



UNIT-5

Corporate Public Relations

Learning Outcomes

By the end of this unit the learner will be able to:

- ✓ Human Resource Development
- ✓ Corporate Planning

Unit 5

Corporate Public Relations

Introduction

In order to satisfy customer needs and fulfill its corporate mission, an organization establishes and maintains relationships with their employees, customers, shareholders, media, general public as well as government and business organizations. These relationships are characterized by varying degrees of interaction and interdependence.

Corporate public relations aims to build overall public acceptance of the corporation and its products. The function involves two approaches—a defensive approach in the face of hostility or attack by clearing misconceptions and an advocacy approach for generating goodwill and enhancing reputation.

Whether the public relation functions are carried out entirely by the internal public relations department or with the help of external consultants, the strategies, techniques and methods of building corporate image remain the same.

Corporate Organization

Before we discuss the concept of "Corporate Public Relations" in detail, we will explain to you some of the basic aspects about the functioning of a Corporate Organization.

Functioning of a Corporate Organization: A Corporate body or an organization may be defined as an apex body, having control over multiple units and diverse activities. It is usually engaged in business operations which may be service or production oriented. It lays down specific objectives and goals and ensures investment returns. Every corporation, whether big or small, has certain missions, objectives and goals which it strives to achieve. These Corporate entities are central to its existence. They project the purpose of the organization to the public and also motivate the employees to help the organization achieve its targets.

Corporate Missions: are in-depth ideologies and principles of the organization, laid down in its Articles of Association or its promotional preamble. These principles provide broad directions and outlines about the philosophy of the organization.

Take for example the mission of "An Oil Corporation"

- To achieve international standards of excellence in all its operations with concern for customer satisfaction;
- To create a modern technology base for self reliance, growth and development of business;

- To contribute to the national economy by providing adequate return on investment and by setting high standards of leadership and productivity;
- To foster a culture of participation;
- To help enrich quality of life of the community and preserve ecological balance and national heritage;

Corporate Objectives: are a broad frame-work of guidelines provided for each of its operations to achieve efficient and effective performance. They explain long and short term plans, projects and programmes; roles and responsibilities of each division; and indicate parameters of growth in keeping with its socially responsible reputation.

Corporate Goals: These are specific tasks to be accomplished by a defined group of persons or individuals within a stipulated time frame. These are designed to meet targets of production, marketing, supply and distribution or similar targets of rendering services. They also clearly indicate the role and responsibilities of groups in achieving corporate goals hence enable one to measure effectiveness of the organization.

Each corporation is a different entity. For example, some organizations are engaged in production and manufacturing; marketing or supply and distribution; whereas others specialize in financial and service sectors. But all companies have a common corporate goal. They respond to the needs of their vast clientele by efficiently producing quality goods in a cost-effective manner. They have also to establish a vast marketing network for rendering prompt customer service, which reaches out to remote and inaccessible areas.

Corporate Organizational Structure

No organization is a monolithic structure where individuals behave alike. In fact, Corporations consist of different departments and in many cases, a chain of companies.

