



12137CH24

CHAPTER

24

CORPORATE COMMUNICATION AND PUBLIC RELATIONS

LEARNING OBJECTIVES

After completing this chapter, the learner will be able to—

- understand the meaning, significance and scope of Corporate Communication and Public Relations (PR)
 - comprehend functions of and skills required for corporate communication and public relations
 - understand areas and principles of PR activities.
-

INTRODUCTION

Every idea, fact or opinion is static until communicated and understood. In today's information driven society it has been acknowledged time and again that communication is as important as food, clothing and shelter. In this chapter we are looking at communication as it is related to organisations and business establishments. Corporate communication is considered as an important tool of management which has evolved over the years.

Corporate communication is described as the set of activities involved in 'managing and orchestrating all internal and external communications' which are designed to create favourable starting points.

Corporate communication is based on giving out of information by a variety of specialists and generalists in an organisation. It is concerned with people, organisational processes, activities and media.

SIGNIFICANCE

A major variable for the success of any organisation is the perception of the public. What the general public, competitors, employees “perceive” about the organisation is what defines its respectability, its position and ultimately its success. The primary objective of corporate communication is to establish a perception (true or otherwise) in the eyes of all its stakeholders. That is the significance of corporate communication; ‘controlling how the world sees you’. For example, in a crisis, regardless of what actually happened, it is the public’s and employees’ understanding of the crisis and how it was tackled that will define their reaction to the organisation. If a company does not present itself as quiet, dignified and peaceful, and projects aggressive behaviour it will be questioned by the stakeholders.

The company’s fortune is influenced by the public’s assessment of whether aggressive behaviour was necessary or not. The significance of the corporate communication team is to understand how the stakeholders will react to such behaviour. They have to ensure through press releases, newsletters, ads and other modes of communication so that public gets only that information which the organisation wants them to have.

PR is a very important function or activity of any organisation. Therefore, it must be entrusted to effective and experienced executives. Each public relations programme can have different objectives, strategy and plan. For example, to create a positive image of a company, to handle a company crisis, to motivate the employees, to create curiosity about a product, to advertise a product and to inform about an event in advance. PR plans to achieve each of the above mentioned objectives with different approaches. Some of these are: press conferences, press releases, parties and get-togethers before any special event. Public Relations and advertising and media are inter-related and may have common characteristics and activities.

BASIC CONCEPTS

Corporate Communication

Corporate communication creates an efficient and effective avenue of communication with employees, consumers, investors and many others,

locally and globally. A great deal of management's current concern for employee productivity and the need to empower people has revolved around the use of teams. But more often what is required is the simplest need of all — communication. This is illustrated in the following study:

When a group of industrial engineers were asked in a 1990 study how to improve productivity, communication concerns drew the strongest response to any question on survey. More than 88 per cent of the engineers strongly agreed that lack of communication and cooperation among different components of a business leads to reduced productivity ("P and Q Survey" 1990).

CEOs have also recognised the importance of communication. In a study by A. Foster Higgins and Company, an employee-benefits consulting firm found that 97 per cent of the CEOs surveyed believe that communicating with employees positively affects job satisfaction. Furthermore, the survey found that 79 per cent think that communication benefits the bottom line; surprisingly, only 22 per cent communicate with employees weekly or more (Farnham 1989).

Source: http://findarticles.com/p/articles/mi_m1038/is_n5_v36/ai_14723295/

Public Relations

Public relations (PR) is both an art and a science. It has the beauty and emotionality of art and the system of science. It may mean different things to different people. Though it is of recent origin in India and the world over, it is used in Government, public and private sectors and other institutions. The PR techniques, strategies and practices vary from organisation to organisation.

"The fundamental way of getting public approval is to deserve it" — Arthur W. Page

Following definitions of PR will give you some idea about its nature and scope.

"Establishing a bond of relationships and contacts between two groups of public"

"Deliberate, planned and sustained effort to establish and maintain mutual understanding between an organisation and the public"

"PR is an attempt, through information, persuasion, adjustment and contacts, to seek for some activity, cause, movement, institution, product or service"

Code of ethics is a very crucial requirement in any profession. PR professionals are no exception to this requirement. They have access to information or knowledge about events to come; pressure or temptation to commercialise this information must be avoided at all costs. While serving the interests of clients and employees, PR professionals must ensure that they adhere to a code of ethics and a code of conduct so that they are not labelled as fixers or manipulators.

