \beta_0 + \beta_1 \text{control mutuality} + \beta_2 \text{trust} + \beta_3 \text{relational satisfaction} + \beta_4 \text{commitment}$$

5.6.2 Fitted regression model

The overall regression model was found to be significant at a 5% level of significance, with an Adjusted R-Square value of 0.63. This is a relatively high R-square value and indicates that 63% of the variance in the dependent variable (goal attainment) is explained by the independent variables (the relationship outcomes). The parameter estimates of the regression model are depicted in the following table.

Table 5.46: Parameter estimates of regression model

Variable	Parameter estimate (β)	Standard error	t-value	P-value	Variance inflation
Intercept	$\beta_0 = 0.54$	0.23	2.34	0.02	0
Control mutuality	$\beta_1 = 0.45$	0.08	5.68	<0.0001	2.38
Trust	$\beta_2 = 0.07$	0.08	0.94	0.35	2.64
Relational satisfaction	$\beta_3 = 0.10$	0.09	1.03	0.30	3.43
Commitment	$\beta_4 = 0.26$	0.07	3.93	0.0001	2.03

The parameter estimator in the above table indicates the relative (in relation to the other variables) size of the contribution that each variable makes towards perceptions of goal attainment, and from these parameter estimates, the following regression model for the influence of relationship outcomes on perceptions of goal attainment could be obtained:

$$\text{Goal attainment} = 0.54 + 0.45 (\text{control mutuality}) + 0.07 (\text{trust}) + 0.10 (\text{relational satisfaction}) + 0.26 (\text{commitment})$$

The intercept parameter indicates that if this model would be plotted, it would not begin at 0, but at $\beta_0 = 0.54$. This is also a significant factor within this model (p-value smaller than 0.05) and therefore needs to be included in the model. This indicates that some extent of perceptions of goal attainment, when viewed in conjunction with the other variables, is already present in the model and not explained by any of the individual relationship outcomes. The control mutuality estimator (β_1) is the largest contributor to perceptions of goal attainment. The parameter estimate indicates that if control mutuality within the organisational relationship increases by one unit, the perceptions of goal attainment increases by 0.45. This emphasises the importance of communicating intentions to alliance partners and including these alliance partners in organisational decision-making. This finding is contrary to current literature, which states that trust, not control mutuality, within the relationship is the biggest influences of the success of the relationship (Saxton, 1997:453) and hence perceptions of goal attainment within the relationship. Trust (β_2) had the smallest contribution to perceptions of goal attainment. If the trust within the relationship increased by one unit, perceptions of goal attainment would increase by 0.07.

The second largest contributor to perceptions of goal attainment within the alliance was the commitment (β_4) of partners within the organisational relationship. If partners' commitment within the relationship increased by one unit, the perceptions of goal attainment within the relationship increased by 0.26. Lastly, relational satisfaction (β_3) also had a relatively small contribution to perceptions of goal attainment. Evidently, increases in the relational satisfaction and trust of alliance partners only marginally influenced whether they perceived that goals were attained within the alliance. These two constructs are however still significantly related to one another as determined by the hypothesis test. If the relational satisfaction of alliance partners increased by one unit, then the perceptions of goal attainment within the relationship increased by 0.09. All the relationship outcomes however positively contributed towards perceptions of goal attainment within the alliance.

It was also interesting to note that neither trust nor relational satisfaction, when looking at their individual contribution to the regression model, contributed significantly to the model. In attempting to construct a model without these two constructs, a significant

and reliable regression model could not be fitted. This indicates the importance of including these two constructs in the measurement of organisational relationships, when connecting these to goal attainment, even though they did not significantly contribute to this model.

5.7 SUMMARY

In this findings chapter, it was estimated that a representative sample was drawn concerning the type of alliance, type of industry and size of the organisation measured. From this group it was estimated that none of these control variables, including the duration of the alliance, had a significant influence on the outcomes of the alliance. This implies that this measurement instrument can be applied by any size organisation, to any type of alliance, in any industry at any stage of the organisational relationship.

It was found that the relationship outcomes of trust, commitment, relational satisfaction and control mutuality were reliably measured and highly correlated to one another. A factor analysis also indicated that one construct, possibly organisational relationships, was measured instead of four separate constructs. All four these relationship outcomes were positively related to perceptions of goal attainment, where control mutuality was the greatest influencer of this construct. Trust, on the other hand, had the least influence on perceptions of goal attainment.

The following chapter addresses the conclusions and managerial implications of these findings. It also discusses the limitations of the study and gives suggestions for future research into the relevant constructs.

CONCLUSIONS AND IMPLICATIONS

<p>CHAPTER 1: Orientation, Research Problem and Objectives</p>	<p>Introduction, Problem Statement, Research Objectives, Definition of Key Terms and Demarcation of Chapters</p>
<p>CHAPTER 2: Strategic Communication in Alliances, the Systems and Stakeholder Theories</p>	<pre> graph TD SC([Strategic Communication]) --> ST([Systems Theory]) SC --> SH([Stakeholder Theory]) ST --> OR([Organisational Relationships]) SH --> OR </pre>
<p>CHAPTER 3: Alliances and Relationship Outcomes in Organisational Relationships</p>	<pre> graph TD SA([Strategic Alliances]) --> GA([Goal Attainment]) SA --> RO([Relationship Outcomes]) RO --> T([Trust]) RO --> C([Commitment]) RO --> RS([Relational Satisfaction]) RO --> CM([Control Mutuality]) </pre>
<p>CHAPTER 4: Methodological Orientation</p>	<p>Revision of Research Question and Hypotheses, Methodological Context, Reliability and Validity of Measurement Instrument, Data Processing, Data Analysis and Ethical Considerations</p>
<p>CHAPTER 5: Research Results and Interpretation</p>	<p>Realisation Rate, Descriptive Statistics, Scale Purification, Hypotheses Testing and Regression Model</p>
<p>CHAPTER 6: Conclusions and Implications</p>	<p>Conclusion on the Research Problem and Research Objectives, Limitations of the Study and Future Research Suggestions</p>

CHAPTER 6: CONCLUSIONS AND IMPLICATIONS

6.1 INTRODUCTION

The previous chapter reflected on the results, interpretation and analyses of the data collection from the email survey. The relationship outcomes and perceptions of goal attainment were highly correlated to one another. The chapter concluded with a fitted regression model that indicated the contributors to perceptions of goal attainment within organisational alliances. It was also found that the measurement instrument reliably and validly measured the relationship outcomes as well as the organisational relationship itself and an improved relationship measurement instrument was consequently proposed.

This chapter focuses on two main areas – the conclusions and the recommendations of the empirical study. These are presented in relation to the main research question as well as the research objectives set in the theoretical orientation of the first three chapters. Furthermore, the limitations of the research and possibilities for future research are addressed.

6.2 CONCLUSION ON THE RESEARCH PROBLEM

The research question of the study was concerned with the relationship between goal attainment and the relationship outcomes of trust, commitment, relational satisfaction and control mutuality. The study also aimed to investigate the relationship between these outcomes and the measurement of relationships as well as other constructs like the type of industry or alliance. These key constructs were investigated from a strategic communication orientation and alliances were used as the specific form of organisational relationship.

Symmetrical communication is an element of strategic communication and forms part of the communication strategies employed in organisational relationships in order to make it more successful (Grunig & Huang, 2000). Organisational relationships where

effective communication is employed are relationships where trust, commitment, relational satisfaction and control mutuality are present (Grunig & Huang, 2000:34). These relationship outcomes are the result of effective communication within that relationship as indicated by Grunig and Huang (2000:35), Hon and Brunner (2002), Jo *et al.* (2004), Ledingham and Bruning (2000), Ströh (2005), and Yang and Grunig (2005). The following were determined with regards to these key constructs:

- The relationship outcomes were positively correlated to perceptions of goal attainment in alliances, both as individual outcomes and in relation to the overall measure of organisational relationships. Gulati's (1998) statement that communication is the key influencing factor in alliance success is consequently supported.
- After statistical analysis, the relationship outcomes proposed by Grunig and Huang (2000:36) that were adapted to alliances (see Appendix A) was found to be a reliable ($\alpha=93$) measure of the organisational relationship itself. A measurement instrument to measure the organisational relationship itself was consequently proposed in Appendix C.
- These findings did not vary across industry type, alliance type, the duration of the alliance or the size of the organisation, as these constructs did not influence either perceptions of goal attainment of the relationship outcomes significantly. Consequently, the proposed measurement instrument (Appendix C) can be applied to any type of organisational relationship in any industry, and any stage of the relationship by any size organisation.
- On average, alliance partners perceived that their goals were attained through the alliance.
- On average, alliance partners were perceived to be trustworthy, committed, satisfied with the alliance as well as the power relationship or control mutuality within the alliance. These findings contribute to the argument towards entering into alliances.

