

GRUNIG LECTURE – PUBLIC RELATION SOCIETY OF AMERICA - OCT 12th 2014

Il 12 Ottobre 2014, in occasione della giornata di apertura della Conferenza Internazionale della Public Relation Society of America, organizzata dall'Università del Maryland, Toni Muzi Falconi è stato il primo non americano invitato ad aprire la settimana Grunig Lecture.

Di seguito, il testo integrale del suo intervento:

Intro

My principal argument today is that, by deciding to professionally *listen-to and interpret specific stakeholder expectations* before any relevant decision is taken, while it is being implemented, and after completion -*thus deciding to operate in a communicating-with framework, where listening is more than 50% of the process*- each public, social and private organization can accelerate the time of execution as well as significantly improve its value and performance.

From a management perspective, and despite its quantitative nature, the concept of *time* (seconds, minutes, days, months, years...) is an essential 'qualitative' variable. In fact, consolidated, repeated and structural delays often end up in deteriorating the quality of decisions and, as much as we are biased when attributing such deterioration mostly to public service organizations, we are all however fully aware that this happens equally in the private and the social sectors.

If I know what to expect, and when, from my key stakeholder publics on a certain and specific issue before I take my decision, it is likely that this information could influence the direction, when not the substance, of that very decision and, in any case, lead me to anticipate and prepare for stakeholder actions and behaviors, thus avoiding that always-on, permanent crisis management mode that so many organizations today complain about.

I submit that the public relations function is better positioned than others to facilitate and govern this segment of the organization's decision making process, but only if and when the function proves capable of practicing, as well as disseminating throughout the organization's culture, a communicating-with stakeholders approach, interpreted as a tool to improve the quality of relationships.

- by developing, monitoring and nurturing a professional infrastructure worldview, based on solid foundations with ever changing hard/soft variables;
- by guiding organizations in their transition from the legendary 'one company one voice' practice to a more productive and realistic 'one company with many coherent voices' one;
- in an organizational scenario where the value created by intangible assets has greatly overtaken that of material assets.

I argue that the coordination of a continued, integrated, multichannel and multi stakeholder communicating-with process is today the core and most valuable attribute of an effective public relations function.

METHODOS S.p.A.

Via Giacomo Mellerio, 3 - 20123 MILANO - ITALY - Tel. (39) 02 48011219 (r.a.) - Fax (39) 02 48193369 - methodos@methodos.com

Cap. Soc. 300.000,00 - C.F. e P.IVA 04443230158 - R.E.A. MI 1011695 - Reg. Imp. MI 187508 - 5352 - 8

Membro Organizzazione Federativa delle Imprese di Consulenza Direzionale e Organizzativa (ASSOCONSULT) aderente alla Confindustria

Società soggetta al controllo e coordinamento di MP Investments Srl

My lecture today will focus on four specific topics (1):

- the qualitative impact of *time* and its relevance to public relations;
- the fundamental role of *listening* and its implications in the context of stakeholder relationships governance (gorel);
- the introduction of the *infrastructure* concept;
- the *Janus* approach to value creation by involving relatively new concepts such as those of network society, relationship value networks and communicative equation; as well as those of integrated thinking, management and reporting: all needed awareness for any public relator who, today, believes that public relations is either practiced from a global perspective..... or is not.

Take your time

Many disciplines – from anthropology to sociology, psychology, neuroscience, economics, management and communication – have tried to fathom the paradigm of time.

The ‘now’ and “always-on’ syndromes have today become part of our daily vocabulary in what appears to be a tacit coalition that sees our professional community acritically entrenched with the technology, connectivity and communication Robber Barons of this XXIst Century, by definition reluctant to any sort of global governance. A coalition that exasperates and exacerbates the value of ‘now’ in the global public discourse, to the point that we even have come to believe in our own hype.

My argument instead is that this chronic, consubstantial perception of shortage of time and the inevitably consequential failure in understanding the concepts of yesterday and tomorrow, more often than not leads to poor decision-making processes.