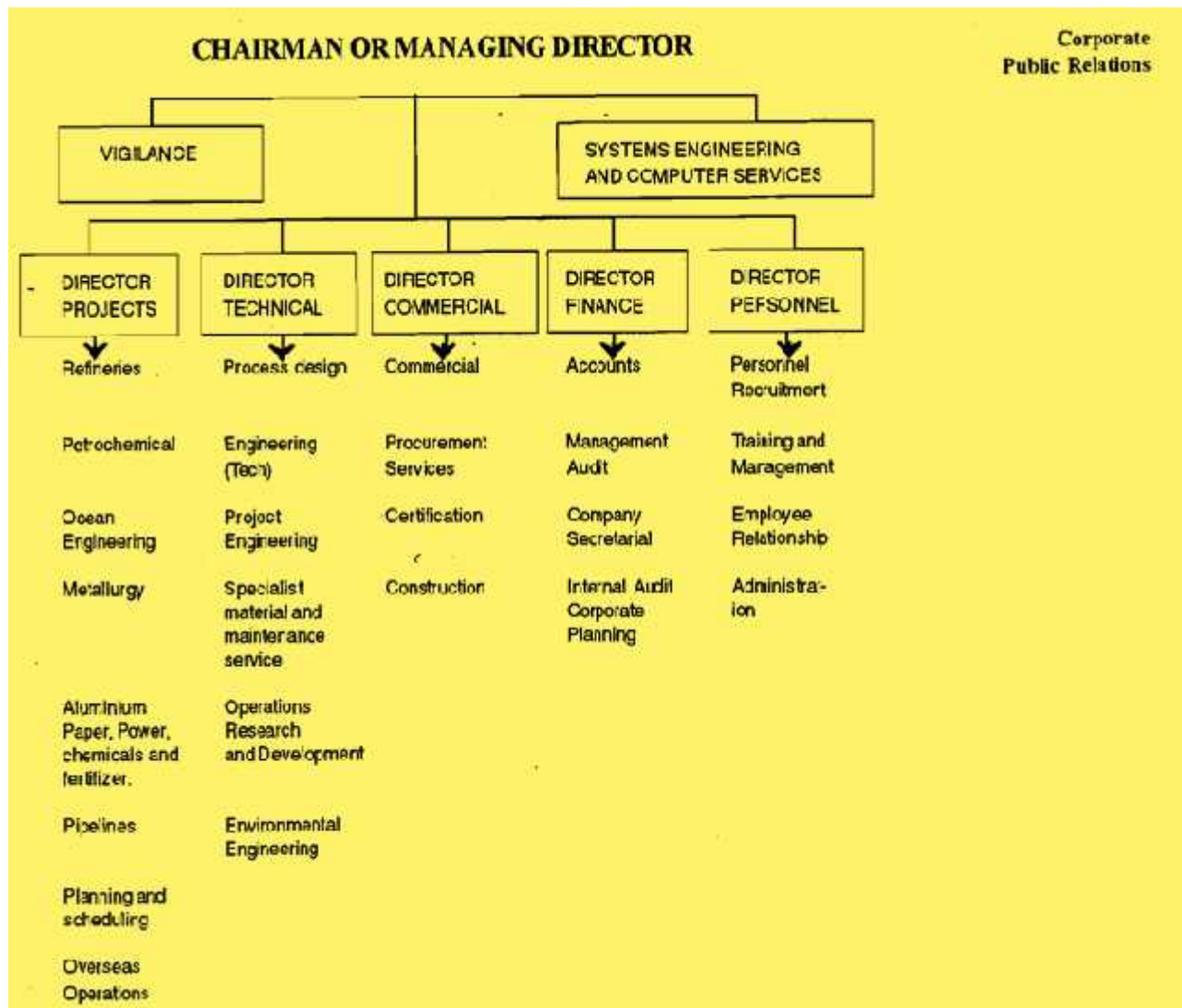
A typical large scale organization is governed by a Board of Directors consisting of a Chairman and a number of functioning Directors.

Broadly speaking a corporation has seven major divisions:

- 1) Operations;
- 2) Production;
- 3) Marketing;
- 4) Supply and Distribution;
- 5) Engineering;
- 6) Research and Development; and
- 7) Personnel and Administration.

Each division is headed by an Executive Director who is responsible for the planning and execution of departmental tasks.

The division of responsibility helps the staff to concentrate on specific areas of work and contribute to the organization's overall efficiency.



After having explained what a Corporation is, its missions, goals and objectives, let us discuss, the most important asset of every organization that is the people who work for the Corporation.

Human Resource Development

Human Resource Development is essential for the growth and development of an organization. "Employees form the backbone of every organization". The HRD system rests on the pillar of open

communication trust and concern. An organization has to create an open communication system, which will build confidence and mutual trust. Such a communication network enables free exchange of views and thoughts between employees and management. It also helps to impart technical and administrative training. Thus, through the HRD sub-systems, employees are motivated to work with a team spirit to achieve common goals and objectives.

HRD depends on the leadership of the top management. An effective Human Resource Development programme includes monetary compensation, job privileges, suitable work environment, and recreational facilities.

It also provides schemes for saving and accident benefit. Awards, bonus, incentives are provided with the objective of facilitating greater employee participation and co-operation for the overall progress of the company.

The progress of an organization is measured in terms of physical and financial results.

Corporate Physical and Financial Results

The physical and financial results of a corporation are annually brought out in the form of Manuals, Annual Reports or Balance Sheets.

Physical Results of a company are an assessment of the utilization of products manufactured by it. They contain information that whether the company has achieved its planned targets.