Strategic communication consequently contributes to both organisational and relationship success by building sustainable organisational relationships. These successful alliances, in turn, contribute towards perceptions of goal attainment in the organisation's system and stakeholder network.

6.3 CONCLUSIONS PER RESEARCH OBJECTIVE

The conclusion of each research objective, as well as the recommendation associated with that conclusion, will now be discussed. The academic implications and recommendations are discussed first, whereafter the management implications and recommendations are examined for each objective.

6.3.1 Primary objective

The primary objective of the study was to:

Determine the relationship between goal attainment and relationship outcomes in alliances where strategic communication occurred.

6.3.1.1 Conclusion on the primary objective

A significant positive relationship between the relationship outcomes and goal attainment imply that if trust, commitment, relational satisfaction and control mutuality increases in an organisational alliance, the perceptions of goal attainment also increase within that organisational relationship. The goals that are obtained through the alliance include the organisation's own goals, the partnering organisation's goals as well as the relationship goals. A factor analysis of the four relationship outcomes indicated that one element was measured – the organisational relationships itself, where this overall measure of organisational relationships was also positively related to perceptions of goal attainment. This finding corresponds with Steyn (2007:159) who states that organisational relationships like alliances enable the organisation to attain its goals.

6.3.1.2 Implications and recommendations for the primary objective

- **Academic implications and recommendations: primary objective**

This finding indicates that effective communication contributes to the success of organisational relationships, and these relationships, in turn, contribute to the success of the organisation. Effective communication in this context implies communication that is symmetrical and strategic. This finding is consistent with the systems perspective. From a systems perspective, goals are attained through organisational relationships, which are in turn formed and maintained through the communication in the system (Broom *et al.*, 2000:13). The goals attained through the relationship as well as the increased trust, commitment, satisfaction and control mutuality is also transferred to the rest of the system, as an open system is assumed.

The role of communication in attaining the desired relationship outcomes as well as fostering perceptions of goal attainment in both the organisation and the relationship is emphasised. Ledingham and Bruning (2000:63) state that while goals are developed around relationships, communication can be used on a strategic level to help achieve those goals. Strategic communication could then also align those relationship goals to organisational strategy.

The concept of strategic communication is based on the assumption that corporate communication “is practised as a strategic management function with a unique disciplinary identity” (Steyn, 2007:159), which assist the organisation to adapt to its environment through achieving a balance between the organisation’s commercial imperatives and socially acceptable behaviour. The alignment of relationship goals to organisational strategy can be realised by ensuring that organisational goals are aligned to stakeholder values, norms and expectations. As Steyn (2007:159) explains, communication strategy should first match an organisation to the concerns, expectations, values and norms of stakeholders in its environment and consequently act in a boundary spanning role. This can be accomplished through employing symmetrical communication within the relationship, where symmetrical communication is an element of strategic communication (Grunig & Huang, 2000).

Consequently, relationship goals need to be aligned to organisational goals through strategic communication. These organisational goals, in turn, need to be aligned to the goals of stakeholders and thereby foster mutual benefit. Symmetrical communication that promotes the open and two-directional flow of information enables organisations to do exactly this by aligning the organisation to stakeholder values, norms and expectations – or at least creating a match between the values and norms of the organisation and its partnering stakeholders through symmetrical communication.

- **Management implications and recommendations: primary objective**

The findings with regards to the primary objective of the study emphasises the role of communication managers in organisations with regards to their influence not only on the success of the organisational relationship, but also on perceptions of goal attainment. For communication managers to be valued by the organisation they serve, practitioners must be able to demonstrate that their efforts contribute to goal attainment in the organisation by building long-term relationships with strategic stakeholders (Grunig, 1993:136). Grunig (2006:162) asked CEOs of organisations where the most effective public relations departments were observed, what contribution their communication function made to organisational goals. One of the most frequent responses was that of “hearing external voices” in the strategic management processes through the environmental scanning function of the public relations or communication practitioner.

Strategic communication within these relationships also ensures that not only are short- and medium-term goals attained through these organisational relationships, but also the long-term strategic goals of the organisation. Strategic communication in organisational relationships imply that well-planned communication is taking place within the relationship, which constantly aligns the relationship to the goals that it needs to achieve to further organisational strategy. In this manner, organisational relationships can constructively contribute to the sustainability of the organisation. The challenges faced by communication managers today suggest that they are not managing these organisational relationships as effectively as they should (Welch,

2006:1). Communication managers can more effectively manage these relationships by developing effective communication strategies.

The development and implementation of a communication strategy makes the communication function in an organisation relevant to top management by providing the link between communication plans and activities and the achievement of organisational goals (Steyn, 2007:162). To contribute to towards this statement, this research study explicitly linked the relationship outcomes of relationships where effective communication was practised to perceptions of goal attainment. According to the relationship outcomes of the three-stage model of organisational relationships (Grunig & Huang, 2000:36), part of a communication manager's communication plan should also incorporate:

- Guidelines to increase the satisfaction of stakeholders in organisational relationships;
- Guidelines to increase the commitment of stakeholders in organisational relationships
- Guidelines to communicate the trustworthiness of organisations to these stakeholders; and
- Guidelines to include trustworthiness, commitment, satisfaction and control mutuality in organisational decision-making on all organisational levels, i.e. technician, management and strategic.

Communication managers thus need to explicitly determine what should be communicated to which stakeholder in order to attain these relationship outcomes and consequently also organisational goals. Therefore, the core message that is delivered to all stakeholders must be consistent, though each stakeholders' individual message can be customised to their individual relationship needs.

The following conclusions, implications and recommendations were found with regards to the secondary objectives.

6.3.2 Research Objective 1

To determine whether differences exist regarding alliance partners' perceptions of goal attainment.

6.3.2.1 Conclusion on research objective 1

It was determined that no significant differences existed with regards to alliance partners' perceptions of goal attainment ($\alpha=0.85$). This implies that not only did alliance partners feel that their organisational goals were attained through the alliance, but also the relationship goals established within the alliance and the partnering organisation's goals. Consequently, organisational relationships like alliances are accompanied by perceptions of mutual benefit. Heath (2006:100) states that mutual benefit is a key outcome of effective public relations and communication, where the current hypothesis proved that this can be attained through effective communication within organisational relationships.

This conclusion was accompanied by the finding that the majority of respondents also did not regret entering into the organisational relationship. Businesses are sceptical about entering into alliances for fear of opportunistic behaviour (Gulati, 1995:3). The findings of this study indicate that where effective communication structures are put in place, the threat of opportunistic behaviour is greatly minimised. The business case for entering into an alliance was strengthened by this study, as approximately 75% of respondents indicated that they did not regret entering into the alliance.

6.3.2.2 Implications and recommendations for research objective 1

- **Academic implications and recommendations, objective 1**

Based on these findings, effective communication can be positively linked to the alignment of goals between relationship partners. Effective communication therefore contributes to perceptions of goal attainment by all parties in the alliance. Grunig (2006:159) states that when communication develops successful relationships with

strategic publics, “an organisation is more likely to develop goals desired by both the organisation and its publics and is more likely to achieve those goals because it shares those goals”. Effective communication for this reason ensures that the goals of the organisation and its relationship partners are aligned. The current study concurred with this statement. An important implication is that organisations need to be able to communicate both symmetrically and strategically in order to integrate their own and their stakeholders’ goals. For an organisation to be effective, it must “behave in ways that solve the problems and satisfy the goals of stakeholders as well as management. If it does not, stakeholders will either pressure the organisation to change or oppose it in ways that add cost and risk to organisational policies and decisions” (Grunig, 2006:159). Consequently, it is in the organisation’s best interest to behave in ways that satisfy the needs of stakeholders while attaining organisational goals and furthering organisational strategy. Grunig (2006:159) concludes by stating that organisations must communicate symmetrically with different stakeholders in order to develop high-quality, long-term relationships.

A key assumption of the systems theory, i.e. goal congruence, was also validated by the current hypothesis and the use of the systems theory was consequently corroborated. The systems theory also states that the outcome of processes of systems, like organisational relationships, affect its environment (Littlejohn, 1989:37). If one organisational alliance is successful, the goals attained by the relationship partners impacts all the other organisational relationships or systems in an organisation’s environment. When organisational goals are attained through one alliance, the likelihood of goal attainment through other alliances is also impacted. Consequently, from a systems perspective, one successful relationship in the organisation’s environment impacts all other relationships within that same environment.

