



PART ONE



**BUSINESS COMMUNICATION
IN THE EVOLVING
CORPORATION**

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Characteristics of Excellent Communication

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In 2002, we published the last of three books (L. Grunig, J. Grunig, & Dozier) resulting from a \$400,000 grant from the IABC Research Foundation for a research project to explain why communication has value to an organization and to identify the characteristics of an organizational communication function that increased its value.¹ This study, titled *Excellence in Public Relations and Communication Management*, generally is known as the Excellence study. In its request for proposals, the foundation asked for a study of “how, why, and to what extent communication affects the achievement of organizational objectives.”

For many years, organizational communication professionals have expressed great interest in the third part of this research question: To what extent does communication affect the achievement of organizational objectives? These public relations professionals generally feel underappreciated by other managers or by their clients.² Often they believe they are disadvantaged in competing for organizational resources because they cannot explain the value of their work. As a result, communicators long have searched for a statistical model or other evidence to show that the public relations function has value to organizations.

In addition to explaining the extent to which the function has value, we were able to explain why it has value and how the public relations function should

be organized to best provide this value. We collapsed these questions into two major research questions that guided the Excellence study:

- The effectiveness question incorporated the questions of why and to what extent communication increases organizational effectiveness. How does the public relations function improve the performance of an organization, and how much is that contribution worth economically?
- The excellence question asked how the public relations function should be organized and managed to increase the likelihood that it will make the contribution to organizational effectiveness identified in the answer to the effectiveness question: What are the characteristics of a communication function that are most likely to make an organization effective?

Based on our research related to the second question, we developed what Fleisher (1995) has called a generic benchmark of critical success factors and best practices in communication management. In most public relations benchmarking studies, a researcher compares a communication unit with other units in its own industry that are generally recognized as the best. The Excellence study, by contrast, identified best practices across different types of organizations: corporations, government agencies, nonprofit organizations, and associations. The generic benchmark produced by the study is a profile that we initially constructed from past research and by theoretical logic. Then we gathered empirical evidence from more than three hundred organizations in three countries to test whether this theoretical profile explains best actual practice as well as best practice in theory.

Generic benchmarking is more valuable than benchmarking a single case because it is unlikely that one organization will be, in Fleisher's words, "a world-class performer across the board" (1995, p. 29). In the Excellence study, we found that a few organizations exemplified most of the best practices, many exemplified some, and others had few of these characteristics. A generic benchmark does not provide an exact formula or detailed description of practices that a communication unit can copy to be excellent. Rather, it provides a set of principles that professionals can use to generate ideas for specific practices in their own organizations. In *Excellence in Public Relations and Communication Management*, Fred Repper (1992), the practitioner member of the Excellence team, explained how the theory of excellence can be used to audit communication programs: "One thing communicators never have been able to do is to compare our communication programs with a program that is considered the best and most effective. However, the normative theory provided in the book gives us an opportunity to measure the effectiveness of our communication programs against that of an ideal program. This comparison is the how to part of the book that each practitioner can use in planning his or her next communication program" (p. 112).

To explain why the best practices identified by the Excellence study make organizations effective, this chapter begins by establishing the value of communication to an organization. It then describes four categories into which the characteristics of best practice fall: (1) the relationship of communication to the management of the organization, (2) the organization and purpose of the communication function, (3) the management of individual communication programs, and (4) the organizational context that supports the best communication practices.

THE VALUE OF COMMUNICATION TO AN ORGANIZATION

In recent years, public relations professionals have searched for an explanation of the rate of return on an organization's investment in communication (its ROI). Research firms and other experts have responded with a deluge of papers, articles, seminars, and Web sites purporting to show how communication provides a financial return or contributes to organizational objectives. Most of the attempts to measure the value of public relations have suffered by confusing the different levels of analysis from which a researcher could address the value question.

Organizations must be effective at four increasingly higher levels of analysis: (1) the program level, (2) the functional level, (3) the organizational level, and (4) the societal level. Effectiveness at a lower level contributes to effectiveness at higher levels, but organizations cannot be said to be truly effective unless they have value at the highest of these levels.

The *program level* refers to individual communication programs such as media relations, community relations, investor relations, marketing communication, or employee relations that are components of the overall communication function of an organization. Communication programs at this level generally are effective when they meet specific objectives, such as affecting the cognitions, attitudes, and behaviors of publics or management, or both. However, we cannot say that these programs make the organization more effective unless we also can show that (1) they are directed at the most important publics of an organization and (2) their effects help to cultivate a good relationship with these strategic publics.

