OPEN UNIVERSITY MALAYSIA

Faculty of Applied Social Sciences

ABCR2103
Principles of Corporate Communication

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ABCR2103 PRINCIPLES OF CORPORATE COMMUNICATION

Assoc Prof Dr Zulhamri Abdullah
Dr Yuhanis Abdul Aziz

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Project Directors: *Prof Dato' Dr Mansor Fadzil*
Assoc Prof Dr Mohd Yusof Ahmad
Open University Malaysia

Module Writers: *Assoc Prof Dr Zulhamri Abdullah*
Dr Yuhanis Abdul Aziz
Universiti Putra Malaysia

Moderated by: *Dr Tee Keng Kok*
Open University Malaysia

Reviewed by: *Norfardilawati Musa*

Developed by: *Centre for Instructional Design and Technology*
Open University Malaysia

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Table of Contents

Course Guide xi–xv

Topic 1 Foundation of Corporate Communication 1
1.1 Nature of Corporate Communication 2
1.1.1 Today's Business Environment 3
1.1.2 Competing in a Changing Business Environment 3
1.2 What is Corporate Communication? 5
1.3 Functions of Corporate Communication 7
1.3.1 Key Roles of Corporate Communication 9
1.4 Audiences of Corporate Communication 11
1.4.1 In-house Practitioners 11
1.4.2 Corporate Communication Consultants 11
1.4.3 Academic 12
1.5 Values of Corporate Communication 13
1.5.1 To Streamline the Interaction of "Strategy-image-identity" 14
1.5.2 To Develop the Profile of Company Brand 14
1.5.3 To Formulate Communication Policies 14
Summary 15
Key Terms 16
References 16

Topic 2 History and Development of Public Relations and Communication Management 18
2.1 History of Public Relations and Communication Management 19
2.1.1 The Root of Public Relations 19
2.1.2 Early Days of Public Relations 20
2.1.3 Growth of Public Relations 22
2.2 Public Relations VS Corporate Communication 23
2.3 Today's Corporate Communication 25
Summary 28
Key Terms 29
References 29

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Topic 3 Ethics and Professionalism in Corporate Communication 31
3.1 What are Ethics and Professionalism? 32
3.1.1 Foundation of Ethics 32
3.1.2 Defining Professionalism 33
3.1.3 Imperative of Trust 33
3.2 Importance of Ethics and Professionalism in Corporate Communication 35
3.2.1 A Significant Link between Ethics and Professionalism 36
3.2.2 Profession and its Key Requirements 36
3.3 Current Practices Determining Ethics in Corporate Communication 38
3.3.1 Importance of the Code of Ethics 39
Summary 41
Key Terms 41
References 42

Topic 4 Managing Identity, Image and Reputation 43
4.1 What is Corporate Identity? 43
4.2 What is Corporate Image? 45
4.3 What is Corporate Reputation? 47
4.4 Managing Corporate Identity, Images and Reputation 48
4.4.1 Corporate Identity, Image and Reputation Models 49
Summary 56
Key Terms 57
References 57

Topic 5 Media Relations 59
5.1 What is Media Relations? 60
5.1.1 Defining Media Relations 60
5.1.2 The Importance of Media Relations 60
5.2 Purposes of Media Relations 62
5.3 Types of Media Channels 63
5.4 Contents of Publications and Promotions 64
5.5 Determinants of News 66
5.6 Benefits of a Media Partnership 68
5.6.1 Successful Media Partnership 69
5.7 Values of Media Relations 70

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5.8 Building Effective Media Relations 71
5.8.1 Positive Media Relations 71
5.8.2 Media Relations Plan 72
5.8.3 Media Relations Actions Plan 74
5.9 Principles of Good Media Relations 76
Summary 78
Key Terms 79
References 79

Topic 6 Corporate Advertising 81
6.1 What is Corporate Advertising? 81
6.1.1 Defining Corporate Advertising 82
6.2 Functions of Corporate Advertising 82
6.3 History of Corporate Advertising 83
6.4 Objectives and the Needs of Corporate Advertising 84
6.5 Corporate Advertising Goals 86
6.6 Advantages of Corporate Advertising 87
6.7 Types of Corporate Advertising 88
6.8 Corporate Advertising Campaigns 92
6.8.1 Effective Advertising Campaign 92
Summary 96
Key Terms 97
References 97

Topic 7 Internal Communications 99
7.1 Internal Communications and Facing the Changing Environment 100
7.1.1 Nature of Internal Communications 101
7.1.2 Defining Internal Communications 101
7.1.3 Model of Internal Communications 102
7.1.4 Source of Internal Communications 103
7.2 Internal Communication Effort 104
7.2.1 Benefits of Good Internal Communications 106
7.3 Steps in Implementing an Effective Internal Communications Programme 107
7.3.1 Development of Internal Communications Strategy 108
7.4 Roles of Management in Internal Communications 109
Summary 112
Key Terms 113
References 114

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Topic 8 Government Relations 116
8.1 What is Government Relations? 117
8.1.1 Defining Government Relations 117
8.1.2 The Importance of Government Relations 118
8.2 Government Relations and Organisational Mission 119
8.3 Corporate and Government Relations 120
8.4 Role of Government 122
8.5 Critiques About The Role of Government 123
8.6 Lobbying 123
8.6.1 What is Lobbying and Who is a Lobbyist? 124
8.6.2 Reasons for Lobbying 125
8.7 Corporate Communication in Government Relations 126
8.7.1 The Role of Corporate Communication in Government Relations 127
Summary 129
Key Terms 130
References 130

Topic 9 Managing Issues and Crises 132
9.1 What is Issues and Crisis Communication? 133
9.1.1 Defining Issues and Crisis Communication 133
9.1.2 The Role of Communication in Issues and Crisis 134
9.2 Relationship of Issues and Crisis in Organisations 136
9.3 Elements Involved in Issues and Crisis 136
9.4 Goal of Handling Crisis 137
9.5 Impact of Crisis 138
9.6 Elements of Trust Building 139
9.6.1 Successful Trust Building 140
9.7 Steps in Handling Issues and Crisis 140
9.7.1 Essential Steps in Issue Management 140
9.7.2 Essential Steps in Handling Crisis 141
Summary 144
Key Terms 144
References 145

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Topic 10 Emerging Technology in Corporate Communication 147
10.1 Importance of Technology to Corporate Communication 148
10.1.1 Today's Communication Technology 148
10.1.2 How Important is Technology to Corporate Communication? 150
10.2 Functions of Communication Technology in Corporate Communication 152
10.3 Types of Communication Technology 156
10.3.1 Conventional Communication Tools 156
10.3.2 Modern Communication Tools 157
10.4 Implications of Information Technology in Corporate Communication 159
Summary 162
Key Terms 163
References 163

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COURSE GUIDE

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COURSE GUIDE DESCRIPTION

You must read this *Course Guide* carefully from the beginning to the end. It tells you briefly what the course is about and how you can work your way through the course material. It also suggests the amount of time you are likely to spend in order to complete the course successfully. Please keep on referring to *Course Guide* as you go through the course material as it will help you to clarify important study components or points that you might miss or overlook.

INTRODUCTION

ABCR2103 Principles of Corporate Communication is one of the courses offered by the Faculty of Applied Social Sciences at Open University Malaysia (OUM). This course is worth 3 credit hours and should be covered over 8 to 15 weeks.

COURSE AUDIENCE

This course is offered to all students taking the Bachelor of Communication programme. This module aims to provide the fundamentals of corporate communication and its contemporary trends. This module should be able to form a strong foundation in corporate communication functions.

As an open and distance learner, you should be able to learn independently and optimise the learning modes and environment available to you. Before you begin this course, please ensure that you have the right course materials, understand the course requirements, as well as know how the course is conducted.

STUDY SCHEDULE

It is a standard OUM practice that learners accumulate 40 study hours for every credit hour. As such, for a three-credit hour course, you are expected to spend 120 study hours. Table 1 gives an estimation of how the 120 study hours could be accumulated.

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Table 1: Estimation of Time Accumulation of Study Hours

Study Activities	Study Hours
Briefly go through the course content and participate in initial discussions	3
Study the module	60
Attend 3 to 5 tutorial sessions	10
Online Participation	12
Revision	15
Assignment(s), Test(s) and Examination(s)	20
TOTAL STUDY HOURS	**120**

COURSE OBJECTIVES

By the end of this course, you should be able to:

1. Define the term "communication" and the concepts and principles of corporate communication.
2. Identify the key functions of a corporate communication department within an organisation.
3. Justify the special functions of corporate communication and its strategic business models.

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COURSE SYNOPSIS

This course is divided into 10 topics. The synopsis for each topic can be listed as follows:

Topic 1 begins with a discussion on the foundation of corporate communication by introducing key concepts of corporate communication.

Topic 2 discusses the history and development of public relations and communication management in the United States of America, Europe and Asia.

Topic 3 discusses the ethics and professionalism of corporate communication.

Topic 4 discusses managing identity, image and reputation.

Topic 5 examines effective strategic media relations.

Topic 6 describes key concepts of corporate advertising and its benefits to today's corporations.

Topic 7 describes strategic internal communication and how it may improve an internal stakeholder's productivity.

Topic 8 discusses effective government relations and how it may improve government policies.

Topic 9 examines the nature of issues and crisis. A proactive approach to managing issues and crisis communication is covered.

Topic 10 deals with the emerging technology in corporate communication. The implications of technology on corporate communication practice are also covered.

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TEXT ARRANGEMENT GUIDE

Before you go through this module, it is important that you note the text arrangement. Understanding the text arrangement will help you to organise your study of this course in a more objective and effective way. Generally, the text arrangement for each topic is as follows:

Learning Outcomes: This section refers to what you should achieve after you have completely covered a topic. As you go through each topic, you should frequently refer to these learning outcomes. By doing this, you can continuously gauge your understanding of the topic.

Self-Check: This component of the module is inserted at strategic locations throughout the module. It may be inserted after one sub-section or a few sub-sections. It usually comes in the form of a question. When you come across this component, try to reflect on what you have already learnt thus far. By attempting to answer the question, you should be able to gauge how well you have understood the sub-section(s). Most of the time, the answers to the questions can be found directly from the module itself.

Activity: Like Self-Check, the Activity component is also placed at various locations or junctures throughout the module. This component may require you to solve questions, explore short case studies, or conduct an observation or research. It may even require you to evaluate a given scenario. When you come across an Activity, you should try to reflect on what you have gathered from the module and apply it to real situations. You should, at the same time, engage yourself in higher order thinking where you might be required to analyse, synthesise and evaluate instead of only having to recall and define.

Summary: You will find this component at the end of each topic. This component helps you to recap the whole topic. By going through the summary, you should be able to gauge your knowledge retention level. Should you find points in the summary that you do not fully understand, it would be a good idea for you to revisit the details in the module.

Key Terms: This component can be found at the end of each topic. You should go through this component to remind yourself of important terms or jargon used throughout the module. Should you find terms here that you are not able to explain, you should look for the terms in the module.

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References: The References section is where a list of relevant and useful textbooks, journals, articles, electronic contents or sources can be found. The list can appear in a few locations such as in the *Course Guide* (at the References section), at the end of every topic or at the back of the module. You are encouraged to read or refer to the suggested sources to obtain the additional information needed and to enhance your overall understanding of the course.

ASSESSMENT METHOD

Please refer to myINSPIRE.

REFERENCES

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The TSDAS Digital Library has a wide range of print and online resources for the use of its learners. This comprehensive digital library, which is accessible through the OUM portal, provides access to more than 30 online databases comprising e-journals, e-theses, e-books and more. Examples of databases available are EBSCOhost, ProQuest, SpringerLink, Books24×7, InfoSci Books, Emerald Management Plus and Ebrary Electronic Books. As an OUM learner, you are encouraged to make full use of the resources available through this library.

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Topic 1 ▶ Foundation of Corporate Communication

LEARNING OUTCOMES

By the end of this topic, you should be able to:

1. Define the basic concepts of corporate communication;
2. Determine the functions of corporate communication;
3. Identify audiences as key actors in orchestrating corporate communication; and
4. Explain how corporate communication values can improve organisational sustainability.

▶ INTRODUCTION

This topic describes the basic principles of corporate communication and its importance to the business strategy of a modern corporation. The main purpose of this topic is to provide good understanding of corporate communication as a discipline and discuss the nature, definitions, functions, audiences and values of corporate communication. This introductory topic will lead us to understand the basic concepts of corporate communication and how to practise them in a contemporary business environment.

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1.1 NATURE OF CORPORATE COMMUNICATION

Have you ever heard of a city within a city?

Imagine that you are walking in the Kuala Lumpur City Centre (KLCC) area amid its famous landmarks and glitzy malls or having a great experience in Orchard Road, Singapore's well-known retail and entertainment district. Both places are self-contained mixed developments which embody the city within city concept. They play host to thousands of brands and serve as the ultimate shopping haven. You can do various things in one place: shop for the latest apparel, dine with friends, watch a blockbuster movie, relax in a health spa and listen to music. These are the lush trappings of a modern Asian lifestyle, or more specifically, urban Malaysian lifestyle.



Figure 1.1: Examples of high street brands often found in major shopping centres

But what do you actually see here? Brands! Images! Glory!

Actually, what you see is more than brand images. It is not just about selling a product or service; it is about business relationship and the reputation of a brand and/or a company.

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1.1.1 Today's Business Environment

The business environment of today has changed substantially compared to 20 years ago. It constantly changes in tandem with rapid changes in popular culture and technology. This may also change stakeholders' expectations of companies. Current public attitudes may reflect the way companies promote and sell their products and services. Stakeholders' scrutiny of business makes companies constantly alert about how they tell their corporate stories and plan their events.

With the rise of stakeholder power, today's companies need to communicate coherent messages consistently and communicate more often with their various stakeholders. Constant interactions between companies and their stakeholders may increase trust and create favourable relationships. This may lead to enhancement of the corporate image of the companies and also improvement of their corporate reputations over time.

McLuhan (2005) states that we would face a "total change" as a result of living in the global village (the world becomes very small and everything is fully connected). This environment makes communication more important than before. Today's stakeholders are more sophisticated in communicating with corporations (Argenti, 2007). Multiple messages about brands are received through multiple communication channels such as newspapers, television and social media such as Facebook and Twitter, to name a few. Indeed, today's business environment is more vibrant than it has ever been in the past.

1.1.2 Competing in a Changing Business Environment

How does a corporation compete in today's global village marketplace? How does it gain competitive advantage, survive and thrive in a tough corporate world? Effective corporate communication is one of the tools that can be used in such a scenario. Basically, the business environment is influenced by a set of determinants classified under the PESTEL model – comprising political, economic, social, technological, environmental and legal factors (Gillespie, 2012). How a company communicates with its stakeholders is what matters here and it must take the PESTEL analysis into consideration. Stakeholder engagement resulting from a PESTEL analysis may enlighten the company about ways to manage its corporate image properly.

Do you think Malaysian corporations manage issues efficiently and effectively?

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ACTIVITY 1.1

Do an internet research on the *halal* issue of Colgate toothpastes.

Although Colgate has been an established brand since the early 19th century, local toothpastes, such as Mu'min, Halagel Herb, HPA, Zaitun and other *halal* or herbal products, are competing strongly with this global leader. Colgate's market share has been threatened by the rise of local toothpastes. Even global leaders need to face public scrutiny with regard to anti-business and cultural/religious sentiments from non-governmental organisations, religious bodies, critics and environmentalists.



Figure 1.2: Comparison of packaging between two competing brands with different reputations and marketing strategies.

The changes in today's business environment also greatly affect the way multinational corporations (MNC), government-linked corporations (GLC) and small and medium enterprises (SME) operate their businesses. The public questions the pros and cons of products and services before purchasing them. In the 19th century, potential customers were convinced easily by salesmen. However, in this new millennium, customers already know about the products they want to purchase by seeking information about the products online. This makes doing business more competitive. Thus, companies need to be careful when executing any corporate communication tactics, by cultivating trust in relationships with their stakeholders interactively and constantly.

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Having discussed the importance of stakeholder management, now we know that corporate communication is a profound discipline that is used to communicate between companies and their key stakeholders in this changing business environment. Business leaders need to manage their business strategy with the aid of proven strategies of corporate communication. Building the reputation of their respective firms should be considered a top priority in their business agenda.



ACTIVITY 1.2

1. Pick a brand you would like to purchase in KLCC.
2. How do you feel about the brand?
3. What criteria do you use to consider the brand?
4. In general, are you concerned about the bad reputation of the products you purchase? Why?

1.2 WHAT IS CORPORATE COMMUNICATION?

In the traditional management perspective, communicating strategically with stakeholders is not an important aspect of the business strategy. What is most essential to the businesses are products and prices. It is no wonder that in the past, we saw organisations treat their stakeholders (employees, customers and suppliers) poorly. To excel, organisations should understand better the roles and functions of corporate communication. Let us start by highlighting some misconceptions about corporate communication, and later, we will define the term "corporate communication" for today's business environment.

One common misconception about corporate communication is that it is just a sub-discipline of mass communication or business communication. Mass communication refers to the process of transferring or transmitting a message to the public. Mass media – print and broadcast networks – is the tool for communicating such information. Business communication is the process of interaction between people in an organisation as well as between organisations in an industry for the purpose of carrying out business activities. It can be verbal such as a business negotiation, written such as memos and letters, or a combination of mediums such as a business presentation.

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An important premise we should understand here is that corporate communication is a profound management discipline alongside other management disciplines such as human resources, finance and marketing. Thus, a more holistic definition is sought to enlighten top management about the importance of corporate communication to the corporation.

Corporate communication is about business relationship and reputation of firms with their key internal and external stakeholders. The word "corporate" in this context refers to a Latin word for "body" (corpus) and for "forming into a body" (corporate), which emphasises a "totality of organisation" (Cornelissen, 2008). The term "communication" is defined as "a process of creating shared meaning through the use of signs and symbols" (Papa, 2008: 3). Thus, corporate communication can be interpreted as a total communication activity internally and externally.

According to Jackson (in Van Riel & Fombrun, 2007), corporate communication (without "s") is defined as "the total communication activity generated by a company to achieve its planned objectives". Van Riel and Fombrun (2007) define corporate communication as "the set of activities involved in managing and orchestrating all internal and external communication aimed at creating favourable starting points with stakeholders on whom the company depends".

Using the term "corporate" in this discipline is to stress the management element in its definition. Thus, corporate communication is ideally used not only for a corporation or private firm but also for GLCs, non-governmental organisations (NGOs), charity organisations, government agencies and all formal organisations.

In order to emphasise corporate communication as a management function, according to Cornelissen (2008: 5), it can be defined as:

"A management function that offers a framework for the effective coordination of all internal and external communication with the overall purpose of establishing and maintaining favourable reputations with stakeholder groups upon which the organisation is dependent".

The above definition contains several important elements, explained below:

(a) **Management** is a formal system comprising planning, organising, leading, controlling and manoeuvring an organisation;

(b) **Communication** encompasses the internal and external communication techniques and media used towards internal and external constituencies;

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(c) **Relationship** is a functional activity that aims to create mutual understanding between two or more groups (the organisation and its strategic constituencies);

(d) **Reputation** is an individual perception of the collective representation of past images of an organisation established over time. Reputation is an intangible asset of the organisation; and

(e) **Stakeholder** is any individuals or groups who are keenly interested in the products or services offered by the organisation. They can be directly or indirectly affected by the functional activities of the organisation.

In the next section, we will discuss how corporate communication is linked to the notion of strategy-identity-image (Van Riel, 1995). This explains further the use of corporate branding, identity, image and reputation by organisations in their quest to gain competitive advantage and superior performance.



SELF-CHECK 1.1

1. Discuss the misconceptions about corporate communication.
2. Explain why corporate communication should be seen beyond mass communication or business communication.
3. Discuss key elements of corporate communication definitions.

1.3 FUNCTIONS OF CORPORATE COMMUNICATION

Imagine yourself as a top executive of corporate communication working for Putrajaya Holdings, the top developer of the nation's capital, Putrajaya. The company plans to launch a big campaign on "City Brand" in favour of improving Putrajaya's reputation among the Malaysian public. Ask yourself these questions:

(a) What is the best idea to get you started?

(b) What impact could there be from branding the city?

We have already discussed the idea that corporate communication is a management function; therefore, an organisation needs to have an established department or division where the functions of corporate communication can be centralised or decentralised. Centralising the activity provides a simple solution

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to the organisation, where all communication activities are placed under the command of one superior officer at the headquarters, while decentralising the activity gives flexibility to every business unit to manage its communication activities (Argenti, 2007).

Recently, many MNCs and GLCs restructured their corporate communication by allocating a higher budget and ensuring that the executives in charge report directly to the CEO. Top management has seen the importance of corporate communication functions in building a favourable relationship with key stakeholders and improving reputation as an asset of the firm.

Having a formalised corporate communication department is desirable as it ensures that the coordination and implementation of corporate communication programmes are successful. Figure 1.3 depicts a detailed organisational chart of marketing and communication, which comprise five key functional units, namely, administration, marketing services and sponsorship, media, brand management and advertising.

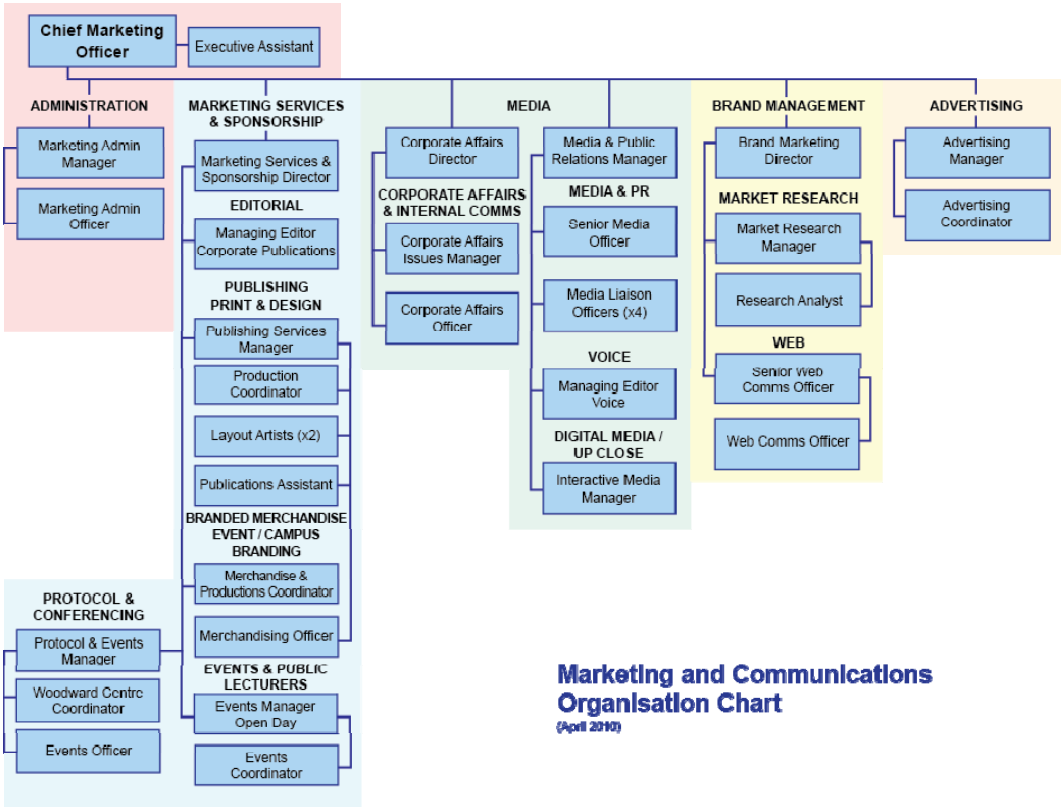


Figure 1.3: Example. of marketing and communication organisation chart.
Source: http://marketing.unimelb.edu.au/about-us.html

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1.3.1 Key Roles of Corporate Communication

The key functions of corporate communication support a superior business strategy by making all business units of the firm integrated and strategic. Key functions of corporate communication that are usually practised are as follows:

(a) Media relations;

(b) Special events;

(c) Brand communication;

(d) Crisis management;

(e) Internal communication;

(f) Reputation management;

(g) Corporate advertising;

(h) Public affairs;

(i) Community relations;

(j) Investor relations; and

(k) Marketing communication.