One recent example: while facilitating group exercises with my master youngsters this spring, one of the groups was to select 20 entries from the Institute for PR’s huge databank that students believed to be more attractive to their peers, if summarized and tweeted in 140 characters with a link to the original, with the intent of demonstrating how research is essential for effective public relations practice. When students agreed on the selection and presented it to me, I noticed that all twenty papers related to contents of the last six months. I of course believed this was simply because students had been lazy. But when I asked for the reason, they gave me a much more disturbing reply: ‘but professor, old contents are not valid any more’. This ‘now’ and ‘always on’ society becomes the negation of yesterday, but consequentially also of tomorrow. A self inflicted damage for all, including those organizations we should be, as professionals, supporting.. as they would rationally expect to move towards the future.

Critics of this ‘catastrophic’ approach dismiss this as only a ‘paradox of affluence’, a ‘parable’, a ‘grievance’ by the wealthy of this world who, by having created too many self-gratifying options,

lament not having enough time to explore them and conclude that it is only a symptom of technologically advanced societies.

So be it. Yet, however we prefer to interpret this, there is little doubt that this perception deteriorates the quality of decision-making-processes within the organization.

I believe that an increased effort to listen to key stakeholder expectations on a relevant issue before making any relevant decision, improves its quality. Some object that this increased listening effort delays the decision, as well as the implementation process. But I argue, to the contrary, that carefully listening before deciding accelerates implementation, thus creating measurable added value to the organization.

Two consolidated approaches

There are two different approaches to how an organization, in the best of circumstances, approaches its relationships with stakeholder publics and I believe that, to become truly effective, these two need to blend.

They are (2):

- the *symbolic, interpretive* approach: apparently dominant in practice, where the dedicated management function deals with how to protect (Prof. Grunig would say ‘buffer’) the organization from the environment distilling consolidated concepts such as image, identity, impressions, reputation and brand; placing a major emphasis on publicity and media relations, mostly thought of in terms of messages and campaigns;
- the *behavioral, strategic governance* approach: today emerging in practice as well as in the body of knowledge, where the same management function:
 - listens-to and monitors if, when, how and what stakeholders expect from the organization;
 - interprets those expectations participating in the decision making process as well as in the implementation of those decision by involving and engaging key stakeholders in a planned process of continued, integrated multi-channel and multi-stakeholder dialogue.

This process inevitably implies that the function ensure that each relevant other management function in the organization be enabled with, and supported by, coherent communicative competencies and resources to create, develop and consolidate its own stakeholder relationship networks, in the context of a global paradigm that entails that whatever and wherever the organization operates, no generic principle and no specific application may operate independently: it’s a 5x7 formula.

The generic principles are (3):

- acknowledge and monitor the value of stakeholder relationships
- enable the different operational, management and strategic roles of the function with focus on the latter (listening and educative)
- acknowledge the role of diversity in general, but more importantly, as a specific stakeholder relationships asset
- define and uphold the values and unique characteristics of the organization (its epigenetics)
- embed specific applications

The territorial specific applications are (4):

- monitor/interpret the institutional system
- monitor/interpret the political system
- monitor/interpret the economic system
- monitor/interpret the socio-cultural system
- monitor/interpret the active citizenship system
- monitor/interpret the media system
- embed the generic principles

By blending the symbolic and the strategic governance approaches we can ensure a superior quality of decision making, an acceleration of its time of implementation as well as take a decisive step forward in the organization's corporate and marketing activities when they are (at least initially) necessarily push by communicating-to and integrate this into a full communicating-with stakeholder dialogue (and therefore pull) that reinforces the organization's sustainability, relationships and license to operate.

Listening

For me listening is an ongoing process of receiving, constructing meaning from, and responding to a spoken, visual and/or nonverbal content. Listening represents more than 50 percent, and is an inherent part of any communicative process.

Listening has many conduits. I list some of the better known ones only to give a general idea of the dimension of the process(5).

