**Grunig Lecture**

*by Toni Muzi Falconi*

Oct. 12, 2014

Introduction

My principal argument today is that by deciding professionally to *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*-), any public, social and private organisation can accelerate execution times, 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 deteriorating the quality of management decisions. Much as we tend to attribute such deterioration mostly to public service organisations, we are all, however, fully aware that this happens equally in the private and the social sectors.

As many believe, the quality of an organisation’s decision-making process is what keeps CEOs awake at night.

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 would influence the direction, if not the substance, of that very decision. In any case, it would lead me to anticipate and prepare for stakeholder actions and behaviours, thus avoiding that permanent crisis management mode that so many organisations today complain about.

I submit that the Public Relations function is better positioned than others to facilitate and govern this segment of the organisation’s decision-making process, but only if the function proves capable of practising, and disseminating throughout the organisation’s culture, a concept of communication-with stakeholders, interpreted as a tool to enhance the quality of relationships.

This happens by developing, monitoring and nurturing a professional infrastructure, based on solid foundations with everchanging hard/soft variables, that guides organisations in their transition from the mythical and legendary *‘one company, one voice’* practice to a more productive and realistic ‘*one company with many coherent voices*’ one. This is to ensure, in an organisational scenario where the value created by intangible assets has greatly overtaken that of material assets, the coordination of a continued, integrated, multichannel and multi stakeholder ‘communicating-with’ process.

This I define as the ‘Janus model’, referring to the ancient Roman Pagan God with one body and two heads where communication, by using one common taxonomy throughout the organisation, becomes its blood circulation.

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, its foundation and the description of its constantly changing soft and hard components
* the *Janus* approach to value creation that involves relatively new concepts such as those of network society, relationship value networks and communicative equation; as well as integrated thinking, management and reporting: this is what, in my view, any public relator needs to be aware of, whether they believe that Public Relations is practised from a global perspective…… or 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 become part of our daily vocabulary in a tacit coalition that sees our professional community a-critically entrenched with the technology, connectivity and communication Robber Barons of the XXI century. A coalition that exasperates and exacerbates the value of ‘now’ in the global public discourse, to the point that we 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 young students this spring, one of the groups had the task of selecting 20 entries from the Institute for PR’s huge databank, chosen among those that students believed to be more interesting to their peers; this was to be summarised and tweeted in the customary 140 characters linked 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 why, 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 organisations we should be, as professionals, supporting, as they would rationally expect to move towards the future.

Critics of this ‘catastrophic’ approach dismiss this chronic time perception as only a ‘paradox of affluence’, a ‘parable’, a ‘grievance’ by the wealthy of this world who, 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 organisation.

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 the implementation, thus creating measurable added value to the organization.

Two consolidated approaches

There are two different approaches to how an organisation, 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 organisation 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 *behavioural, 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 organisation;
  + interprets those expectations by 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.

Through this process, inevitably, there is an implication that each relevant management function in the organisation be enabled with (and supported by) coherent communicative competencies and resources to create, develop and consolidate its own stakeholder relationship networks. This is in the context of a global paradigm that entails that whatever and wherever the operational location, no generic principle and no specific application may operate independently: it’s a 5x7 formula.

The generic principles are (3):

* embed specific applications;
* 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 organisation (i.e. its epigenetics)

The territorial specific applications are (4):

* embed the generic principles
* 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

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 organisation’s corporate and marketing activities when they are (at least initially), necessarily, of the ‘push’ variety; we then integrate this into a full communicating-with stakeholder dialogue (and therefore engage the ‘pull’ range of activities) that reinforces the organisation’s sustainability, relationships and license to operate.

Listening

For me, listening is an ongoing process of receiving, constructing meanings from, and responding to a spoken, visual and/or non-verbal content. Listening should take more than 50 percent of the overall interaction, 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 (5):

* 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-to-one, one-to-few telephone, face-to-face conversation or digital exchange
* participant observation /immersion
* takeholder network analysis
* interviews, focus groups, offline and on line questionnaires, delphi, tarot and other quali/quantitative paraphernalia.

These, and others, require the organisation (the Public Relations professional, if they’re up for it) to develop a specific ad hoc listening policy keeping in mind the organisation’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 organisation 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 organisation to change itself rather than, as many seem to believe, only adapt its communication behaviour to those expectations.

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

1. the ‘listener’ removes 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 organisation’s pursued objectives;
2. remaining in this ‘removal’ mood, the ‘listener’ returns to his/her key interlocutors with all the collected materials to seek added features and approval;
3. returning into themselves, the ‘listener’ interprets, together with other relevant management functions, the collected contents and their impact on the issue at stake.