It is common to see that a corporate communication executive works closely with marketing or sales executives as both disciplines emphasise key external functions such as media relations or special events to reach external stakeholders. Interestingly, corporate communication also focuses on internal functions, such as internal communication, which refers to communicating with internal stakeholders, for example, employees.

Van Riel (1995) argued that corporate communication always focuses on a window or mirror function, where its practices are used at the coordination and implementation levels of business strategy. Thus, there is a dire need for the corporation to improve its practices at the managerial function to gain executive autonomy from the top management.

Figure 1.4 shows a three-layer model of corporate communication for a university. Outer layer (strategy) refers to eight dimensions of corporate communication functions: public relations (PR), advertising, corporate affairs, protocol/events, brand development, marketing research, marketing services, and advancement. Inner layers provide detailed descriptions about the eight dimensions, which aim to improve the reputation of the university.

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Figure 1.4: Corporate communication model for a university
Source: http://www.unimelb.edu.au

ACTIVITY 1.3

1. Give reasons why the corporate communication department needs to report directly to the CEO.
2. Differentiate between the internal and external functions of corporate communication.
3. Discuss key dimensions of the corporate communication model to be applied at a leading Malaysian university.

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1.4 AUDIENCES OF CORPORATE COMMUNICATION

Academics, in-house practitioners and consultants are three major audiences who have served and contributed to the growth of the corporate communication industry. Graduating students should make their own decision on what they would like to be. According to Cornelissen (2008), it is important for communication staff to master specific skills, competencies and expertise to make the function of corporate communication more effective.

1.4.1 In-house Practitioners

This group of corporate communicators can be divided into two sub-groups: in-house public services and in-house private services. Interestingly, the role of PR has changed from publicity to corporate communication, which has led to the establishment of the corporate communication division (Abdullah, 2008).

Normally, corporations employ a substantial number of communication executives for objectives such as promoting corporate image, internalising branding and supporting the selling of their products and services. Interestingly, with regard to the establishment of a division or department, corporations prefer to use various titles such as Corporate Communication, Corporate Affairs, Public Affairs, Corporate Relations and Information and Communication to refer to the functions of corporate communication. Different core businesses and organisational goals are some reasons for using different titles.

1.4.2 Corporate Communication Consultants

Most corporate communication consultants see themselves as professionals who have high expertise, competencies and skills in the effective functioning of corporate communication. Not only do they have substantial industrial experience in this field but they also hold a good bachelor's degree and/or postgraduate degree. Many senior consultants are retired senior managers who have led and managed the in-house corporate communication division at multinational corporations (MNCs) or government-linked corporations (GLCs). Young consultants who work for established firms are normally "cream of the crop" graduates from university or college.

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The first communication consultancy established in Malaysia was Eric White in 1965. Now, there are about 45 local and foreign communication firms operating in this country. These include Hill & Knowlton, Burston Marstellar, Weber Shandwick, Edelman Worldwide and GCI Worldwide. Many local communication firms have affiliated with foreign consultancies, especially those from the United States and United Kingdom (Idid, 2004).

Interestingly, besides offering what may be seen as standard communication services, such as publicity and events management, these firms have also provided a broad range of functions such as reputation management, investor relations, online PR, image and identity management, and integrated communication. The firm serves many GLCs and MNCs for specific reasons or issues, regardless of whether clients have in-house corporate communication departments or not.

1.4.3 Academics

Since the 1970s, PR/corporate communication education has been established in this country under the departments or schools of mass communication or business schools in various local universities and colleges. Most academics hold highly academic credentials such as a Master or PhD degree. Some academics are employed based on their working experience as senior managers in in-house communication departments or PR firms.

In public universities, academics have carried a great deal of responsibility in teaching and conducting research pertaining to the development and growth of the discipline. Whilst in private universities, academics focus considerably on teaching based on real world case studies to advance the discipline. Universities and colleges offer undergraduate and postgraduate degrees, including PhDs, in corporate communications and organisational communications.



SELF-CHECK 1.2

1. Who are key audiences of corporate communication?
2. Give reasons why today's corporations use different titles to refer to the function of corporate communication.
3. Is there any difference between PR academics' roles in the public and private universities or colleges?

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1.5 VALUES OF CORPORATE COMMUNICATION

Take a look at Figure 1.5. Which business unit would you like to work for?

If you pick corporate communication, do you see its value in improving organisational strategy or meeting organisational goals?

If you pick other business units, why do you think they are better than corporate communication in terms of function and staff remuneration?



Figure 1.5: Business units of an organisation

Values of corporate communication are seen through the lens of internal and external stakeholders of the corporation. As a mix of internal and external functions, corporate communication is mobilised as a powerful business unit for three key responsibilities as initiated by Van Riel (1995) and Cornelissen (2008):

(a) To streamline the interaction of "strategy-image-identity";

(b) To develop the profile of a company brand in shaping its corporate personality; and

(c) To formulate communication policies in facilitating advice and decision making at the senior management level.

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1.5.1 To Streamline the Interaction of "Strategy-image-identity"

Projecting a favourable image of the organisation to its stakeholders is crucial to meet short and long term organisational objectives and maintain organisational sustainability. The corporate communication unit is mobilised to fine-tune business strategy and corporate identity, thus giving an impact on the corporate image of the organisation.

1.5.2 To Develop the Profile of Company Brand

In today's very competitive business environment, an organisation should strive to become excellent in the eyes of its stakeholders. Thus, developing the profile of a company's brand is essential in shaping its corporate personality. Like it is for a person, personality is important in revealing tangible and intangible assets of an organisation to be judged by its stakeholders. Studies have proven that a good company brand has a positive effect on the purchase intention of a company's products and services.

1.5.3 To Formulate Communication Policies

This responsibility should be seen as very important in the eyes of the CEO and top management as it will reflect budget allocation and its major contribution to the development of the business strategy of the organisation. Corporate communication is not only responsible for integrating all business units within the organisation but also facilitating decision making about any issues or policies at the dominant coalition.



SELF-CHECK 1.3

1. Why is the value of corporate communication so important to the organisation?
2. Discuss three key responsibilities of corporate communication that contribute to organisational sustainability.

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ACTIVITY 1.4

Assume that you are working for a top and dynamic corporation in Kuala Lumpur as a corporate communication executive and ask yourself the following questions:

(a) Why are corporations really concerned about their reputation?

(b) What does it take to protect the reputation of my organisation?

(c) What does it take to become a competent corporate communication practitioner?

(d) Which business units in my organisation are responsible for developing communication policies?

(e) How many Malaysian organisations have established a corporate communication department?

(f) Why should top management pay substantial attention to the corporate communication roles?

(g) What is my actual role in improving communication policies?

(h) Who should I report directly to?

(i) Who is responsible for monitoring and supervising my work?

(j) How do I measure the effectiveness of a strategic corporate communication programme?

For a class discussion, pick an organisation you are familiar with and try to answer these questions by relating them to real world examples.

SUMMARY

- Corporate communication is a management discipline that covers all forms of internal and external communications, which are mobilised to build a favourable relationship between an organisation and its stakeholders.

- Corporate communication focuses considerably on improving organisational reputation and relationship by harmonising the interactions between the organisation and its stakeholders.

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- An organisation needs to have an established department or division where the functions of corporate communication can be centralised or decentralised.
- Top management has seen the importance of corporate communication functions in building a favourable relationship with its key stakeholders and improving the reputation of the firm.
- The key functions of corporate communication can provide an organisation with a superior business strategy by making all business units of the firm integrated and strategic.
- Academics, in-house practitioners, and consultants are three major audiences who have served and contributed to the growth of the corporate communication industry.
- The values of corporate communication are seen through the lens of internal and external stakeholders of the corporation.

KEY TERMS

Business unit
Competencies
Corporate identity
Corporate strategy
Image
Relationship
Reputation
Stakeholder
Strategic management

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Topic 2 ▶ History and Development of Public Relations and Communication Management

LEARNING OUTCOMES

By the end of this topic, you should be able to:

1. Explain the origins of public relations (PR);
2. Describe the key events in the history of public relations;
3. Determine the difference between public relations and corporate communication; and
4. Recognise the importance of corporate communication as a global and modern profession.

▶ INTRODUCTION

This topic documents the history and development of PR and communication management in the United States, Britain and countries in Asia. Knowing the roots of PR is essential in understanding how the profession has evolved from the 19th century to its current development and from developed countries to

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rapidly developing countries, especially in Asia. More importantly, PR is seen as a profession to improve corporate social responsibility and corporate governance for the benefit of society.

2.1 HISTORY OF PUBLIC RELATIONS AND COMMUNICATION MANAGEMENT

In the early 20th century, the democratisation of the world was seen as a wake up call for all organisations around the world to pay greater attention to the importance of PR and communication management (Sriramesh & Vercic, 2003). Today's corporations need to be aware of the importance of corporate social responsibilities and corporate governance as key functions of the field. It is understood that profitability is the ultimate goal of corporations, but managing social performance of corporations should also be seen as a key goal so that corporations can show their social contributions to society.

2.1.1 The Root of Public Relations



ACTIVITY 2.1

Write a simple description of the meaning of PR.

Is it based on your reading about PR in magazines or newspapers?

Is it based on your working experience in PR or related fields?

Is it based on what your teachers or lecturers have told you about PR?

According to Tench & Yeomans (2006), PR is a modern occupation based on the histories of the United States, Britain, and Germany, which has evolved to become a global occupation that is practised in every country. Thus, a professional association is established to govern the practice of PR for PR fraternities.

In the early 1900s, the foundations of PR were laid in the US when presidents Theodore Roosevelt and Woodrow Wilson were consecutively in office. Realising the power of PR, the presidents used PR tools such as press agentry or publicity to influence public behaviour in their political reforms between 1900 and 1917. The Publicity Bureau, the first publicity firm, led by George V. S. Michaelis, Herbert Small and Thomas O. Marvin, was established in 1900 in Boston in order to implement their reforms (Cutlip et al., 2006).

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During the period towards the end of and just after World War I (1917–1919), under the presidency of Woodrow Wilson, the Committee on Public Information (CPI), better known as the "Creel Committee" was established. George Creel and Carl Byoir led CPI to mobilise public opinion. One of the key the functions of CPI was to support the war effort and Wilson's peace aims. This was done through fund-raising and food conservation. As a result of its wartime experiences, this organisation became one of the largest PR firms in America (Cutlip et al., 2006).

During this period, PR was used by politicians as political propaganda to influence public opinion in society. In the United States and other European countries, there was a growing interest in practising PR to reach mass audiences through mass media such as newspapers and radio. Dissemination of information or one-way communication was a powerful communication tool used by state leaders and politicians to win the heart of society in the early part of the last century.

2.1.2 Early Days of Public Relations

In this section we are going to look at some of the key figures and events of Public Relations history.

(a) **Ivy Ledbetter Lee**

Lee was a PR pioneer who worked as a New York newspaper reporter. A Princeton graduate who later worked for the mayor of New York, his reputation brought him to work with George F. Parker in the press bureau of the Democratic National Committee. As an assistant of Parker, he worked to manage presidential campaigns. Later, they formed the Parker and Lee partnership to serve clients pertaining to publicity and press agentry. Later, he became a director of the publicity bureau of Pennsylvania Railroads. He made a substantial contribution to the PR profession by introducing techniques and principles for practitioners in the modern world (Cutlip et al., 2006).

(b) **Edward L. Bernays**

Like Ivy Lee, Bernays' early occupation was as a press agent. He worked with the Creel Committee and was committed to the practice of PR (press agentry). He published the first book on PR, *Crystallizing Public Opinion*, in 1923. He initiated the idea of *Engineering Public Consent*, describing how to influence the values and attitudes of the public in the interest of meeting his clients' objectives (Cutlip et al., 2000, p. 124; Harrison, 1995, p. 19). Bernays coined the term "PR counsel". He also managed to engender a favourable image of top commercial organisations and government agencies (Grunig & Hunt, 1984, p. 14).

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Bernays was known as the Father of PR. His multidisciplinary vision – anthropology, sociology and psychology – made exceptional achievements in, and contributions to, this profession (Cutlip et al., 2000: 124; Harrison, 1995; Matera & Artigue, 2000, p. 13).

He and his wife, Doris E. Fleischman formed their own PR firm. The firm published the first PR newsletter to improve practitioners' knowledge of PR. Indeed, PR was seen as an "ethical, professional and socially responsible" profession (Grunig & Hunt, 1984, p. 3). Nowadays, PR is seen as an ability to practise consultative services and strategic planning to achieve a client's goals (Cutlip et al., 2000; Matera & Artigue, 2000, p. 13).

(c) John W. Hill and Don Knowlton

John W. Hill was a Cleveland journalist who worked with Don Knowlton to develop Hill & Knowlton, Inc. in 1933. They advised major tobacco companies to develop The Tobacco Industry Research Committee to improve and maintain the image of the industry. As a result of their contribution to the PR field, Hill & Knowlton has now become one of the major PR firms. However, many critics argue that the involvement of this firm in improving the cigarette industry's reputation has jeopardised the image of the PR profession. However, Hill & Knowlton is still among the world's leading PR firms.

(d) Arthur W. Page

Arthur W. Page, another great PR pioneer, was a writer and editor of *World Work Magazine.* He emphasised the importance of mutual understanding between corporations and the public. He became the first corporate vice president of the American Telephone and Telegraph Co. In 1983, the Arthur W. Page Society was founded. It has now become a professional organisation for corporate PR leaders.

(e) World War II (1930 to 1945)

During the period of World War II (1930 to 1945), the US was aware of the negative impact of war. Thus, Franklin D. Roosevelt and his counsellor, Louis McHenry Howe, made drastic changes by initiating and implementing a new PR programme known as the New Deal, which developed radical reforms to boost the nation's economy. Specifically, a major PR tool, advertising, played a vital role in supporting the New Deal. Then, during the post-war era (1945–1965), PR grew tremendously in line with the rapid development of the business and economic environments (Cutlip et al., 2000, p. 129 & 132).

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2.1.3 Growth of Public Relations

We may say that the practice of PR grows in tandem with the economic growth of nations. Thus, a number of professional associations, such as the Public Relations Society of America (PRSA), the Chartered Institute of Public Relations, United Kingdom (CIPR), the Institute of Public Relations Malaysia, and the International Public Relations Association (IPRA), were set up to increase the professionalism of PR. The PRSA is now the world's largest professional organisation for PR practitioners. Founded in 1948, it has almost 20,000 members, who represent large and medium corporations, professional services firms, government, and non-profit organisations (Cutlip et al., 2000, p. 159). There are 200,000 PR practitioners who work in the United States to improve the PR industry (Sriramesh & Vercic, 2003, p. 323). In Europe, CIPR is the largest PR association. Closer to home, IPRM is the oldest PR association in Malaysia.



ACTIVITY 2.2

1. Who is the "father" of public relations?
2. What is the key role of Institute of Public Relations Malaysia?
3. Discuss possible reasons why many PR pioneers began their career as journalists or writers. Does this have an impact on today's public relations?
4. To what extent can you say that public relations has come to maturity?

The Excellent Model of Public Relations

Grunig and Hunt (1984) initiated four models of PR: press agentry, public information, asymmetrical communication and symmetrical communication.

From the perspective of strategic management, Grunig, Grunig and Dozier (2002) studied the perceptions of senior PR practitioners and CEOs on the value of PR by focusing on four models of PR: symmetrical and asymmetrical communication, dominant coalition (being in alliance and working with senior board members), and the effect of "excellent" PR, especially with regard to job satisfaction and return on investment. The study stressed that relationship management was the best solution to practise "excellent" PR.

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Indeed, there is a dire need to focus on the increased professionalism of PR in a pluralistic society, and support the universal slogan "one profession and one voice", coined by the Global Alliance (GA) for Public Relations and Communication Management. Today, GA is a universal institution of linking and networking all professional associations worldwide.

2.2 PUBLIC RELATIONS VS CORPORATE COMMUNICATION

Is there any difference between PR and corporate communication?

Let us begin by looking at the definitions of PR and corporate communication (CC).

Definition of PR:
"PR is the management function which evaluates public attitudes, identifies the policies and procedures of an individual or an organisation with the public interest, and executes a programme of action to earn public understanding and acceptance" (Cutlip et al., 2006, p. 4).

Definition of CC:
"Corporate communication is a management function that offers a framework for the effective coordination of all internal and external communication with the overall purpose of establishing and maintaining favourable reputations with stakeholder groups upon which the organisation is dependent" (Cornelissen, 2008, p. 5).

Table 2.1: Similarity & Differences of PR & CC

PR	CC
A management function	A management function
Public needs and attitudes; public interest; public understanding and acceptance	Focuses on stakeholder groups
Identifies policies and procedures	Effective coordination of all communication
Image building emphasises external relations	Favourable reputation internally and externally
Supports top management	Strategic role in top management

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As we can see in Table 2.1, PR and CC are both management functions; however, PR sees the public as a pluralistic society whilst CC focuses on stakeholder groups' needs. PR tends to look at identifying policies and procedures, which is a typical management function, whilst CC stresses on effective coordination of any means of communication internally and externally. PR is seen as image building that emphasises external relations; CC focuses on favourable reputation both internally and externally. Here, we can see that CC has a greater strategic role at the top management than PR, which becomes merely a support function.

Since the early 1990s, many leading Malaysian corporations preferred to use the term "Corporate Communications" to replace the conventional term "Public Relations". Due to the new reforms of two government policies: the Industrial Policy and the Privatisation Policy in the 1990s, the term "Corporate Communications" had been introduced to emphasise reputation management. Possible reasons why the new term is applied are that it emphasises the management effect (van Ruler, 2000) as a PR function and also views the PR role as being beyond publicity and media relations.

PR is typically used as a tactical tool by traditional institutions such as government agencies to disseminate a particular policy and to influence the public to react positively. In some cases, PR is seen as a part of Integrated Marketing Communication (IMC). In contrast, CC is used managerially by corporations to manage a company's image, identity and reputation among multiple audiences such as customers, suppliers, corporate clients, and legislators (Melewar, 2003, p. 197). However, these two terms (PR and CC) have often been misunderstood and have been much debated by management, marketing and PR scholars (Cornelissen, 2004, p. 48).

In terms of practitioners' roles and responsibilities, Idid (in Sriramesh, 2004) conducted local studies focusing on typical PR functions – press and media relations, and event management (see Table 2.2). According to Kitchen and Schultz (2001), it is arguable that, in the 21st century, those typical functions described in Table 2.2 are no longer viewed as distinctive managerial knowledge and skills. Today's communication practitioners are required to master skills well beyond publicity and event management. However, there have been no or little local studies conducted with regard to an advanced level of corporate communication functions focusing on strategic communication management or reputation management.

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Table 2.2: Practitioners' Responsibilities (Sriramesh, 2004, p. 221)

The Functions of "Traditional PR"	1977	1992
	%	%
1. Dealing with press	78	76
2. Holding press conferences	81	–
3. Answering public queries	95	83
4. Receiving guests	94	82
5. Maintaining relationship with other government departments	92	–
6. Master of ceremonies	72	79
7. Publications	73	75
8. Advice on public views	73	61



ACTIVITY 2.3

1. Describe the similarities and differences between PR and CC.
2. Give reasons why PR is so important to political leaders.
3. Give possible reasons why PR is seen as a management function.
4. To what extent do you understand the word "reputation" in the context of corporate communication?

2.3 TODAY'S CORPORATE COMMUNICATION

Today's corporate communication requires us to look beyond PR or publicity or propaganda. We are now living in a complex and unpredictable world. The way we do business has changed dramatically and the way we communicate has also changed significantly. In the old days, we communicated with a public that was regarded as a homogeneous society. Today, we regard the public as one of the stakeholders (a person or group who is interested in business with a company). Personal relationship is a key business strategy. It is about one-to-one business relationship. This can be done via social media, thanks to the Internet.

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A **homogeneous society** refers to people who share the same type of cultural values, language, ethnicity and religious facets.

Nowadays, typical government agencies continue to use the term "Public Relations" for the Department of Public Relations as their ultimate goal is to serve a society based on the budget given by the state of government. The word "public" refers to a pluralistic society.

In contrast, in the private or corporate sector, a diverse range of words have been used to name their PR department. For example, a number of privatised government institutions or GLCs, such as Telekom Malaysia (the national telecommunication provider), Pos Malaysia (the national post office) and Universiti Putra Malaysia (one of the established public universities), have changed the title "Division of Public Relations" to the "Division of Corporate Communications" to extend the role of PR from publicity to more advanced functions, such as counsel management, reputation management and international relations. This development clearly illustrates that the role of PR is now changing in Malaysia. A similar scenario is also seen in many Western and Asian countries (Zulhamri, 2008).

More importantly, PR is also likely to integrate its marketing functions to enhance an organisation's performance, which could result in integrated terms such as "Marketing Communications" or "Marketing Public Relations" (Gregory, 2000, p. 15; Gregory, 2002, p. 226). For example, a Malaysian PR firm, Ovation Sdn Bhd, offers marketing communication services to their clients. Some Malaysian corporations have also developed their "Divisions of Marketing Communication" to run mixed communication activities (Mahpar, 2005).



ACTIVITY 2.4

1. Do you see many changes in our society now?
2. Why does today's corporation need to focus on "one-to-one customer relationship"?
3. Give key reasons for changing the term "Public Relations" to "Corporate Communication".

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SELF-CHECK 2.1



Source: Wikipedia.org

The picture above shows a young Edward L. Bernays.

1. What is this person known for?
2. Who was he married to?
3. What did he do for the US government?
4. Describe his contributions to the body of PR knowledge.

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ACTIVITY 2.5

Executive Profile

I am an innovative, award-winning, top-performing, international communications executive with 20+ years of agency and corporate experience in Corporate and Marketing Communications, PR, AR, IR, and Brand Management for consumer and B-to-B companies in Green Automotive, Networking, Enterprise, Financial Services, and at Agencies.

I am accomplished in architecting and executing distinctive, high-impact campaigns that strengthen corporate reputation, outpace the competition, and dominate the marketplace. And I'm experienced in navigating communications within fast-paced growth situations, mergers/acquisitions, and crises, taking products and companies into new and expanding global markets.

I have lived and worked abroad in Tokyo and Singapore.

Read the executive profile given and answer the following questions:

1. What is the most suitable position for this profile?
2. Is this profile for a tactical or a managerial position?
3. What are the striking points of his/her job history highlighted in this profile?

SUMMARY

- PR has evolved from the 19th century to its current development, and from developed countries to rapidly developing countries especially in Asia.
- PR has been democratised around the world and it has nurtured organisations, especially multinational corporations and government agencies to uphold social responsibilities and good governance in their practices.

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- PR is a modern occupation, rooted in the histories of the US, Britain, and Germany, which has evolved to become a global occupation that is practised in all countries.
- The maturity of the PR profession depends considerably on the key role and responsibilities of the professional associations.
- Debates and arguments on the importance of PR to modern corporations still continue till today.
- It is important for executives to differentiate between "PR" and "CC".
- Today's business environment requires organisations to change the way they do business and communicate with their various stakeholder groups.
- From "PR" to "CC", the need for the services of these business functions is dire as the world has changed and this requires PR practitioners to raise their profession to the next level.

KEY TERMS

Business environment
Government
Image-building
Occupation
Pioneers
Press relations
Relationship
Reputation
Stakeholder management

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Topic 3 ▶ Ethics and Professionalism in Corporate Communication

LEARNING OUTCOMES

By the end of this topic, you should be able to:

1. Define ethics and professionalism;
2. Determine the importance of ethics and professionalism;
3. Describe how ethics and professionalism can improve the profession of corporate communication; and
4. Describe how the code of ethics and regulatory principles can be applied by practitioners professionally.