The *functional level* refers to evaluation of the overall public relations function of an organization, which typically includes several programs for different publics. Although individual communication programs successfully accomplish their objectives, the overall communication function might not be effective unless it is integrated into the overall management processes of an organization and has chosen appropriate publics and objectives for individual programs.

The public relations function as a whole can be audited, through self-review or peer review, by comparing its structure and processes with those of similar departments in other organizations or with theoretical principles derived from scholarly research, such as the generic benchmark provided by the Excellence study. The Excellence criteria require knowledge and professionalism by the communication unit. They also require understanding of and support for public relations by senior management. They can be used for both formative and evaluative analysis of the communication function as prior research that can be used to plan and organize the function and as a standard for reviewing the past structure and performance of the function.

The *organizational level* refers to the contribution that communication makes to the overall effectiveness of the organization. In the Excellence study, the review of the literature revealed that at a minimum, organizations must achieve their goals to be considered effective. However, typically there is much conflict within the organization and with outside constituencies about which goals are most important. Effective organizations are able to achieve their goals because they choose goals that are valued by their strategic constituencies both inside and outside the organization. Effective organizations choose and achieve appropriate goals because they develop relationships with their constituencies—their stakeholder “publics.” Ineffective organizations cannot achieve their goals, at least in part, because their publics do not support and typically oppose management efforts to achieve what publics consider illegitimate goals. The public relations function helps make an organization more effective when it identifies the most strategic publics and conducts communication programs to develop effective long-term relationships with those publics. As a result, we concluded that the long-term value of communication could be estimated by measuring the quality of relationships with strategic publics.

The *societal level* refers to the contribution that organizations make to the overall welfare of a society. Organizations have an impact beyond their own boundaries. They also serve and affect individuals, publics, and other organizations that make up a society. As a result, organizations cannot be said to be effective unless they are socially responsible, and public relations adds value to society by contributing to the ethical behavior and social responsibility of organizations.

The concept of organization-public relationships emerged as the critical value provided by a public relations function to both the organization and society. Relationships are important because they connect the four levels of analysis. To be effective, communication programs should improve an organization’s relationship with its strategic publics. Since society essentially consists of a web of relationships, the communication function contributes social value by improving these relationships one at a time. At the organizational level, relationships have secondary effects that organizations value: they

improve the reputation of the organization and increase the likelihood of achieving organizational goals.

In recent years, organizations have evaluated their performance using a varied set of financial and nonfinancial indicators—a balanced scorecard (Kaplan & Norton, 1996, 2001). Relationships typically are referred to as intangible assets, whose value cannot be measured in financial terms (see Post, Preston, & Sachs, 2002, for a discussion of the total value of an organization to all of its stakeholders). Although relationships themselves are nonfinancial indicators, they also contribute to financial value. They can increase revenue, such as by increasing sales, but their greatest effects come from reducing the costs of conflicts with stakeholders and reducing the risks that stakeholders such as the government, the media, the community, or employees will oppose an organizational decision.³

Evaluation at the functional level therefore can be logically connected to these other levels by auditing the extent to which the communications function has a structure and conducts activities that are most likely to identify strategic publics and to result in high-quality, long-term relationships with them. In the rest of this chapter, we discuss what the Excellence study found to be the characteristics of such a function.

RELATIONSHIP OF COMMUNICATION TO THE MANAGEMENT OF THE ORGANIZATION

The communication function cannot provide value at the organizational level by identifying strategic publics and cultivating relationships with them unless the organization empowers senior communication executives. This logical necessity led to the first critical characteristic of an excellent communication function: the senior communication executive is a member of the dominant coalition of the organization or has a direct reporting relationship to senior managers who are part of the dominant coalition.

Economists coined the term *dominant coalition* in the 1960s to explain who makes decisions in large organizations. In small organizations, the owner or a single executive makes most decisions. In larger organizations, by contrast, a coalition of people who are most empowered by the organization makes these decisions. The dominant coalition should not be confused with an executive committee or with a list of managers in formal positions of power. Many of these senior managers are members of the dominant coalition, but some are not. In addition, many members of an organization, and some people outside the organization, are part of the dominant coalition even though they are not in formal positions of power. They influence important decisions informally.