Corporate communication is important primarily as it creates:

- Positive and favourable public perception
- Effective and efficient avenues of communication
- Strong corporate culture, corporate identity and corporate philosophy
- Genuine sense of corporate citizenship.

Functions of Corporate Communication

Corporate communication builds a healthy organisational environment. In an organisation information is to be disseminated by specialists and generalists to a variety of people besides sharing information with employees, stockholders, media and customers. Corporate communication creates and maintains the brand and looks after the organisation's reputation. It projects the company's brand within and beyond the organisation. Thus, the process of corporate communication ensures a liaison between an organisation and outside bodies. Nowadays it is used as a public relations tool to project a positive corporate image, to build strong relationships with stockholders, to inform the public about new products and achievements. A smooth and affirmative relationship with all stakeholders helps in maintaining and sustaining a positive corporate image. Be it a corporate body, company, organisation, institution, non-governmental organisation or a governmental body—all of them need to have a respectable image and reputation. Increasing competition, accessibility of information and the media explosion have made 'reputation management' a priority for most organisations. This is handled in a professional manner by corporate communicators. Dealing with crisis control, enabling sophisticated approaches to global communications, and comprehension and utilisation of complicated communication tools and technologies are also important functions of corporate communication.

Functions of PR

Functions performed by corporate PR Departments and PR agencies have many factors in common. Given below are most of the common functions:

1. **Public Relations Policy:** Develop and recommend corporate public relations policy and share it with top management and all departments. This is truer for PR agencies.
2. **Statements and Press Releases:** Preparation of corporate statements, sometimes speeches for executives and press releases are to be prepared by the PR personnel. In the process, they are in a position to articulate and project positive image of the company or product or policies.
3. **Publicity:** Issuing announcements of company activities and products to media and community. Planning promotional campaign using media is also a vital function. Handling inquiries from press and people at large is a part of the function.
4. **Maintaining Relations:** The PR personnel are expected to maintain liaisons with Government units at local, national and international levels. They are expected to uphold good relations with the community as 'good neighbours'. This includes compliance with environment protection standards, giving employment opportunities to locals, and cooperating and participating in locality development programmes. Communication between company and shareholders and with other investors is also an important part of maintaining relations. Sometimes the PR agency may have to prepare annual/quarterly reports and planning meetings of stockholders.
5. **Publications:** Preparing and publishing in-house magazines is also sometimes the function of a PR agency.

Major Areas of PR Activity

1. **Press Relations:** PR persons have to maintain cordial relations with the press at all levels, from editor to reporter. Press and PR are both dependent on each other for their bread and butter. Providing well written and well-timed press releases, helping the correspondent to write their articles, easy accessibility, forbearance of press criticism, avoiding biases and undue favours to some papers are some of the features of press relations. The PR man should project the culture of the organisation while disseminating information about the product or service. Journalists need news to remain in the business, and PR needs publicity. Thus, there is a give and take between the two. This interdependence of PR and press should be understood.

2. **Advertising:** A product does not sell on its own merit, it needs to be advertised. The purpose of advertising may be to disseminate information, persuade or influence people to consume the product. There are many media for advertising like newspaper, radio, TV and so on. Usually, it is the PR person who decides the budget and which media to use for advertising.
3. **Publications:** Bringing out brochures, folders, pamphlets, circular-letters, in-house-magazines and similar materials are the responsibility of PR department. While preparing the material simplicity, clarity, cost, true image of the organisation and attractiveness are the points to be remembered.
4. **Other Media coordination:** Use of other audio-visual media, films, exhibition, hoardings, puppetry and folk-songs come under the range of operations of PR department. Good public speaking and courteous speaking over the phone can also add to the positive image as spoken words are still one of the best modes of communication. They have to maintain good relations with other publicity media like radio and television.
5. **PR with Constituents:** Along with the local press, PR persons also have to have a liaison with local community, financial analysts, bankers, major leading institutions, share-holders and potential investors. Internal PR activities include maintaining relations with all employees including executives and other senior personnel, so the PR man gets all the information, keeps himself informed of all the happenings in the organisation.