▶ INTRODUCTION

This topic describes definitions of ethics and professionalism in a corporate communication context. Ethics can be a key foundation of a particular profession. Ethics and professionalism are two related concepts which can improve the practitioners' credibility in doing their work. Understanding the importance of ethics and professionalism makes practitioners more highly regarded in the eyes of their clients and society as a whole.

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3.1 WHAT ARE ETHICS AND PROFESSIONALISM?

Imagine yourself working as a communication executive for a tobacco company which produces a range of good brand cigarettes. Your team has successfully managed a big corporate social responsibility campaign against health problems recently. Your team is about to celebrate the success of organising the campaign.

Now, ask yourself, isn't it ironic?

What can you infer from the simple case study above?

What did you learn from the case study above?

Ethics should be practised by formalising all rules and laws set by authorised institutions. Thus, an organisation should set rules and regulations to punish its employees for misbehaviour. In contrast to this premise, some argue that ethics is about personal values which guide an individual's life. Practitioners should have conscience and values to serve stakeholders professionally. They should be proud to do a good job in delivering any service.

3.1.1 Foundation of Ethics

Some people still believe that PR is about being unethical. Public relations is seen as being synonymous with terms such as "spin doctor", "propaganda" or "manipulation". This is very upsetting for good PR practitioners. In other words, public relations is important when a company intends "to sweep the dust under the carpet" (hide the poor performance of the organisation from the public).

Greater efforts are needed to correct such perceptions. This must start from understanding what ethics are. Cutlip et al. (2006, p. 122) defined ethics as "the application of moral values in practice". This is also known as applied ethics. Applied ethics is defined by the Society for Applied Philosophy as "the philosophical examination, from a moral standpoint, of particular issues in private and public life that are matters of moral judgment" (Gowdy, 2010). Practitioners need to uphold applied ethics as a guide to professional practice and to provide the basis for enforcement and sanctions.

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According to Cutlip et al. (2006, p. 119), Ivy Lee and John W. Hill, two pioneers and successful leaders of corporate communication, argued that an excellent organisation should develop corporate communication for the purpose of "ethical conscience". As one of the key business units of the organisation, the corporate communication unit is responsible for the moral behaviour of the organisation. Thus, the concept, "ethical conscience" should be practised by the organisation from the top management to the lower supporting staff. This will improve the corporate culture of the organisation. We can see the result when every staff member working in that organisation behaves ethically at work. Indeed, the corporate communication unit should act as the "eyes and ears" of the organisation to monitor this situation. For example, Johnson and Johnson, a leading pharmaceutical company, managed to handle a Tylenol crisis by putting customer safety first. Its efforts to conduct product recall are seen as ethical implications to its professional practice (Cutlip et al., 2006).

3.1.2 Defining Professionalism

According to Kultgen (1988: p. 9), professionalism is "the occupational ideal for many non-professionals and is likely to become the ideal for more with the advance of industrialisation and proliferation of technologically based occupations". It can be said that the occupational ideal is seen as being important to our society as a whole. Professionals must, thus, uphold professional ethics to maintain their status and prestige in society. Cutlip et al. (2000) also support this stance by arguing for the importance of practising applied ethics rather than the code of ethics to maintain the professional status of corporate communication. They maintain that "ethics without competence is meaningless and competence without ethics is directionless" (Cutlip et al., 2000, p. 143).

3.1.3 Imperative of Trust

Here, we want to see how the concept of trust can improve the relationship between the organisation and its stakeholders, thus leading to improved corporate performance of the organisation. Building trust is not an easy task for new organisations in a complex modern business environment.

(a) Do you really trust the product you just bought?

(b) Do you really trust the producer of the product?

(c) Which is more important – product or producer?

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To answer those questions, the corporate communication unit should act as a "trustee unit" in the organisation. This unit is seen by the public as a reference centre. Building trust requires regular and interactive communication between the organisation and its stakeholders. The organisation can raise the trust bar by having an "interactive platform" (preferably online) where people can access key information about the company profile, analyse product information, file complaints and so forth.

In general, trust can be defined as a stakeholder's belief based on direct experience. Based on data from a survey (Figure 3.1), an academic or expert is the most credible source of key information about a company (survey responses are to the following question: "Expert voices most trusted: If you heard information about a company from one of these people, how credible would the information be?"; "Extremely credible" and "very credible" responses only). The second most credible person is the financial or industry analyst. Then, a non-governmental organisation (NGO) can be trusted. The least credible person is the CEO. The data implies that people will trust key information from a real professional who studies a particular company and industry. As we know CEOs tend to prioritise profits as their ultimate goal; therefore, people only trust them after considering other opinions.

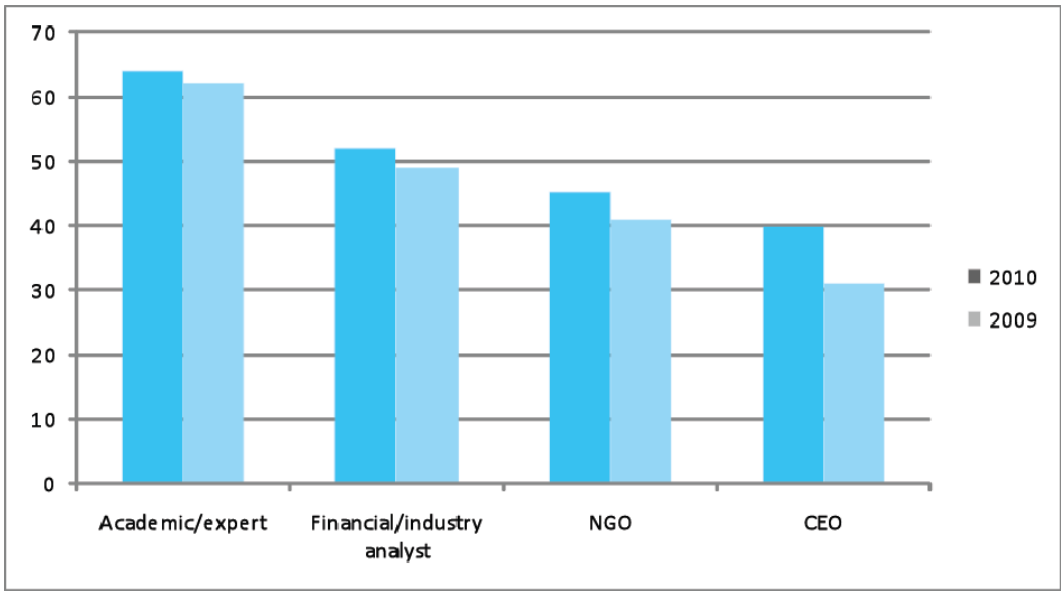


Figure 3.1: Excerpt from survey (Public aged 25 to 64 in 20 countries)
Source: Edelman (2010)

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SELF-CHECK 3.1

1. What do you understand by the concept, "ethical conscience"?
2. What is professionalism?
3. Why is trust so important to an organisation?

3.2 IMPORTANCE OF ETHICS AND PROFESSIONALISM IN CORPORATE COMMUNICATION

Early one morning, a group of young executives is having breakfast at the Uptown cafe in Damansara. Raymond, a sales and marketing executive, and Nabila, a corporate communication executive, work for a leading telecommunications company in Malaysia.

Raymond: Do you see public relations as a profession?

Nabila: Yes, absolutely.

Raymond: I see, but don't you think the idea of a profession seems an old school thought?

Nabila: What do you mean?

Raymond: Well, I see it is OK to describe doctors, lawyers or accountants as professionals but not business executives like us. Our job requires us to be more dynamic, creative, innovative and challenging, right?

Nabila: You mean a profession like medicine or law is not creative enough, not challenging? Is that what you are trying to imply?

Raymond: What do you think?

If you were Nabila, what would be a suitable argument to Raymond's concern pertaining to the topic discussed?

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3.2.1 A Significant Link between Ethics and Professionalism

Ethics and professionalism are two interlinked concepts. Let us discuss in detail what professionalism entails.

First of all, it is important to address three crucial questions:

(a) What constitutes a profession?

(b) Who is a professional? and

(c) How does an occupation become a profession?

Professionalism is about exercising a degree of control and power over society by influencing policy decision makers (such as the state) (Freidson, 1994, p. 41). Thus, it is important to ensure that professionals can influence a state's policy and maintain their professional privileges (Freidson, 1994, p. 44–45). A profession also requires an exclusive jurisdiction which can be established independently. In distinguishing a profession from an occupation, *altruism* is clearly practised in a professional service (Johnson, 1972, p. 13). Specifically, professional altruism is seen as a "personal service" to clients which may influence all industrial societies (Halmos in Johnson, 1972, p. 13).

Thus, ethics has a significant link to professionalism in the sense that the moral behaviour of professionals will guide them to professional practice. As a result of this, professionals will practise their professional services rightfully not only for personal gain, but more importantly for the benefit of their clients and society as a whole.

3.2.2 Profession and its Key Requirements

With regard to the professional status, arguably, there are four main requirements in the form of interdisciplinary guidelines to identify a "profession". It must have:

"… a well-defined body of knowledge, completion of some standardised and prescribed course of study, examination and certification by a state, and oversight by a state agency which has disciplinary powers over practitioners' behaviours." (Sallot et al., 1998, p. 198).

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To these guidelines, Nelson (in Sallot et al., 1998) added that there are:

"… five important characteristics of professionalism: professional values, membership in professional organisations, professional norms, an intellectual tradition, and development of technical skills."

Wright (in L'Etang & Pieczka, 1996, p. 2) simply noted that professional status would have been achieved in PR when:

"… public relations has a body of knowledge, a professional society, a code of ethics, a system for accreditation of practitioners by examination, a process for reporting violations including reviewing and censuring, a foundation for furthering public relations research and education, and specified curricula at university level."

Wylie (1994, p. 1) suggests the key requirements of profession are as follows:

(a) A well-defined body of scholarly knowledge;

(b) Completion of some standardised and prescribed course of study;

(c) Examination and certification by state as an authoritative body; and

(d) Oversight by a state agency which has disciplinary powers over practitioners' behaviour.

According to Cornelissen (2008, p. 167), corporate communication should be seen as "a vocation or profession". Corporate communication should take a huge challenge to become "a fully-fledged and mature profession" (Cornelissen, 2008, p. 168) by meeting the following requirements:

(a) The articulation of a domain of expertise;

(b) The establishment of monopoly in the market for a service based on that expertise;

(c) The ability to limit entry to the field;

(d) The attainment of social status and recognition; and

(e) Systematic ways of testing competence and regulating standards.

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SELF-CHECK 3.2

1. What are the key requirements towards becoming a fully-fledged and mature profession as characterised by Joep Cornelissen?
2. Discuss FIVE key requirements of professionalism mentioned by Nelson.

3.3 CURRENT PRACTICES DETERMINING ETHICS IN CORPORATE COMMUNICATION

Imagine yourself as a successful high-ranking executive of corporate communication working for Petronas, a top oil and gas corporation in Malaysia. Most clients like you because you have a great personality. You always deliver your best service on time with the highest professional standards. However, you like to see yourself as a business executive rather than a practitioner who is concerned with money.

Ask yourself these questions:

(a) Do you think that you are hired only because of your competency and efficiency to deliver on the job?

(b) Do you think your clients care about whether you do the right thing?

(c) Do you think you need a professional body to uphold the highest level of morality and integrity which satisfy your claim for professional status?

As we have learned, corporate communication is a vocation or profession; therefore, communication practitioners should take this seriously by making great efforts to become registered practitioners. Many professional associations around the world offer certification programmes for their fraternity. In Malaysia, the Institute of Public Relations Malaysia claims that it has a proper system to give accreditation and professional status to their members. In the west, Public Relations Society of America (PRSA) and International Association for Business Communicator (IABC) in the US and Chartered Institute of Public Relations, UK, have offered programmes to certify communication practitioners.

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3.3.1 Importance of the Code of Ethics

There are many debates when it comes to abiding by the code of ethics. The code of ethics refers to "adherence to a set of professional norms" (Cutlip et al., 2006, p. 138). Some see the code of ethics as the highest standard of professionalism. In short, we call it the "ethical conscience of the company". However, other practitioners see the code of ethics as an obstacle for them to practise a profession because it can kill the creativity needed to bring about improvements to their job.

We are now living in a complex business environment. We have heard in the news that even a large established company may be caught cheating its customers. Formalising the code of ethics is one solution for clients to decide which are the good and bad apples. This means that commitment, training and enforcement is meaningless or worth little in practice without abiding by the code of ethics (Cutlip et al., 2006).

Usually, the code of ethics is governed by a professional association. PRSA and CIPR have established the code of ethics to be practised by their respective members. Closer to home, IPRM has established the Code of Athens which is strongly influenced by the code of ethics of the International Public Relations Association.



ACTIVITY 3.1

1. What are the differences between codes of ethics and applied ethics?
2. Why are codes of ethics important to practitioners?
3. Study the codes of ethics of Chartered Institute of Public Relations (CIPR) and PRSA (by accessing the links below). Discuss the similarity and differences between the two:
   - http://www.cipr.co.uk
   - http://www.prsa.org

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ACTIVITY 3.2

Corporate Communication Ethics: Scenarios for Discussion

Refer to the CIPR codes of conduct and PRSA codes of ethics to resolve the following situations.

Scenario 1:
Your firm is one of several under consideration by a prospective client planning to introduce a new service called a "Wellness & Health Campaign". The company anticipates severe critiques on their products and services from NGOs, environmentalists and certain politicians. Your client has strong support from influential politicians from an opposition party. To prepare a firm's proposal, you are given confidential information about the company's service and plan. You aim to win the contract from the company. Can you disclose the information to the company's opposition?

Scenario 2:
Your firm is hired by GLY Corporation, a leading chemical company, to publish a newsletter on "environmental protection" directed to all residents in the Klang Valley. Your client asks you to help make the company better known among its competitors to win a RM1 million government contract. You publish an optimistic forecast of the company's business prospect, leaving out some information about issues, especially a recent company subsidiary's severe chemical dumping issue. You also hide your firm's relationship with the company. Are you under any obligation to disclose this relationship? Should you publish a correction that includes all the information you have about the company?

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SUMMARY

- Corporate communication is a vocation or profession.
- Understanding the importance of ethics and professionalism makes the profession noble and credible in claiming to protect public interest.
- The professional standards of corporate communication need to be upheld so that the communication fraternity can achieve high accreditation and credentials.
- An excellent organisation should develop corporate communication for the purpose of "ethical conscience".
- Professionals must uphold professional ethics to maintain their status and prestige in society.
- Ethics without competence is meaningless and competence without ethics is directionless.
- Building trust is essential to improve the favourable relationship between the organisation and its stakeholders.
- Accreditation and licensing is important to a corporate communication executive to certify them as a registered practitioner.
- The Institute of Public Relations Malaysia claims that it has a proper system to give accreditation and professional status to their members.
- Code of ethics and applied ethics are important for the purpose of a mandatory or voluntary accreditation of corporate communication.

KEY TERMS

Code of ethics	Professional
Competencies	Professionalism
Privilege	Relationship
Profession	Stakeholder

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Topic 4 ▶ Managing Identity, Image and Reputation

LEARNING OUTCOMES

By the end of this topic, you should be able to:

1. Define corporate identity;
2. Explain the concept of corporate image;
3. Define corporate reputation; and
4. Describe the importance of managing corporate identity, images and reputation.

▶ INTRODUCTION

This topic describes the most critical part of the corporate communication function: organisational identity, image and reputation. It is essential to look at the alignment between identity, image and reputation of the corporations. It is a matter of how stakeholder groups perceive the company's products and the company itself. Measuring identity, image and reputation is vital for today's companies to gauge how strong their corporate branding is.

4.1 WHAT IS CORPORATE IDENTITY?

Think about a shopping experience you had in a place you visited recently. What is the first brand that crossed your mind? Did you notice the size of the logo and vibrant colours of the shop building? What caught your eye and attracted you to walk into the store? Did you see promoters wearing nice uniforms? Were they really friendly and elegant?

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According to Argenti (2007, p. 66), corporate identity is "the visual manifestation of the company's reality". The company creates all tangible elements, such as name, logo, motto, products, services, buildings, stationery and uniform, which are transmitted to stakeholders' minds. Those elements help the company to develop its corporate personality.

As depicted in Figure 4.1, viewpoints of stakeholders are organised based on some attributes projected by the company through the management of corporate identity. According to Cornelissen (2008, p. 66), Birkigt and Stadler's model of corporate identity highlights three key attributes as follows:

(a) **Symbolism**

This attribute emphasises the concept of visual design, especially of corporate logos and the house style (uniform, stationery, etc.) of the organisation.

(b) **Communication**

This attribute refers to all forms of internal and external communication. Communication tools such as event, corporate and product advertising, sponsorship, publicity and promotions are used to influence consumer purchase intentions.

(c) **Behaviour**

The third attribute concerns the behaviour of employees, ranging from top management personnel to lower management and clerical workers such as cleaners. These behaviours directly and indirectly affect a company's image.

Thus, good corporate personality will shape a good identity for the corporation, leading to an improved corporate image.

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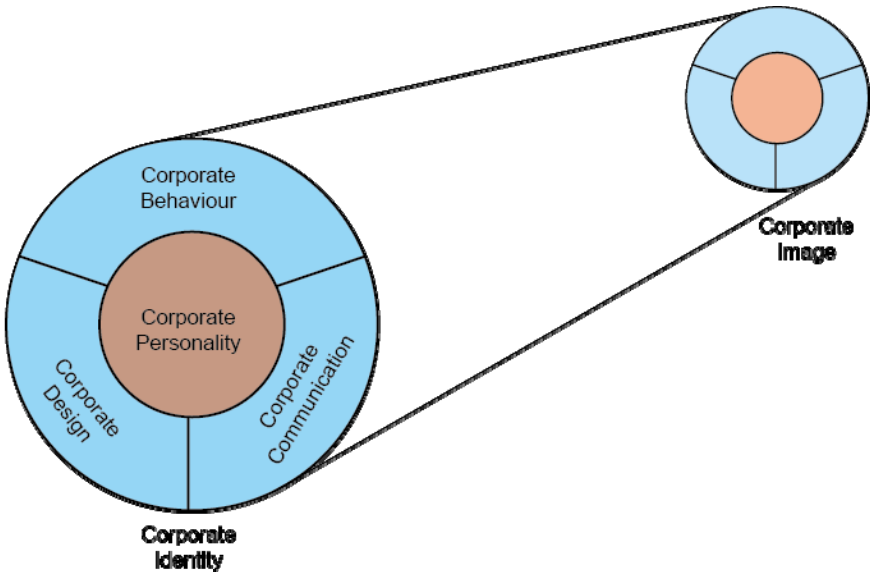


Figure 4.1: Birkigt & Stadler's Model of Corporate Identity.
Source: Cornelissen, (2008)

4.2 WHAT IS CORPORATE IMAGE?



Figure 4.2: How do brands project a distinctive edge to their corporate personality?

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Image is "a reflection of an organisation's identity" (Argenti, 2007, p. 66). According to Gray and Balmer (1998, p. 687), "corporate image is the immediate mental picture that audiences have of an organisation". This image belongs to a company's stakeholders. Stakeholders have the sole right to judge the company's action. When a company projects its corporate identity, positive images about it might emerge.

With the explosion of information and communication technology, there are more discussions among consumers about a particular company's products and services. Therefore, today's company needs to manage its image strategically. Unfortunately, some organisations in Asia are still unaware of the importance of corporate image to their organisational sustainability (Zulhamri, 2008).

Factors affecting the corporate image of an organisation can be highlighted as follows:

(a) **Customer Service Management**

Nowadays, customers have a lot of choices of brand. Managing your customer grievances, complaints or providing detailed product information is essential. This is a basic marketing tactic to gain repeat sales from customers who have had a positive shopping experience.

(b) **Quality of Products and Services**

Customers are really concerned about the quality of products and services they purchase. Entrepreneurs need to ensure all products from their inventory are tested and viable.

(c) **Media as your "Best Friend"**

The media is a sounding board for your organisation. Your life will be much easier if you often deal with them in a professional manner. However, be careful as they may turn into "the enemy". Positive news coverage is always desirable to project a good corporate image.

(d) **Established Business Relationship**

Business relationship is vital between your organisation and stakeholder groups such as customers, suppliers, partners and so forth. Favourable relationships will build trust among your stakeholder groups.

(e) **Be Transparent to your Stakeholders**

Being truthful is the key to business success particularly while managing issues or crises. Customers easily find out what goes on in a company using new media technology such as Facebook, Twitter and many more.

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SELF-CHECK 4.1

1. What is corporate identity?
2. What are the key attributes of the corporate identity model?
3. Describe the relationship between corporate identity and corporate image.
4. What is corporate image?
5. Does a company's image belong to the organisation? Why/Why not?
6. What are key factors affecting your corporate image?
7. Why should the media be your best friend?

4.3 WHAT IS CORPORATE REPUTATION?

Reputation is always seen as a valuable asset by today's dynamic organisations. Even a small company can be really concerned about its reputation. Does corporate reputation really matter? What does it take to have good reputation? How do we differentiate reputation from identity and image?

Many studies indicate that corporate reputation has a significant link with corporate performance as well as with profitability. Reputation can be defined as "a subject's collective representation of past images of an organisation (induced through either communication or past experiences) that is established over time" (Cornelissen, 2008, p. 76).

Gray and Balmer (1998, p. 687) differentiate corporate image and reputation as thus: "Corporate reputation evolves over time as a result of consistent performance, reinforced by effective communication, whereas corporate images can be fashioned more quickly through well-conceived communication programmes."

Several advantages of having good corporate reputation are as follows (Fombrun and Van Riel, 2004, p. 5):

(a) **Employees** are motivated to work hard, and they enjoy high job satisfaction;

(b) **Customers** purchase the company's products and services with confidence; there is a high level of repeat sales;

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(c) **Investors** are attracted to invest more in the company. This leads to more favourable capital cost;

(d) **Media journalists** are encouraged to produce more positive news coverage about the company; and

(e) **Financial** analysts give better and more favourable coverage and recommendations.



SELF-CHECK 4.2

1. What is corporate reputation?
2. Why is reputation seen as a valuable asset to the organisation?
3. What are the key factors affecting corporate reputation?
4. What are the differences between corporate reputation and corporate image?

4.4 MANAGING CORPORATE IDENTITY, IMAGE AND REPUTATION

In today's competitive business environment, managing corporate identity, image and reputation is vital because they are valuable assets of an organisation. In the old days, entrepreneurs saw assets as comprising only tangible resources such as factories, shops, raw materials, end products, and employees. They were only concerned with how to manage these assets internally and satisfy their internal stakeholders. Today, managing reputation requires transparency, trust and visibility to your stakeholder groups, namely:

(a) Internal stakeholders – Shareholders, board members, and employees; and

(b) External stakeholders – Customers, suppliers, regulators, and media.

Some corporate leaders still see reputation only as an image building exercise. They say it is just a matter of perception, not the real thing. If so, why are many successful companies like Apple, Microsoft, Petronas, Tesco, Shell and Ikea so concerned about their "real" reputation?

The importance of managing identity, image and reputation is reflected by the great efforts made by several world-class educational and professional institutions to establish knowledge centres dedicated to this management disciple.

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They include:

(a) Oxford University Centre for Corporate Reputation;

(b) European Centre for Reputation, Studies (ECRS);

(c) The John Madejski Centre for Reputation; and

(d) Reputation Institute (RI).

In addition, world-class commercial research-based reports from industry leaders around the world are constantly being published in increasing numbers over time. These complimentary reports can easily be retrieved from these websites:

(a) **Corporate Reputation Watch** (Hill & Knowlton)
from http://www. hkstrategies.com/insights/reports-and-publications;

(b) **Edelman Trust Barometer** (Edelman)
from http:/.trust.edelman.com;

(c) **Reputation Intelligence** (Reputation Institute)
from http://www.reputationinstitute.com/thought-leadership/reputation-intelligence; and

(d) **Harvard Business Review: Reputation & Its Risks** (Harvard)
from http://hbr.org/2007/02/reputation-and-its-risks/ar/1.