Listening has to do with:

- desk analysis of the issue at stake

- analysis of the identity and the influencing agents of key stakeholder groups, their alliances and coalitions
- collection of direct and indirect positions expressed on that issue by key stakeholder groups
- one with one, one with few telephone, face-to-face conversation or digital exchange
- participant observation /immersion
- stakeholder network analysis
- interviews, focus groups, offline and on line questionnaires, delphi, tarot and other quali/quantitative paraphernalia.

These, and others, require the organization (the public relations professional, if s/he is up to it) to develop a specific ad hoc listening policy keeping in mind the organization's unique epigenetic identity. This concept was in part developed by the Global Alliance in the second part of the Melbourne Mandate in 2012.

The organization will need to adapt these tools to a true and unbiased understanding of stakeholder expectations relevant to the issue at stake and, in some cases, this will lead the organization to change itself rather than, as many seem to believe, only adapt its communication behavior to those expectations.

According to the practice of Italian psychiatrist Franco Basaglia in the 70's of the last century and confirmed today by most neuroscientists, a true and unbiased understanding implies that (6):

- a) the 'listener' remove his/her ideas, biases, stereotypes, fixations... and 'objectively' assemble verbal, visual, written, experiential contents from key stakeholder groups relevant to the issue and that may impact on the organization's pursued objectives;
- b) remaining in this 'removal' mood, the 'listener' returns to his/her key interlocutors with all the collected materials to seek added features and approval;
- c) returning into h/erself the 'listener' interprets, together with other relevant management functions, the collected contents and their impact on the issue at stake.

This lesson I had learned, but alas! seldom practiced, from philosopher Peraldo Rovatti, Basaglia's most authoritative interpreter when he gave his key note address at the 2005 WPRF in Trieste dedicated to 'communicating for diversity, with diversity, in diversity' a truly memorable event that had been, by the way, inspired and stimulated by Prof. Larissa Grunig.....

Gorel

In the mid eighties of the last century, when the two great persons sitting next to me today -and to who's thoughts, as you have gathered, I owe so much- were developing their Excellence Research, I was Ceo of Italy's leading public relations agency (SCR Associati) and the company was doing very well.

I felt the need to provide new younger entries in the agency with a conceptual framework to allow them to better understand what they were doing and why.

There were very few books then to learn from, and all were in English.

I asked four of our six business unit managers to take off a couple of months from their day-to-day activities and carefully review the last 60 projects the agency had executed (no matter what the client and what the issue) to see if there were, and which these were, the commonalities of whatever implementation processes had been followed.

We wanted to seek, bottom-up, the fil-rouge of our profession. A very practice-based idea which led to the development of the first Gorel scrapbook process (Gorel stands for governance of relationships) whose end-result would also indicate a quasi-method to evaluate and measure the effectiveness of our actions.

Basically this approach implies that (7):

- an organization defines its mission (what it does, what it is about); its vision (where it wants to be in a certain period of time); its guiding values (that will drive the organization's actions in its travel from mission to vision); its strategy (the selected path to implement that very trip); and its tactical objectives (whose one-by-one achievements would enable the strategy).

In management speak this is the envisioning phase.

We argued that if these points were not clear as we began to operate, the public relations professional should insist that they be so, and maybe also advise and support that very clarification process with the client/employer.

- Second comes the identification of key stakeholder groups (so called active stakeholders because they decide themselves to be such; they are not selected by the organization as they are aware of the organization's strategy and interested in playing a stake in its implementation... whether positive or negative).
- Third, as the organization selects tactical objectives to pursue its strategy, it identifies potential stakeholders for each of those tactical objectives: publics who would be interested in playing a stake in the implementation if they were made aware of the specific objective being pursued.
Clearly the communicative mode changes: in the first case it is pull, in the second -at least initially- it is push, and this produces impact also on the economics of public relations.
- Fourth, one identifies opinion leaders -selected by the organization because believed to be influential in disseminating arguments in support of the achievement of those objectives- as well as issue influencers -who instead have a direct and indirect influence on the dynamics of

METHODOS S.p.A.