Financial Results are in the form of a Balance Sheet which tells us what a company owns and owes i.e., the profits, losses, liabilities, assets and shareholders' equity. Financial results bring forth the strength and weaknesses of the company and help determine what steps the company ought to take, so as to make maximum profits.

However, allowances must be made for the unexpected. Hence assumptions and preplanned programmes have to be made in the form of long term or short term plans, so that profits and losses can be easily measured.

Corporate Planning

Corporate planning is a vital and systematic method of scientific management. It is a methodical way of running an organization. This covers commitment to every decision, its implementation and performance standards. Through corporate planning, the organization is able to define what it is trying to achieve. However, corporate planning, by no means, ensures that the corporation will not be affected by any crisis situation. In fact, it provides for such contingencies and incorporates disaster management plans as well. Corporate planning is an effective and innovative way of controlling the operation of a business organization.

What is Corporate Planning ?

- It is the "Route map" which plans, directs and controls the operations of an enterprise;
- It is an instrument of communication which helps co-ordinate various activities;
- It lays down long-range profit targets and motivates employees with a sense of purpose, encouraging them to achieve organisational aims and objectives; and
- It leads to better decision making and accelerates the pace of growth and profits.

Corporate Planning may be broadly classified into three categories;

Project Planning covering particulars of capital investment, production and marketing operation.

Operational Planning is the plan of an established area of an organization.

Strategic Planning lays out specific strategies and programmes by which the company intends to achieve its objectives.

Corporate Image

Corporate image is the sum total of the perceptions and impressions carried by various publics, about the quality of a products efficiency and services and the behavior of the organization towards the community at large.

This image of an organization largely depends on:

- The way it is regarded by its competitors, shareholders, customers, general public and its employees.
- The confidence reposed in it, by its employees and customers;
- Reliability of products and services, and its future plans;
- Flexibility of an organisation to adapt to the changing environment;
- Coordinated working of the various divisions and chains of a company, and, above all, Its openness to communicate with public, employees and potential customers.

Impressions sought to be conveyed about the organization are that it is:

- well knit
- participative
- service oriented
- efficient
- responsive
- modern

- committed
- socially responsible
- environment-friendly

Channels used for projecting image are:

- Press
- Electronics
- Institutional advertising
- Publicity
- Internal communications
- House journals
- External communication
- A Speeches
- Special events

Logo, Emblem and Insignia

Logo can be described as a symbol chosen as an insignia of an organization, which identifies the organization in all the operations. From the sign of Mercedes to the immediately recognizable signature that "Cadbury's" uses, logos are identified by everyone. It is used increasingly by corporations as a means of creating the corporate image which represents the collective pride of the organization.

Apart from projecting the image, logos may also symbolize the nature of the work of any organization. For example, Airlines or Travel houses have logo signs moving from left to right giving an impression of motion. Diversified corporations use a variety of symbols, ranging from primitive to ornate symbols. In short, logos are a graphic representation of thought and belief of identity and personality and of image building.

Corporate Image through Advertising

Corporate advertising as contrasted with product advertising is essentially for image building of an organization. These advertisements carry "messages" about the total activities, with a unified or integral profile of the organization. The opinion makers, customers and other concerned public derive an image of the organization largely through its advertisements. Image building advertising is variously known as Public Relations advertising, corporate advertising, prestige advertising or institutional advertising.

Institutional Advertising

The Institutional advertising or prestige advertising are thematic and bring out capabilities and commitments of the organization. These advertisements through multi-media campaigns project the "corporate image" by which an organization is ultimately rated and reckoned for its credibility and competence.

An institutional advertisement may reflect the commitment or performance of the Corporation. Sometimes it may seek to convey similar image through its products also. Qualities like reliability, safety may be reflected through product advertisement.

Corporate Public Relations

Having understood in brief some background information about a corporation, its role, functions and most importantly its image, we come to the main topic of this unit that is "Corporate Public Relations".

Definition : Corporate public relations is a planned and coordinated activity which works towards projecting the image of an organization to the public as well as to its employees. It presents the total picture of the organization, its diverse activities and the planning, coordination, analysis and synthesis of its many divisions.