Fombrun and Van Riel (2004) say corporate reputation helps today's corporations to create distinctive capabilities and gain competitive advantage. To gauge the reputation of corporations, these scholars have developed a tool called the Reptrak Deep Dive, which makes corporations more visible, distinctive, authentic, transparent and consistent in the complex business environment. In the next section, we will learn about several corporate identity, image and reputation models.

4.4.1 Corporate Identity, Image and Reputation Models

In my research, I spoke with a senior manager of corporate communication who works for a global food and beverage firm located in Kuala Lumpur.

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I, the researcher asked a serious question:

How do you measure your PR services?

The senior manager simply said:

For a special event, it depends on the crowd of participants who attend our event.



This is why some PR/corporate communication programmes have been criticised by top management for poor measurement of outcome-based objectives and a lack of task sophistication.

The old school of thought says, "**You can't manage what you can't measure**".

Is this adage still relevant today?

In this section, you will be introduced to a number of reputation models for a successful organisation. Many management practitioners and scholars look down on PR people because PR/corporate communication tasks are neither complex nor sophisticated. Some PR people also lack the training and competency in measuring their tasks given by top management.

Here, we will discuss several reputation models as a solution and strategic approach to developing a thorough measurement and evaluation about corporations' reputations. The reputation models are as follows:

- RepTrak;
- ACID Test of Corporate Identity Management; and
- A Dual Process of Corporate Identity and Corporate Social Responsibility.

(a) RepTrak Model

The RepTrak model is one of the most influential and admired reputation models. Created by Charles Fombrun and Cees Van Riel, the model is used by a number of leading global corporations such as Johnson & Johnson, Microsoft, 3M Company, The Coco Cola Company, Sony and Fedex.

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RepTrak, a proprietary tool owned by the Reputation Institute, is used to measure reputation across stakeholders, industries and countries. In Figure 4.3, the model tracks 23 attributes (key performance indicators) grouped around seven core dimensions. This will show the beating heart of the company through four pulse attributes such as esteem, feeling, trust and admire.

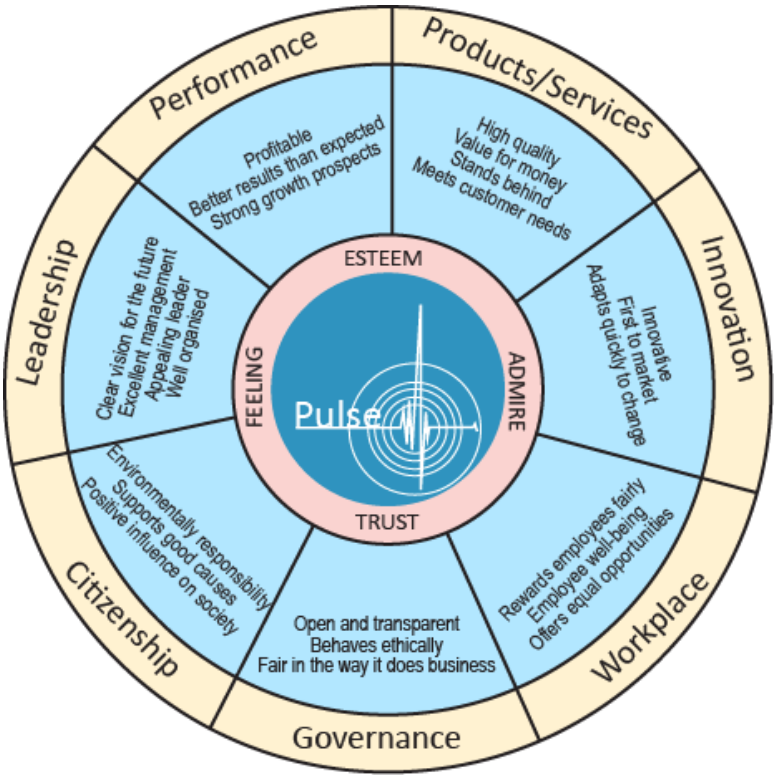


Figure 4.3: A RepTrak Model.
Source: http://www.reputationinstitute.com

Seven core dimensions of RepTrak pertaining to how the corporations can project their reputation are described below (Reputation Institute, 2011):

(i) **Products and Services**
Stakeholders are concerned with some factors such as the high quality of products/services, customer needs and value for money.

(ii) **Innovation**
Stakeholders are keen to purchase innovative products/services. The firm can show they are innovative by being the first in the market to respond to a changing market environment.

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(iii) **Workplace**
Corporations take good care of their employees, through remuneration, promotions and a continuing professional development plan.

(iv) **Governance**
Corporations should be open and transparent and must take into account the business ethics at the highest level of legitimacy.

(v) **Citizenship**
Corporations must be able to be involved in community relations and corporate philanthropy; being a socially responsible corporate citizen.

(vi) **Leadership**
Corporations must develop clear vision and mission and a great executive leadership.

(vii) **Performance**
Stakeholders like investing in a corporation that has strong and excellent records of profitability and an annual positive growth.

(b) **ACID Test of Corporate Identity Management**

The ACID model is one of the leading corporate identity management models designed by Balmer and Soenen (1999) as illustrated in Figure 4.4. Balmer and Greyser (2003) refined the model by qualitatively measuring what and how the company can project its corporate identity to improve its corporate reputation.

Balmer and Greyser (2003) rejected the notion that corporate image and identity are perceived as a monolithic identity and have suggested a more holistic approach to developing excellent corporate practice at the corporate level marketing and communication. Balmer and Soenen (1999), and Balmer and Greyser (2003) seem likely to use "identity" repertoire to emphasise how the organisation can practise excellent corporate communication with regard to its corporate identity.

They proposed a model that measures "what we should be" rather than one that portrays "what we are". Thus, they rarely use the term "reputation" as it sounds monolithic – too narrow and not enduring.

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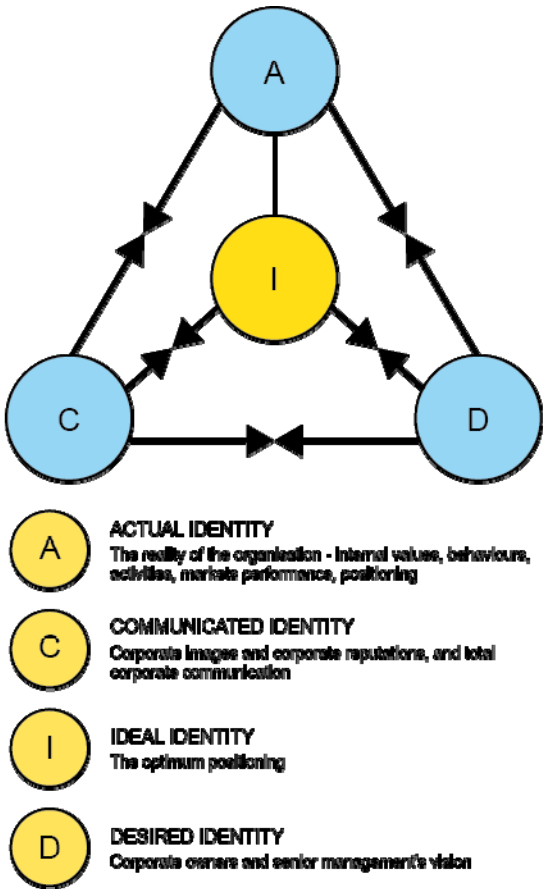


Figure 4.4: ACID Model
(Balmer & Greyser, 2003)

This reputation model offers five key identity constructs: *actual identity*, *communicated identity*, *conceived identity*, *ideal identity* and *desired identity* to measure organisational corporate reputation and identity. Balmer and Greyser (2003) show how the organisation develops its corporate identity from a holistic approach.

(i) **The Actual Identity**

What the organisation is (e.g. current business performance & its leadership style)

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(ii) **The Communicated Identity**
How the organisation is perceived by its stakeholders and how the organisation communicates – current practice of corporate communication (e.g. corporate advertising, media relations, and informal communication)

(iii) **The Conceived Identity**
What stakeholders think about the organisation – corporate image, corporate reputation and corporate branding

(iv) **The Ideal Identity**
The optimum positioning of the organisation – recognising the strengths and weaknesses of organisation (e.g. capability of adapting to the complexity of business environment)

(v) **The Desired Identity**
What the organisational missions and vision describes. (e.g. an organisation must create a clear vision and mission that have distinctive values)

(c) **CSR-Reputation Model**

A CSR-Reputation model is among the first Asian models of corporate social responsibility and corporate reputation initiated by Zulhamri Abdullah and Yuhanis Abdul Aziz (2010). This model is an adaptation of a dual-process model of corporate identity, corporate social responsibility practice and purchase intention studied by Prabu David, Susan Kline and Yang Dai (2005).

As depicted in Figure 4.5, the model measures four core dimensions such as CSR initiatives, reputation, legitimacy, and culture. This model is developed based on stakeholders' perceptions to create the distinctive corporate identity and powerful corporate reputation for a corporation.

Emphasising the integration of corporate communication and marketing, this model can be used by the corporations especially in an Asian country to measure how their corporations behave ethically (CSR-identity); what stakeholders think about their corporate behaviour (Corporate reputation); how the corporations meet regulators' and public expectations (Legitimacy); and what the organisation's shared values, belief, and behaviours (Culture) are.

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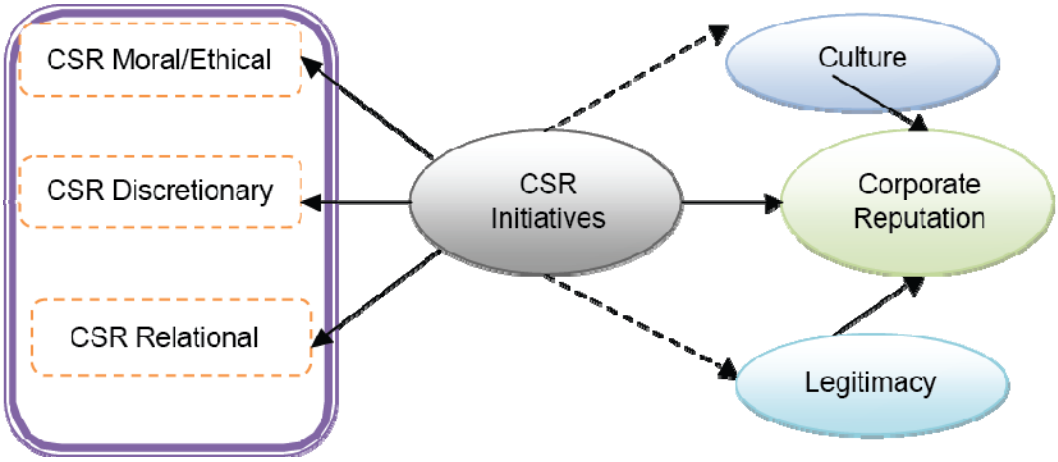


Figure 4.5: CSR-Reputation Model

Zulhamri and Yuhanis (2010) initiated the CSR-Reputation model to measure corporate identity and reputation of corporations in a complex and multicultural country as described below:

(i) **CSR Initiatives**

- **CSR Relational**
  Strives to build long-term relations with its key stakeholders
- **CSR Moral/ethical**
  Being highly ethical and moral in their corporate practice
- **CSR Discretionary**
  Contributes resources to the community programmes and raises social awareness of social issues

(ii) **Corporate Reputation**
Attracts great resources to make a company a country's champion

(iii) **Corporate Legitimacy**
Complies with all regulation and legislation and meet public expectations

(iv) **Corporate Culture**
Harmonises the organisation's shared values, beliefs, and behaviours in managing business operations internally and externally

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Three models of reputation have been presented and discussed here and it is up to individual organisations to consider which of the sophisticated measurements and assessment methods to deploy with regard to gauging their corporate reputation and identity management. To become a leading world-class organisation, the corporation needs to measure its key performance indicators. Through this, it can detect any issues or problems encountered, which will lead to a better understanding of the strengths and weaknesses of its organisational capability. Then, it should develop a unique and distinctive corporate identity based on the indicators highlighted in the reputation management dashboard. Every organisation, regardless of whether it is a small or medium enterprise or a global corporation, needs to take care of its reputation at all costs.



SELF-CHECK 4.3

1. What are the key attributes of managing corporate reputation?
2. Who are main stakeholder groups affecting your corporate reputation?
3. State and discuss TWO world-class educational and professional associations concerning reputation management.
4. Pick ONE model of reputation management. Discuss how to measure organisational reputation.

SUMMARY

- Corporate identity is the visual manifestation of the company's reality.
- Corporate image is the immediate mental picture that audiences have of an organisation.
- There are key factors affecting the corporate image of an organisation.
- Reputation is always seen as a valuable asset to today's dynamic organisation.
- Reputation can be defined as a subject's collective representation of past images of an organisation (induced through either communication or past experiences) that is established over time.

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- In today's competitive business environment, managing corporate identity, images and reputation is vital.
- Managing reputation requires transparency, trust and visibility to your internal and external stakeholder groups.
- Competent corporate communication practitioners use models of reputation in their practices as the sophisticated measurement and assessment tools for corporate reputation and identity management.

KEY TERMS

Corporate identity
Corporate strategy
Image
Management
Measurement
Reputation
Stakeholder
Trust
Visibility



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Topic 5 ▶ Media Relations

LEARNING OUTCOMES

By the end of this topic, you should be able to:

1. Explain the importance of media relations;
2. Describe types of media relations;
3. Discuss the benefits and values of media relations; and
4. Outline the principles of good media relations.

▶ INTRODUCTION

This topic describes media relations and explains why it is important to any organisation, especially in managing corporate communication. Media relations work is considered one of the most important functions of public relations campaigns. It involves the process of getting together with various media to inform the public on many important organisational aspects, which include mission, vision, policies, rules and regulations, in an organised and consistent way. Therefore, most media relations work requires collaboration between the organisation and several kinds of media to disseminate the latest news and knowledge to the community. The main point of this topic is to provide a better understanding of the importance of media relations, which can help executives design, develop and maintain effective media relations in managing excellent corporate communication.

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5.1 WHAT IS MEDIA RELATIONS?

> Media relations have a central role within the practice of public relations because the media are the "gatekeepers controlling the information that flows to other publics in a social system."
>
> Grunig & Hunt, 1984, p. 223

5.1.1 Defining Media Relations

Media relations can be defined as "the communication pattern between an organisation and those sections of the media which are interested in its activity" (Ridgway, 1996, p. 5). We can also develop this further by defining it as forming linkages with media personalities and resources that would help an organisation get favourable, timely and widespread editorial coverage. In general, media relations are considered a continuous and sequential process of building, developing and maintaining an excellent relationship with media channels for the purpose of communication.

5.1.2 The Importance of Media Relations

So, why is media relations important?

Media relations is the core activity in most of the public relations jobs (Wilcox, 2005). Having a good relationship with the media is considered by most organisations as their "*lifeblood*". Media relations has become one of the most important tools in any organisation, especially for organisations which are concerned with maintaining a high level of reputation. Organisations that have a good relationship with the media will be able to deliver desirable information about their organisation to the public.

Media relations are important for several reasons:

(a) ***Free advertisement for the organisation*** – This is especially important, if the organisation maintains a great relationship with the media representative, i.e., journalists.

(b) ***Essential tool for communication*** – Organisations can deliver any form of message to the public.

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(c) ***Extension of marketing expenses*** – Assistance from the media will help the organisation to reduce marketing costs, particularly positive information about the organisation.

(d) ***Better reputation and positive impression*** – The media plays an important role in helping the organisation portray a positive image, which brings a good reputation to the organisation.

(e) ***Cost effectiveness and efficiency*** – The media can act as a medium to spread news and information faster, which will help the organisation save time and money.

(f) ***Rescuer when crises arise*** – The media can act as a rescuer when bad situations arise in an organisation. However, a great relationship with the media must be maintained.

(g) ***Credible publicity*** – Organisations can benefit with a reliable and good-quality promotion at minimal cost.

(h) ***Tool for management to measure service quality*** – Feedback from the public on new services as well as improved services can help an organisation improve the quality of its service. This can be done through media relations.

(i) ***Tool for management to provide immediate service recovery and service guarantee*** – The media remains one of the most powerful tools in reaching the masses, especially when problems arise. Acknowledgment of the problem and assurance that the same incident will never happen again can be disseminated through the media.



SELF-CHECK 5.1

1. What is media relations?
2. Distinguish media relations from public relations.
3. Why is media relations important for modern organisations?

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5.2 PURPOSES OF MEDIA RELATIONS

One of the main purposes of media relations is to enable an organisation to achieve its corporate goals. Moreover, media relations is important for other purposes, such as to:

(a) Increase public or audience awareness of the image, status and reputation of the organisation;

(b) Educate the public about the benefits that the organisation could offer;

(c) Make the public aware of the organisation's value;

(d) Promote the organisation through established and reputable media coverage;

(e) Foster public understanding about the organisation's values and beliefs;

(f) Communicate organisation's corporate social responsibility activities to the public; and

(g) Reward and recognise employees for hard work.

Let us take Berita Nasional Malaysia (BERNAMA) as an example of a savvy media relations organisation. BERNAMA is a Malaysian news agency that is considered to be one of the leading suppliers of news content to local and international media. BERNAMA has a special unit called Media Relations and Event Management (MREM) which acts as a professional press release dissemination service. The purpose of MREM is to be one of the best means to reach desired audiences through print and electronic media, including cable-television and online news portals.

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5.3 TYPES OF MEDIA CHANNELS

Based on your daily experiences and observations, how many types of media channels do you think are available? Look at the pictures below.



Figure 5.1: Examples of various types of media channels

Can you distinguish among the media channels illustrated above?

Basically, there are two major types of media: traditional media or also referred to as "print and broadcast media" and new media.

Traditional media are:

(a) Television stations;

(b) Radio stations;

(c) Newspapers;

(d) Popular magazines;

(e) Trade magazines;

(f) Annual reports; and

(g) Academic journals.

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Whereas, new media are:

(a) Blogs;

(b) Video sharing websites (e.g., Youtube);

(c) Facebook/Twitter (social media);

(d) Board or online community forums;

(e) Online TV stations;

(f) Online radio stations;

(g) Online magazines; and

(h) Podcasts.

So what type of media channel should an organisation use? Well, there is no right or wrong answer because there is no single formula for successful media relations. In order for an organisation to reach everyone in its identified market, the right communication mix must be used. Effective communication combines a variety of media channels to reach targeted customers. Well and Spinks (1999) suggest that print media should, however, be used on a regular basis because it is the most fundamental source for quick, consistent and dependable communication with the community.



SELF-CHECK 5.2

1. How many major types of media relations are there?
2. Which media channel should be used regularly?

5.4 CONTENTS OF PUBLICATIONS AND PROMOTIONS

The contents that need to be documented for the purpose of public communication form an important component in publications and promotions. It should include:

(a) Key Messages

(i) Must include important features of the organisation such as vision, mission, policies, rules, regulations and other important elements;

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(ii) Examples and illustrations can be used to foster better understanding of the content of publications;

(iii) Key messages are the main information to be communicated to the public;

(iv) Formulate your key messages. These have to be clear, simple and concise and meaningful;

(v) Must reflect the objectives and goals of the organisation; and

(vi) Key message must be able to convince the audience about what they should know or believe about the company.

(b) Media Materials

(i) ***Media Alert*** – Detailed information about the message to be communicated needs to be provided to the media so that the latest information or news can be delivered. It should include important features that answers the questions of why, where, when, who, what and how;

(ii) ***Biography*** – Biography describes specific information about the representative's background and expertise;

(iii) ***Graphical information*** – Any kind of graphic information and details;

(iv) ***Photographs*** – Photos and pictures that assist the media to enhance their news and communication.

(Borsum, 2009)



SELF-CHECK 5.3

1. What do you understand by the term "key messages"?
2. Name all the components that should be included in media materials.
3. Why is photography important for publications and promotions?

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5.5 DETERMINANTS OF NEWS

Preparing news and its contents to be published or communicated by the media is one of the most important elements in media relations. As noted earlier, the media can play a critical function in assisting to maximise the reputation of the organisation through credible, positive and reliable news. Therefore, it is very important to make sure that the news distributed by the media about the organisation is able to answer the 5Ws and 1H questions.

So remember to answer the following Ws and H before providing news to the media.

WHO?	WHAT?	WHERE?	WHEN?	WHY?	HOW?

The media is an important component in an organisation's life. The media helps to distribute both positive and negative information and news to the public and community. Hence, it is crucial to maintain a favourable relationship with them. However, an organisation needs to understand what is needed by the media.

So, what do you think the media needs? Well, it depends on what type of media we are dealing with. Different types of media look for different kinds of information based on the nature of their transactions. They have their own requirements and conditions. Among some important elements that they need is news or stories that are:

(a) **Real or True**

(i) The stories must be true. They just want the truth and only the truth; and

(ii) Therefore, the story must be valid and based on facts.

(b) **Relevant and Important**

(i) The media is really concerned about whether the story is important or not. They want to make headlines that can bring a good reputation to their respective organisations; and

(ii) The news must be noteworthy to them.

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(c) Good Speech Marks or Quotes

(i) The media pays top consideration to the one snappy quote which can leave a deep impact on the public; and

(ii) The compelling quote will stick in the audience's mind for a long time.

(d) Visually Appealing

(i) Great pictures and interesting visuals will add value to the news; and

(ii) Similar to the snappy quote, interesting visuals will leave a deep impact on the audience.

Besides the four important elements, the media can also look for other things as depicted in Figure 5.2.

What is the Media looking for?

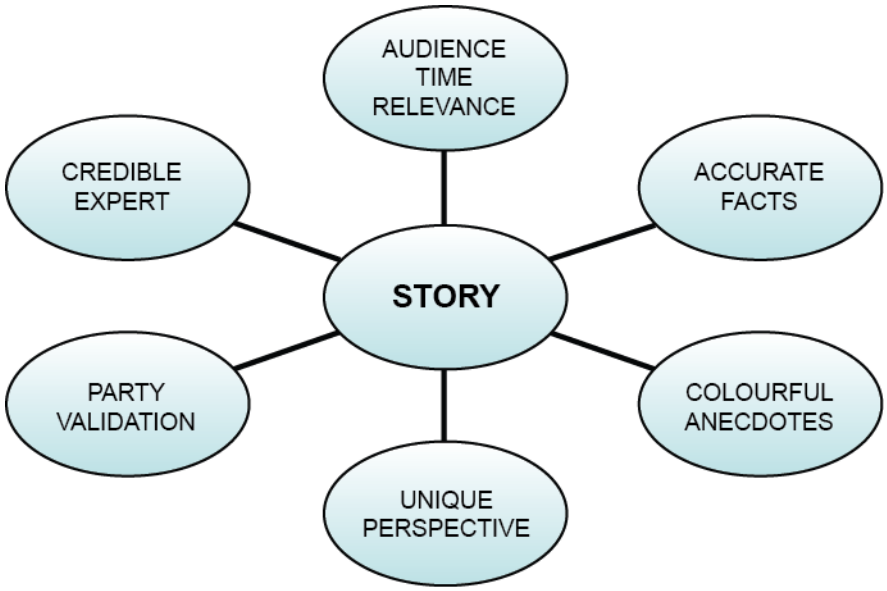


Figure 5.2: Components of an effective media story

The stories to be published or communicated by the media must meet certain criteria as depicted above (Borsum, 2009).

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SELF-CHECK 5.4

1. Why do you think preparing news and its contents for publication is important?
2. Provide five important questions that should be answered by the news.
3. What is the media looking for?

5.6 BENEFITS OF A MEDIA PARTNERSHIP

Media partnership is a win-win situation between the organisation and the media body involved. It is becoming more common and widespread. Good and successful partnership benefits both parties.

What are the benefits of a media partnership?

Media partnership may bring several benefits to the organisation such as:

(a) **Enhancement of the organisation's reputation** – The sense of ownership shared with the media will push the media to work harder in enhancing the reputation of the organisation (a win-win situation).