- **Management implications and recommendations, objective 1**

The current findings suggest that the fear to partner is not validated, since the majority of relationship partners either agreed or strongly agreed that their goals were attained through the alliance. Powell, Kopult and Smith-Doer (1999:120) state that successful organisational alliances, no matter what their ostensible function, have benefits

beyond the designated formal agreement. The risks involved with these organisational relationships consequently also increase, as failed relationships carry a greater cost than the setup and project expenses. This could be the reason why organisations are hesitant to partner (Black & Härtel, 2005:126). However, “what remains a fact is that in the face of the world’s increasingly complex challenges, and scarce resources, there seem to be few other options” (De Jongh, 2006:211).

If communication is effective within the organisational alliance, partners know why they are in the organisational relationship and what the other partner can gain from the relationship. Communication managers should ensure that partnering organisations constantly understand why they are in the alliance. Alliance partners can then also proactively establish whether they have incompatible goals. Possible losses through failed alliances could thereby be avoided.

Spicer (2007:38) proposes that communication managers should be the candidates leading organisational relationships. Public relations and communication management are involved in the process of goal attainment in two ways (Grunig & Repper, 1992:120):

- Firstly, it must be part of the strategic management of the organisation through surveying the environment and helping to define the mission, goals and objectives of the organisation; and
- Secondly, in addition to contributing to overall strategic management, public relations managers should also manage their own programmes strategically.

Communication managers, for this reason, acts in a boundary spanning role while aligning all their activities to organisational strategy.

6.3.3 Research objective 2

To determine the effectiveness of using relationship outcomes as a measure of organisational relationships like strategic alliances.

6.3.3.1 Conclusion on research objective 2

The relationship outcomes provided by Grunig and Huang (2000:47) presented a reliable ($\alpha=0.92$) measurement framework when applied to organisational alliances. The reliability of the measurement instrument increased, however, when the negatively worded scale items were deleted from the scale ($\alpha=0.93$). The reliability of measurement scales usually decreases when the number of scale items decrease. In this case, the measurement scale's reliability increased by removing the negatively worded items and making it shorter.

The relationship outcomes were also narrowly correlated to one another and a factor analysis indicated that these outcomes were sub-categories of one construct. The relationship outcomes were for that reason reliable in measuring the organisational relationship itself. A measurement instrument for measuring organisational relationships was proposed (see Appendix C), which presented a shortened and simplified measurement instrument for measuring the organisational relationship itself, which is easier for respondents to complete. This is congruent with Yang and Grunig's (2005:3) definition of organisational relationships as:

“The degree that the organisation and its publics trust one another, agree on who has rightful power to influence, experience satisfaction with each other, and commit oneself to one another.”

Public relations have been equated to communication management (Grunig, Grunig & Dozier, 1992:4; Ströh, 2005:2). Many scholars are moving towards the notion that “the primary purpose of public relations is to manage the relationships between an organisation and the organisation's key publics” (Ledingham & Bruning, 2000a:159). Grunig, Grunig and Ehling (1992:65) state that public relations make organisations more effective by using communication to build relationships with strategic constituencies. The term “communication management” therefore does not describe the full strategic function of the field. The term “relationship management” can rather be used because it describes the study field more in terms of the organisation's stakeholder relationships, thereby taking the central focus away from communication (Ströh, 2005:2).

This management function of communication, however, has been severely inhibited by the lack of a generally accepted definition of organisational relationships (Broom *et al.*, 1997:81; Grunig & Huang, 2000; Ledingham & Bruning, 2000c; Ströh, 2005). Some authors (Yang & Grunig, 2005) have started to use the relationship outcomes of trust, commitment, relational satisfaction and control mutuality as a measure of organisational relationships. This study attempted to determine the reliability of using these relationships outcomes to measure organisational relationships.

When communication managers can reliably quantify organisational relationship, their contribution to the field of relationship management can be further grounded and their place in the boardroom could be better justified (Grunig, 2006). A valid measurement scale for organisational relationships also offers both practitioners and scholars a way to measure relationships as they develop (Jo, 2003:xi). The implications of a valid measurement instrument for both scholars and practitioners, specifically management, are addressed in more depth in the following sections.

6.3.3.2 Implications and recommendations for research objective 2

- **Academic implications and recommendations, objective 2**

If communication management is to be considered a managerial function, it must first refine its instruments of measurement. In order for the communication function to “exist and survive”, it is important to prove that it is both useful and beneficial (Tixier, 1995 in Noble, 1999:14). Public relations and communication have been called on to become a more research-based discipline and creating a reliable and consistently used measure of organisational relationships has been a top priority for communication managers globally (Noble, 1999:14, 20). Grunig (2006:167) states that non-financial indicators of value or intangible assets “are a hot topic in management and accounting sciences” and he believes that relationships are the most important of those intangible assets. Relationships, in his opinion, will ultimately provide the means to demonstrate the return on investment of public relations in the organisation.

Grunig and Huang's (2000:47) guidelines for measuring relationship outcomes (see Appendix A) has been adapted towards an overall measure of organisational relationships also illustrated in Table 6.1. This proposed measurement instrument provides a shorter, comprehensive and more reliable ($\alpha=0.93$) measure of organisational relationships.

Table 6.1: Measurement instrument for organisational relationships

	Strongly Disagree	-----			Strongly Agree
Generally speaking, the partnering organisation and my organisation are both satisfied with the decision-making process.	1	2	3	4	5
In most cases, during decision-making both the partner and my organisation have equal influence.	1	2	3	4	5
Both organisations within the relationship agreed on what the participating organisations can expect from one another.	1	2	3	4	5
Members of the partnering organisation are truthful with us.	1	2	3	4	5
The partnering organisation treats me fairly and justly, compared to other organisations.	1	2	3	4	5
Generally speaking, the partnering organisation's members meet our needs	1	2	3	4	5
In general, we are satisfied with the relationship	1	2	3	4	5
Our relationship with the partnering organisation is good	1	2	3	4	5
I believe that it is worthwhile to try to maintain the relationship with the partnering organisation.	1	2	3	4	5
I wish to keep a long-lasting relationship with the organisation.	1	2	3	4	5

This measurement instrument provides communication managers with a tool to evaluate the relationships that the organisation has with various stakeholders. Jo (2003:2) also applied the relationship outcomes as a measure of organisational relationships and state that "the value of organisation-public relationships can be represented by relational outcomes", where these outcomes offer a global measure of organisational relationships. However, there is no simple, single solution to the problem of public relations evaluation (Noble, 1999:15).

The three-stage model of organisational relationships proposed by Grunig and Huang (2000:36) has already been applied to a number of contexts including change management (Ströh, 2005) and corporate reputation (Yang & Grunig, 2005). The following table summarises previous studies that specifically used Grunig and Huang's (2000) relationship outcomes of their three-stage model for organisational relationships.

Table 6.2: Previous studies using relationship outcomes measures and their applications

Authors using relationship outcomes framework (chronological order)	Context	Construct that measures were applied to
Grunig & Huang (2000)	Organisation-public relationships.	Proposed model for relationships.
Bruning & Ledingham (2000)	Organisation key public relationships.	Tested whether Grunig and Huang's (2000) relationship measures can be applied to business-to-business relationships.
Hon & Brunner (2002)	Relationship among students and administrators at a university.	Type of relationship (communal or transactional).
Jo, Hon & Brunner (2004)	Relationship among students and administrators at a university.	Type of relationship (communal or transactional).
Jo (2003)	Organisation-public relationships in an Eastern culture, specifically South Korea.	Dimensions of relationships were incorporated.
Ströh (2005)	Organisation's relationship with their employees	Change management.
Yang & Grunig (2005)	Organisation-public relationship.	Reputation.
Scott (2007)	Various stakeholders (including employees, shareholder, investors and customers). Scott (2007) works for a stakeholder relations measurement company in America (StrategyOne) that consistently applies the three-stage model of organisational relationships, specifically the relationship outcomes, to most of their research.	Sustainable relationships (as well as to determine which stakeholders should gain priority in strategic communication campaigns of organisations, therefore key stakeholder identification).