Via Giacomo Mellerio, 3 - 20123 MILANO - ITALY - Tel. (39) 02 48011219 (r.a.) - Fax (39) 02 48193369 - methodos@methodos.com

Cap. Soc. 300.000,00 - C.F. e P.IVA 04443230158 - R.E.A. MI 1011695 - Reg. Imp. MI 187508 - 5352 - 8

Membro Organizzazione Federativa delle Imprese di Consulenza Direzionale e Organizzativa (ASSOCONSULT) aderente alla Confindustria

Società soggetta al controllo e coordinamento di MP Investments Srl

those external issues (regulatory, social, technological or market related) that impact on those objectives.

All these different publics (often overlapping) need to be carefully listened to before the implementation phase.

So far, we are talking about a management process that involves many other functions in the organization, as well as the public relations one.

- At this point (the fifth) the public relations professional prepares arguments, contents and selects communicative channels and tools to open and/or get involved in a dialogue with and amongst any one of those publics, also by providing and incentivizing feedback mechanisms.
- However, before pressing the 'go' button, the professional undertakes (sixth point) a pre-test on a random samples of specific intended publics to understand both the communicative quality of the contents (credibility of the source, credibility of the specific contents and familiarity with the latter) and the quality of existing relationships (levels of trust, commitment, satisfaction and power balance in the specific relationship).

The results of this pre-test also allows the professional to set specific communication and relationship objectives to be achieved in a given time, with given human and financial resources, and allows him/her to negotiate and agree those objectives with the employer/client.

- When the roll-out (seventh point) is concluded.
- A post-test is then implemented with another random sample of the same universe, along the same lines as the pre-test, and one can therefore measure if and where the program has been effective (eighth and last point before rewinding).

This Gorel process has obviously been revised many times following its first inception, and has always proven to be a strong support to the many professionals who apply it.

Infrastructure

I use this unfamiliar-in-public-relations term to define an articulated conceptual 'space' where a well intentioned observer may perform a fairly comprehensive and guided tour of the different cultural, intellectual and professional components a contemporary public relations practitioner today, in my view of course, should be aware of.

The term infrastructure contains in itself a connotation of materiality that voluntarily conflicts with the 'fluffy', 'vaporware' and 'abstract' stereotypes normally associated with public relations.

Let's take a look. (8)

Underneath the terrain of the infrastructure are the two most recent (Stockholm Accords of 2010 and Melbourne Mandate of 2012) documents devised, launched, facilitated and, in some cases, implemented by many professional associations who belong to the Global Alliance for Public Relations and Communication Management with some 180 thousand individual members. These are documents based on collective efforts by hundreds of scholars and professionals from around the world that attempt to describe the purpose, the value and the principles today of public relations in society in general and in social, public and private organizations in particular.

These documents constitute the fertilizing/foundation for the infrastructure.

On the two sides above the foundation forming the ground floor of the edifice, are the two paradigms that I have already mentioned before: the generic principles and specific applications and the governance of relationship (gorel) process.

These four elements can be considered as the *soft* components of the infrastructure.

Above them rises a fundamental, hard, central pillar containing the two generally accepted approaches to public relations: the stakeholder governance and the symbolic interpretive approaches, and their integration-to-be-achieved by shifting the communicating-to model, essential when the organization decides to reach out to a new stakeholder group, to a communicating-with model by enabling feedback systems and incentivizing them.

From this central pillar extend, on one side, the principal, but always changing, practices of public relations vis-a-vis the organization's different stakeholder publics (financial, media, supplier, community, employee...) each with own and different rules, regulations, models, habits....; while, on the other side, are instead located the emerging and not yet consolidated threads of practice such as listening, alignment of internal/external communication, integrated thinking, management, relationships and reporting, as well as the communicative equation application and others to come.

Janus

At the turn of this century, only 14 years ago, the accounting profession and corporate annual reports indicated that some 65/70% of the value created by corporations derived from material assets, while 30/35% were attributable to intangible assets such as intellectual property, research and development, brand, relationships, reputation et al.

Today the balance between these two has reversed and some 70% of value is attributed to intangible while only 30% to material assets.