(b) **Extended marketing budget** – A marketing budget can be extended due to the collaboration where some of the expenses can be alleviated. For example, in the form of free advertisements.

(c) **A wider audience** – This is important because the larger the audience, the greater the impact on the organisation.

(d) **More sponsors from the public** – More exposure may increase the chance of finding a good source of sponsorship for the organisation.

(e) **Availability of diverse resources** – Different types of resources may become available due to the joining of forces between two parties. It may come in the form of capital, facilities and equipment, latest technology, knowledge and expertise as well as human resources.

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5.6.1 Successful Media Partnership

It is obvious that working hand-in-hand with the media may bring great rewards to an organisation. Therefore, it is crucial to create a good partnership with the media so that mutual understanding which brings benefit to both parties can be achieved.

The following are some tips for a successful media partnership:

(a) Make the most of your partner's knowledge and offer some of yours in return. Such inside information is normally very hard to get without a partnership.

(b) Find out the details of your partners' network or connections, such as who they are familiar with or regularly deal with, so that it could help you to manage future transactions.

(c) The media world is very dynamic. It does not remain the same so keep yourself updated because you may not deal with the same people forever.

(d) You need to be flexible in many different ways. Be ready to adjust according to the current situation and be adaptable to a new environment.

(e) Take advantage of new opportunities as they arise.

(f) Be honest and clear on every aspect of your job.

(g) When you make the most of the partnership, also make it known to everyone in the organisation.

(h) Get it in writing – Documents can help clarify ambiguities and may act as a blueprint for both parties.

(i) Evaluate and enjoy the partnership – This is important to make sure that both parties are moving in the right direction. Do a professional job, work hard and enjoy the experience.

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SELF-CHECK 5.5

1. Why do you think a media partnership is a win-win situation?
2. Name at least five main benefits of a media partnership.
3. What is meant when it is said that the media world is very dynamic?

5.7 VALUES OF MEDIA RELATIONS

Different people hold different values in their perceptions of media relations because they come from different backgrounds, have different experiences and different exposure to the media.

Media relations, as one of the flags of public relations, acts as an important body to disseminate reliable and credible information to the public. Information and news transferred by a reputable and influential media make publications, promotions and advertisements work more convincing and compelling. Hence, valid and reliable information provides value to media relations.

The elementary value can be seen when:

(a) People act based on the perception formed after gathering information from the media;

(b) One's behaviour changes in order to adapt to current news or facts;

(c) The public starts to accept new things and holds them as part of a new chapter in life;

(d) The organisation's reputation and status increase based on good information delivered by the media; and

(e) The organisation meets and serves public interest, for example, selling its product at a fair price.

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SELF-CHECK 5.6

1. Why do different people have different values about media relations?
2. Discuss possible reasons why reliable information is important.
3. State the elementary value of media relations.

5.8 BUILDING EFFECTIVE MEDIA RELATIONS

The media plays an important role in delivering news and information about organisations to the public. One of the main secrets in building effective media relations is to appreciate how the news business works.

The media relations role is a traditional role for practitioners because it functions to "maintain media contacts, place news releases, and figure out what the media will find newsworthy about their organisations" (Dozier et al, 1995, pp. 12). Therefore, building effective media relations is important so that it meets the purpose of disseminating knowledge. It is important to note that there are two common media relations tools that are widely used:

(a) **Press release**, which is also commonly known as a news release or media release is a form of written and/or recorded communication targeted at the media people for the purpose of circulating information.

(b) **Press conference,** which is a planned event where the media is invited by the organisation to share stories as well as discuss current issues. In this media event, the organisation's representatives will make a statement or announcement on current issues as well as new stories.

5.8.1 Positive Media Relations

To build a positive environment with the media, the organisation must:

(a) Know what journalists want, which is newsworthy stories;

(b) Make sure that journalists know what to expect;

(c) Ensure that their spokesperson is meeting face-to-face with journalists;

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(d) Ascertain that their spokesperson spends sufficient time with journalists;

(e) Maintain a close relationship with the media, even when there is no breaking news;

(f) Identify the right person for the spokesperson's job; and

(g) Train the spokesperson to be proactive in providing up-to-date information and acknowledging the media when it is required.

The news delivered by the media remains one of the most powerful forms of communication which will certainly benefit the organisation. It is therefore very important for the organisation to develop a media relations plan, which is explained next.

5.8.2 Media Relations Plan

A media relations plan is an important tool which helps the organisation understand the role that the media can play in assisting the organisation. The plan may act as a blueprint to establish a good relationship with the media. A good plan should typically comprise:

(a) **Situational analysis –** Situational analysis is always referred to as a SWOT analysis, which covers the existing strengths, weaknesses, opportunities and threats of any organisation and its competitors.

   (i) Situational analysis is the first stage in planning good media relations. Situational analysis enables the organisation to solicit information on the background, history, and potential problems that may limit management; and

   (ii) It involves the investigation of several components such as environment, location and community, competitors, and any future potential.

(b) **Goal –** The goal is the main thing to be achieved by any organisation.

   (i) It overarches the outcomes to be accomplished by the organisation; and

   (ii) In general, a well-defined goal should help direct the media relations strategy.

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(c) **Objectives –** The objectives of building and maintaining good relationships with the media should be closely related to the identified goals. Objectives will help support the goal of media relations.

(d) **Target audience** – A golden rule in developing an effective media relations plan is to know and understand your audience.

(i) Therefore, it is crucial to explicitly ascertain your audience so that suitable strategies and approaches can be developed to suit the audience's needs.

(ii) In general, the audience should be identified, segmented, targeted and positioned (ISTP) to better suit your communications.

(iii) The segmentation and classification can be done in so many ways such as grouping them according to the demographic (age, gender, level of income), psychographic (lifestyle, personality, social class) and behavioural (occasion, benefits, users and attitude) factors.

(iv) The ISTP process will help in developing audience's profile where suitable communication can be directed to the right audience.

(e) **Strategy Development**

(i) Once the goal, objectives and audience have been identified, it is time to develop the strategy. The strategy should be guided in meeting the regulated goal and objectives; and

(ii) Strategies should blueprint the steps and things to be performed in meeting the stated objectives.

(f) **Key Message and Story Angle Development**

(i) The key message needs to be clearly identified so that suitable information can be delivered to the audience or public;

(ii) The following questions can be considered when designing the effective media relations plan:

- What message do you want people to remember?
- Are you asking them to become aware of an issue, alter their opinion or change their behaviour?

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(iii) The right key message is an important element to help in developing the media angle or "hook"; and

(iv) A suitable media angle will provide assurance that the programme or event is trustworthy and give some impact to the public.

(g) **Tactics** are an exclusive method applied or simply actions taken to attain the target audience, which is important in meeting the organisation's goals. The selection of tactics should be aligned with the goals and objectives of the organisation.

(h) **Media List Development**

(i) Continuously update the list so that news and information can always be communicated successfully; and

(ii) A comprehensive list of media helps in the wide distribution of information and materials to the public.

(Cochran, 2010)

5.8.3 Media Relations Actions Plan

Besides having a good media relations plan, an organisation should also have "media relations action plan". This action plan provides a platform for an organisation to implement its strategy and contains details on how to do it. Details such as things to be done, the person responsible for carrying specific duties, types of resources required, as well as cost involved, are recorded in the action plan.

Figure 5.3 illustrates what should be covered in an action plan.

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Figure 5.3: Media relations action plan

SELF-CHECK 5.7

1. What are the important elements that must be considered when building a positive media relations environment?
2. Give reasons why a media relations plan is important to the organisation.
3. What is the purpose of a media relations action plan?
4. Name the important items that should be covered in a media relations plan.

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5.9 PRINCIPLES OF GOOD MEDIA RELATIONS

According to Ridgway (1996), the main principle that underlies good and successful media relations is to understand with whom the organisation wants to communicate, whether they are producers, editors or journalists.

There are FIVE principles of good media relations:

(a) Tell the truth! – Be honest and only tell the truth;

(b) Make sure the information provided to the media aligns with the goal and objectives of the organisation;

(c) Manage the media in the right manner – Take care of them!;

(d) Plan your strategy in disseminating information; and

(e) Evaluate and monitor a spokesperson's performance continuously.

Besides the principles proposed by Ridgway, the following standards can also be applied:

(a) **Understand the Key Message**

(i) You have to know and master every single aspect of the message; and

(ii) You must be able to answer all the questions (remember the 5Ws and 1H).

(b) **Accessibility**

(i) You have to be reachable when contacted by the media at any time; and

(ii) Never give an excuse to call back the media when they contact you.

(c) **Give Important and Useful Messages Only:**

(i) The media wants interesting news; and

(ii) If you have nothing interesting to offer, do not spam them.

(d) **Demonstrate with Action:**

(i) Prove whatever you say to the media; and

(ii) Walk your talk!

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(e) **Respect the Media, Respect the Public and Remain Humble:**

(i) Sometimes, organisations tend to forget this rule; and

(ii) Respecting other people's opinions will greatly improve trust and strengthen relationships.



SELF-CHECK 5.8

1. What are the five principles of good media relations?
2. Which of the five principles of media relations would you say are the most critical, and why?
3. Why do only important and valid messages need to be provided to the media?



ACTIVITY 5.1

Choose the correct answer: True or False

1. Media relations can be defined as "the relationship pattern between an organisation and those sections of the media which are interested in its activity". (T/F)
2. Media relations requires collaboration between the organisation and just one particular media channel to disseminate knowledge and the latest news to the community. (T/F)
3. Media relations and public relations are two separate concepts but are always used interchangeably. (T/F)
4. An organisation can benefit from reliable and good-quality advertising and promotions at a shared cost. (T/F)
5. One of the purposes of media work is to reward and appreciate the hard work of employees in the organisation. (T/F)
6. Board and community forums are categorised as traditional media. (T/F)

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7. Key messages to be sent to the media must be provided in detail with fully itemised features because simple and brief messages are not welcomed by the media. (T/F)

8. The media does not need to share ownership with the organisation as they can stand on their own. (T/F)

9. A media action plan must cover market analysis, also known as SWOT analysis, so that the strengths, weaknesses, opportunities and threats of competitors can be identified. (T/F)

10. Understanding the role of key people in the media, such as the editors and journalists, will help an organisation to develop and maintain good relationships with the media. (T/F)

SUMMARY

- Media relations is defined as the communication pattern between an organisation and those sections of the media which are interested in its activity.
- Media relations is important to any organisation especially in managing the corporate communication function.
- Media relations requires the collaboration between the organisation and several media bodies to disseminate knowledge and latest news to the community.
- Media relations and public relations are two separate concepts but are always used interchangeably.
- The main purpose of media relations is to enable the organisation to achieve its corporate goals.
- There are two major types of media: traditional media, also referred to "print and broadcast media", and new media.

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- The organisation must provide the right content and components for publications and promotions.
- It is important for a media relations officer to answer the 5Ws and 1H questions before preparing the news to the media.
- Media partnership is a win-win situation between the organisation and the media channel involved because it benefits both parties.
- Different people hold different values in their perception of media relations.
- Media relations action plans provide a platform for organisations to implement their media relations strategy.
- The main principle that underlies good and successful media relations is to understand with whom the organisation wants to communicate, whether they are producers, editors or journalists.

KEY TERMS

Action plan
Media relations
News
News media
Partnership
Public community
Public relations
Relationship
Traditional media

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Topic 6 ▶ Corporate Advertising

LEARNING OUTCOMES

By the end of this topic, you should be able to:

1. Define corporate advertising;
2. Explain the importance of corporate advertising;
3. Describe how corporate advertising can improve corporate communication; and
4. Describe corporate advertising principles that can be applied by professional practitioners.

▶ INTRODUCTION

This topic describes corporate advertising in a corporate communication context. Corporate advertising can be a key function in corporate communication; it can act as a promotional strategy that serves as a bridge between the community and the organisation. Understanding the importance of managing excellent corporate advertising is critical in managing corporate communication.

6.1 WHAT IS CORPORATE ADVERTISING?

Think about Apple Inc's "Think different" advertising slogan and its ubiquitous logo. What does the Apple logo mean to you? What does the advertisement tell us about the company?

The corporate message that Apple Inc intends to deliver is about the company's capability in innovating its product.

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The purpose of corporate advertising is to promote and campaign for the organisation rather than its products and services. Rossiter and Bellman (2005) regard corporate advertising as just one of a variety of communication tools that might be used to promote the desired corporate identity of the corporate brand or master brand rather than specific products or services.

Corporate advertising is done merely because a company wants to promote its interest through image enhancement and promote a certain cause.

6.1.1 Defining Corporate Advertising

Any advertisement that focuses more on public relations than sales promotion is corporate advertising. Its objective is to build a company's image, reputation and presence among the general public or within an industry.

According to Ormeño, (2007, pp. 46), corporate advertising is "company-initiated forms of communication employed to elicit desired responses from ultimate constituencies, directly addressed towards them". Corporate advertising also refers to "media space or time bought for the benefit of a company, rather than for its products" (Garbett in Ormeño, 2007). Ideally, corporate advertising requires the media to deliver the message to the public.



SELF-CHECK 6.1

1. What do you understand by the concept "corporate advertising"?
2. Why is corporate advertising important in building corporate identity?

6.2 FUNCTIONS OF CORPORATE ADVERTISING

Past research states that corporate advertising has two major functions (Patti and McDonald, 1989), namely, brand identity and image building.

Therefore, corporate advertising's main task is to develop a good brand name for the organisation through name recognition and name brand awareness, as well as by establishing goodwill for the company and its products and services. Equally important is image building; a good and reputable status will indirectly increase customer satisfaction and sales, which bring improvement to the company's balance sheet.

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In general, corporate advertising has several other important functions:

(a) To generate and enhance confidence that appeals to vendors and the community;

(b) To differentiate the company's core product from those by its competitors;

(c) To persuade the consumer to understand the nature of its business as well as its products and services;

(d) To increase the distribution of the products and services;

(e) To assist in overall cost reduction;

(f) To increase brand awareness, brand recognition, brand preferences and brand loyalty;

(g) To create new market demands;

(h) To create exchanges and value; and

(i) To communicate specific messages, especially the good reputation of the organisation.



ACTIVITY 6.1

1. Discuss TWO key functions of corporate advertising.
2. Explain how the organisation can utilise corporate advertising to persuade customers.

6.3 HISTORY OF CORPORATE ADVERTISING

To gain a historical perspective on this topic, let us look at the history of corporate advertising in America.

Traditionally, advertising in America was very much product oriented. However, due to several factors such as modernisation, new technology, multiple offers of products, stiff competition and the advent of the "modern corporation", companies began to introduce different types of advertising. One of these is corporate advertising, where its primary purpose is to promote the corporation or company itself.

The last two decades of the 20th century have been very critical in shaping the landscape of corporate advertising. It is heavily influenced by several factors like economics, social trends, politics, technology and the cultural and physical environment.

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Schumann, Hathcote and West (1991) say that the role of corporate advertising has changed over time. They note that in the 1960s, corporate advertising's primary function was "goodwill", and this was discussed in relation to several key concepts including "patronage," "public relations," and "public services". Later, in the 1970s, the concept of "image advertising" was broadened and advocacy and issue advertising became central to corporate advertising. Advocacy and issue advertising provided tools for companies to lend their support to political, social and economic ideas as well as to elicit public support for their positions on issues.

Up until now, the business environment, which has always been highly competitive, has required an organisation to intensively promote its corporate image as part of the corporate advertising strategy.



SELF-CHECK 6.2

1. What are the main factors that influence the new era of corporate advertising?
2. Name the different areas of corporate advertising during the 1960s.
3. Explain why the concept of "image advertising" was broadened.

6.4 OBJECTIVES AND NEEDS OF CORPORATE ADVERTISING

Corporate advertising is done to fulfil several objectives:

(a) To create positive images for the firm;

(b) To spread the organisation's viewpoints on various issues;

(c) To boost employee morale;

(d) To form smooth labour relations;

(e) To help new deregulated industries;

(f) To help diversified companies establish an identity; and

(g) To provide information to investors.

(Jun, 2009).

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According to Biehal and Sheinin (1998), it is crucial for the key person in the organisation (for example: brand manager or corporate communication manager) to understand corporate advertising strategies. This is simply because the information delivered to the public may greatly influence consumers' knowledge about the company. In the end, this influence will affect the way they think about the company's individual brands.

According to Crane (1990), corporate advertising can be used to achieve any of these three communication effects:

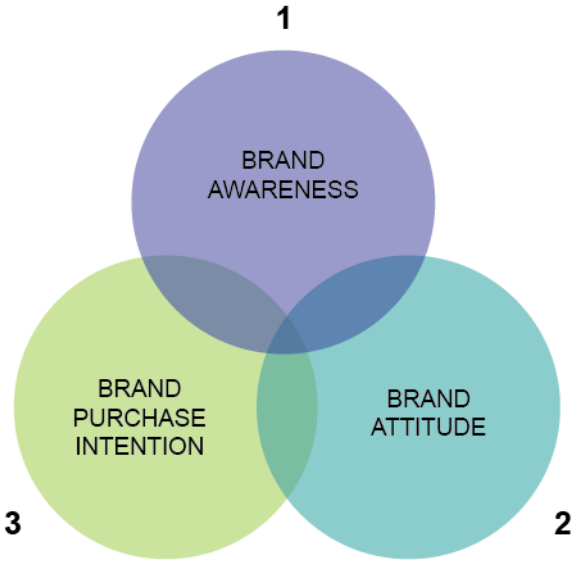


Figure 6.1: Three communication effects of corporate advertising

According to Crane (1990), the key point that needs to be considered when planning corporate advertising is to know what exactly the advertisement is expected to achieve. This makes it easier to determine the nature and scope of advertising.

SELF-CHECK 6.3

1. What are the main objectives of corporate advertising?
2. Why is it important to understand corporate advertising strategies?
3. Name three components of communication effects that can be achieved through corporate advertising.

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6.5 CORPORATE ADVERTISING GOALS

In general, corporate advertising has three major goals:

(a) **To improve public relations:** Through planned advertisements, the organisation is able to improve the perceptions of public relations.

(b) **To establish corporate identity**: Excellent reputation on corporate identity is built through corporate advertisement.

(c) **To recruit new employees:** Corporate advertising is the platform which can draw the attention of a good pool of candidates.

To achieve these goals, corporate advertising comprises four major elements as listed below:

(a) Public Relations Advertising

(i) Public relations advertising is done to gain public support for the products and services offered by the organisation;

(ii) It also aims to disseminate information about the organisation's reputation; and

(iii) It hopes to develop and maintain relationships with the community or public.

(b) Corporate Identity Advertising

(i) This kind of advertisement has a purpose in enhancing the organisation's corporate identity; and

(ii) It aims to inform the public about their established identity.

(c) Corporate/Institutional Advertising

(i) Corporate advertising is an activity used by the organisation to send its messages to the public; and

(ii) It seeks to benefit in terms of selling the reputation and good image to the public.

(d) Recruitment Advertising

(i) Aims to create interest among the public to work with the company; and

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(ii) Provides a platform to inform the public about the benefits gained when working with them.



SELF-CHECK 6.4

1. What is your understanding of public relations advertising?
2. Explain "recruitment advertising".

6.6 ADVANTAGES OF CORPORATE ADVERTISING

Corporate advertising aims to establish a favourable attitude towards an organisation as a whole instead of only concentrating on one specific product. This offers a lot of advantages to the organisation, employees and customers, some of which are listed below. Among other things, corporate advertising:

(a) Helps in developing and/or continuing the good reputation of the company;

(b) Assists in establishing a consistent company identity;

(c) Improves employee morale;

(d) Increases employee productivity;

(e) Improves employee job satisfaction levels;

(f) Develops greater loyalty in employees;

(g) Promotes the company's professionalism;

(h) Improves customer understanding towards the nature of the establishment; and

(i) Enhances customer knowledge about the company's identity and reputation.



SELF-CHECK 6.5

Name at least FIVE advantages of corporate advertising.

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6.7 TYPES OF CORPORATE ADVERTISING

Shimp (2010) classifies corporate advertising into two major groups:

(a) Corporate image advertising; and

(b) Corporate issue (advocacy) advertising.

According to Shimp (2010; also see Zulhamri, 2008), these two types of corporate advertising have their own unique roles:

(a) Corporate Image Advertising

(i) Corporate image advertising has a goal where it tries to:

- Increase the firm's name recognition;
- Establish goodwill for the company and its products; and
- Identify itself with some meaningful and socially acceptable activity.

(ii) In line with its name, corporate image advertising aims to develop favourable images among the audience, which includes various stakeholders such as employees, consumers and suppliers.

(b) Corporate Issue (Advocacy) Advertising

(i) Corporate advocacy is concerned with controversial social issues of public importance and its intention is to manipulate public opinion.

(ii) Its main function is to support the firm's position and best interest while implicitly challenging the opponent's opinion and refuting the suitability of the opponent's facts.

It is also widely accepted that corporate advertising can be categorised into four different types:

(a) Image advertising;

(b) Event sponsorship;

(c) Advocacy advertising; and

(d) Cause-related advertising.

(Jun, 2009)

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Figure 6.2: Example of image advertising
Source: http://www.carolynwagnerinc.com



McDonalds has been a loyal UEFA European Football Championship sponsor since 1992.

Figure 6.3: Example of event sponsorship
Source: http://www.uefa.com



The advocacy advertisement is designed to target a specific interest group which normally involves a non-profit organisation.

Figure 6.4: Example of advocacy poster advertising
Source: http://www2.emmagem.com

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Figure 6.5: Example of cause-related advertising
Source: http://dixonschwabl.com

Now, to provide better understanding on the actual practices of corporate advertising, let us take a look at AirAsia as one of the prime examples of how a company effectively manages its corporate advertising. AirAsia uses what is called "airspace advertising" to advertise and promote its brand of low cost airline.

One of the main goals of the formation of airspace advertising is to allow the customers to communicate directly with AirAsia's broad spectrum of passengers, where it is able to provide a platform for the users to get the message effectively.

Airspace advertising has efficiently come up with four different types of advertising:

(a) Online advertising;

(b) On ground advertising;

(c) Onboard; and

(d) In-flight magazine.

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Table 6.1: Air Asia's Airspace Advertising Model

ONLINE ADVERTISING	ONGROUND ADVERTISING
• Skyscraper • Targeted Ad • Email • Flight Itinerary • Placement • Campaign • Text Links	• Airport Counter Placement • Auto Boarding Pass • Airport/Sales • Office Product Placement • • Office Product Sampling • Aircraft Steps
ONBOARD ADVERTISING	**INFLIGHT MAGAZINE**
• Meal Tray Table Back • Seat Back Placement • Trolley Carts • Lavatory Decal • Napkins • Overhead Bins • Product Sampling • Air Sickness Bag • Beverage Cups • Flying AirBoard	• Current Issues • Latest Travel Trends • Latest Campaigns • Tourism News • In-flight Shopping

The purpose of dividing advertising into several groups is mainly to consistently reach the target audience at different levels.



SELF-CHECK 6.6

1. What are the two different types of corporate advertising?
2. Explain how AirAsia manages its corporate advertising.

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6.8 CORPORATE ADVERTISING CAMPAIGNS

"Malaysia truly Asia brand is recognised worldwide"

Datuk Mukhriz Mahathir
International Trade and Industry Deputy Minister
(Malaysia.com, 2009)

What does the above message tell us?

It tells us that the corporate advertising campaign on "Malaysia Truly Asia" by the Ministry of Tourism, Malaysia, is assisting in developing the "Malaysia" brand as one of the top tourism destinations around the world.

So, what is a corporate advertising campaign?

It is an integrated strategy that contains courses of actions which are developed to advertise and reach the identified target market. Corporate advertising campaigns involve a series of advertisement campaigns using a mix of communication media to deliver a single and consistent idea about the corporate identity, image and reputation of the organisation. Since it uses an integrated communication mix, it is very important to determine, agree and use only one common theme, also known as a "champion theme", so that the single and consistent message can be communicated effectively in all campaigns and promotions. Thus, identifying the right and suitable champion theme is crucial because it acts as a central message in advertising the organisation.