Seven Principles of Public Relations

Arthur W. Page practised seven principles of public relations management as a means of implementing his philosophy.

- *Tell the truth.* Let the public know what is happening and provide an accurate picture of the company's character, ideals and practices.
- *Prove it with action.* Public perception of an organisation is determined 90 per cent by what it does and 10 per cent by what it says.
- *Listen to the customer.* To serve the company well, understand what the public wants and needs. Keep top decision makers and other employees informed about public reaction to company products, policies and practices.
- *Manage for tomorrow.* Anticipate public reaction and eliminate practices that create difficulties. Generate goodwill.

- *Conduct public relations as if the whole company depends on it.* Corporate relations is a management function. No corporate strategy should be implemented without considering its impact on the public. The public relations professional is a policymaker capable of handling a wide range of corporate communications activities.
- *Realise that a company's true character is expressed by its people.* The strongest opinions good or bad about a company are shaped by the words and deeds of its employees. As a result, every employee active or retired is involved with public relations. It is the responsibility of corporate communications to support each employee's capability and desire to be an honest, knowledgeable ambassador to customers, friends, shareowners and public officials.
- *Remain calm, patient and good-humored.* Lay the groundwork for public relations miracles with consistent and reasoned attention to information and contacts. This may be difficult with today's contentious 24-hour news cycles and endless number of watchdog organisations. But when a crisis arises, remember, cool heads communicate best.

Two types of communication are used more in corporate communication — Internal and External Communication.

Internal Communication: It takes place between and among the employer and employees of an organisation. It is considered a vital tool for binding an organisation, enhancing employee morale, promoting transparency and reducing slow destruction. The root cause of most internal problems faced by a company is ineffective communication.

Internal communication flows in different directions — vertical, horizontal, diagonal, across the organisational structure. Internal communication may be formal or informal. It helps in discharge of managerial functions like planning, direction, coordination, motivation etc. The broad policies and objectives flow downward from top management to lower level. Both written and oral or verbal media can be used to transmit messages. Written media consists of instructions, orders, letters, memos, house journals, posters, bulletins boards, information racks, handbooks, manuals, activity reports.

External Communication: It takes place between members of an organisation and the outside world. External communication is also very important as it enhances and enables significant functions of creating positive image, brand preservation and maintaining public relations. In a global society, external communication helps in marketing as well.

External communication is concerning transmission of messages, desirable information outside the organisation with Government, its departments, customers, dealers, inter-corporate bodies, general public etc. External communication promotes goodwill with the public. Certain facts and information must be shared and exchanged with outsiders. Both written and verbal media can be used. Written media consists of letters, memos, in-house magazines, posters, bulletins, annual reports and so on.

Two major areas of communication activity are:

1. Composing message
2. Transmitting message

The following 7 Cs of communication should be kept in mind while composing a message:

1. **Conciseness:** The message should be concise in nature so that it is easy to catch the readers' attention.
2. **Concreteness:** Message should be concrete as having all the meanings conveyed in it but should be short in length.
3. **Clarity:** It must give appropriate and explicit meaning that would not diversify and confuse the reader at any instance.
4. **Completeness:** Also it is important that the message must have complete meaning that will provide sufficient information to its reader.
5. **Courtesy:** Another important feature is that the sender must emphasise on courteous tone and must give some compliments and benefits to its readers.
6. **Correctness:** The message conveyed must be checked for correctness and should be free from all grammatical errors.
7. **Consideration:** There must be proper consideration in the message and it should emphasise on your attitude rather than 'I' and 'we' kind of words.

Source: <http://www.articleclick.com/Article Importance-of-communication-in-organisation/914799>

KNOWLEDGE AND SKILLS REQUIRED

Skills equip you to be a better and effective communicator. They help you in composing and transmitting messages successfully. Listening skills can be self taught; interpersonal skills, negotiation skills and rapport establishment skills can be learnt by observing successful and effective people; presentation skills involve use of software-hardware which requires formal training. Similarly, there are training programmes for accent neutralisation, public speaking, telephone etiquette, basic writing skills, decision making and stress management. Time management may require some training or many executives develop it through experience.