This forceful and dramatic change has much do with the consequences of globalization fueled by communication, as well as with the growing awareness that internal/external stakeholders require to be constantly informed of an organization's activities and behaviors, thus conditioning the dynamics of intangible assets such as license to operate, relationships and reputation.

As it happens, the traditional organization chart separating line and staff functions is now defunct, and a new management discipline is emerging under the name of 'integrated thinking', implying the alignment and continued interaction between functions; the blurring of silos; and the constant development of a new taxonomy that allows a process of ongoing, continued, multichannel, multi stakeholder and integrated dialogue with stakeholders.

Today, many traditional annual or quarterly reports already include integrated information related to financial, governance, environmental and social activities and behaviors of the organization, in the context of an aware sustainable policy (where the term sustainable indicates the duration in time of the organization enhancing its overall social, economic, environmental and governance legitimacy). Thus, communication today is the recognized glue of the organization and enhances the latter's relationship with internal and external stakeholders, who at any moment may concede or recede their license to operate.

This being the situation, we no longer speak of one or more reports, but of reporting: a process not a product, that is ongoing and continued.

Clearly, such a disruptive shift requires a new organizational structure with two heads, one body and one blood circulation represented by communication.

This is the reason I evoke the figure of the ancient Roman pagan god Janus. (9)

I of course believe that the public relations function in the organization, if aware of all the dynamics here expressed, is the best positioned to guide, interpret and facilitate this process, called integrated narrative that implies:

- the collection from all functions of information believed relevant to well predetermined key stakeholder publics;
- the processing of this information in a way that allows users to gather, interpret and understand what is relevant for them;
- the setting up an interactive on-line and off-line communicative platform that is ongoing, multichannel and usable according to the diverse information needs of each key stakeholder group (in depth, in time and yet fully coherent) and that is open and incentivized to the development of a full stakeholder involvement and engagement.

The communicative equation (10)

We live today in a network society and organizations, in their recent evolution, have well absorbed this concept. Being a network organization requires a conceptual shift from the traditional, porterian, late seventies idea of the "value chain" as linear and material, into a different 'fuzzy' notion of value created by the quality of the relationships amongst network participants as well as amongst networks. Indeed, a post-Fordist organization in which its communicative nature is the glue that keeps it together.

Inspired by Joao Duarte, the young and brilliant Portuguese scholar, today manager of communication of Endesa, the Iberian and Latin American energy giant, I have recently come across the fascinating concept of the communicative equation and, with this final thought, I will conclude my lecture.

The advantage of using network analysis techniques is that they allow us to materialize the broad concept of “society as a whole” in concrete and visible actors or clusters of actors (i.e. different subsystems or parts of the environment). For example, a shareholder wouldn’t perceive any returns if management did not attend to the stakes of customers or employees and would focus solely on financial performance; customers wouldn’t get products or services they need without employees and suppliers; employees wouldn’t have conditions to perform without the communities.....

Duarte posits a powerful approach to understand and govern networks of relationships as well as the many issues related with communicative networks.

The “Communicative equation” concept explains the new challenges that the network society and network organizations bring to public relations practice and to the governance of stakeholder relationships. This implies three major factors of the equation and each entail the application of specific tools and concepts all related with current PR and Communication theory.

- Identifying and typifying categories of stakeholders involved, characterizing their communicatively active segments (publics).
- Examining the communicative dynamics of these stakeholders and their networks:
- Assessing relationships of each stakeholder category with the organization, identifying the relevant issues affecting those relationships and studying the interconnection between those issues.

Conclusion

If you have survived thus far and ‘taken your time’ to listen and think, I have today in the first part of my lecture covered the chronic time pressure issue and how it deteriorates the quality of organizational decisions; I have argued that listening to stakeholders before, during and after decision-making improves the quality and accelerates implementation, and I also illustrated how listening can be rationalised and why organizations should have their own listening policies.

In the second part of my lecture I addressed the dynamics of the gorel approach as a possible and tested stakeholder relationship governance process; the motivations behind the infrastructure concept; and concluded with the introduction of the communicative equation concept to help organizations in better coping with this network society.

Thank you for your patience.

(end)