All of the studies that used the relationship outcomes provided by Grunig and Huang (2000:36) applied these relationship outcomes to measure the quality of specific organisational relationships, i.e. how much trust, commitment, relational satisfaction and control mutuality exists in the relationship and therefore how “good” the relationship is. Only in 2005 did Yang and Grunig (2005) start to question whether these relationship outcomes measure not only the quality of the organisational relationship, but the relationship themselves. The current study found that these relationship outcomes measure only one construct, the organisational relationship itself, and consequently proposed a measurement instrument that can be applied for the measurement of organisational relationships in future (see Appendix C).

- **Management implications and recommendations, objective 2**

The question of “how to measure public relations” has become a fundamental issue in this field (Jo, 2003:1). The paradigm shift of public relations from a mediated communication perspective to a relationship perspective (Broom *et al.*, 2000:4; Grunig & Huang, 2000:23; Jo, 2003:2; Ledingham & Bruning, 2000b:xiii; Ströh, 2005) has necessitated the measurement of relationship building and its effect on the organisation (Jo, 2003:2). Grunig (2006:166) also states that relationships provide a means for evaluating both the long- and short-term contribution of public relations to the overall functioning of the organisation. A valid and reliable measurement instrument for organisational relationships would enable public relations practitioners to demonstrate the effect of this organisational function. It would also enable practitioners to measure relationships as they develop (Jo, 2003:6).

Measuring relationship outcomes relates to the evaluation of the long-term value of public relations and communication management (Noble, 1999:16; Ströh, 2005:176). The practice of evaluation involves the systematic collection of information regarding the activities, characteristics and outcomes of communication in organisations with the aim of improving the communication within that organisation (Noble, 1999:17). According to Hehir (1997, in Noble, 1999:17), confidence in public relations and communication will only be engendered if measurable objectives are put into place. He argues that measurable objectives is the “golden bridge” over which public relations can march into the promised land of corporate respectability and enhanced resources. Adequate methods of measurement in public relations and communication therefore engender greater appreciation for this organisational function.

According to Tixier (1995, in Noble, 1999:19), extensive budgets are currently invested in simple evaluation programs, while no effort is made to measure the impact of communication in the organisation. This impact can be measured through a reliable assessment of the relationship that organisations have with key stakeholders. When organisations know exactly what the “health” of their relationships with specific stakeholders is, proactive action plans can be developed where the following questions regarding their relationship with stakeholders can be asked:

- How can the organisation communicate to stakeholders to increase the trust that stakeholders have in the organisation?
- How can the organisation increase the commitment that stakeholders have to the organisation, and how can the organisation better communicate their commitment to particular stakeholders?
- Which factors influence the satisfaction that different stakeholders have in the organisational relationship?
- How can the organisation include stakeholders in the decision-making process of the organisation?
- Do stakeholders know what the organisation expects from them? And does the organisation know what stakeholders expect from the organisation?

Once organisations have answers to these questions, they can develop appropriate communication strategies for individual stakeholder groups allowing communication managers to proactively manage these organisational relationships. Scott (2007:264) used a similar framework for measuring organisational relationships based on the relationship outcomes provided by the three-stage model of organisational relationships of Grunig and Huang (2000:47). Scott (2007:264) applied the relationship outcomes to various stakeholders and contexts and states that this measurement instrument is important because:

- In a world of intangibles and educated guesses, it is a means of concretely mapping stakeholders in order to prioritize which groups are most in need of engagement.
- It provides an understanding of the most appropriate terms of that engagement as well as provides a benchmark against which to track the impact of a communication programme over time.
- The numeric impact of using the relationship outcomes to measure organisational relationships allows public relations executives to speak in quantitative terms about what has always been seen as a notoriously soft variable.
- Applying the relationship outcomes to various stakeholders is an important validation of the overall strategy, because of its ability to prioritize stakeholder

groups according to the quality of their existing relationships with an organisation.

- It helps professionals to determine where to invest campaign resources.
- It is a valuable source of tactical insight, because of its ability to score across numerous dimensions of a relationship.

Scott (2007:264) emphasises that the measurement of relationship outcomes in organisational relationships contributes to organisational effectiveness on both a tactical and strategic level, while giving a numeric value to a traditionally vague, qualitative construct. Using a reliable measure of organisational relationships contributes to the effectiveness of the organisation's communication function and consequently also organisational effectiveness.

6.3.4 Research objectives 3, 4, 5 and 6

The following objectives all relate to the possible relationship antecedents or control variables that could have had an influence on the relationship outcomes:

- *To determine whether industry type has an influence on relationship outcomes.*
- *To determine whether alliance type has an influence on relationship outcomes.*
- *To determine whether the duration of the alliance has an influence on the relationship outcomes.*
- *To determine whether the size of the organisation has an influence on relationship outcomes.*

6.3.4.1 Conclusion on research objectives 3, 4, 5 and 6

The duration of the alliance, the type of alliance, the type of industry wherein the alliance is taking place and the size of the organisation partaking in the alliance had no significant influence on the relationship outcomes of the alliance. Conversely, Ströh (2005:125) states that the type and nature of the organisational relationship have an influence on its outcomes. Some inconsistencies exist regarding the influence of relationship antecedents on relationship outcomes. The following table summarises the findings of various studies that applied the three-stage model of organisational

relationships (Grunig and Huang, 2000:36), regarding which relationship antecedents influence the relationship outcomes.

Table 6.3: Current literature on which relationship antecedents influence relationship outcomes

Author	Relationship Antecedent
Grunig & Huang, 2000	Behavioural consequences of relationship partners + whether the relationship is between single or multiple partners.
Hon & Brunner, 2002	The influence of relationship type, specifically whether it is an exchange or communal relationship, on relationship outcomes.
Jo, 2003	The influence of different industries, different publics and diverse publics on relationship indicators. Specifically adapting the model to the South Korean context.
Kim, 2005 in Hung, 2007	Organisational structure + the system of internal communication in an organisation-employee relationship context.
Scott, 2007	Type of stakeholder with which a relationship is formed.
Ströh, 2005	Type and nature of the relationship + whether the relationship is between single or multiple partners.
Yang & Grunig, 2005	Propensity for active communication behaviour of publics dealing with public relations problems with an organisation + familiarity with an organisation and its performance.

The relationship antecedents that impact the outcome of organisational relationships evidently vary greatly. Large scope exists in research regarding this first stage of organisational relationships. Most studies measuring the four relationship outcomes have often excluded mentioning, or have not measured the influence of specific relationship antecedents on relationship outcomes. This could be attributed to the inconsistencies regarding what specific elements should be included under this heading. None of the constructs measured in the present study (size of the organisation, duration of the alliance, type of alliance and type of industry) significantly influenced the relationship outcomes of the organisational alliance (p-value larger than 0.05).

6.3.4.2 Implications and recommendations for research objectives 3, 4, 5 and 6

- **Academic implications and recommendations objectives 3, 4, 5 and 6**

Grunig (2002:2) contends that trust is a relationship characteristic that forms over time. Similarly, Dyer and Singh (1998:672) state that the development of trust is subject to time “because it cannot develop quickly”. Conversely, this study indicated

that time (or the duration of the alliance) has no influence on whether trust is present within the organisational relationship. Consequently, some stakeholders immediately trust organisations as they enter into alliances. This could be a possible indication of the influence of corporate reputation on the outcomes of organisational relationships.

These findings also suggest that relationship outcomes can be applied to measure various types of organisational relationships, where it has already been applied to employees (Ströh, 2005), business-to-business relationships (Bruning & Ledingham, 2000:55) as well as stockholders and customers, amongst others (Scott, 2007). The specific types of organisational relationships that were measured in this study include subcontracting and manufacturing agreements, licensing relationships, joint marketing, joint ventures, cooperative research and development initiatives as well as all partnerships. The proposed measurement instrument (see Appendix C) can therefore be reliably applied to all of these types of organisational relationships.

- **Management implications and recommendations, objectives 3, 4, 5 and 6**

Since the size of the organisation, duration of the alliance, type of alliance and type of industry did not have a significant influence on the relationship outcomes, the framework for measuring organisational relationships can be applied to any type of alliance, in any industry by any size organisation at any time of the alliance. Jo (2003:xii) similarly concluded that these relational outcomes can be used as global relational measures.

For organisational managers, this means that stakeholders can now be proactively measured and managed by applying the proposed relationship measurement instrument (see Appendix C) to every organisational alliance throughout the duration of the alliance. The specific relationship outcomes can be monitored throughout the organisational relationship, where the first measurement can take place right at the beginning of the relationship. As a result, communication managers know which relationship outcome to focus on in order to increase the likelihood of success and goal attainment within the relationship. Tailored messages that are aligned to organisational strategy could be developed for each stakeholder group, thus decreasing organisational spending on communication and increasing the likelihood of

successful organisational relationships. The goals attained through these relationships are consequently also more likely to contribute to organisational strategy. The benefits generated through the effective management of organisational relationships contribute to organisational effectiveness and a competitive advantage.