1. **Listening Skills:** Listening is an active process involving three parts: hearing, understanding and response. Hearing is the physical aspect of your body receiving and interpreting sounds. You may hear these words as part of a conversation. Hearing is critical to listening, but it is only the first part. Understanding is where your brain processes the words that you hear and derives meaning from them in the context of the entire conversation. Information is communicated to you at this stage. Once you understand what you are hearing, the last part is responding. Responding in a conversation shows that you have heard what was said and that you understand the intent of the speaker. Responding may involve making a decision to act on the information you have understood and perhaps replying with your opinion or comments.
2. **Interpersonal Skills:** Interpersonal skills refer to the measure of a person's ability to operate within business organisations through social communication and interactions. These are the skills that one uses to interact with other people. Having positive interpersonal skills increases productivity in the organisation since conflicts are reduced. In informal situations, it allows communication to be easy and comfortable. People with good interpersonal skills can generally control the feelings that emerge in difficult situations and respond appropriately, instead of being distressed by emotion.
3. **Negotiation Skills:** Negotiation is a process in which both the parties have unacceptable points regarding an issue or deal. Through negotiation, each party tries to convince the other. There will be usually more issues and variables than could be used for such a trading; both the sides must be fully prepared. Through good negotiation it is possible for both the sides to come out of a deal happy. Each of the negotiators will, if done properly, be concerned with trading concessions against each other. Good negotiator should consider all the possible variables before meeting, calculate or do estimate what each will cost, then decide

which he/she will prefer to use and which others would be prepared to use if it came to a crunch.

4. **Presentation Skills:** These are used for communicating ideas and information to a group. A presentation carries the speaker's personality better and allows immediate interaction between all the participants. A good presentation has: content, structure, packaging and human element. Content contains information that people need. The information must be as much as the audience can absorb in one sitting. Structure has a logical beginning, middle, and end. It must be sequenced and paced so that the audience can understand it. The presenter must be careful to hold the attention of the audience. Packaging refers to the treatment given to content. There is scope to use technologies like software, PPT with use of software.
5. **Human Element:** A good presentation will be remembered because it has a person attached to it. You still need to analyse the audience's needs and select an approach. For example, in many offices cards are sent on employee's birthdays or special occasions. Along with the card if the superior wishes him/her personally, it always makes one feel better.
6. **Rapport Establishment:** "Rapport is the establishment of trust and harmony in a relationship. It is the key element in the art of obtaining the support and co-operation of other people. Around 93% of communication is transmitted by your body language and the way that you speak (analogue communication). Only 7% of the message is carried by the words (digital communication). Most of the time your analogue communication is unconscious. By developing an ability to work at both the conscious and unconscious levels of communication, you will learn how to establish deeper rapport and build trust and harmony - *with virtually anyone*, in a much shorter time frame. Most of us are able to establish rapport with certain types of people but a master communicator has the ability to establish rapport with a wider range of people."
7. **Effective Decision Making:** Decision making can be a complex process; all the same, every successful person must have this skill. There are human and material elements involved in decision making. One has to assess or prioritise all these factors, anticipate the outcome and take decisions in the best interest of all parties concerned. For example, as students you get a certain amount of pocket money. There are always many options like food, movies, gifts for friends/family members, Xeroxing study material and so on. How you spend it to make yourself happy and take care of your needs will depend on your decision making skill. You also have a few hours per week to pursue

your hobbies and other pastimes. Your ability to decide the order of importance of activities will guide the decision about activity selection. In corporate houses managers have the challenge of effective decision making because they are faced with situations of balancing between efficiency, profit, satisfaction of stakeholders, employees and owners.