This is a lesson I learned (but alas, it is seldom practised) from philosopher Pieraldo 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, when the two great people sitting next to me today (and to whose 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 welcome new, younger professionals to the agency with a conceptual framework to allow them better to 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 a couple of months off 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 any commonalities of whatever implementation processes had been followed, and what, if anything, they were.

We wanted to seek, from the bottom up, the common denominator of our profession. This was 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 organisation 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 organisation’s actions in its journey 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.

* II: one identifies key stakeholder groups (so called active stakeholders because they decide themselves to be such; they are not selected by the organisation as they are aware of the organisation’s strategy and interested in playing a stake in its implementation… whether positive or negative).
* III: as the organisation 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 impacts also on the economics of Public Relations.
* IV: one identifies opinion leaders -selected by the organisation because they are 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 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 organisation, as well as the Public Relations one.

* V: now 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 incentivising feedback mechanisms.
* VI: however, before pressing the ‘go’ button, the professional undertakes a pre-test on a representative sample of a specific public 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 quantitative communication and relationship objectives to be achieved in a given time, with given human and financial resources, and allows them to negotiate and agree those objectives with the employer/client.

°VII: at this stage, the roll-out is concluded,

* VIII: a post-test is then implemented with another representative sample of the same universe, along the same lines as the pre-test, and one can therefore measure if and where the programme has been effective, 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 ‘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 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 the 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, attempting to describe the purpose, the value and the principles today of the practice of Public Relations in society in general and in social, public and private organisations in particular.

These documents constitute the fertilising/foundation for the infrastructure.

On the two sides above the foundation, and 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; as well as their integration, to be achieved by shifting from the ‘communicating-to’ model, essential when the organisation decides to reach out to a new stakeholder group, to a ‘communicating-with’ model, by enabling feedback systems and incentivising them.

From this central pillar extend, on one side, the principal, but always changing, practices of Public Relations vis-a-vis the organisation’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, communicative equation 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 intangibles while only 30% is still due to material assets.

This forceful and dramatic change has much do with the consequences of globalisation fuelled by communication, as well as with the growing awareness that internal/external stakeholders require to be constantly informed of an organisation’s activities and behaviours, thus conditioning the dynamics of intangible assets such as licence to operate, relationships and reputation.

As it happens, the traditional organisation chart separating line and staff functions is now defunct, and a new management discipline is emerging under the name of ‘integrated thinking’. This implies 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, multi-channel, 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 behaviours of the organisation, in the context of an aware, sustainable policy (where the term sustainable indicates the duration in time of the organisation enhancing its overall social, economic, environmental and governance legitimacy). Thus, communication today is the recognised glue of the organisation and enhances the latter’s relationship with internal and external stakeholders, who at any moment may concede or revoke 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 organisational structure with two heads, one body and one blood circulation represented by communication.

This is the reason I use the metaphor of the ancient Roman pagan god Janus. (9)

I, of course, believe that the Public Relations function in the organisation, 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 for 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 of a 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 incentivised to the development of a full stakeholder involvement and engagement.

The communicative equation (10)

We live today in a network society and in their recent evolution many organisations have absorbed this concept. Being a network organisation 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 being created by the quality of the relationships amongst network participants as well as amongst networks: indeed, a post-Fordist organisation where 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 materialise 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 focused 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 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 organisations bring to Public Relations practice and to the governance of stakeholder relationships. This implies three major factors of the equation and each entails the application of specific tools and concepts all related with current PR and Communication theory.

* identifying and typifying categories of stakeholders involved, characterising their communicatively active segments (publics)
* examining the communicative dynamics of these stakeholders and their networks
* assessing relationships of each stakeholder category with the organisation, identifying the relevant issues affecting those relationships and studying the interconnection between those issues.

Finally, the application of this “communicative equation” approach should provide the PR manager with an efficient way to visualise each situation involving stakeholders, active publics, issues and relationships inputting sound information to the decision making process.

Thus, each of these communicative equations becomes the basic unit of analysis to plan, report and evaluate the performance of the PR function. In addition, it allows us focus on relationships, on improving the capability to identify and manage/negotiate variables that can improve those relationships, under the multilateral governance approach.

Conclusion

If you have remained awake thus far, you will know that I have today covered the chronic time pressure issue and how it deteriorates the quality of organisational 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 organisations should have their own listening policies.

In the second part of my lecture I addressed Gorel as a possible and tested stakeholder relationship governance approach; the reasons behind the infrastructure concept; and concluded with the introduction of the communicative equation concept to help organisations better to cope with this network society.

Thank you for your patience.