6.3.5 Research objective 7

To determine whether and how these constructs relate to one another: relationship outcomes, goal attainment, duration of the alliance, type of alliance and industry as well as size of the organisation.

6.3.5.1 Conclusion on research objective 7

Hypotheses tests H₁ to H₄ confirmed that the duration of the alliance, the type of organisational alliance, the type of industry wherein the alliance is taking place and the size of the partaking organisations do not have an influence on the relationship outcomes. A first regression model of these variables with regards to the relationship outcomes as well as perceptions of goal attainment confirmed that these factors have no significant influence on relationship outcomes (see section 5.6.1.1). Thereafter, the primary objective of the study was further investigated by fitting a regression model for the impact of the relationship outcomes on perceptions of goal attainment (see section 5.6.1.2).

The fitted regression model investigated the specific influence of the relationship outcomes on perceptions of goal attainment, as well as their relationship with one another. The regression model also has some predictive value with regards to the impact of these relationship outcomes on perceptions of goal attainment. The regression model indicated that of the four relationship outcomes, control mutuality had the largest influence on perceptions of goal attainment. Thereafter, commitment, relational satisfaction and trust respectively contributed to perceptions of goal attainment to a lesser degree.

The contribution of trust and relational satisfaction was so small ($\beta_2 = 0.07$ and $\beta_3 = 0.10$ respectively) that a separate model was attempted wherein only control mutuality

and commitment was modelled against perceptions of goal attainment. A reliable model could not be fitted, indicating the importance of all four relationship outcomes as a measure of organisational relationships. Hence, even though control mutuality is the greatest influencer of goal attainment in organisational alliances, its influence on perceptions of goal attainment cannot be investigated without taking the other three relationship outcomes into consideration. Consequently, not trust, commitment, relationship satisfaction or control mutuality could be discussed without taking the other factors into consideration.

The predictive value of the fitted regression model has the following implications:

- Efforts towards regulating the power balance and thus the control mutuality within the organisational relationship will have the greatest impact on perceptions of goal attainment within the relationship. These efforts include taking stakeholders into account in the decision-making processes in the relationship.
- Commitment has the second largest impact on perceptions of goal attainment. Consequently, stakeholders may perceive that the stated goals will be attained and therefore stay committed to the organisational relationship. Conversely, the stated goals may have been attained through the relationship and stakeholders thereafter stayed committed to the relationship. The current model predicts that if the commitment of alliance partners increase, so will their perceptions of goal attainment.
- Similarly, trust and relational satisfaction is positively related to perceptions of goal attainment, albeit to a lesser extent. Therefore, if trust and satisfaction within a relationship increases, so will the perceptions of goal attainment within that relationship.

The following management and academic implications can be associated with the above findings.

6.3.5.2 Implications and recommendations for research objective 7

- **Academic implications and recommendations, objective 7**

Previous research indicated that trust is the most important influencer of alliance behaviour (Saxton, 1997:453). Saxton (1997:447) also explicitly linked trust to measures of organisational success within alliances, thereby mirroring the methodology applied in this study. However, contradictory findings were obtained, as trust had the least impact on goal attainment within the organisational alliance in this study. Huang (2001, in Hung, 2007:447), as a key stakeholder in the development of the measurement instrument, found that control mutuality was the most critical factor in predicting overall relationships. However, most other studies indicate that trust is the largest influencing factor in relationships (Olkkonen, Tikkanen & Alajoutsijarvi, 2000:405). Some disparities therefore exist concerning which relationship outcome has the largest influence. The following table summarises the studies that used the relationship outcomes, specifically focusing on which relationship outcome was emphasised in which context.

Table 6.4: Disparities in current literature regarding the most important relationship outcome

Author	Context	Relationship outcome focused on
Hon & Brunner, 2002	University setting, student-university relationship.	Relationships were characterised by trust and satisfaction, but neutral control mutuality was experienced.
Jo, Hon & Brunner, 2004	Organisational relationships in general.	The authors suggested that trust precedes satisfaction, which in turn results in commitment. Control mutuality was not mentioned here.
Scott, 2007	Various companies and contexts.	No specific relationship outcome was emphasised. However, high variance in trust and commitment was reported amongst different stakeholder groups.
Huang, 2001 in Hung, 2007	Relationships in the South Korean context.	Control mutuality was the most critical factor in predicting overall relationships.

Hung (2007:448) states that satisfaction is the most frequently adopted outcome variable and this outcome would consequently get the majority of mentions with regard

to the other relationship outcomes. The above table illustrates the disparities that exist in current literature regarding which relationship outcome should be focused on. As a result, large scope exists for linking the weight of each relationship outcome in various contexts. Trust, for example, may be more important in relationships with activists.

Olkkonen *et al.* (2000:405) state that communication processes and their outcomes can only be understood if the situational factors are considered. A key finding of this study is the relatively small contribution of trust towards perceptions of goal attainment in organisational relationships. The difference regarding the importance of trust in different studies using the relationship outcomes could be ascribed to the context wherein the study was conducted, as low levels of trust may be characteristic of the South African context. Due to the young democracy in South Africa, as well as the struggling business practices of a country that is trying to create its own identity as well as lead other African countries towards democracy, the general trust that exists within the country could be tarnished. The low levels of trust can also be a result of the diversity in the South African sampling frame – South Africans are extremely diverse with regard to their values, language, cultural heritage and ethnicity, to name but a few. These differences have led to prejudice and stereotyping and could also contribute towards low levels of trust in the market. Further research is needed regarding the influence of the South African context on perceptions of trust.

Other studies have stated that trust is a separate construct that flowed from other relationship characteristics and measured trust as a result of other constructs like cooperation and commitment. They also state that trust is a result of these efforts (Spicer, 2007:37). Saxton (1997:455) states that given the difficulties in defining and directly measuring trust as a latent construct, the ability to share in decision-making may be considered a condition or determinant of trust. Saxton (1997:446) furthermore found that a high level of involvement in the relationship acts not only as a mechanism for building trust, but also commitment within the relationship.

Welch (2006:1) indicates that disparities in the measurement of trust could be due to the presence of “distrust”, a second dimension of trust measured on the same continuum, which explains the dualism in organisational relationships, where stakeholders can, for instance, trust organisations with one aspect of the relationship

(for example competence) and simultaneously distrust the organisation with another aspect of the relationship (for example the motives of the organisation for entering into the relationship). Scott (2007:271) encountered similar difficulties in measuring trust in various organisational relationships. From the above authors' perspective, this could be ascribed to the dimensions of trust (integrity, dependability and competence), where the overall score for this scale item was elevated by competence and depressed by integrity and dependability. Welch (2006:1) concluded by stating that researchers should recognise trust to be a multidimensional construct, which takes many issues into account. Most importantly though, is to view trust as a strategic organisational asset and trust building as an important process for strategic communication (Valin, 2004 in Welch, 2006:2).

The relative importance of control mutuality, or the power balance (Stafford & Canary, 1991) in relationships, is also an important finding of this study. Heath (2006) states that power is central to public relations, where a key outcome of effective public relations is to balance the power relations between an organisation and its stakeholders through symmetrical communication. The findings from the hypothesis illustrates that the power relationship within an organisational relationship is critical to its success and is mediated through symmetrical communication and specifically shared decision-making.

- **Management implications and recommendations, objective 7**

A quantitative indication of the trustworthiness, commitment, relational satisfaction and control mutuality within organisational relationships impacts the management of these relationships. Communication managers can now quantitatively assess the impact of their communication strategies on organisational relationships and present a numerical value on their communication efforts.

Once standardised models are available for various constructs and contexts (not only perceptions of goal attainment), communication managers can proactively know which relationship outcomes to focus on when various issues arise. This study indicates that communication managers should focus on increasing the control mutuality, or equalise

the power relationship within an alliance, when they intend to increase perceptions of goal attainment within this type of organisational relationship.

The implication of control mutuality as the largest influencer of perceptions of goal attainment has various managerial repercussions. Various studies (Grunig, 1992:311; Ströh, 2005:232) indicate the importance of increased stakeholder participation in organisational relationships. Allowing stakeholders to participate in the decision-making also motivates them to accept control and responsibility in the organisational relationship (Grunig, 1992:311). Increased participation by stakeholders can start by providing these stakeholders with channels to transmit, analyse and discuss issues. The organisation should then facilitate these interactions by showing their respect for the stakeholders and thereby build their trust and confidence (Ströh, 2005:237).