A well known public relation scholar describes the central idea of corporate public relations in his definition of Public Relations as:

"It is a distinctive management function which helps to establish and maintain mutual lines of communication, understanding, acceptance and co-operation between an organisation and its publics; involves the management of problems of issues; helps the management to keep itself informed on and be responsive to public opinion; defines and emphasizes the responsibility of the organization to keep abreast of and effectively utilize services as an early working system to help anticipate trends; and uses research and sound, ethical communication as its principal tools"

Corporate Concept

The corporate concept of Public Relations is :

- to project its missions, ideology, and philosophy;
- to publicize its objectives and goals;
- to establish relations with its various publics;
- to extend support for itself in the environment and be accepted.

Corporate Public Relations Strategies

Corporate Public Relation strategies can be broadly classified as a four step programme :

- Defining Corporate Public Relations objectives from annual and perspective plans;
- Planning and implementing public relation projects for image building;
- Communicating; and
- Evaluating from feedback, research and analysis.

The first step involves defining the corporate objectives, which are a broad frame-work of guidelines provided for achieving efficient and effective performance. Planning involves decision making on objectives or goals by Public Relations practitioners, setting and selecting strategies.

Planning includes :

- Defining roles and missions;
- Selecting objectives;
- Determining the scope of the work to be performed and major result areas;
- Preparing specific action plans to achieve the objectives;
- Budgeting and implementing the programme; and
- Evaluating the results.

The process of planning also incorporates handling crisis situations. Regular training sessions for employees are essential. Training provides them with the basic knowledge of handling emergency cases. The media also should be kept informed and provided with factual details about any critical situation if it arises. The Public and media understanding of an incident and how it is handled depends on the timeliness and quality of information distributed by the public relations department of an organization.

The third and the crucial step of Public Relation activity, is "Communication". By communication we mean the transmission, reception and interpretation of information.

There are three basic elements in communication:

- The Sender or the Source;
- The Message, and
- The Receiver or the target public

Effective communication requires efficiency of all the three elements. A public relations communicator must have the ability to effectively transmit messages in a comprehensive manner to all its publics.

Communication is of two types

- Internal Communication.
- External Communication.

Internal Communication is communicating within the organization through the medium of House journals, newsletters, bulletin boards, pamphlets, memos, brochures, manuals, books, etc.

External communication is communicating with the general public, customers, stakeholders and competitors through the mass media direct mail or through group meetings.

The final step in public relations process is 'evaluation' which teaches what happened and why it happened. It determines:

- The methodology which was adopted by the public relations spokesman, to project the image of the organisation;
- The adequacy of message content and structure;
- The extent of media utilisation, its nature and suitability;
- The target audience;
- The effect the message has on the target audience.

This step is also essential to review and modify (if necessary) the public relation activity oriented towards image building. Evaluation also helps to find out any discrepancies between programme planning and execution.

Corporate Media Relations

Most organisations want the news about their organization reported in a favourable manner that will promote their objectives. Media in turn is dependent on the revenue generated by corporate advertising. This reflects their interdependence on each other.

Media Relations is an investment worth the efforts and has to be developed steadily and is maintained by Public relations practitioner in many ways: For good media relations The practitioner should always remember the following points:

- Be honest and accurate while dealing with the Press;
- Provide them with interesting, timely and factual stories, thus gaining their confidence;
- Never pressurize them to publish your story.
- Not ask them to kill or suppress a particular story. Request them. if necessary, to delay its publication.
- Stay within the boundaries of news interest and don't overload the media with many stories at a time.

- Give them only relevant details stressing upon the vital issue.

Good Media Relations require adherence to five basic elements: Frank, Fair, Factual, Fast and Friendly.

The best way to give out your press release to all media is a Press Conference. A Press Conference is generally conducted for important and controversial matters such as labour disputes, policy announcements, industrial policy change or a technological break-through. All members, employees, officials of the organization are briefed in advance on the questions that are likely to be asked by the press. This facilitates the answers and places your organization in a favourable light. Always remember to select a suitable time and convenient venue for the press conference and invite the media well in advance. Prepare a press kit for their convenience which must contain :

A complete information manual of the organization,

- A Press Release;
- Introductory publication;
- Copy; and
- Pencil or pen.

A Press release must be tailored for its medium news stories for newspapers, articles for industrial publication, conversational style releases for Radio, TV scripts with visuals for TV. An ideal release ought to be:

- typed and preferably hand delivered to the appropriate person;
- timely and precise; and
- written in a journalistic style.