6.8.1 Effective Advertising Campaigns

One of the goals of advertising campaigns is to effectively reach a large audience. In order to be cost-effective, there are some guidelines and tips that must be adhered to. Among them are:

(a) Go After your Target Audience

(i) You need to know your target market and go for it!

(ii) Do not make mistakes by creating generic ads that do not speak the language or grab the interest of your niche market.

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(b) Highlight your Competitive Advantage

(i) You must highlight all the good things about your company.

(ii) Make sure your corporate campaigns are able to sell the benefits of your company, product or service.

(c) Establish an Image

(i) Image building takes time. You have to do it continuously and consistently so customers can get the message.

(ii) Image counts when it comes to advertising and promoting your business.

(d) You Have to Spend Money to Make Money

(i) To build an image and get the attention of customers, you need to spend your money. Where to spend it? Start with a corporate advertising campaign.

(ii) Do not try to save your budget by cutting down the cost of advertisement. This is dangerous! It will affect your sales which will eventually affect the bottom line.

(e) Advertise in the Right Places

(i) Understand your target market/audience. Study their behaviour. Know their needs, wants and preferences.

(ii) Advertise in media which reaches your target market.

(f) Do Not Allow your Budget to Run your Advertising Campaign

(i) You must plan your advertising campaign.

(ii) A good strategy must be developed so that you spend money efficiently on advertising campaigns.

(iii) Study the current situation and environment of the market so that you can use your money effectively.

(g) Diversify

(i) You have to choose the right and most suitable media or place in which to advertise.

(ii) Make sure that the integrated communication mix that you use will maximise your marketing dollar.

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(h) Do Not Try to Be Everything to Everyone

(i) You need to segment and target your market. You cannot be everything to everyone. You must focus on one target.

(ii) Please note that no product or service will appeal to everyone.

(iii) You must find the right market audience and serve them well!

(i) Test your Ads in Advance

(i) Do a pilot study to test your ads. It is worth it.

(ii) During the testing, solicit your target market's opinion on the ads. Ask them whether they understand and can accept the message or not.

(j) Monitor your Ads

(i) Monitoring the ads is compulsory.

(ii) Keep checking with the customer about your ads.

(iii) Ask simple questions such as "Where did you hear about us?".

(iv) It is advantageous to know which ads generate business.

(AllBusiness.com, 2010)



ACTIVITY 6.2

1. What is a corporate advertising campaign?
2. Why is it very important to determine the champion theme?
3. Discuss the guidelines that must be followed for an effective advertising campaign.

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ACTIVITY 6.3

Corporate Advertising: Scenarios for Discussion



Recently, Toyota launched a new corporate advertising campaign, highlighting the company's commitment to the environment, the economy and local communities. Built around the theme "Beyond Cars," the campaign includes print and online ads, as well as a new television commercial.

Look at the picture above and answer the following questions:

1. What is the purpose of this campaign?
2. Why does TOYOTA use the tagline *Beyond the Car*?
3. What do you think of the main highlight of Toyota's commitment?

These simple advertising case are modified based on Toyota Newsroom at http://pressroom.toyota.com)

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ACTIVITY 6.4

Launching of Zoom! Malaysia Advertising Campaign

> Datuk Seri Azalina Othman Said, the ex-Malaysian Minister of Tourism, has launched an advertising campaign to intensify the promotion of the domestic tourism, known as Zoom! Malaysia. This Tourism Malaysia outdoor advertising campaign will be carried out for six months.
>
> Using the body wrapping advertising technique, the campaign utilises public transport, such as airport limousines, buses, light rail transit and monorail. As public transport is popular among Malaysians and foreign tourists, the campaign is expected to give extensive exposure to the products, activities and tourism destinations in Malaysia.
>
> **Source:** www.thestar.com.my

Read the information provided and answer the following questions:

1. Where does the campaign take place? Why?
2. What is the campaign expected to deliver?
3. What do you think the main purpose of the campaign is?
4. Who are the main targets of the campaign?

SUMMARY

- Corporate advertising is used to promote the desired corporate identity of the corporate brand or master brand rather than specific products or services.
- In the 1960s, corporate advertising was discussed in relation to several key concepts including "patronage," "public relations," "public services" and "image advertising".
- A positive image for the firm can be created through corporate advertising activities.

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- Corporate advertising is useful in boosting employee morale.
- Brand awareness, brand attitude and brand purchase intentions can be generated based on corporate advertising activities.
- An excellent reputation on corporate identity is built through corporate advertisements.
- Public relations advertising is done in order to gain the public's support for the product and services offered by an organisation.
- Recruitment advertising aims to create interest among the public to work with an organisation.
- Corporate advocacy is concerned with controversial social issues of public importance with the intention of manipulating public opinion.
- A corporate advertising campaign is an integrated strategy that contains courses of action which are developed to advertise to and reach the identified target market.

KEY TERMS

Advocacy
Brand awareness
Campaign
Competitive advantage
Corporate identity
Corporate image
Corporate reputation
Relationship
Stakeholder

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Topic 7 Internal Communications

LEARNING OUTCOMES

By the end of this topic, you should be able to:

1. Explain the concept of internal communications;
2. Describe key features of internal communications;
3. Determine the steps in implementing an effective internal communications programme; and
4. Recognise the importance of managing internal communications.

INTRODUCTION

This topic describes basic principles of internal communications and their importance to today's challenging business environment. The main purpose of this topic is to provide important understanding of internal communications as a crucial component in the corporate communications discipline, and discuss its nature, definitions, functions, efforts and steps in its implementation, as well as the important role of management in managing internal communications. This topic will lead us towards a basic understanding of the concepts of internal communications and how to practise them in a contemporary business environment.

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7.1 INTERNAL COMMUNICATIONS AND FACING THE CHANGING ENVIRONMENT

In recent years, businesses have experienced significant changes due to several factors, such as technology advancement, fierce competition, internalisation and globalisation as well as the changing needs of consumers. These factors have forced the firms to concentrate on managing their business competitively whereby one of the strategies is to achieve excellence through corporate communications. The internal communication function is one of the fastest growing management disciplines (Clutterbuck & James, 1997). In line with this, internal communication serves as one of the most important or primary functions of corporate communications. It may occur at four different layers within the organisation, namely, higher managerial levels (line management), team-mate, project mate as well as internal corporate communication.

Regardless of its importance in a business environment, particularly in the area of human resources management, internal communication still has not earned special treatment in the organisation. Internal communicators, for example, are still treated as "poor relations" of the communications world. According to Morrison (2003), special privilege is still given to external customers over employees, where communication activity with customers takes a greater share of most companies' communications budgets. Similarly, an integrated communication mix which involves advertising, media relations, sponsorship and government and investor relations usually has a high profile within any large organisation and each of these areas is allocated both a high budget and a high degree of management time. This situation almost overlooks the main asset of the organisation, namely, its employees. Obviously, this is not a good practice, as managing internal customers is regarded as a necessary function too, even though it is hardly high priority (Morrison, 2003).

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7.1.1 Nature of Internal Communications



Take a look at the term above. What do you think it means?

Internal Communications means: *A management task responsible for managing effective communication internally or within the organisation*

Internal = Various stakeholders in the organisation
Communications = Activity of communicating and conveying messages

Internal communications is a relatively new area which is embedded in several other disciplines such as public relations, media relations, marketing, journalism, knowledge management, organisational study as well as psychology and sociology.

Internal communications is also commonly known as employee communications, employee relations, employee engagement and organisational communications. To an extent, it is also known as internal marketing, especially in the new era of corporate communication management. In general, internal communications focuses on the process of delivering information and knowledge from employers to employees. Ideally, internal communications is regarded as effective if practised based on two-way communication. However, without realising it, many firms today practise or adopt internal communications as a one-sided practice. In other words,, it is only from employers to employees.

7.1.2 Defining Internal Communications

Internal communications simply means the process of transferring information via various channels, which takes place in the organisation. Mazzei (2010) defines internal communications as the communication flow among people within the boundaries of an organisation. Mazzei (2010) also regards internal communications as a set of interactive processes which generates knowledge and allegiance, definitively abandoning a systemic perspective that refers to organisational boundaries (pp. 230).

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Internal communications also means ***explicit communications*** as it encompasses both overt communication, such as meetings, e-mails and newsletters, as well as more casual forms of communication, such as office pleasantries, gossip and body language (Meade, 2010). These communication styles contribute to an internal communications culture. This is evident when employees have a shared identity and a sense of belonging towards the organisation's values and practices. A strong internal culture breeds loyalty and motivation. It also transforms a place of work into a place of collaboration and connection (Meade, 2010).

7.1.3 Model of Internal Communications

Miles and Mangold (2004) propose an effective framework for understanding internal communications. According to them, internal communications is grouped into two major categories: formal and informal. They assert that internal communications is directed at internal customers, who are employees within the organisation.

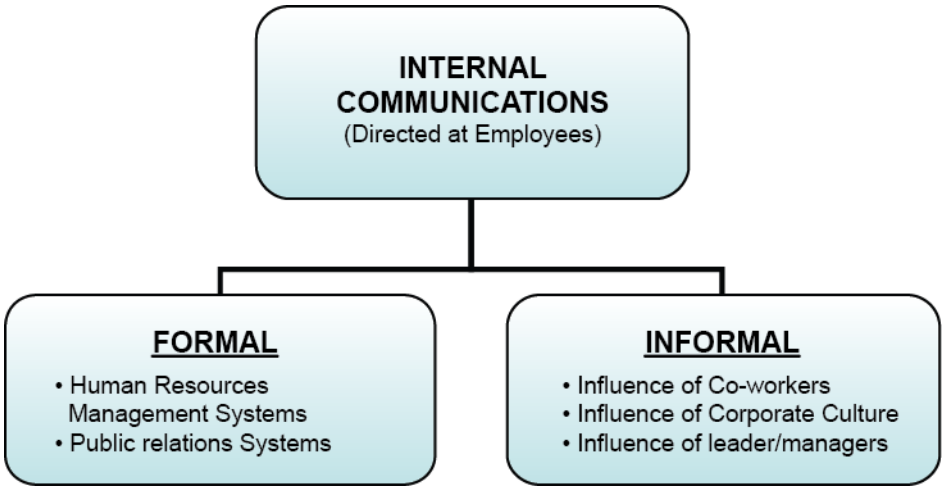


Figure 7.1: Origins of corporate identity communications
Source: Miles & Mangold (2004).

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7.1.4 Sources of Internal Communications

According to Herstein et al. (2007), there are two major sources of communication:

(a) The formal sources of internal communications include:

(i) The organisation's human resources management:

- This source is responsible for disseminating information and news about the organisation (Morrison, 2003).
- It covers a wide array of communications which includes staff meetings, intranet, workplace blogs, suggestion boxes and newsletters.
- It is crucial for human resources management to consistently manage the functions of internal communications.

(ii) The organisation's public relations (PR) system:

- This channel plays a major role in directing the employees' perception of the organisation's business policies and social values.
- The PR system has the capability to project a particular image and emotional tone through their advertising messages (Mitchell, 2002).

(b) The informal sources of internal communications covers:

(i) Co-workers or supervisors:

- The co-workers and supervisors play an important role in shaping internal communications.
- Information that is transmitted through co-workers – via interaction or observation – may reflect organisational realities more accurately than the messages transmitted through formal sources.

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(ii) Organisation's culture:
An organisation's culture comprises a set of values, norms, standards of behaviour, and common expectations that assist in message dissemination to members about what goals they should pursue and how they should behave to reach those goals (Jones and George, 2003).

(iii) Leadership and management:
Compelling leaders are capable in developing an understanding about an organisation's values and vision and are able to share a plan for achieving the company's vision and mission among the subordinates.



SELF-CHECK 7.1

1. Explain the nature of internal communications.
2. Discuss key elements of internal communications definitions.
3. Explain the difference between formal and informal sources of communications.
4. Give possible reasons why internal communications is seen as an important management function.

7.2 INTERNAL COMMUNICATIONS EFFORTS

How do we organise internal communications?

Can you suggest some ideas?

Well, there are TWO key principles in organising an internal communication effort:

(a) Conduct communication audit; and

(b) Determine employee's attitude.

Good communication involves a two-way process. It will be helpful to assume that basic internal communication can be categorised into downward and upward.

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Downward communication:

(a) The first thing to do is to make sure that everyone in the organisation receives a copy of a strategic plan which explains the vision, mission, organisation chart and value of the organisation;

(b) The employee handbook is important as it outlines policies at the workplace;

(c) Make sure employees are given detailed job descriptions;

(d) Hold regular management meetings and involve employees;

(e) Hold regular full staff meetings so that important information can be disseminated; and

(f) Have regular face-to-face contact with employees.

Upward communication:

(a) Remember to ask employees to hand in the reports to the supervisor on a regular basis;

(b) Use management and staff meetings to solicit information; and

(c) Act on feedback received.

(Source: Chapman, 2011)

Relationship between Upward and Downward Internal Communications Efforts

Clearly, management needs to coordinate the internal communications efforts by making sure that both types of communication are present in the organisation. Downward communication is needed so that the information from the management can be delivered to subordinates. Similarly, upward communication is equally important because subordinates can provide feedback based on their experience and express opinions and ideas which will be helpful to the organisation.

Consequently the combination of "up and down" is essential because it provides platforms for both parties to communicate. Vital messages and new decisions made by the management should be understood by employees. Accordingly, employees can offer feedback and suggestions to the management. This practice will assist in fostering a healthy working environment and lead to the success of the firm.

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7.2.1 Benefits of Good Internal Communications

Good internal communications may bring several benefits to the organisation and its stakeholders. Among them:

Table 7.1: Benefits of Good Internal Communications

Enhanced staff engagement and undersstanding	All staff members are able to share the organisation's key priorities and vision, which helps build a brand
More effective management	Two-way flow of information
Increased staff morale and motivation, which is also linked to lower sickness rates	Helps towards assessments such as higher performance scores and achieving excellence
Staff satisfaction promotes good customer service, which leads to value for money and client satisfaction	Improves perceptions of organisation reputation and image
Ownership – Employees feel like they belong and are more likely to feel that any changes are partly their idea, which makes them less resistant to change	Informed decision making
Internal communications complements external communications systems meaning that everyone has the same information	Can create departmental communication and greater staff commitment and increased staff productivity

Source: Lancashire Communications Network (2005).



SELF-CHECK 7.2

1. Name two key guiding principles in an internal communications effort.
2. Differentiate between upward and downward internal communications.
3. Discuss key benefits of internal communications.
4. To what extent do you understand the word "downward communication" in the context of internal communications?

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7.3 STEPS IN IMPLEMENTING AN EFFECTIVE INTERNAL COMMUNICATIONS PROGRAMME

Excellent internal communication involves frequent two-way communication with all staff members at various levels, regardless of their positions in the organisation. It is important to remember that, to be successful, the organisation must ensure that its objectives are aligned with its business communications. Indeed the internal communications process is a "**people process**", which requires everyone in the organisation to get involved.

As noted earlier, good practice of internal communications may result in better employee commitment and improve internal productivity as well as better customer commitment and experience. Therefore, it is critical to ensure that an appropriate and effective internal communications programme is designed so that effective implementation can take place. Hence, in order to make sure that the internal communications programme can achieve optimum results and can be applied successfully, some strategies and tools must be adopted. They are outlined below:

(a) Up-to-date communications strategy;

(b) Audit;

(c) Employee survey;

(d) External research;

(e) Regular team briefing;

(f) Face-to-face communication;

(g) Accessible staff notice board;

(h) Core brief;

(i) Management training;

(j) Appraisal;

(k) E-mail;

(l) Suggestion scheme;

(m) Staff award scheme;

(n) Newsletter;

(o) Intranet;

(p) Webcast;

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(q) Corporate road show;

(r) Ambassador; and

(s) Staff Forum.

(Lancashire Communications Network, 2005)

7.3.1 Development of Internal Communications Strategy

An effective approach in the development of the communications strategy is to identify:

(a) Goals, ambitions and strategic aspirations for the future;

(b) What the people in the organisation need to think, feel and do in order to make those goals a reality;

(c) Where employees are now and what needs to change in their current perceptions, attitude, or access to basic information;

(d) Role of the internal communication function in helping to close the gap of what we want for the future and what we have today;

(e) Roles and responsibilities of leaders, managers, employees and communication professionals;

(f) The communication activities we are going to need – and who will be responsible for what; and

(g) The resource levels we need.

(RapidBI, 2011)

Essentially, there are 12 factors essential to an effective internal communications strategy and plan:

(a) Employee-focused communications must be led from the top;

(b) Consistency in message is vital;

(c) Charismatic yet natural and planned communications are more effective;

(d) Communication via the line manager is preferred and more effective;

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(e) Employee communications are not optional extras; they are part of business as usual and should be planned and budgeted for as such;

(f) There must be integration between internal and external communications;

(g) Timing is critical;

(h) The tone of any communication is important if we want people to engage effectively;

(i) Keep all communication focused on WIIFM, short for the "What's in it for me?" factor;

(j) Communication is a two-way process;

(k) A single key theme or a couple of key themes are means of giving coherence to a range of diverse employee communications initiatives; and

(l) Set your standards and stick to them.

(RapidBI, 2011)



SELF-CHECK 7.3

1. Why is internal communications regarded as a people process?
2. Name at least FIVE strategies that can be used in implementing an internal communications programme.
3. Identify 12 factors that are essential to an effective internal communications strategy and plan.

7.4 ROLES OF MANAGEMENT IN INTERNAL COMMUNICATIONS

Knowledge management, employee management and internal communications are identified as being instrumental in terms of organisational survival and growth (Kitchen and Daly, 2002). Management obviously plays an important role in managing internal communication in the establishment. Effective internal communication does not come easy and does not happen by chance. It requires careful management planning, organising, implementing and controlling practice.

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Thus, it is critical for the management to take charge of internal communications as its context is changing fast. Internal communications is no longer seen as a function which is solely involves media management. Rather, it acts as a tool for reducing communication pollution to enhance individual understanding. Hence, it creates another level of challenge where it tries to merge the audience capacity with the often uncontrollable torrent of information from devolved management (Smythe, 1997).

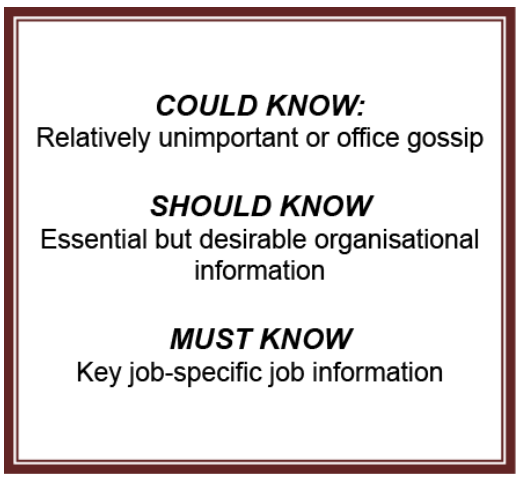
Smythe (1997) categorises the roles of organisational communication into three major components:

(a) Providing the instruments to measure relationship styles;

(b) Facilitating debate among the leaders of the organisation, on what kind of relationship styles will be most useful; and

(c) Working with others to refine the development processes which will modify relationship styles.

Pearson and Thomas (1997) outline three effective levels of communication, meaning that managers must understand what employees:



Therefore, it is crucial for the manager to understand and classify the level of employee's knowledge accordingly so that a suitable internal communication strategy could be properly implemented. These three categories contribute to the challenges in communications management.

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SELF-CHECK 7.4

1. What do you understand about the role of management in internal communications?
2. Name the three major components involved in organisational communications.
3. Why is it important for managers to understand employees' level of knowledge?

ACTIVITY 7.1

Internal Communication Practice: Scenario for Discussion

Case in Point: Panic-Inducing Rumour Mill

According to Ashman Razaruddin, president of advertising/PR agency Eastnova Inc, there were months when rumours circulated at a Selangor-based technology company that layoffs were approaching due to the poor state of the economy. When the management heard the rumours, it made no announcements to communicate to employees that this was just gossip. In turn, a number of employees began job searching and took new positions with competitors. The rumoured lay-offs never happened but the company lost several good employees as a result.

Read the case and answer the following questions:

1. What is the management's biggest mistake?
2. What could be the solution to the problem?
3. What channel do you think will be suitable for the management in this case to disseminate information to the staff?

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ACTIVITY 7.2

L'Oreal USA

L'Oreal USA is a subsidiary of the L'Oreal Group, the world's largest cosmetics and beauty company. In 2007, the company broke ground on a state-of-the-art, "green" energy-efficient office building in Berkeley Heights in New Jersey. The location would serve as its New Jersey headquarters to over 400 employees scattered across the surrounding area. By moving everyone under one roof, L'Oreal USA hoped to improve efficiency and promote effective teamwork. However, many employees were going to face a much longer commute. L'Oreal wanted to generate support by highlighting the building's features and making employees feel excited about working there.

Read the case and answer the following questions:

1. Describe the nature of the challenge faced by L'Oreal USA.
2. What could be the solutions to the challenges?
3. What channel do you think will be suitable for the management to disseminate information to the staff?
4. If L'Oreal wants to create an engaging brochure, what are the things that should be included in the brochure?

(Davis & Company, 2010)

SUMMARY

- Internal communications serves as one of the most important or primary functions of corporate communications which takes place within an organisation.
- Excellent corporate vitcommunications helps in managing the business competitively, whereby one of the strategies is achieved through internal communications.

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- Internal communications is a relatively new area and embedded in several other disciplines such as public relations, media relations, marketing, journalism, knowledge management, organisational study as well psychology and sociology.

- Internal communication focuses on the process of delivering the information and knowledge from employers to employees.

- Internal communication is regarded as effective if practised based on two way communications.

- Explicit communications explains the nature of internal communications because it encompasses both overt communication as well as more casual forms of communication..

- Internal communications is grouped into two major categories: formal and informal.

- Good communication involves a two-way process.

- Good practice of internal communication may result in increased employee commitment and improved internal productivity, as well as better customer commitment and experience.

KEY TERMS

Business environment
Consumers
Culture
Employee management
Employees
Internal Communications
Internal customers
Upward & downward

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Topic 8 ▶ Government Relations

LEARNING OUTCOMES

By the end of this topic, you should be able to:

1. Define government relations;
2. Explain the importance of government relations;
3. Explain the concept of lobbying;
4. Outline the principal roles of corporate communication in government; and
5. Discuss the role of government relations.

▶ INTRODUCTION

Government relations are important to any organisation and the work of government relations is considered one of the most important functions of corporate communication for any established organisation. It involves the process of getting together with various government bodies to build strong relationships to handle laws, rules and regulation matters in an organised and consistent way. This topic deals with one of the most important tasks in managing the government, and that is lobbying. Hence, detailed explanation on the importance of lobbying in managing government relations will be provided. The main point of this topic is to provide better understanding of the importance of government relations, which can help a corporate communication division to design, develop and maintain effective government relations in managing corporate communication excellence.

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8.1 WHAT IS GOVERNMENT RELATIONS?

An organisation depends very much on stakeholders. Government is one of the most important stakeholders or bodies that have influence on the success of the organisation. Indeed, government is an important component of the external environment for any organisation. Thus, it is crucial for the organisation to create a special task to oversee this relationship. Government relation agents or also known as public affairs (Van Riel and Fombrun, 2007) or corporate affairs (Dolphin, 1999) executives have a special task to improve the company's relationship with government representatives.

8.1.1 Defining Government Relations

Government relations is

"A function through which the company can actively participate in all phases of government with optimum resource utilisation and maximum effectiveness" (p. 48).

(Dominguez, 1982)

Government relations can be defined as "the application of one or more communications techniques by individuals or institutions to affect the decision of government, at the local, state, national or international levels or some combinations of them" (Mack, 1997, p. 4).

On the other hand, in a broader perspective, Grunig and Hunt (1984, p. 284) define public affairs (broad component of government relations) as "activities of an organisation to manage its response to political issues and its relationships with governments". Hence, government relations are by and large a process of managing organisation – government bodies in the context of corporate communications where public affairs have a designated function in public relations. This simply means that a government relation is a subset of public affairs (Cutlip et al., 2000).