In the Excellence study, the CEOs and senior communicators were asked to indicate whom they thought was in their organization's dominant coalition on a list of potential members, which included the senior communication officer. They also could suggest others who were not on this list from both inside and outside the organization. Nearly half of both the CEOs and senior communicators said the top communicator was in the dominant coalition (43 percent and 47 percent, respectively). The larger the dominant coalition was, the more likely it was that the top communicator was named as a member, suggesting that the more empowering an organization is of more of its members, the more likely it is to empower the top communicator. Most important, organizations in which the top communicator was in the dominant coalition had significantly higher scores on our total profile of communication excellence. Our in-depth follow-up interviews also showed that many top communicators who were not generally considered to be in the dominant coalition compensated by gaining informal access or reporting directly to the members of the coalition. Access to the dominant coalition also enhanced the excellence of the public relations function.

Being in the dominant coalition or having access to it increases the likelihood of a second characteristic of an excellent communication function: the senior communication executive is involved with the strategic management processes of the organization, and communication programs are developed for strategic publics identified as a part of this strategic management process.

The results of the Excellence study showed that participation in strategic management was the characteristic that statistically most defined an excellent public relations function. Communication executives are able to make contributions to strategic management that executives with other types of expertise usually cannot make. In organizations with excellent communication functions, a communication executive scans the environment to identify publics affected by the consequences of decisions or who might affect the outcome of decisions. An excellent public relations department communicates with these publics to bring their voices into strategic management, thus making it possible for publics to participate in organizational decisions that affect them.

Representatives of the public relations function who participate in the overall strategic management of the organization often use research to enhance environmental scanning, lead the process of issues management, provide counsel in crisis situations, identify activist groups and engage them in dialogue, construct scenarios of how publics might behave if certain decisions are made, and plan, organize, and evaluate communication programs to formally communicate with members of strategic publics.

A communication function seldom is excellent if it is isolated from strategic decision makers and cannot counsel them about the public relations implications of potential organizational decisions. Communicators in less excellent departments typically wait for orders from strategic decision makers on how to

support decisions in which communicators played no role. As a result, they often are asked to develop communication programs to support a decision that they know will have negative consequences on publics and that publics will oppose.

A strategic top communicator therefore must have one foot in senior management circles and the other foot in the public relations department. The next set of Excellence criteria relates to that department.

ORGANIZATION AND PURPOSE OF THE PUBLIC RELATIONS FUNCTION

Scholars, communication professionals, and other organizational managers often view the communication function in different ways. Some see it as a department that provides communication services to other departments and as little more than a disseminator of information. The Excellence study, however, conceived of organizational communications more broadly: as a key management function that manages most organizational communication activities. The characteristics described in this section relate to roles and models of communication, the relationship of communication with other management functions, and its relationship with activist groups in the environment of the organization.

Communicator Roles

If at least one senior communicator in an organization plays a role in its strategic decision making, the organization will be more likely to think of public relations as a management function than as a department that provides technical support for other management functions. Scholars have conducted extensive research on two major roles that communicators play in organizations: the manager and technician (for a review, see Dozier, 1992, and L. Grunig et al., 2002). Communication technicians are essential to carry out most of the day-to-day communication activities of a public relations department. Managers, by contrast, are responsible for organizing and administering the communication function and participating in organizationwide decisions. Many practitioners play both roles. In less excellent departments, however, all of the communication practitioners, including the senior practitioner, are technicians. If the senior communicator is not a manager, public relations cannot be empowered as a management function.

The Excellence study found new information about the managerial role that previous research had only begun to discover. There actually are two types of communication managers: administrative managers and strategic managers. Administrative managers head public relations departments

and manage day-to-day operations of the communication function, manage personnel, manage the budget, and monitor the activities of members of the department. For the most part, they are supervisors of technicians. Strategic managers do more: they step outside the communication department and participate in organizational decisions. They also do research and evaluation and think strategically about publics and how to build relationships with them.

Three characteristics of excellence in communication, are related to these roles:

- *The public relations unit is headed by a strategic manager rather than a technician or an administrative manager.* Excellent communication units must have at least one senior communication manager who conceptualizes and directs communication programs, or other members of the dominant coalition who have little knowledge of communication management or of relationship building will supply this direction. If the senior communication officer is a technician or an administrative manager rather than a strategic manager, the department usually will not be excellent.

- *The senior communication executive or others in the public relations unit must have the knowledge needed for the strategic manager role, or the communication function will not have the potential to become a managerial function.* Excellent communication departments are staffed by professionals: practitioners who have gained the knowledge needed to carry out a strategic role through university education, continuing education, or self-study.