Another relationship outcome might have to be focused on when addressing, for instance, corporate reputation or perceptions of the organisation itself within the relationship. Yet, communication managers should keep in mind that these four constructs (trust, commitment, relational satisfaction and control mutuality) cannot be separated. Even though trust contributed only marginally to perceptions of goal attainment in alliances, control mutuality could not be viewed without it. Communication managers consequently cannot only communicate one construct (for example control mutuality) to stakeholders when this construct measured low, but should include the remaining three constructs in their communication strategy towards this stakeholder.

6.4 LIMITATIONS OF THE STUDY

Possible sources of limitations of the study could have resulted from the use of a survey, specifically an electronic survey. The main sources of error detected in studies utilising survey data is sampling error, questionnaire error, high refusal rates or high non-response, respondent effects, data capturing errors and the inappropriate selection of statistical techniques (Mouton, 2005:153). These errors form part of errors of explanation as opposed to errors of definition (Tustin *et al.*, 2005:375). Low response rate is a common limitation of electronic surveys (Alreck & Settle, 1995:184). This was the limitation that had the greatest impact on the study. As stated before,

however, small samples were also recorded by other researchers using the same framework (Scott, 2007: 268).

Scott (2007:269) states that one possible limitation can arise through the use of the measurement instrument. It appears that the concept of having “relationships” with organisations rather than individuals is not always a comfortable concept for respondents to entertain. Scott (2007:269) found a small minority of respondents that were resistant to the measurement instrument and these respondents usually ask questions like “Am I supposed to answer this from a personal or professional perspective?” or “Do you want me to speak for my organisation or for myself?” Scott (2007:270) reiterates that the respondents should try to speak for themselves. This possible obstacle was encountered in the present study and the solution provided by Scott (2007:270) was followed. Therefore, respondents were constantly reminded that they should keep themselves and not necessarily the whole organisation in mind to ensure that their own perceptions were measured.

With regard to the fitted regression model and the specific influence of the relationship outcomes on perceptions of goal attainment, it is necessary to mention that regression analysis shows correlations and not causation in a situation where everything correlates with everything else. Therefore, it is also “quite impossible to attribute variance in the dependent variable unequivocally to any one independent variable” (Kinnear & Gray, 2000:288). Therefore, the varying influence of the four relationship outcomes on perceptions of goal attainment needs to be retested, preferably in a causal study. Yet, the proposed measurement instrument (see Appendix C) can be applied to other studies in order to obtain the possible influence of the relationship outcomes on other constructs.

6.5 FUTURE RESEARCH SUGGESTIONS

In conclusion of the study, the following recommendations for future research can be made:

- The specific relationship between the four relationship outcomes and their influence on goal attainment needs to be retested in order to validate the

findings of this study. The specific relationship of these outcomes to other constructs like reputation also needs further explication. Table 6.2 provides a summary of previous studies that applied the relationship outcomes proposed in Grunig and Huang's (2000:34) three-stage model to various other constructs and contexts.

- Table 6.3 also summarises the disparities that exist regarding which antecedents affect the outcomes of organisational relationships. Future research can determine which specific elements in which contexts affect the success of organisational relationships.

- Jo (2003:xi) applied Grunig and Huang's (2000:36) guidelines on measuring relationship outcomes to the South Korean context and attempted to determine whether specific relationship features characterise organisational relationships in this context. He concluded that "face and favour" should be added to the relationship measurement instrument in this context. Similarly, the measurement organisational relationship outcomes (see proposed measurement instrument in Appendix C) can be adapted to various contexts and expanded to include context specific relationship factors. The present measurement of organisational relationships has been developed based on a Western culture (Jo, 2003:5) and consequently the application thereof to other cultures would greatly benefit this framework.

- Communication managers should be allowed to focus on specific elements of the stakeholder relationship when developing communication strategies to increase, for instance, corporate reputation as opposed to product development. These four factors still remain interrelated and communication managers need to address all of these when building organisational relationships. Nevertheless, in knowing on which specific elements to focus in specific circumstances would allow communication managers to develop a more effective and tailored communication strategy. A comprehensive framework for measuring organisational relationships can thereby be developed.

- Previous studies indicated that trust was the greatest contributor to organisational relationship success (Saxton, 1997:453) and control mutuality was found to be a weaker indicator (Hon & Brunner, 2002:8). These findings are opposed by this study, where control mutuality was the greatest influencer of organisational relationship success and trust had the least impact. More research is needed into the specific contribution of each relationship outcome to the success of the organisational relationship, specifically the influence of trust and control mutuality.
- The situational antecedents of successful relationship in the three-stage model of relationships (Grunig & Huang, 2000:34) posit that the amount of stakeholders participating in the organisational relationship has an impact on the outcomes of that relationship. No up to date study has however tested whether this is the case. The present study also only tested the model on two relationship partners – in other words, on a dyadic level. Further research is needed into whether the amount of participants in the organisational relationship really does have a significant influence on its outcome. If research finds that none of the tested relationship antecedents had a significant influence on the outcomes of the relationship, the importance of communication in organisational relationship is further increased. In that case, no relationship antecedents impact the outcomes of organisational relationship and communication is the only determinant of the success of these relationships.
- Within the studies that have applied the relationship outcomes proposed by the three-stage model of organisational relationships (Grunig & Huang, 2000:36), the specific contribution of each relationship outcome to the specific construct it was applied to was not determined. For example, which relationship outcome contributes the most to the reputation of the organisation? A large scope exists for clearly determining the contribution of each relationship outcome to various constructs affected by effective communication and organisational relationships.

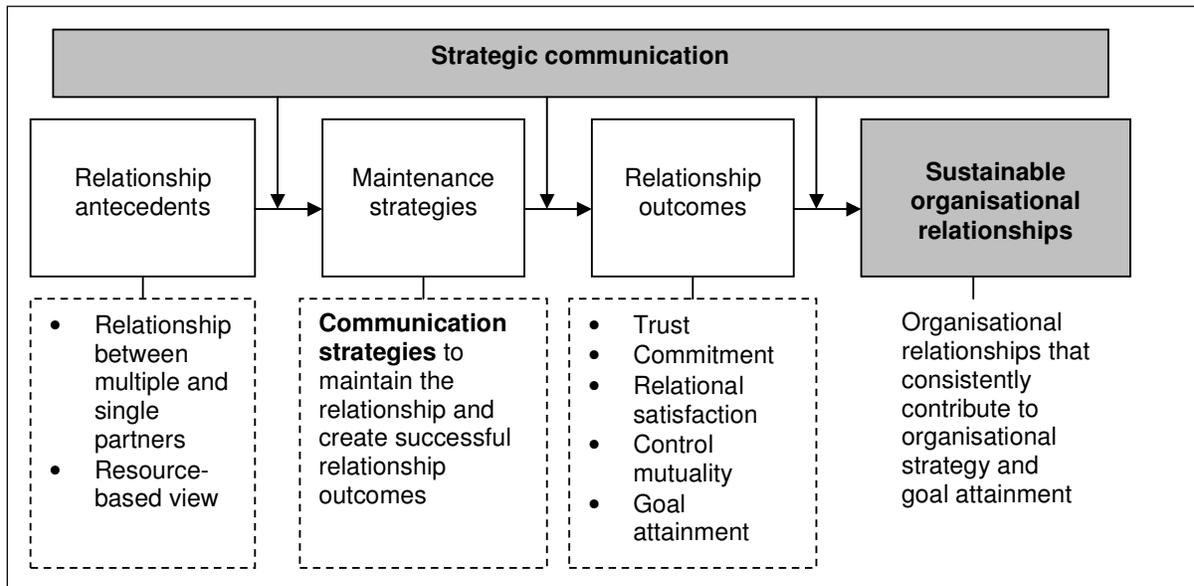
6.6 SUMMARY

The purpose and direction of an organisation is affected by the relationships that it has with key stakeholders within its environment. Communication is the strategic management function that assists in the management of these relationships with key stakeholders that affect its mission, goals and objectives (Dozier, 1995 in Ledingham, 2003:183). Grunig's (2006:160) conclusion on the function of public relations and communication within the organisation is that "public relations must be organised in a way that makes it possible to identify strategic publics as part of the strategic management process to build quality long-term relationships with them through symmetrical communication programmes". Communication should therefore act as a strategic management function with the primary goal of building sustainable relationships with key publics through symmetrical communication.