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8.1.2 The Importance of Government Relations

Why is government relations important?

A government has rights to enforce the law and rule a country. Governments are associated with the power of establishing regulations and are a representation of the legitimate authority in a society (Grunig & Hunt, 1984; Mintzberg, 1983). Therefore, the corporate sphere needs a special function for dealing with the external governing environment that is government.

Government relations is important because it brings several benefits to the organisation such as:

(a) An early warning system with regard to government policies, regulations, activities, and legislation can be established and implemented;

(b) Effective participation in legislative and regulatory processes can be attained;

(c) International awareness at the corporate level on government programmes can be fostered;

(d) Any forms of government inquiries, request and regulations can be properly responded to; and

(e) The process of integration and coordination of the organisation's government relations effort can be centrally located and managed.

(Source: Dominguez, 1982; and Grunig & Hunt, 1984)



SELF-CHECK 8.1

1. What is government relations?
2. Why is government relations important for organisations?
3. List the benefits gained from good government relations.

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8.2 GOVERNMENT RELATIONS AND ORGANISATIONAL MISSION

Every organisation has its own mission. An organisation's mission specifies the goals and objectives of the company. It also sets out the rules and the business principles of the company, which assist in the company's strategic planning. Organisational mission is an important tool to guide the organisation in many things such as decision-making processes, methods of conducting the business, as well as methods of dealing with employees. An organisation's mission is normally made public to everyone. In general, the mission of the organisation declares its functions, its main products and services, its benefits and its main role to the public. Thus, it is crucial for the company to ensure that its mission is in line with government rules and regulation so that public interest can be maintained. A good company incorporates a high degree of relationship with government to show its support. To maintain an excellent relationship, the organisation also demonstrates its agreement with the government in its mission and vision statement.

For example, Telekom Malaysia states very clearly in one of its mission statements, the following pledge:

"Deliver value for stakeholders by generating shareholder value and supporting Malaysia's growth and development" (Telekom Malaysia, 2010)

What does the symbol or logo signify?

It is a 1Malaysia continuous campaign that calls every cabinet, government agency and civil servant to incorporate good values in life such as ethics, life in harmony, national unity and efficient governance.

The logo of "1" features our national flag "Jalur Gemilang" and the word "Malaysia". The first slogan is "Rakyat Didahulukan, Pencapaian Diutamakan" or "People First, Performance Now". The second slogan is "Menjana Transformasi" or "Generating Transformation".

Thus, in line with 1Malaysia's vision and mission, it is the job of an organisation to make sure that its company's vision, mission and strategy are in line with government ideology.

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SELF-CHECK 8.2

1. What is an organisational mission?
2. Why do you think an organisation mission should be in line with government ideology?

8.3 CORPORATE AND GOVERNMENT RELATIONS

Now, let us consider one prime example of a company which maintains a continuous relationship with the government – Telekom Malaysia (TM).

TM is a leading integrated telecommunications company in Malaysia. TM provides a remarkable example of a great relationship between corporate and government.

SNS

Specialised Network Services (SNS) is a division under Government Sales which takes care of specialised requirements from various customer segments

SPM

Solutioning and Programme Management (SPM) was set up on 1 April 2009 and it is one of the divisions under the Government Line of Business (LOB). It consists of three major units:

* Business Management (BM)
* Solution Consultant
* Programme Management (PM)

MERS 999

The MERS 999 system is a Federal Government project that merges four emergency service providers (ESP), namely, the police, fire department, hospital and civil defence under one common platform to provide a uniform process in handling emergency calls.

Figure 8.1: A list of some of TM's government relations.
Source: http://www.tm.com.my

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The company supplies special packages for the Malaysian government comprising the best customised solutions and communication technology for both government-linked corporations and government agencies. TM believes in the importance of striving towards an excellent relationship with the government.

Another example demonsrates a corporation's support for the government encouragement to spend wisely. A hypermarket in Malaysia, Carrefour, launched a campaign for "Cheapest Price Guarantee Commitment". The campaign was initially inspired by the government's price reduction campaign, which motivated the company to take action to ensure that customers can enjoy greater savings when they shop in Carrefour.



Figure 8.2: Carrefour's campaign in support of wise spending policy
Source: http://thestar.com.my/

SELF-CHECK 8.3

1. In what way does TM demonstrate its support for government relations?
2. What can other companies learn from TM?
3. What is the difference between the efforts taken by TM and Carrefour?

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8.4 ROLE OF GOVERNMENT

Government is a group of individuals coming together to form a cabinet that is responsible for managing a country's affairs. A government is responsible for managing several important components which includes economics and society. According to Feinman (2004), modern government is responsible for managing three different types of services:

(a) **First category – Ensuring the nation's health and security:**

(i) National military support;

(ii) Public health; and

(iii) Operation of the government itself

(b) **Second category – Caring for the welfare of its people:**

(i) Old age pensions;

(ii) Unemployment support; and

(iii) Some health services.

(c) **Third category – Making and enforcing the law of the land:**

(i) Legal mandate – Create and administer fair and equitable laws.

In general, the government has several major roles in managing the country. Among the important ones are:

(a) Prepare a policy to promote local and international business;

(b) Provide guidelines for international trade so that the country can be promoted further;

(c) Conduct research and development in various areas for the country's well-being;

(d) Promote import and export activities; and

(e) Provide and maintain public services such as national defence, managing international and local affairs, law and regulation administrator, environmental protection and building infrastructure.

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SELF-CHECK 8.4

1. What do you understand by "government"?
2. Name all three types of services provided by the government.
3. List the major roles of government.

8.5 CRITIQUES ABOUT THE ROLE OF GOVERNMENT

In Malaysia, the government has always been at the forefront in managing the country where special emphasis has been given to developing economics and social activities. However, a government cannot escape from criticism of its policies.

For example, a government scheme was criticised when it planned to create commercial "private wings" in major government hospitals (Kupusamy, 2010). Similarly, the US government received mixed reactions from the public for its little involvement in regulating the US economy, with some quarters complaining that the US economy is not a free market at all (US Dept of State 2007).

8.6 LOBBYING

> Lobbying involves the advocacy of an interest that is affected, actually or potentially, by the decisions of government leaders. Individuals and interest groups alike can lobby governments, and governments can even lobby each other.
>
> "Lobbying", 2008

Looking at the phrase above, what does it tell you?

It means that lobbying is a pursuit of public affairs with a special design strategy in response to a particular political issue.

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8.6.1 What is Lobbying and Who is a Lobbyist?

Lobbying or usually referred to as a "lobby" is "the process of trying to influence legislators on behalf of special interest groups" (Dolphin, 1999, pp. 18) or the intention of influencing decisions made by legislators and officials in the government by individuals, other legislators, constituents, or advocacy groups. Lobbying is a form of activity of corporate public affairs and is often structured in the government relations unit of a public affairs department (Johnson, 1992). Lobbying involves two major groups where it involves the process of influencing:

(a) The Public; and

(b) Governmental Policy. (Mack, 1997)

Hence, the concept of lobbying is associated with government. Mack (1997) claimed that traditional lobbying remains the core activity of the government. It is a practice concerned with solving conflict between two parties. Lobbying has a role in serving as the check and balance in the protection of the legislative process. According to Mack (1997), lobbying involves advocacy either by individuals or groups, of a point of view – the expression of an interest that is affected, actually or potentially, by the affairs of government (p. 2).

Lobbying refers to the practice of different types of government relations such as:

(a) Campaign to mobilise constituents at the grassroots;

(b) Political fund-raising and contributions programme;

(c) A variety of communications technologies and techniques; and

(d) Alliances with trade associations, and with other groups with their own agenda.

(Mack, 1997, p. 4.)

One example of successful lobbying involves international petroleum company BP, which turned the tide for turtles in Terengganu. The efforts started in 1999, when Malaysia's BP operation collaborated with the Fisheries Department and the Worldwide Fund for Nature to set up and run the Ma'Daerah Turtle Sanctuary in Terengganu. Among other initiatives taken by BP was raising awareness among the people of the climate change in Malaysia. This effort was made through organised programmes using collaboration with the Centre for Environment, Technology and Development Malaysia ("*BP turns the tide*", 2008).

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Successful lobbying by the group has resulted in the State Government agreeing to gazette 25 hectares of beach at Ma'Daerah.

(*"BP turns the tide"*, 2008)

Who is a lobbyist?

Lobbyists are typically known as interest groups or pressure groups because of the nature of their job in struggling to have their goals achieved in whatever situation.

What do you think the benefits of lobbying are?

Lobbying may bring several benefits to the organisation such as:

(a) Acting as a platform for providing information, latest analyses and opinions to legislators and government leaders;

(b) Preparing a suitable environment for problem resolution;

(c) Allowing for checks and balances in decision making; and

(d) Generating a balanced system which permits healthy competition among interested groups.

8.6.2 Reasons for Lobbying

Lobbying is done by organisations or individuals for several reasons (Mack, 1997, pp. 5–6):

(a) To gain benefits or forms of relief that are unavailable in the private sector:
It is quite common for an organisation to look for reasonable assistance from the government to review unacceptable government regulations.

(b) To gain or retain an economic advantage:
An obvious economic advantage is to retain the parties that will help keep the status quo on a special concession bestowed by law.

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(c) To gain relief or advantage at one level of government that has been denied at another:
For example, some organisations that look for federal legislation will put off a diversity of state regulatory activities which appear to be incongruent with interstate marketing.

(d) To create a beneficial programme:
Lobbying helps specific groups with what they want for the benefit of their respective organisations. For example, organisations lobbying for something that will be useful for generating new revenue sources.

(e) To resolve public problems that only the government can handle:
In general, not all problems can be resolved by the organisation whether for reasons of law and practices; thus, in this situation the government becomes an important body to resolve specific problems that cannot be handled easily by organisations.



SELF-CHECK 8.5

1. What is lobbying?
2. Name three different tasks in lobbying.
3. Discuss possible reasons why people lobby.

8.7 CORPORATE COMMUNICATION IN GOVERNMENT RELATIONS

One of the main tasks of the corporate communications department is to oversee all corporate communication matters and public relations matters including maintaining a good relationship with the government. Government relations is an essential subset of public affairs (Wilcox et al., 2003) which is crucial in corporate communications. Building and maintaining an excellent association with government representatives are important functions for the organisation as they lead to success in the future. This is significant as organisations form part of the country's elements that are ruled by the government. Currently, public relations in corporate communications has an important task to perform in building and maintaining corporate affairs, especially when it is becoming more complex to deal with various parties (between organisations, government, industry, and public).

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For example, the corporate communications manager is responsible for advocating, campaigning and promoting to the government agencies for specific purposes. These may include lobbying on special issues or interests which are directly or indirectly related to the organisation. The relevant issue may highly influence an organisation's success.

In general, corporate communications has two important functions with regard to maintaining excellent government relations:

(a) Lobbying – Any form of activity with an intention to influence legislation; and

(b) Public affairs – Issues and matters which affect the public or a topic which originated from the relationship between the government and the public.

8.7.1 Role of Corporate Communication in Government Relations

In order to build a positive environment with the government, an organisation must:

(a) Provide a round table for dialogue between the organisation and government officials;

(b) Articulate the organisation's standpoint on government policies and procedure;

(c) Pronounce explicit support for the government's programmes;

(d) Provide latest developments in the company's policies, rules and regulations;

(e) Promote and foster strong support in government-private forums with regard to issues such as industrial linkages, public affairs, economics issues and social problems:

(f) Update on the company's performance especially with regard to new government policies; and

(g) Offer opportunity for open negotiation.

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SELF-CHECK 8.6

Write down the role of corporate communication in government relations.

ACTIVITY 8.1

Choose the correct answer: TRUE or FALSE

1. Government is the only stakeholder or body that has influence on the success of an organisation. (T/F)
2. Government relations, also known as public affairs, has a special task to improve a company's relationship with corporate representatives. (T/F)
3. Government relations is a subset of local affairs. (T/F)
4. Effective participation in legislative and regulatory processes can benefit from good government relations. (T/F)
5. A good company incorporates a high degree of relationship with government to show its support to the government. (T/F)
6. National military support and old age pensions are examples of services provided by the government. (T/F)
7. One of the government's roles is to prepare policies to promote local and international business. (T/F)
8. Lobbying is an activity of corporate public affairs and is often structured into the government relations unit of a public affairs department. (T/F)
9. Lobbying has the task to prepare a suitable environment for problem resolution. (T/F)
10. Corporate communications has two important functions with regard to maintaining excellent government relations which are lobbying and media relations. (T/F)

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SUMMARY

- Government is one of the most important stakeholders or bodies that have influence on the success of the organisation.
- Government relations is a function through which the company can actively participate in all phases of government with optimum resource utilisation and maximum effectiveness.
- Government relations is a subset of public affairs.
- Government relations is important because it brings several benefits such as fostering and encouraging international awareness at the corporate level on government programmes.
- Organisational mission is an important tool to guide the organisation in many things such as, decision-making, conducting the business as well as dealing with employees.
- Modern government is responsible in managing a host of services such as national military support, old age pension as well as education services.
- Government is not free from receiving any criticism based on their policies.
- Lobbying involves the process of trying to influence legislators on behalf of special interest groups.
- Lobbying may bring several benefits to the organisation - it acts as a platform in providing information, latest analyses, and opinions to legislators and government leaders.
- Lobbying generates a balanced system which permits healthy competition among interested groups.
- A corporate communication manager is responsible for advocating, campaigning and promoting specific agendas to government agencies.

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KEY TERMS

Campaign
Corporate affairs
Critiques
Environment
Government relations
Law and legislation
Lobbying
Policies
Public affairs

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Topic 9 ▶ Managing Issues and Crises

LEARNING OUTCOMES

By the end of this topic, you should be able to:

1. Describe what issues and crisis communication is;
2. Identify the elements involved in a crisis;
3. Discuss the impact of a crisis; and
4. Outline the principal steps of handling issues and crises.

▶ INTRODUCTION

This topic discusses issues and crisis communication and provides a foundation for managing issues and crises. Issues and crises happen all the time in organisations and a good management strategy is required to handle them. Both issues and crisis management are considered part of a management strategy that is specifically formulated to prevent or lessen the damage caused by such events, or to anticipate and stop them before they can pose any harm to the organisation. Issues and crises can badly impact an organisation. Thus, a suitable management approach is required to deal with them. Steps in handling issues and crises are provided in this topic.

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9.1 WHAT IS ISSUES AND CRISIS COMMUNICATION?

Firstly, it is very important to understand the meaning of issues and crises before we try to familiarise ourselves with issues and crisis communication.

What is an issue and what is a crisis?

Issue is:

Condition or event, either internal or external to the organisation which, if it continues, will have a significant effect on the functioning or performance of the organisation or on its future interests

Regester and Larkin (2002)

Crisis is:

Any situation that is threatening or could threaten to harm people or property, seriously interrupt business, damage reputation or negatively impact share value.

Bernstein (1996)

Issues management considers identification of future trends which may have some impact on an organisation. On the other hand, crisis management is more reactive in nature because it is concerned with a disciplined and focused management of a situation after a crisis has occurred (Monstad in Jaques, 2003).

9.1.1 Defining Issues and Crisis Communication

It is important to note that issues and crises are often used interchangeably. According to Darling (1994), some organisations are more comfortable using the word "issue" in place of "crisis". Therefore, they prefer to term it as issues management instead of crisis management. Thus, the current topic assumes that the terms "issue" and "crisis" refer to the same thing where, if handled well, can benefit the organisation in general.

"Crisis communication is part of an overall crisis management plan designed by upper-level management and public relations professionals to reduce the potential damage caused by a crisis".

(Roos, 2007)

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Crises happen everywhere, especially in workplaces where there is a high degree of interaction, and where the levels of communication are intensive and complex. Crisis communication is a concept that gives particular attention to the process of exchanging information from the crisis management team to the needful persons for the purpose of helping them in crisis or simply to prevent the crisis from happening.

Crisis communication can be defined as "the collection, processing and dissemination of information required for addressing a crisis situation" (Coombs and Holladay, 2010, pp. 20). Crisis communication is also defined as "the flow of information during a crisis among an organisation, its employees, the media, the government, law enforcement and the general public" (Roos, 2011).

Specifically, issues and crisis management place special emphasis on prioritising and proactively addressing public policy and reputation issues that can affect an organisation's success (Public Affairs Council, 2012). Many large companies use issues management techniques to keep their external relations activities focused on high-priority challenges and opportunities.

In general, crisis communication is a process of information gathering by a special issues and crisis communication team for decision-making purposes.

9.1.2 The Role of Communication in Issues and Crisis

Issues and crisis management is considered a part of management strategy that is specifically formulated to prevent or lessen the damage of a crisis, or prevent it from imposing any harm to the organisation. According to Doughall (2008), issues management is all about facilitating communication leadership in organisations. Currently, the role of communication has received further attention and has been significantly extended to treat issues and crises at the workplace. Indeed, communication plays a great responsibility in the examination of organisational issues and crises in line with the development of traditional crisis management (Seeger et al., 2003).

In the context of crisis management, communication plays a role in disseminating risk mitigation information as depicted below.

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Figure 9.1: Role of communication in managing crises
Adapted from Seeger et al. (2003).

Similarly the communicators or communication practitioners bear the important responsibility of scaffolding the whole crisis management plan (Seeger et al., 2003).

SELF-CHECK 9.1

1. What do you understand by the words "issue" and "crisis"?
2. What is issues and crisis communication?
3. List the major roles of communication in handling a crisis.
4. Why is media relations important for organisations?

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9.2 RELATIONSHIP BETWEEN ISSUES AND CRISES IN ORGANISATIONS

Obviously, issues and crises are closely related. An organisation is a workplace that houses hundreds of people who come from different backgrounds, and possess different characteristics and attitudes. These individuals interact and communicate in their own ways, which sometimes cause certain misunderstandings, disagreements, grudges and dissatisfactions, which then may lead to multiple issues that may lead to crises at work.

Seeger et al. (2003) notes several common characteristics of organisational crisis which consist of:

(a) Cause;

(b) Locus;

(c) Source and location of threat; and

(d) Consequences.

They said that these common features might pose typical challenges and threats to organisations in the same industry.

According to Zaremba (2010), the culture of an organisation that is also known as the organisation's DNA, is capable of helping and determining the success of its crisis communication. That said, the crisis management team must ensure that the plan for crisis communication management must consider the element of the organisation's culture in its strategy planning.

9.3 ELEMENTS INVOLVED IN ISSUES AND CRISES

Issues and crises are inevitable. Therefore, it is very important to understand the elements involved. Essentially, crisis communication involves a two-fold process: preparation and response (Ross, 2007).

(a) The first element: Preparation

    (i) At this stage, it is crucial for the organisation (handled by a crisis communication team) to establish a particularised *crisis communication plan*.

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(b) The second element: Response

(i) The plan is an important tool, which will assist the organisation to respond quickly during the turbulent time.

(ii) Immediate steps to control the turbulent times may help to quickly regain public trust.

On the other hand, Coombs and Holladay (2010) suggest that crisis management is a process which comprises three parts: preventive measure, crisis smanagement plan and post-crisis evaluation.

They added that a group of factors that represent crisis management can be divided into three categories:

(a) **Pre-crisis:** Any action taken to prevent crises and prepare for crisis management.

(b) **Crisis:** The response to the actual event.

(c) **Post-Crisis:** Lessons to be taken away from the crisis event.

These three phases are useful in helping the crisis communication team to chart its communication strategy in handling crises at the workplace.

(Coombs and Holladay, 2010)



SELF-CHECK 9.2

1. Name the two major elements involved in crisis.
2. Write down the three parts of crisis management.
3. Explain the difference between pre-crisis and post-crisis.

9.4 GOAL OF HANDLING CRISES

Crises impose problems to the organisation; in particular, crises can tarnish its image and reputation. However, if the organisation handles and responds to a crisis well, this could bring glory to the organisation. Communication is the key! Moreover, it is very important to have a plan ready so that it can help the crisis team to respond, and assist in the decision-making process.

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One of the most important goals in crisis-handling is to counteract the negative perception, or else the worst thing could happen – the organisation's image and reputation could be tarnished. Among other goals in handling crises are to:

(a) Stabilise the organisation;

(b) Assess potential damage;

(c) Evaluate the tarnished image; and

(d) Determine suitable action to manage the crisis.

Turner (1999) propose that in order to have a good crisis communication plan, an organisation should follow seven steps:

(a) Be prepared;

(b) Remain calm;

(c) Gather information quickly;

(d) Identify one spokesperson;

(e) Use key messages;

(f) Personally inform respective person; and

(g) Understand the need of media.

(Source: Turner, 1999, pp. 30)



SELF-CHECK 9.3

1. What is the main goal of crisis handling in an organisation?
2. What are the other goals in crisis handling?
3. List the steps in a crisis communication plan.

9.5 IMPACT OF A CRISIS

Crises can seriously impact an organisation. Crises that threaten an organisation can be classified into three major groups:

(a) Threat to public safety;

(b) Financial loss; and

(c) Reputation loss.

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Dowling (2002) mentioned that among the evidently serious impacts that a crisis may pose to the organisation are the following:

(a) Degradation of corporate image;

(b) Erosion of respect and esteem;

(c) Loss of trust and confidence; and

(d) Tarnishing of corporate reputation.

On the other hand, a crisis can also influence people's opinion of the organisation towards the better in terms of image and reputation. It can happen depending on these factors:

(a) How favourable or unfavourable is the current image and reputation of the organisation;

(b) The magnitude and type of crisis; and

(c) The amount and tone of media publicity.

(Source: Dowling, 2002)



SELF-CHECK 9.4

1. List three major groups of crises.
2. Crises may pose a serious impact to an organisation. Explain why.

9.6 ELEMENTS OF TRUST BUILDING

"Trust is the absence of fear"

Lukaszewski, (1999)

Issues and crises are inevitable in an organisation. Trust appears to be an important element in managing crisis communication. The notion of trust provides a basic awareness of why crisis communication management can be successful or unsuccessful. This is especially true for public trust as it is the lifeline for an organisation's survival.

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9.6.1 Successful Trust Building

To manage issues and crisis communication well, the organisation must ensure that trust is built using suitable strategies. There are seven trust-building, fear-reducing, credibility-fixing behaviours:

(a) Provide advance information;

(b) Ask for input;

(c) Listen carefully;

(d) Demonstrate that you have heard, i.e., changed your plans;

(e) Stay in touch;

(f) Speak in plain language; and

(g) Bring victims/involuntary participants into the decision-making process.

(Lukaszewski, 1999)



SELF-CHECK 9.5

1. Why is trust important in crisis management?
2. Name at least five trust building strategies.

9.7 STEPS IN HANDLING ISSUES AND CRISES

In this sub-topic we are going to discuss the steps in handling issues and crises.

9.7.1 Essential Steps in Issue Management

There are four available strategic options which represent the steps in managing issues:

(a) Strategic business planning;

(b) Getting the house in order – Corporate responsibility;

(c) Scouting the terrain – Scanning, identification, monitoring, analysis and priority setting; and

(d) Strong defence and smart offence – Issues communication.

(Heath, 1997)

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9.7.2 Essential Steps in Handling Crisis

Similarly, from different perspectives, Bernstein (1996) identifies 10 steps in handling crisis communications:

(a) **Identify your Crisis Communications Team**

First thing to do is to recruit a suitable and capable team to work in the crisis communication team.

(b) **Identify Spokespersons**

(i) Assign an appropriate spokesperson and give them authority to speak on behalf of the organisation.

(ii) A spokesperson is responsible for communicating with various bodies especially for media relations.

(c) **Spokesperson Training**

(i) It is essential to give training to the elected spokesperson.

(ii) Suitable training is crucial so that the spokesperson is always ready in whatever situation.

(d) **Establish Notification Systems**

(i) Have several communication channels ready to reach everyone involved, especially the stakeholders.

(ii) An established notification system allows an organisation to reach the stakeholders in a short time.