- *Both men and women must have equal opportunity to occupy the managerial role.* The majority of communication professionals are women. Research also has established that female practitioners are among the best educated in this field and most likely to take advantage of professional development opportunities. If women are excluded from the managerial role, the public relations function may be diminished because women are often among the most knowledgeable practitioners. When that is the case, the senior position in the public relations department typically is filled by a technician or a practitioner from another managerial function who has little knowledge of communication management.

Models of Public Relations

Public relations scholars have conducted extensive research on the extent to which organizations practice four models of public relations—four typical ways of conceptualizing and conducting communication activities (for a review, see J. Grunig & L. Grunig, 1992, and L. Grunig et al., 2002). This research has shown that excellent departments design more of their communication programs on the two-way symmetrical model of collaboration and public participation than on three other typical models: press agentry (emphasizing only favorable

publicity), public information (disclosing accurate information but engaging in little research or other forms of two-way communication), or two-way asymmetrical (using research but emphasizing only the interests of the organization and not the interests of publics).

Two-way symmetrical communication is based on research and uses communication to enhance public participation and manage conflict with strategic publics. As a result, it produces better long-term relationships with publics than do the other models. Symmetrical programs generally are conducted more ethically than are other models and, as a result, produce effects that balance the interests of organizations and the publics in society.

The research for the Excellence study refined our understanding of the four models of public relations by identifying four dimensions that underlie the models: (1) the purpose of communication is symmetrical or asymmetrical, (2) the direction of communication is two way or one way, (3) communication activities can be mediated or interpersonal, and (4) communication follows or ignores rules of accountability and dialogue that make it ethical or unethical. The two-way symmetrical model embodies the most desirable of these characteristics: symmetrical, two way, both mediated and interpersonal, and ethical. The other models possess some but not all of these characteristics.

Three characteristics of an excellent communication function therefore are related to ideals exemplified in the two-way symmetrical model:

- The public relations department and the dominant coalition share the worldview that the department's goals and communication activities should be two-way, symmetrical, and ethical.
- Communication programs developed for specific publics are based on two-way symmetrical strategies for building and maintaining relationships.
- The senior communication executive and others in the public relations unit have the professional knowledge needed to practice the two-way symmetrical model.

Relationship to Other Management Functions

Many organizations have a single department devoted to all communication functions. Others have separate departments for programs aimed at different publics such as journalists, employees, consumers, donors, the local community, or the financial community. Still others place communication under another managerial function such as marketing, human resources, legal, or finance. Some organizations have multiple communication departments that combine several of these arrangements. Many also contract with or consult with outside firms for all or some of their communication programs or for such communication techniques as annual reports or newsletters.

Two characteristics of excellence are related to the organization of the function:

- *Public relations should be an integrated communication function.* An excellent communication function integrates all communication programs into a single department or provides a mechanism for coordinating programs managed by different departments. Only in an integrated system is it possible for public relations to develop new communication programs for changing strategic publics and move resources from outdated programs designed for formerly strategic publics to the new programs. If there are separate communication departments for each set of stakeholder publics and these departments are not integrated, the public relations professionals generally will find it difficult to identify and build relationships with a broad range of publics. The role of public relations in strategic management therefore will be limited.

- *Public relations should be a management function separate from other functions.* Even though the communication function is integrated in an excellent organization, the function should not be placed in another department whose primary responsibility is a management function other than communication. Many organizations splinter the communication function by making communication a supporting tool for other departments such as marketing. When the communication function is sublimated to other functions, it cannot be managed strategically because it cannot move communication resources from one strategic public to another as an integrated communication function can. In addition, it generally focuses on only one stakeholder category to the exclusion of other potentially strategic publics.

Response to Activism in the Environment

In the Excellence study, we paid special attention to how communication departments interact with the most active publics—those that typically evolve into activist groups. Our previous research had shown that most organizations, at least in the United States, experience pressure from activism (L. Grunig, 1992a). In addition, research on power in organizations suggested that organizations are most likely to empower the communication function when pressure from activists or crises produced by that pressure make public relations expertise valuable (L. Grunig, 1992b).

Our results confirmed that activism pushes organizations toward excellence. Many, but not all, of the organizations we studied seem to have responded to activists by developing excellent public relations departments. Organizations with excellent communication also were more likely to report success in dealing with activists than organizations with less excellent departments. Activists seemed to achieve some level of success regardless of how the organization responded; the difference provided by excellence was that the organization achieved success, as did the activists—a symmetrical outcome for the organization and the activists.

Our research on the ways in which organizations engage activists showed that excellent public relations departments respond to activists with two-way communication, symmetrical communication, involvement of activists in organizational decisions, and both formative and evaluative research on the activists.

