Strategic role of public relations in enterprise strategy, governance and sustainability—A normative framework

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A B S T R A C T

The purpose of the study was to suggest a normative framework for the development of an organization’s enterprise (societal role/stakeholder) strategy, indicating its relationship with governance, sustainability, and CSR. The normative framework contains two dimensions: Enterprise strategy is developed within the context of enterprise governance as well as social and environmental sustainability and responsibility, to achieve the organization’s strategic non-financial goals (the sustainability dimension). Corporate strategy is developed within the context of corporate governance as well as economic sustainability and responsibility, to achieve strategic financial/economic goals (the business dimension). PR/communication management plays a strategic role in enterprise strategy development but a support role in corporate strategy development. The development of enterprise strategy necessitates a Triple Bottom Line approach to strategic management.

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“Public relations is a piece of some whole. The challenge is to continue to search to discover the whole and public relations’ place in it. One view of that whole is the nature of society and, consequently, the constructive and destructive roles that public relations can play to that end”.

Heath (2006, p. 110)

1. The bigger picture

The concepts of sustainability (manifesting especially in the domains of sustainable development and corporate sustainability) and corporate governance (manifesting mainly in the business world but increasingly also in government and the non-profit sector) are receiving attention in all sectors of the economy and academia, being new ways to conceptualize the responsibilities of organizations and restore trust in them (Steyn & De Beer, 2012a). The need for managers and academics to rethink traditional conceptions of responsibility (Parmar, Freeman, Harrison, Wicks, De Colle, & Purnell, 2010) was brought to the fore by corporate scandals such as Enron, WorldCom, and Tyco. “For a fully functioning society, corporate responsibility must entail choices and actions that go well beyond the organization’s narrow self-interest” (Heath, 2006, p. 103).

The Triple Bottom Line (TBL), stakeholder inclusiveness, corporate governance and sustainability approaches to strategic management currently followed by best practice companies demonstrate that profit does not have to be incompatible with caring about employees, communities, or the planet. The King Report on Governance for South Africa (King III) however points...
out that a fundamental shift is needed in the way companies and directors act and organize themselves in order to achieve this (IoD, 2009).

Sustainability is the primary moral and economic imperative of this century and current incremental changes toward it are not sufficient (IoD, 2009; Steyn & De Beer, 2012b). It has become necessary to rethink business organizations around a new set of principles and behavior – for instance, that governance, strategy and sustainability are inseparable; that the legitimate interests/expectations of stakeholders are considered to be in the best interests of the organization (stakeholder inclusivity) (IoD, 2009); and that organizations’ actions and outputs are to be “consistent with the value-pattern of society” in order to obtain legitimacy (Sutton, 1993, p. 3).

With regard to bringing about the organizational changes referred to previously, the field of strategic communication management (SCM), a.k.a. strategic public relations (PR), has much to offer in its best practice (GA, 2010, 2012) and latest theoretical developments (De Beer & Rensburg, 2011a, 2011b; De Beer, Steyn, & Rensburg, 2013; Gregory and Willis, 2013; Invernizzi & Romenti, 2009; Muzi Falconi, 2010; Signitzer & Prexl, 2008; Steyn & De Beer, 2012a, 2012b; Xifra & Ordeix, 2009).

2. Problems and opportunities

In the 21st century, an era characterized by the TBL (Elkington, 1999) and a focus on sustainability and governance, the license to operate is obtained from society. Organizations therefore have to adapt to societal and stakeholder expectations, values and norms in order to maintain a good reputation; be regarded as societally (socially, environmentally and economically) responsible and sustainable; trustworthy; and a good (corporate) citizen (Steyn, 2003, 2007, 2009). While guidelines or mechanisms for incorporating societal and stakeholder expectations, values and norms into strategic decision making are in short supply, the concept of enterprise strategy provides one option that needs further exploration.

Enterprise strategy was conceptualized as the level of strategy that addresses the political and social legitimacy of an organization (Schendel & Hofer, 1979), and its relationship with society (Freeman, 1984). It can be seen as a social strategy (Hemphill, 1996); bridging strategy (Meznar & Nigh, 1995); and the strategy level that achieves the organization’s non-financial goals (Steyn & Puth, 2000). In the PR literature, enterprise strategy was introduced as the organizational strategy level at which practitioners could and should make a strategic contribution/play a strategic role (Niemann, 2009; Prinsloo, 2005; Steyn, 2000a, 2003, 2007; Steyn & Niemann, 2010).

In recent years, research findings indicate an increasing incidence of strategic PR role playing (Zerfass, Verčič, Verhoeven, Moreno, & Tench, 2012). In academia, the European societal/reflective approach (Holmstrom, 1996; Verčič, Van Ruler, Bütschi, & Flodin, 2001); Grunig’s (2009) strategic management behavioral paradigm; and the South African strategic approach (De Beer et al., 2013) have entered curriculums. An increasing number of master’s programs and practitioner/academic conferences are focused on SCM. The International Journal of Strategic Communication is devoted to the topic and calls strategic communication an emerging paradigm (Hallahan, Holtzhausen, Van Ruler, Verčič, & Sriramesh, 2007). The latest Festschrift honoring James and Larissa Grunig has six chapters with the terms ‘strategic PR’ or ‘strategic communication’ in their titles (Sriramesh, Zerfass, & Kim, 2013).

In spite of these strides forward, changing business paradigms discussed earlier necessitate a broadening of SCM to also consider the principles of sustainability, governance and a wider conception of (social) responsibility in its value-added contributions to the organization (De Beer et al., 2013). Grunig (2012) predicts that corporate responsibility and sustainability, and the ethical questions that accompany them, will become the most important role of PR.

It is the aim of this article to address the problems and opportunities outlined by constructing a normative framework for the development of enterprise strategy, indicating its relationship with governance, sustainability, and CSR. Furthermore, to conceptualize the strategic role of PR/communication management in enterprise strategy development, based on the normative framework.

3. Research on which this study builds

Niemann (2009) explored the concept of enterprise strategy and PR’s strategic role in its development. Findings of her literature review were reported in Steyn and Niemann (2010):

- Enterprise strategy is a relevant strategy process for incorporating societal and stakeholder expectations, values and norms in the organization’s strategy development processes and achieving its non-financial goals.
- Societal expectations, values and norms are reflected by concepts such as CSR, corporate governance, sustainability, good corporate citizenship and the Triple Bottom Line (TBL): expressed by non-legislative measures e.g. the Global Reporting Initiative, the Social Responsibility Investment Index (SRI) of the Johannesburg Stock Exchange (JSE); and the three King Reports on Governance in South Africa (published 1994, 2002, 2009); and embodied in legislative measures e.g. the Sarbanes Oxley Act of 2002 (US) and the Broad-Based Black Economic Empowerment Act 53 of 2003 (SA).

Niemann’s (2009) empirical research consisted of content analysis of the websites of 58 companies on the SRI of the JSE. The 200 pages of data analysis indicated 18 constructs (see Table 1) as representing categories of companies’ expressions or
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