Social Responsibility

a business organisation should be aware of their impact on the society. An industry, such as chemical or engineering etc., may achieve high productivity, maximum profits and remarkable success, but at the same time their operations can cause environmental pollution; thereby endangering human, animal and plant life. Thus, it becomes necessary for business organizations to conduct a social audit of their activities, to find out whether their activities are helpful to the society: whether their existence poses any threat or provides an opportunity to the community.

Business corporations must aim at securing social acceptance and earn goodwill by their philanthropic dispositions and also encompass certain, socially relevant principles, which include:

- To carry out business operations compatible with the ethical standard of society;
- To work towards abating pollution; and

- To never forget that their rights and interests are subservient to public welfare.

Corporate Accountability

A successful organization must be constantly revising its policies and programmes to stay tuned to the demands of a changing Society. The most important method of bridging the gap between the public demand and corporate performance is "accountability". The value of accountability lies in its application to all the activities of an organisation, oriented towards the welfare of the society, which is its basic mission. It is even more important than corporate responsibility.

Corporate accountability implies a system of checks and balances. The management plans are tested, debated and provided with a sound guidance from the board of directors. This system is followed regularly if there is a select quality of people and a well coordinated information system. This enables the directors to perceive directions and outline priorities for the corporation to meet its goal.

All these factors, discussed above, contribute to the overall success of any organization and reflects its distinct culture. Concluding this unit, we will explain to you briefly about corporate culture and emerging trends of corporations.

Corporate Culture

A Corporate culture is an important aspect of an organization which is identified by its management's style of functioning; budget, priorities, and attitudes towards its employees or customers. Corporate culture is not affected by the organizations profits and losses, but only by leadership to the top level management team, technological advances and market conditions.

A vital ingredient of a good corporate Culture is the Human Resource Development programmes, which is a long term investment. Human Resource programme brings forth a participative work culture and easy adoption to ever changing environment. The employee must be involved in discussions with management about the work culture the company requires and the possibilities of creating an ideal culture. The public relation person has a significant part to play in nurturing and in the communication of corporate culture.

Building corporate reputation

The use of editorial to support the sales environment is an essential element of most B2B public relations campaigns. However, there is a fundamental difference between media relations as a promotional technique and the comprehensive application of public relations methodology to analyse trends, counsel organizational leaders and to plan and deliver reputation building communications programmes. Media relations can be used as part of the marketing mix alongside the other promotional disciplines such as

advertising and direct mail to great effect. But the real power of public relations is seen when applied as a strategic planning tool in support of top-line corporate objectives.

An examination of award-winning B2B public relations campaigns shows a clear trend. The support for sales and marketing efforts, usually through a thoroughly planned approach to trade media relations, is undiminished. But senior practitioners are imposing their professionalism on client organisations to use public relations methodology to plan strategically, to integrate and unify communications and to build reputation with key stakeholders before the sales process is engaged. Good examples can be found on the websites of national public relations organizations such as the UK's CIPR and PRCA.

The most effective use of public relations from an organisational perspective is to build a favourable reputation with key stakeholders. And this process is critical to B2B communications where 'reputation' is the essential element in the buying process. No one wants to do business with an organisation without a reputation, and certainly not with an organisation with a poor reputation. Thus the public relations function in a B2B organisation has the same remit as that applied in a consumer or public sector organisation – to establish and maintain mutual understanding between the organisation and its publics. This reputation-building role will become increasingly important as external stakeholders, including customers and activist groups, start to look at the organisation behind the brand and make purchasing decisions based on wider judgements including social responsibility considerations and corporate ethics. Organisational leaders with an understanding of public relations are using public relations in two interconnected ways, regardless of the size of the operation. Public relations works as a promotional tool with the other marketing disciplines such as advertising and sales promotion. But public relations is also being used to manage the organisational reputation with audiences beyond the marketing remit, such as shareholders, the local community, staff, suppliers and government at all levels.

Further Reading:

- ✓ *The Essentials of Corporate Communications and Public Relations, (2006) by Society for Human Resource Management (U.S.)*
- ✓ *Public Relations Democracy: Politics, Public Relations and the Mass Media in Britain, (2002), By Aeron Davis*
- ✓ *Corporate Public Affairs: Interacting With Interest Groups, Media, and Government, (2008), by Otto Lerbinger*