That characteristic fit well with the rest of the Excellence theory: excellent public relations departments scan the environment and continuously bring the voices of publics, especially activist publics, into decision making. Then they develop programs to communicate symmetrically with activists and involve them with managers throughout the organization. Finally, they use both formative and evaluative research to manage their communication programs strategically.

These characteristics describe an excellent communication department at the functional level. These departments in turn translate their propensity for strategic, symmetrical communication into strategic and symmetrical programs aimed at specific categories of publics at the next level of management.

MANAGEMENT OF INDIVIDUAL COMMUNICATION PROGRAMS

The Excellence study examined the ongoing programs that excellent communication departments devise to develop and maintain relationships with their key publics. We asked the top communicators surveyed in the study to provide a detailed breakdown of the origins, management, and outcomes of communication programs for the three publics for which their organizations allocated the largest budgets. Top communicators most often mentioned seven publics: the media, employees, investors, the community, customers, government, and members. Any of these categories of publics might contain activist groups.

Our theory stated simply that communication programs organized by excellent departments should be managed strategically. We believed that communication programs in excellent departments would be more likely to have strategic origins and less likely to have historicist origins than those in less excellent departments. We also believed that excellent programs would be based on environmental scanning research and would use evaluation research to gather evidence that shows positive outcomes from the programs. Less excellent programs, by contrast, continue year after year with little or no research to identify new or changing publics without setting measurable objectives and without conducting evaluation research to determine whether these objectives have been met. Therefore, the next characteristic of excellence is that communication programs organized by excellent departments to communicate with strategic publics also are managed strategically.

Our results showed strong support for this characteristic. Excellent departments were more than the routine publicity mills of traditional departments.

Excellent programs arose from environmental scanning research, and they were assessed through all forms of evaluation (scientific, clip file, and informal). Managers of excellent departments also reported that evidence is available that their programs have positive outcomes, such as meeting their objectives, changing relationships, and avoiding conflict.

The last characteristics of excellent communication apply to the overall organization. Some organizations provide a more fertile context for excellent communication than others.

HOW THE NATURE OF THE ORGANIZATION AFFECTS COMMUNICATION

In the Excellence study and in previous research, we searched systematically for contextual conditions within an organization and in its environment that might explain why some public relations functions are more excellent than others. In general, our research has shown that characteristics of the public relations staff and of senior management explain best why communication is excellent. In particular, public relations is most excellent when communicators possess the knowledge to practice strategic, symmetrical communication and top management understands, supports, and even demands excellent communication.

Nevertheless, our research also has shown that the organizational characteristics of structure, culture, communication system, and treatment of men and women can provide a supportive context for excellent communication, especially for communication with employee publics. The Excellence study identified four characteristics of organizations that provide this supportive context:

- A participative rather than an authoritarian organizational culture
- A symmetrical system of internal communication
- An organic rather than a mechanical structure
- Programs to equalize opportunities for men and women and minorities

Although these conditions alone cannot produce excellent communication, they do provide a hospitable environment for it. Most important, these conditions provide a favorable context in which all employees work most effectively, but especially women and people of color. Within such an organization, employees are empowered to participate in decision making. As a result, they are more satisfied with the organization and are more likely to support than to oppose the goals of the organization. In addition, employees who are empowered to

participate in decision making and engage in symmetrical internal communication are likely also to be effective symmetrical communicators with members of external as well as internal publics.

We found that the effective organization provides a hospitable environment for its increasingly diverse workforce. The CEOs, top communicators, and employees we surveyed seemed to agree on how women in particular are treated in their organizations. All three groups of participants clearly differentiated areas in which women are most and least supported. The survey data suggested that equitable treatment of women, as evidenced primarily by economic equity, and programs to foster their careers (such as policies against sexual harassment and efforts to encourage women's leadership abilities) are integral components of excellent organizations. Programs that provide a supportive work environment correlate especially highly with the other conditions found in excellent organizations. In addition, excellent organizations are beginning to offer some mentoring and advancement programs for women.

Our research showed that when the communication function was given the power to implement symmetrical programs of internal communication, the result was a more participative culture and greater employee satisfaction with the organization. However, we also found that symmetrical communication is not likely in an organization with a mechanical structure and authoritarian culture. A mechanical structure is characterized by centralized decision making, formal rules and procedures, perquisites and favors to distinguish management employees from subordinates, and limited participation in decision making by employees throughout the organization. An organic structure is decentralized, less formalized, and less stratified and allows most employees to participate in decision making.