(e) **Identify and Know your Stakeholders**

(i) Understand your internal and external stakeholders.

(ii) Identify the right stakeholders to be contacted during the crisis.

(f) **Anticipate Crisis**

(i) Brainstorm with your team members on potential crises so that the organisation is prepared for it.

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(g) Develop Holding Statements

(i) Prepare "holding statements" in advance.

(ii) A holding statement is a form of message designed for use immediately after a crisis breaks.

(h) Assess the Crisis Situation

(i) Always prepare in advance in anticipating the potential crisis.

(ii) Assess the crisis situation using the right information.

(i) Identify Key Messages

(i) Once the holding statement is out, be prepared with the actual statement or crisis-specific message required for the given situation.

(ii) Include all the relevant information on what those stakeholders should know about *this* crisis. Keep it simple!

(j) Riding Out the Storm

(i) Prepare for any kind of possibilities that may happen based on stakeholders' reaction.



SELF-CHECK 9.6

1. What are the four strategic options in issue management?
2. What are the 10 steps in handling a crisis?
3. Why do you need to establish notification systems?

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ACTIVITY 9.1

Corporate Communication Crisis: Case Study For Discussion

Introduction

In late August 1997, the Australian Football League (AFL) announced that Richmond Football Club (RFC) player Justin Charles had tested positive for using boldenone, a steroid that enhances recovery of chronic injury. The situation placed the AFL in foreign territory, as no AFL player had previously been found guilty of taking a performance-enhancing drug. Charles' actions created a crisis situation for himself, the AFL and the RFC, and it forced both organisations to implement crisis management plans to counteract potential negative publicity.

Sequence of Events

Justin Charles began using the anabolic steroid boldenone after a string of leg injuries hampered his pre-season training. He then tested positive to using the performance enhancing steroid after being tested by the Australian Sports Drug Agency in June 1997. On August 28, the AFL announced that Justin Charles was to face the AFL tribunal for allegedly using a performance enhancing steroid.

Justin Charles attended a press conference admitting that he had used steroids to overcome a pre-season injury. As he apologised to his team mates, family and supporters during the press conference, Charles was unable to controlhis emotions and broke down when apologising.

The AFL suspended Charles for a total of 16 weeks on 4 September 1998. The sentence was six games short of the maximum penalty for a first time drug offence.

Source: The case study is modified based on O'Beirne and Ries (1999)

Read the case and answer the following questions:

1. If RFC would want to make a media release, what would be the potential message to be reported to the media in handling the crisis?

2. Now, let us assume that RFC does not have a crisis management plan drafted, suggest a crisis management plan to help the organisation solve the crisis.

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SUMMARY

- Issues and crises are regarded as a turbulent environment where immediate actions and decisions must be made quickly.
- Issue and crisis communication is a concept that gives particular attention to the process of exchanging information from the crisis management team to the needful person for the purpose of helping them or simply to prevent the crisis from happening.
- Crisis communication is also a process of information gathering by crisis communication team for decision-making purposes.
- Essentially, crisis communication involves a two-fold process, which involves preparation and responses.
- Communication is the key in handling crisis management.
- Degradation of corporate image and erosion of respect and esteem are among the impacts of crises on the organisation.
- Trust can be a factor in the success or lack of success of crisis communication management.
- It is crucial to identify and know your stakeholders when handling a crisis.
- Always prepare in advance in anticipating potential crises.
- A good issues and crisis communications plan should include personally informing the relevant persons and understand the need of the media.

KEY TERMS

Action plan
Crisis
Crisis communication
Impact
Issues
Management strategy
Relationship
Spokesperson
Trust

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Topic 10 ▶ Emerging Technology in Corporate Communication

LEARNING OUTCOMES

By the end of this topic, you should be able to:

1. Explain the importance of technology to corporate communication;
2. Describe the functions of communication technology in corporate communication;
3. Identify the types of communication technology used in improving corporate communication; and
4. Explain the implications of information technology in corporate communication.

▶ INTRODUCTION

This topic discusses the importance of technology to corporate communication in a modern corporation. The functions of communication technology in corporate communication are highlighted to show how they improve communication efficiency between the corporation and its stakeholders. Various types of communication technology that help an organisation communicate better with its constituencies are also discussed. In addition, this last topic will identify the practical implications that arise from the use of communication technology in the practice of corporate communication in a complex business environment.

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10.1 IMPORTANCE OF TECHNOLOGY TO CORPORATE COMMUNICATION

Imagine that you have been invited to join your best friend on a short break in Langkawi Island. This invitation is irresistible as you will be staying in a luxury suite at a five-star hotel, complete with interactive television and free high speed Wifi coverage that spans the entire hotel. You can imagine yourself gleefully fiddling with your new iPhone 5 at the hotel lobby while indulging in your evening tea.

But!!!

You have just arrived when you receive an URGENT call from your boss in Kuala Lumpur. Although all client meetings have been scheduled over the next two weeks, Richard, one of your clients from Finland, would like meet up with you immediately to discuss a business proposal. He is in a hurry as he needs to return to Finland to attend an urgent board meeting.

So, what should you do?

Should you invite Richard to join you in Langkawi?

Should you pack your stuff and rush back to Kuala Lumpur to meet him?

Since you are connected to the Internet, perhaps you should meet via Web conference using your iPhone or the hotel's computer in the business centre?

10.1.1 Today's Communication Technology

Undeniably, technology can improve business functions which may result in an increase in corporate performance. Many leaders would agree with that statement. In the last century, technology has been used (and continues to be used) as a tool or machine for manufacturing and mass production. The focus is tangible and based on physical appearance. Nowadays, technology has been revolutionised and optimised to focus on social interactions between people. This emphasises the intangible aspects of business such as personal knowledge, business networking and personality, making professionalism even more vital and an important trait for young executives to pick up early on in their careers.

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With the rise of digital communication platforms such as blogs, Facebook, Twitter, wikis, and video sharing sites, among others, stakeholders are empowered to control the market. Every modern corporation should understand this concept. In the context of the contemporary media landscape, there are three main information tools that can be used by corporate communication practitioners to reach their target audiences:

- Print media;
- Broadcast media; and
- New media.

(a) **Print Media**

Print media refers to any written publication that is produced and distributed in printed form including newspapers, magazines, bulletin, newsletters, and so forth for commercial and social purposes.

(b) **Broadcast Media**

Broadcast media is any electronic (visual and audio) instrument that is produced and distributed in electronic form such as radio and television for commercial and social purposes.

(c) **New Media**

New media is regarded as an interactive media that is produced and distributed via the Web or Internet. Any visual/audio works including news, photos, songs and movies can be viewed using personal computer or smartphone and even interactive television.

Media convergence of computing, telecommunication and broadcasting technologies has created a super communication technology. Using this technology, today's executives need to be equipped with modern communication gadgets such as smartphones, tablet computers, or laptops with high speed wireless connection. Executives must acquire the skills to use this technology and increase their knowledge in modern information technology in order to reach their constituencies globally.

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10.1.2 How Important is Technology to Corporate Communication?

What are the major differences between these two young executives?

Amri Kassim	Dani Hassan
Corporate Communication Executive	Corporate Communication Executive
Graduate with a Bachelor Degree in Corporate Communication	Sijil Pelajaran Malaysia (Certificate of Education) holder
2 years' working experience	5 years' working experience
Good soft managerial skills	Excellent soft managerial skills
Good personal networking	Excellent personal networking
Good multitasking skills	Excellent multitasking skills

Scenario Issues:
As a fresh graduate, it would be a great challenge for you to compete with skilled and experienced executives in today's complex business environment. Employers will not risk their business to hire you based only on your degree qualification without scrutinising your special skills and practical knowledge. Many employers will choose a person like Dani Hassan, not Amri Kassim. Why? How would you make an employer choose Amri?

The secret is differentiation. How can technological skills give Amri a boost?

Amri must familiarise himself with the latest communication technologies as a value added proposition to compete with Dani. Below are some suggested extraordinary skills:

(a) Extensive knowledge in designing and managing Web portals;

(b) Excellent business writing and presentation skills using office productivity suites such as Microsoft Office;

(c) Global connections using social media networking (Facebook, Twitter and etc.); and

(d) Knowledge in using computer-based research software (e.g., SPSS, NVivo and Atlas Ti).

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The following are four reasons why technology is so important to corporate communication:

- Improving routine business tasks;
- Improving communication efficiency with clients;
- Helping in managerial decision making process; and
- Exploring and tracking new business opportunities.

(a) **Improving Routine Business Tasks**

Technology makes your routine business tasks more efficient and effective. For example, writing press releases using a word processor with an integrated office suite would be easier as you can set a designated format and layout, and then upload the press release onto an organisation's website or send to a particular media company. Using computer tools like spreadsheet or budgeting applications help a communication consultant to improve financial planning, budgeting and forecasting in any consulting project the firm undertakes.

(b) **Improving Communication Efficiency with Clients**

Communication efficiency can be improved by using a smartphone, where short message service (SMS) and e-mail communications can be conducted on the go and in an instant. As it is in the nature of the job for a communication executive to meet many clients in different situations during office hours, a global positioning system (GPS)-linked app will help them to navigate efficiently and find the exact location of meeting places. Laptops can be used for business presentations to potential clients not only in the office but also in a coffee shop or restaurant over a meal or drinks.

(c) **Helping in the Managerial Decision Making Process**

The ability to make management decisions is vital to being a successful communication executive. However, it is too risky to make a decision if you do not have much information about a particular project. By accessing an updated database and doing simple research on a client's background, an executive will make better decisions in any business negotiation.

(d) **Exploring and Tracking New Business Opportunities**

The Internet allows communication executives to explore new business opportunities and expand new market at minimal cost. Here, it is really cost-effectiveness that leads to business efficiency. A communication executive should also act as a Web content provider, working together with webmasters to target the content at online businesses and global constituencies.

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SELF-CHECK 10.1

1. What are three main information tools used by corporate communication executives?
2. Why should today's communication executives be equipped with technological gadgets?
3. Why is technology important to young communication executives who are venturing into the global corporate communication business?

10.2 FUNCTIONS OF COMMUNICATION TECHNOLOGY IN CORPORATE COMMUNICATION

Study the illustration below (Figure 10.1) and write a short essay on how communication technology can influence the way customers think, feel, and admire the latest brand product (for example, the latest high-definition three-dimension flat panel television), which could explain why and how customers make their purchase decisions.

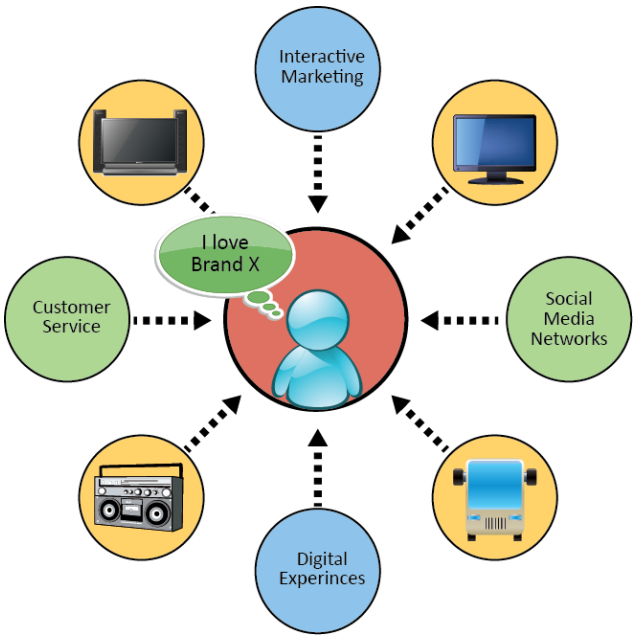


Figure 10.1: Ways in which brands can influence a customer

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With today's communication technology, many problems such as finding, storing, and retrieving information to improve the quality of services are easy to resolve efficiently. As corporate communication executives always communicate with various stakeholders internally and externally, using communication technology is vital for improving the functions of corporate communication.

Wingfield and Zumbrun (2008) studied media usage among corporate communication executives and made the following conclusion:

"*The continuous creation of new technologies is speeding up the pace of news gathering and dissemination and providing numerous media outlets for consumers to turn to for their daily dose of information. That means that the time consumers devote to media consumption is more fragmented than ever – presenting multiple challenges for communicators attempting to reach their target audiences*".

In today's complex business world, the function of corporate communication becomes more strategic than tactical. Corporate communication is well-recognised as a top business function when venturing into a globally competitive business. CEO and top management value the importance of corporate communication by increasing budgets and expanding the department size. Table 10.1 illustrates the survey results about the importance of managing corporate reputation to a modern organisation (in relation to other areas of corporate communication), followed by recruiting top talent (internal branding).

Table 10.1 lists the responses of US CEOs to the question of which areas do you involve your PR counsel.

Table 10.1: Management on Functions Involving PR Counsel

Function	%
Managing corporate reputation	70.8
Recruiting top talent	64.6
Launching new products	62.5
Developing company strategy	59.7
Engagement with community leaders	59.0
Corporate social responsibility	57.6
Boosting investor/analyst perception (a company well-being)	57.6
Retaining top talent	55.6
Green/sustainability/environmental issues	55.6
Weathering a crisis (e.g. product recall)	53.5
Shaping your corporate brand	50.7

Source: Burson-Marsteller/PR Week 2007 CEO Survey. Retrieved from http://burson-marsteller.ch

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As we learned in the previous topics, the typical functions of corporate communication can be highlighted as follows:

(a) **Media relations** – The communication and relationship between an organisation and sections of the media which are interested in its activity;

(b) **Event management** – The application of project management to the creation and development of festivals, events and conferences;

(c) **Internal communication** – "A set of interactive processes which generates knowledge and allegiance, definitively abandoning a systemic perspective that refers to organisational boundaries" (Mazzei, 2010, p. 230);

(d) **Corporate social responsibility** – The application of project management to organisational programmes and activities that should contribute to societal development and benefit communities;

(e) **Public affairs** – The use of various communication techniques by individuals or organisations to affect the decision of governments at the local, state, national or international levels, or some combinations of these;

(f) **Crisis communication** – The flow of information during a crisis among an organisation, its employees and its affiliates, the media, the government and its enforcement agencies, and the general public; and

(g) **Investor relations** – The Investor Relations Society (according to Marston and Straker, 2001, p. 82), defined investor relations as "the management of the relationships between a company with publicly traded securities (shares) and the holders or potential holders of such securities".

This section discusses the key functions of communication technology in the improvement of corporate communication. Indeed, with the development of increasingly sophisticated information technology, it is essential to articulate how digital strategy can be deployed for powerful corporate communication. Specifically, Argenti and Barnes (2009) emphasise that corporate communication leaders may deploy digital communication strategies for:

(a) Managing brand identity to improve corporate reputation;

(b) Building a culture of engagement, transparency and governance;

(c) Turning stakeholders into "corporate evangelists";

(d) Managing internal communication across time zones and language barriers;

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(e) Recruiting and retaining the best talent for internal branding; and

(f) Developing effective and convincing messages based on stakeholders' needs and desires.

The use of information technology improves organisational efficiency and effectiveness (Papa et al., 2008) and as a boundary spanner, corporate communication should facilitate every organisational function for integration and orchestration using new and emerging electronic systems. The overall system that an organisation creates which can be used in planning, controlling and evaluating organisational activities is known also as knowledge management infrastructure.

According to Galagan (as cited by Papa et al., 2008, p. 166), knowledge management using information technology may create the following activities:

(a) Generating new knowledge;

(b) Demonstrating knowledge in documents and databases;

(c) Embedding knowledge into organisational processes, including products and services;

(d) Transmitting knowledge within the organisation;

(e) Accessing knowledge in decision making;

(f) Facilitating knowledge growth as culture; and

(g) Measuring the value of knowledge as an organisational asset.



SELF-CHECK 10.2

1. How can new technologies improve corporate communication functions?
2. Give key reasons why corporate communication leaders need to deploy digital communication strategy for powerful corporate communication?
3. What functional activities can emerge in developing knowledge management to improve organisational efficiency and effectiveness?

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10.3 TYPES OF COMMUNICATION TECHNOLOGY



Figure 10.2: Website brands with social media functions. Adapted from The social media triangle. In *A view from Silicon* Valley [blog]. Retrieved from http://timdyson.wordpress.com

The types of communication technology can be divided into two clusters – conventional and modern communication technologies. The former types refer to communication tools such as telephone, radio, and television. The latter types can be described as new communication tools and they include smartphones, email, Internet protocol (IP) telephony, instant messaging and social media networks.

10.3.1 Conventional Communication Tools

The **telephone** is a basic telecommunication device that connects a sender to a receiver at remote locations. It allows for instant communication across long distances. The telephone was invented by Alexander Graham Bell in 1876. A telephone is a primary communication tool for building business relationships.

Radio is a broadcast device that uses transmission of signal via different frequencies in the electromagnetic spectrum, commonly called the airwaves. It allows a broadcaster to send music and speech across vast expanse of space. Gugliegmo Marconi is credited with the invention of radio in 1895. Radio is not only used to promote a company's products and services through broadcast advertisement, but also present news, music and audio entertainment to millions of people everyday.

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A **television** is an electronic broadcast receiving device that receives moving images that are accompanied by sound. John Logie Baird invented a precursor to the modern television in 1925. Television is a predominant source of communication shaping a culture and lifestyle of people. Television is used to promote a company's products and services through broadcast advertisement and also to present news, political events and a variety of entertainment in millions of homes every day. The change from analogue to digital technology, the advent of broadband Internet service and the convergence of communication technologies have revolutionised the development of broadcasting services.

10.3.2 Modern Communication Tools

The **smartphone** is an advanced telecommunication device that is able to transmit and receive audio, still images as well as video. The device can accommodate a variety of communication media such as picture messages, email and video conference. User-friendly features such as Bluetooth and multi-touch screen technologies have increased the requirement for this device among business executives.

E-mail is a primary tool of exchanging text-based digital messages. It allows users to send, accept, forward, and store messages. E-mailing is extremely useful for business executives as the alternative or complementary method to sending information by post and facsimile.

IP telephony services such as Skype are software applications that enable free or low-cost voice and video phone calls to be made via the Internet infrastructure. Broadband Internet connection is usually required for such service to be reliable, and it can be used anywhere in the world where there is high-speed connection. Business video conferencing over long distances can be done using Skype.

Instant messaging is an interactive communication tool on the Internet that allows users to communicate with each other in "real time". Short written messages can be sent and received instantly to facilitate efficient text-based conversation. Sometimes instant messaging is also referred to as online chat.

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Social media networking, of which Facebook is currently a popular choice, lets users establish their respective personal profile pages on a website for free. The user will receive automatic notifications when other users interact with the online profile page. Social network services can be used to connect people for the purpose of entertainment, business or education.

Another popular method of social media networking is Twitter. As a user, you can send and receive any message or "tweet" and those who subscribe to your "feed", known as followers, are automatically alerted of any update. Modern companies use Twitter to provide updates on their events in order to reach their online stakeholders.



Figure 10.3: Examples of brands (on the left) that use social media networking to reach their stakeholders; and examples of logos (right) used by social media brands.
Source: Adapted from The social media triangle. In *A view from Silicon* Valley [blog]. Retrieved from http://timdyson.wordpress.com

ACTIVITY 10.1

1. State and discuss THREE types of conventional communication technologies and apply them to the current practice of corporate communication.
2. Discuss TWO social networking sites used by modern airline companies to build a favourable relationship with consumers.

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10.4 IMPLICATIONS OF INFORMATION TECHNOLOGY IN CORPORATE COMMUNICATION

With regard to the brand identity and corporate personality of Johnson & Johnson, what can you infer from observing Johnson & Johnson's website below?



Figure 10.4: Sample of webpages from Johnson & Johnson's website, 2012. Retrieved from http://www.jnj.com

According to Papa et al. (2008: 171), "… information technology is a catalyst for changes in organisational structure, function, and communication." This implies that the impact of information technology on the organisation is huge. This impact is felt most in three main areas, namely, the organisation's structure, its processes, and its workers.

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Similarly, information technology has substantially revolutionised the practice of corporate communication around the world. The impact of information technology can be seen through changes in the methods of corporate communication, which focus much on the digital strategies of communication today. This will facilitate executives in making better decisions and improving their overall productivity. Information technology impacts on the key functions of corporate communication are as follows:

(a) **E-media Relations**

Technology allows corporate communication executives to send their press releases via email. Concise update of press releases can be done by uploading them onto the company's website. Online newsletters and bulletins can also be uploaded onto the website. Consistent with the "pull factor" concept, journalists nowadays look for news and do research through corporate websites. Media kits can be sent via e-mail as well.

(b) **E-internal Communication**

Technology allows employees to work faster and more efficiently. Internal branding is vital for a company to recruit and retain the best talent. Employee profiles can be stored, forwarded and revealed to the top management using the Web. A strong corporate culture is established by considering identities, images, and values to individual employee's feelings and attitudes towards the company (Argenti & Barnes, 2009).

(c) **E-brand Identity and Company Reputation**

A website is not merely to show off a company's core products and profile, it is also the "face" of company. Corporate personality should be portrayed in the homepage. For example, Johnson & Johnson's website depicts pictures of a mother and baby, nursing, etc to imply that their core business is concerned with good and caring healthcare and pharmaceutical products. A strong brand identity will lead to an improved organisational reputation.



SELF-CHECK 10.3

1. What are THREE major impacts of information technology on organisational performance?
2. Discuss the implications of information technology on media relations.
3. How can technology be used to improve a company's reputation?

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ACTIVITY 10.2

Assume that you are working for a successful and dynamic corporation in Kuala Lumpur as a corporate communication executive, and your boss asks you to plan and execute some simple research. Using the following survey questionnaire, you are asked to get at least 30 to 40 respondents. Analyse your results and discuss.

Corporate Communication Practitioners' Use of Technology in Top 100 Malaysian companies.

1. Do you use communication technologies in your practice of corporate communication? If yes, state a specific technology you have used.
2. Which computer systems do you use?
3. What hardware do you use?
4. What software and telecommunications services do you use?
5. What online services do you use?
6. What specific PR software do you use?
7. Do you use computer technologies to conduct research?
8. What specific services/online databases do you use?
9. How do you use databases in your research efforts?
10. What software do you use for media relations research?
11. How many media relations programmes are used per firm?
12. Do you use computer technologies for planning?
13. How does your organisation use computer technology for planning?
14. What forms of communication technologies/services do you use?
15. How often do your employees receive computer training and instruction?

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16. How do you handle security issues related to the use of communication technologies?

17. What are your primary concerns regarding communication technology?

18. What new technologies are you planning to implement?

19. In what areas of corporate communication do you feel that current technologies do not meet your needs? What types of technologies would you like to have in your office?

20. What do you feel are the biggest obstacles to technology usage in corporate communication?

(Source: Matera & Artigue, 2000, pp. 24–34)

SUMMARY

- Technology can improve business functions, which may result in an increase in corporate performance.
- Technology has revolutionised and optimised the way people form social relationships.
- Present-day technology focuses on revolutionising the way information is used, such as through a knowledge sharing network.
- Communication technology resolves many problems associated with finding, storing and retrieving information, thus leading to improvements in the quality, ease of access and efficiencies in services.
- In a modern and complex business world, the function of corporate communication becomes more strategic than tactical.
- With the development of increasingly sophisticated information technology, it is essential to articulate how the digital strategy can be deployed for powerful corporate communication.

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- As a boundary spanner, corporate communication should facilitate every organisational function for integration and orchestration using new and emerging electronic systems.

- The types of communication technology can be divided into two clusters – conventional and modern communication technologies.

- Information technology is a catalyst for changes in organisational structure, function, and communication.

- Information technology impact key corporate communication functions such as media relations, internal communication, brand identity and company reputation.

KEY TERMS

Brand identity
Digital strategy
Electronic system
Image
Internal communication
Knowledge management
Media relations
Reputation
Social networking



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(*Pusat Reka Bentuk Pengajaran dan Teknologi*)

Tel No.: 03-27732578

Fax No.: 03-26978702

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