In order for communication managers to be valued by the organisation, they should demonstrate that their efforts contribute towards organisational success by building sustainable organisational relationships with strategic publics, where the organisation, in turn, depends on these stakeholders "to meet its economic and socio-political goals" (Steyn, 2007:159). Strategic communication therefore contributes to organisational effectiveness by "building mutually beneficial relationships with the organisation's stakeholders", on whom it depends to meet its goals, obtain legitimacy, garner trust and build a good reputation (Steyn, 2007:139).

The possible role of strategic communication in organisational relationships is illustrated in the following figure. Grunig and Huang's (2000:34) initial three-stage model of organisational relationships is adapted to include the possible contribution of strategic communication in organisational relationships.

Figure 6.1: Effective communication's role in organisational relationship sustainability



The above figure emphasises that strategic communication should be undertaken from the start of the organisational relationship to enable this relationship to effectively contribute to organisational strategy and goal attainment. Communication managers should subsequently ascertain how every organisational relationship can contribute to organisational strategy and continuously communicate this to all relevant stakeholders. This should be done in addition to the communication maintenance strategies used to ensure successful relationship outcomes, i.e. trust, commitment, relational satisfaction and control mutuality.

A paradigm struggle occurred in public relations between practitioners who use only superficial and symbolic activities to build organisational relationships in a quest for positive image, and those who build substantive behavioural relationships between organisations and publics. Grunig (1993:121) stated that public relations should go beyond images towards a deeper relationship among organisations and their publics. He also stated that organisations should evaluate the quality of these relationships over the long term in order to determine the contribution of public relations to the achievement of organisational goals. Relationship outcomes offer a reliable means to measure these organisational relationships. Even though Grunig (1993) has

emphasised the importance of mutually beneficial organisational relationships for the past 15 years, it has only been in the past few years that an increased focus has been placed on the effective management of organisational relationship.

More recent studies have found that strategies that are designed with mutual benefit (within the relationship) in mind can stabilise an organisation's market share and add value to an organisation's products and services (Ledingham, 2003:192). Thereby, communication managers can demonstrate their effectiveness through establishing mutual benefit in organisational relationships on all organisational levels – the micro, meso and macro level. On the micro level, communication programmes can be developed to communicate to individual stakeholders to ensure a successful relationship with these stakeholders. On the meso level, managers and organisational leaders are enabled to proactively measure and manage organisational relationships for their sustainable contribution to organisational success. On the macro level, these organisational relationships can contribute to organisational goal attainment and success.

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APPENDIX A:
THE RELATIONSHIP OUTCOMES SCALE: AN ADAPTATION OF
GRUNIG AND HUANG'S (2000:36) GUIDELINES ON MEASURING
RELATIONSHIP OUTCOMES TO ALLIANCES

The following statements were provided by Grunig and Huang (2000:47) for the measurement of organisational relationship outcomes:

- Trust:
 - Generally speaking, I don't trust the organisation;
 - Members of the organisation are truthful with us;
 - The organisation treats me fairly and justly, compared to other organisations.

- Commitment:
 - I do not wish to continue a relationship with the organisation;
 - I believe that it is worthwhile to try to maintain the relationship with the organisation;
 - I wish to keep a long-lasting relationship with the organisation;
 - I wish I had never entered into a relationship with the organisation.

- Relational Satisfaction:
 - Generally speaking, organisation members meet our needs;
 - Generally speaking, our relationship with the organisation has problems;
 - In general, we are satisfied with the relationship with the organisation;
 - Our relationship with the organisation is good.

- Control Mutuality:
 - Generally speaking, the organisation and we are both satisfied with the decision-making process;
 - In most cases, during decision-making both the organisation and we have equal influence;
 - Both the organisation and we agreed on what can be expected from one another.

Grunig and Huang (2000:47) included a few negatively worded statements in order to control for response bias (respondents just randomly marking one number, for instance 5, for all the scale items) and to ensure that respondents understand the questions.

The statements provided by Grunig and Huang (2000:36) were adapted to measure relationship outcomes in alliances where a five-point Likert scale was applied. The adaptation of the statements provided by Grunig and Huang (2000:36) to this study is indicated in *italic*.

- Trust
 - Generally speaking, I don't trust the *partnering* organisation.
 - Members of the *partnering* organisation are truthful with us.
 - The *partnering* organisation treats me fairly and justly, compared to other organisations.

- Commitment
 - I do not wish to continue a relationship with the *partnering* organisation.
 - I believe that it is worthwhile to try to maintain the relationship with the *partnering* organisation.
 - I wish to keep a long-lasting relationship with the organisation.
 - I wish I had never entered into the relationship with the organisation.

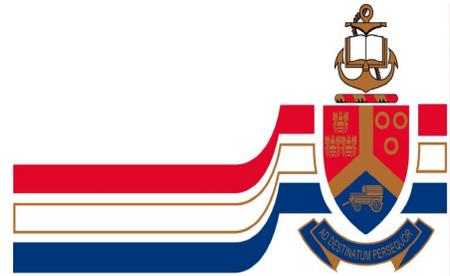
- Relational Satisfaction
 - Generally speaking, the *partnering* organisation's members meet our needs.
 - Generally speaking, our relationship with the *partnering* organisation has problems.
 - In general, we are satisfied with the relationship.
 - Our relationship with the *partnering* organisation is good.

- Control Mutuality
 - Generally speaking, the *partnering* organisation and my organisation are both satisfied with the decision-making process.
 - In most cases, during decision-making both the *partner and my organisation* have equal influence.
 - *Both organisations within the alliance* agreed on what the participating organisations can expect from one another.

APPENDIX A

These statements were used to measure relationship outcomes in alliances. Other factors also needed to be taken into consideration like the measurement of perceptions of goal attainment and other influencing factors. The complete questionnaire is provided in Appendix B and discussed in section 4.7.

**APPENDIX B:
QUESTIONNAIRE**



University of Pretoria

Department of Marketing and
Communication Management

**STRATEGIC COMMUNICATION IN ALLIANCES: PERCEPTIONS OF ALLIANCE PARTNERS ON RELATIONSHIP
OUTCOMES**

Dear respondent,

The following questionnaire is only **three pages long** and will only take **five minutes**. I appreciate your willingness to assist me in research towards my Masters degree at the University of Pretoria. I need this research in order to complete my degree. The findings will be used to better explain the perceptions that strategic alliance partners have of their relationship with the partnering organisation. This could result in a better understanding of this increasing phenomenon.

By completing this questionnaire, you as respondent:

- Implicitly give consent to take part in the research study.
- Are aware that participation is voluntary, and that you understand that you may withdraw at any point in time without any adverse consequences.
- Understand that the data gathered will be confidential and that the researchers involved in the project will have access to the data and results thereof.
- Understand that you have a right of access to the researcher in order to clarify any issue, should doubts arise.

Your assistance in completing this questionnaire before the 30th of June 2007 will be greatly appreciated.

Please follow the following instructions carefully:

1. Save a copy of the questionnaire on your desktop.
2. Answer the questions and save this.

APPENDIX B

- Send the completed questionnaire to the contact details provided below. You can either e-mail or fax the completed questionnaire back to me.

I thank you in advance for assisting me with this major goal and hope that you will ultimately gain from this research.

Regards,

Elsamari Coetzee

Lecturer in Communication Management

University of Pretoria: Department of Marketing and Communication Management

Telephone numbers:	012 429 4039 (W)	083 679 7102 (Cell)		
E-mail:	elsamari.coetzee@up.ac.za	Fax number:	012 362 5085	
		Questionnaire number		

Keep your organisation's most recent strategic alliance in mind when answering the following questions based on this last strategic alliance.

- Has your organisation participated in a strategic alliance? Mark the correct answer with an X.