Organic structure and symmetrical communication interact to produce a participative culture, and participative culture contributes strongly to employee satisfaction with the organization. An organic structure seems to be the key to an effective organization, triggering changes in culture, communication, and satisfaction. Symmetrical communication has a strong role in creating and implementing organic structure, but a communicator cannot step into any organization alone and establish an organic structure or symmetrical system of communication. The top communicator must work with the dominant coalition to develop an organic structure for the organization while he or she is developing a system of symmetrical communication. Our research on the internal context of an organization supported not only the need for symmetrical communication but also the need for the communication function to be represented in the dominant coalition to create the organic structural context that is necessary to create a participative culture and subsequent employee satisfaction.

HOW TO AUDIT COMMUNICATION EXCELLENCE

The members of the Excellence research team conducted formal and informal audits of the public relations functions of several organizations. The first audits were part of the research design of the Excellence study. After we identified the characteristics of excellent communication management for all organizations studied, we tabulated the scores on each characteristic for the nearly three hundred organizations that completed all three questionnaires: for the top communicator, the CEO, and employees. We then provided each organization with a report comparing its scores with the average organization, organizations in the top 10 percent of total excellence, and those in the bottom 10 percent. These reports made it possible for each organization to identify its strengths and weaknesses on the characteristics of excellence. For some organizations, members of the research team followed up the report with a personal presentation to the members of the communication staff.

The communication staff of any organization could follow the same procedure to audit its own communication function. The questionnaires used in the Excellence study are available in the appendixes of *Excellent Public Relations and Effective Organizations* (L. Grunig et al., 2002). The average scores on each of the characteristics of excellence can be found in tables throughout the book. In addition, we tabulated the average scores of these characteristics for the overall Excellence study sample, the top 10 percent of the organizations, and the bottom 10 percent. We will provide a table containing these scores on request. For several years, graduate students in the Seminar in Public Relations Management at the University of Maryland have audited the communication function of an organization of their choosing using these procedures. That process has been successful in continuing to define and validate the characteristics of excellence.

In addition to this quantitative approach to auditing the communication function, we have used the characteristics of excellence qualitatively to audit an organization's communication management. In particular, James Grunig has served on a communication advisory panel at the Brookhaven National Laboratory for a number of years. This panel evaluates the laboratory each year as part of a review by the Department of Energy. For each review, he, as a member of the panel, has informally used the characteristics of excellence as a template for evaluating the laboratory's communication function. Based in part on this experience, we prepared a white paper on evaluation of public relations for all Department of Energy laboratories, which is available online (J. Grunig & L. Grunig, 2001).

Any professional communicator or executive to whom the communication function reports could conduct a similar informal audit to compare that function with the generic benchmark we have developed. Professional communicators

asked to serve as peer reviewers for other organizations could use the characteristics as a qualitative benchmark to frame their evaluation. The Excellence study has, in the words of Fred Repper, cited at the beginning of this chapter, provided the “opportunity to measure the effectiveness of our communication programs against that of an ideal program” (Repper, 1992, p. 112).

Notes

1. The first of these three books (J. Grunig, 1992) consisted of an extensive review of literature, conducted by the five members of the research team, which was used to design survey research of 327 organizations in the United States, Canada, and the United Kingdom. In these organizations, the senior communication executive, the CEO or other senior manager, and an average of fourteen employees completed questionnaires. The survey was followed by qualitative interviews with the senior communication officer, the CEO, and a second communication professional in twenty-five organizations scoring at the top or bottom of a scale of excellence that resulted from analysis of the survey data. A short summary of these results was published in the second book (Dozier, with L. Grunig & J. Grunig, 1995). The complete results were published in the third book (L. Grunig et al., 2002).
2. In this chapter, we treat the terms *public relations*, *organizational communication*, *communication*, and *communication management* as synonyms. We define *public relations* as the management of communication between an organization and its publics and view it as the management function through which an organization communicates with the publics found in different categories of stakeholders, such as employees, consumers, investors, government, the community, members, donors, and the media.
3. In the Excellence study, we estimated the value of an excellent communication function—one that is most likely to develop quality long-term relationships with a strategic public—by using compensating variation, a method of cost-benefit analysis. With compensating variation, the researcher asks the person most likely to benefit from having something or not having something, such as a good organization-public relationship, to estimate how much that something is worth. In the Excellence study, we asked CEOs to estimate the return produced by their communication function. We found that CEOs generally assigned higher values to communication when it met our criteria of excellence.

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