8. **Telephone Etiquette, Basic Writing Skills (Writing Email and Notes, etc.), Public Speaking Skills:** You must have been exposed to these three skills and by now must have acquired reasonably good proficiency. Telephone etiquettes create good impression and puts the other person at ease. Basic writing skills are part of your English Curricula. Many of you must have participated in elocution competitions, won prizes and heard speeches of good orators, lecturers. As a corporate communicator you have to develop and apply them for success in your business.
9. **Accent Neutralisation:** A language is spoken with an accent according to the cultural bearing. We all have experienced the different English accent of Indians and also from the British, Americans, and Australians and so on. There is a difference in the accent of all. In accent neutralisation one pronounces the words in such a way that the listener is able to understand what is being spoken. There are many other reasons such as: to increase personal and professional opportunities, improve professional image of your company, engaging in extensive conversations, presentations, and telephone calls, be more confident and effective, both socially and professionally, greater understanding from listeners.
10. **Time Management:** Time is a matchless and valuable resource that you need in order to do your work, accomplish your goals, spend time with your loved ones, and enjoy everything that life has to offer. Utilising time to achieve your goals is a skill that can be developed if you don't have it. There are ways to learn or improve this skill. Time management is a set of principles, practices, skills, tools, and systems working together to help you get more value out of your time with the aim of improving the quality of life. It leads to the development of processes and tools that increase efficiency and productivity. Time management enables each of us to improve and be more productive and to be fulfilled individually, so logically the effects across whole organisations of good or poor time management are enormous. Time management leads to less stress.
11. **Stress Management:** Although most of us experience some kind of stress on a daily basis (even if it's only from something like reaching school on time, preparing for test, deciding how to look attractive for a special occasion), few may actually know what stress actually is. What

is Stress? A situation that causes pressure or strain is stress. Stress is our physical, mental, and emotional response to the various demands, changes, and events in our life. In some cases, stress motivates and encourages us to complete a task we find difficult so that we can take pride in ourselves and what we achieve. Stress symptoms begin to manifest themselves when we feel that life demands are exceeding our ability to deal with them. Before stress begins to take its toll, we should do something to reduce, manage, and even counteract the negative side-effects of stress. Managing stress is all about taking charge of your thoughts, your emotions, your schedule, your environment, and the way you deal with problems. The ultimate goal is a balanced life, with time for work, relationships, relaxation, and fun; plus the flexibility to hold up under pressure and meet challenges head on.

In PR work, besides composing messages, transmitting through appropriate media, characteristics of the target audience have to be kept in mind. Use of language will be depending on the target group. PR persons have to take care of their disposition and inter-personal skills.

Use of Technology to Communicate

Technology has revolutionised the scope of communication. It has opened doors to a variety of information, knowledge and news all over the world.

The more popular term is Information and Communication Technologies. Information and Communication Technologies (ICT) is an umbrella term that covers all technical means for processing and communicating information. While this technically encompasses pre-digital technologies, including paper-based writing, it is most often used to describe digital technologies including methods for communication, transmission techniques, communications equipment, media, as well as techniques for storing and processing information. The term has gained popularity partially due to the union of information technology (IT) and telecom technology.

SCOPE

- Corporate offices and other organisations need PR to cover all the communication that takes place between employer and employees.
- PR officer to extend communication with stockholders, media, press, NGOs, Government, customers and the general public. PR plays a crucial role in dealing with outside agencies.
- Innovation in use of media and technologies.

KEY TERMS

Communication; extension; corporate communication; internal and external communication; public perception; ICT (Information and Communication Technology); IT (Information Technology); stress management; time management; Accent Neutralisation; listening skills; negotiation skills; interpersonal skills; presentation skills; rapport establishment skills; Public relations; Press release; Press relations; Advertising; Public perception.

REVIEW QUESTIONS

1. What is the significance of corporate communication in today's times?
2. Enumerate functions of corporate communication.
3. Compare internal and external communication.
4. Describe the single most factor that has revolutionised the scope of communication.
5. Enlist verbal and non-verbal skills and briefly explain with examples any three from each category.
6. Explain the meaning and significance of Public Relations today.
7. In your opinion which two areas of PR work are important? Why?
8. What are the principles of PR work?
9. What is the relationship between corporate communication, PR and Media?

ASSIGNMENT

- I. **Prepare Case-Study of a PR agency based on the following points:**
 1. Description of the situation in the client's company
 2. Formulate objectives to resolve the situation.

3. Study the plan of action to achieve the objectives.
 - a. Target group orientation
 - b. Message selection
 - c. Media selection
 - d. Creativity and innovation
 - e. Resource assessment
 - f. Man-power review
4. Understand implementation of the plan and the results thereafter.

II. Present a case-study from a book/magazine or any other source.

REFERENCES

http://www.awpagesociety.com/site/resources/page_principles

<http://www.abbyeagle.com/nlp/seminar-rapport.php>