Yes		V1	
No			

*A **strategic alliance** is defined as any formal agreement (partnership) between organisations for the purpose of attaining a specific goal where the two organisations remained independent. Examples of this type of relationship includes any subcontracting, joint marketing or manufacturing agreements, cooperative Research and Development (R&D), licensing relationships and joint ventures involving formation of separate legal entities to name just a few. The industry term for strategic alliances is often partnerships.*

- What was the nature of the strategic alliance? Mark ONLY ONE correct answer with an X:

Subcontracting		Joint marketing		V2	
Manufacturing agreement		Cooperative R& D			
Licensing relationships		Joint ventures			
Partnerships		Other, please specify:			

APPENDIX B

3. In which industry does your organisation function? Please mark ONLY ONE correct answer with an X

Agriculture		Mining and Quarrying		V3	
Manufacturing		Electricity, gas and water			
Construction		Retail			
Motor trade and repair services		Wholesale trade, Commercial agents and Allied services			
Catering, Accommodation and other trade		Transport, Storage and Communications			
Finance and Business services		Community, Social and Personal Services			

4. What is the size of your organisation?

Small (1 to 49 employees)		V4	
Medium (between 50 and 200 employees)			
Large (more than 200 employees)			

5. How many months did your strategic alliance last (or have you been in this strategic alliance)?

V5

6. With regards to the success of the strategic alliance, do you agree or disagree that the following goals were obtained through the alliance:

Goal attainment (which refers to the achievement of goals)	Strongly Disagree	-----			Strongly Agree		

Your organisation's goals	1	2	3	4	5	V6	
The goals formed during the strategic alliance by both parties	1	2	3	4	5	V7	
Your alliance partner's organisational goals	1	2	3	4	5	V8	

APPENDIX B

7. Indicate whether you agree or disagree with the following statements with regards to the strategic alliance between your organisation and its most recent partnering organisation:

	Strongly Disagree	----- ----			Strongly Agree		
CONTROL MUTUALITY							
Generally speaking, the partnering organisation and my organisation are both satisfied with the decision-making process.	1	2	3	4	5	V9	
In most cases, during decision-making both the partner and my organisation have equal influence.	1	2	3	4	5	V10	
Both organisations within the alliance agreed on what the participating organisations can expect from one another.	1	2	3	4	5	V11	
TRUST							
Generally speaking, I don't trust the partnering organisation.	1	2	3	4	5	V12	
Members of the partnering organisation are truthful with us.	1	2	3	4	5	V13	
The partnering organisation treats me fairly and justly, compared to other organisations.	1	2	3	4	5	V14	
SATISFACTION WITH THE RELATIONSHIP							
Generally speaking, the partnering organisation's members meet our needs	1	2	3	4	5	V15	
Generally speaking, our	1	2	3	4	5	V16	

APPENDIX B

relationship with the partnering organisation has problems								
In general, we are satisfied with the relationship	1	2	3	4	5	V17		
Our relationship with the partnering organisation is good	1	2	3	4	5	V18		
COMMITMENT TO THE RELATIONSHIP								
I do not wish to continue a relationship with the partnering organisation	1	2	3	4	5	V19		
I believe that it is worthwhile to try to maintain the relationship with the partnering organisation.	1	2	3	4	5	V20		
I wish to keep a long-lasting relationship with the organisation.	1	2	3	4	5	V21		
I wish I had never entered into the relationship with the organisation.	1	2	3	4	5	V22		

Thank you for your cooperation and time.

APPENDIX C:
PROPOSED MEASUREMENT INSTRUMENT FOR ORGANISATIONAL
RELATIONSHIPS

The following measurement instrument was proposed for the measurement of organisational relationships that rendered a Cronbach Alpha value of 0.93.

	Strongly Disagree	-----			Strongly Agree
Generally speaking, the partnering organisation and my organisation are both satisfied with the decision-making process.	1	2	3	4	5
In most cases, during decision-making both the partner and my organisation have equal influence.	1	2	3	4	5
Both organisations within the relationship agreed on what the participating organisations can expect from one another.	1	2	3	4	5
Members of the partnering organisation are truthful with us.	1	2	3	4	5
The partnering organisation treats me fairly and justly, compared to other organisations.	1	2	3	4	5
Generally speaking, the partnering organisation's members meet our needs	1	2	3	4	5
In general, we are satisfied with the relationship	1	2	3	4	5
Our relationship with the partnering organisation is good	1	2	3	4	5
I believe that it is worthwhile to try to maintain the relationship with the partnering organisation.	1	2	3	4	5
I wish to keep a long-lasting relationship with the organisation.	1	2	3	4	5

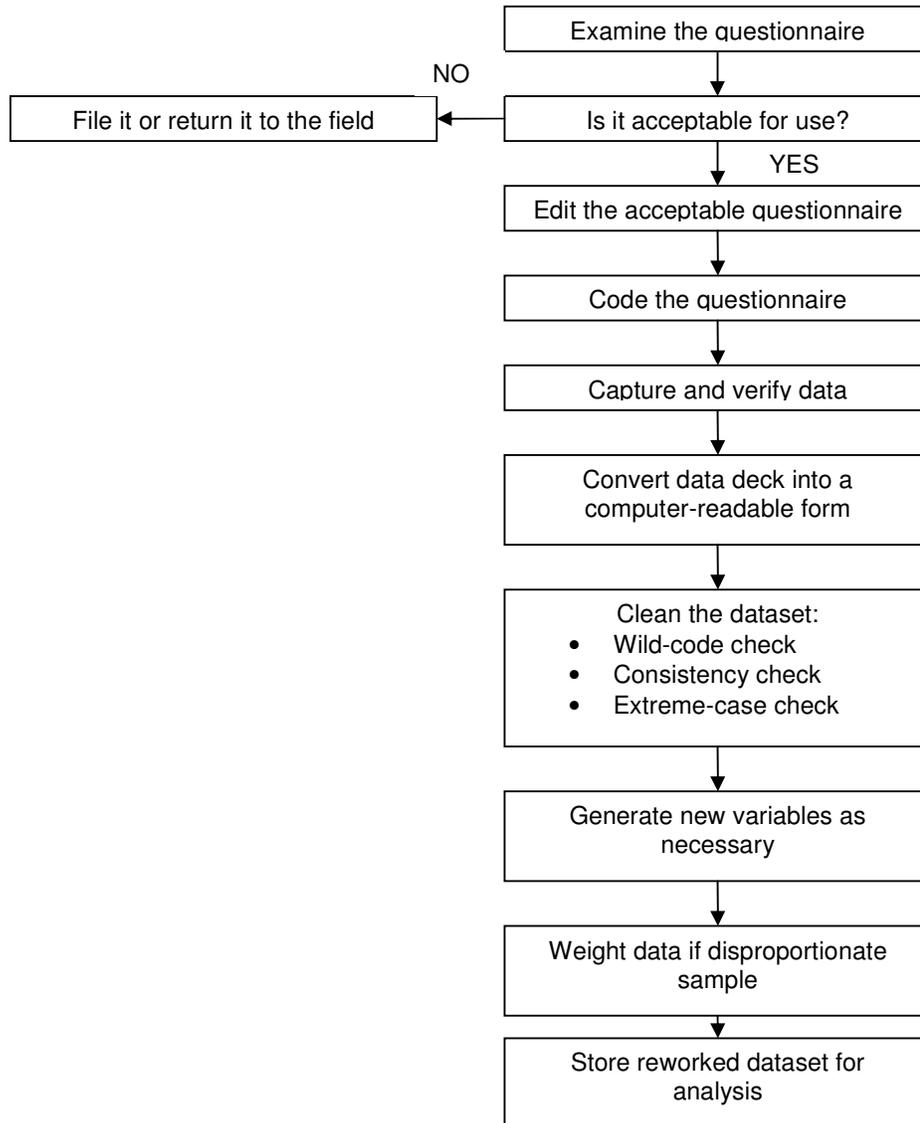
In the scale purification process, specifically with a factor analysis of the relationship outcomes, it was evident that only one construct instead of four constructs (trust, commitment, relational satisfaction and control mutuality) were measured. This is consistent with the latest findings in other studies that have applied the relationship outcomes measurement instrument to various types of organisational relationships (Jo, Hon & Brunner, 2004; Yang & Grunig, 2005). The proposed measurement instrument for organisational relationships groups all the relationship outcome scale items into one large measurement instrument while excluding the negatively worded scale items suggested by Grunig and Huang (2000:36). The type of industry, type of alliance, duration of the alliance as well as the size of the organisation did not have a significant influence on the relationship outcomes. This implies that the current proposed measurement instrument can be applied to numerous contexts.

A seven-point Likert scale could also be used to measure the scale items. Alternatively, the statements could also be used in a qualitative study in, for example, a structured interview or focus group.

APPENDIX D:
DATA CLEANING PROCESS

The classic data-processing flow that was applied to this study is illustrated in the following figure.

Figure 7. 1:Classical data processing flow



SOURCE: Tustin, D., Lighthelm, A., Martins, J & Van Wyk, A. 2005. *Marketing Research in Practise*. Pretoria, South Africa. UNISA Press.

A similar process was followed to clean the data where both the researcher and Statomet were involved in these steps in order to contribute towards the statistical validity and reliability of the data.