

Tracking Organization-Public Relationships Over Time: A Framework for Longitudinal Research

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ABSTRACT

Organizational relationships are almost exclusively analyzed using the data that captures the perceptions of the parties in the relationships. While useful for describing the state of a focal organizational relationship at a single point in time, or over a short period, this approach has limited utility for research involving multiple relationships over an extended timeframe. The perspective that organization-public relationships can be described and studied as objective phenomena, separate from the subjective experiences of individual participants with properties other than the perceptions of those involved, underpins the framework for tracking organization-public relationships proposed in this paper.

Acknowledging the unique and potentially powerful positions held by activist publics in relation to the organizations with which they share issues of mutual concern, I argue that organizations and activists signal the state of their relationships using observable relationship processes, that is, information flows, specifically public statements about their shared issues of concern as reported by the news media. It is from these published relationship-signaling statements that the state of the focal relationships is interpreted using a conflict continuum. I report the findings of three case studies which incorporate the analysis of relationship-signaling statements made by Australia's major banks and their activist publics and published by the media from 1981 to 2001. The relationship data were extracted from the content analysis of more than 6, 500 newspaper articles.

OVERVIEW OF THE RESEARCH PROBLEM

The importance of building successful relationships between organizations and their publics and the proposition that relationships underpin “the practice of public relations, from issues management to crisis communication” (Plowman, Briggs, & Huang, 2001, p. 309) are common presuppositions in public relations theory and research. However, the close attention paid to understanding and building relationships with publics is relatively new to the discipline. Following Ferguson’s (1984) call for increased attention to relationships, a stream of organization-public relationship research emerged. Pavlik and Salmon (1984) argued that no research undertaken within the discipline up to that date had employed the “relationship” as the primary unit of analysis. Later, lamenting the paucity of research addressing the measurement of organization-public relationships, Broom and Dozier (1990) asserted that while public relations programs have been conceptualized as affecting organization-public relationships, the impacts claimed were rarely measured. More frequently measured were the impacts on either or both sides of relationships from which implicit or, less frequently, explicit inferences could be made about how the relationships changed (Broom & Dozier, 1990).

More recently, a framework for contemporary organization-public theory has emerged from interpersonal communication, psychotherapy, interorganizational relationship theory, and systems theory (Broom et al., 2000; Ledingham & Bruning, 2000a). Relationship management research can be categorized into three major areas: models of organization-public relationships, relationship dimensions as indicators of relationship effects, and applications of the relational perspective to public relations practice (Ledingham, et al., 1999). Most contemporary approaches to exploring organizational relationships are useful for capturing the state of a focal organizational relationship at a point in time or over a limited period (Ledingham & Bruning, 1998, 2000a; Huang, 1997, 2001). However, such approaches are not as useful for exploring the relationships longitudinally to gain a better understanding of patterns and changes that emerge over time.

While organizational relationships are almost exclusively studied and understood using the perceptions of the parties in the relationships, Broom et al. (1997, 2000) provided a model for identifying relationship processes and structures at the organization-public level of analysis. Drawing extensively from the interpersonal and interorganizational literature, they argued that organization-public relationships can be described and studied as objective phenomena that are not limited to the subjective experiences of individual participants, and have properties other than the perceptions of those involved (Broom et al., 1997, 2000). This perspective offers the most utility for tracking organization-activist relationships over time.

Emerging predominantly from interorganizational relationship theory (Aldrich, 1979; Galaskiewicz, 1985; Van de Ven, 1976), Broom et al. (1997) argued that organization-public relationships are the dynamic results of exchanges and reciprocity, and that they are able to be described at any given point in time. They offered the following definition:

Organization-public relationships are represented by the patterns of interaction, transaction, exchange, and linkage between an organization and its publics. These relationships have properties that are distinct from the identities, attributes, and perceptions of the individuals and social collectivities in the relationships. Though dynamic in nature, organization-public relationships can be described at a single point in time and tracked over time (2000, p.18).

Others have taken a broader approach to defining organization-public relationships. Ledingham and Bruning (1998), for instance, defined organization-public relationships as the state existing between an organization and its key publics "in which the actions of either entity impact the economic, social, political and/or cultural well-being of the other entity" (Ledingham & Bruning, 1998, p. 62). They also offer a definition of the "ideal" organization-public relationship as "the state that exists between an organization and its key publics that provides economic, social, political and/or cultural benefits to all parties involved and is characterized by mutual positive regard" (p. 62).

Based on extensive conceptual development and empirical data, Huang (1998) offered a perspective in which organization-public relationships are defined by the subjective experiences of relationship participants and described by characteristics emerging from those subjective experiences. She defined organization-public relationships as "the degree that the organization and its publics trust one another, agree on one has rightful power to influence, experience satisfaction with each other, and commit oneself to one another" (p. 12). Grunig and Huang (2000) specified the properties defining relationships, especially good relationships, and proposed that the most important dimensions of relationships are control, mutuality, trust, relational satisfaction, and relational commitment and goal attainment. While the definitions and approaches offered by Ledingham & Bruning (1998, 2000a, 2000b), Huang (1997, 2001) and Grunig & Huang (2000) are useful for understanding organization-public relationships from the perspective of individuals involved in these relationships, they have limited utility for exploring the relationships within an organizational population over a period of time. Such approaches have no utility for exploring relationships at the organizational population level of analysis and are also inadequate when the theoretical paradigm demands more than a snapshot in time.

With relationship management at the nexus of contemporary public relations practice, the relationships organizations have with their activist publics are important for both public relations practitioners and scholars (Botan & Taylor, 2004; Dozier & Lauzen, 2000; Grunig, 2001; Holtzhausen, 2000). Activism is particularly important because public relations would lose much of its value to organizations without the existence of activists (Grunig & Grunig, 1997). However, Dozier and Lauzen argued that organization-activist relationships are typically studied by public relations scholars from the perspective of organizations with "pockets deep enough to hire professional public relations practitioners" (2000, p. 8). Activists, together with other important but excluded publics, are not adequately accommodated within established public relations theory and research agendas, and organization-activist relationships are an important but neglected subset of organization-public relationships (Dozier & Lauzen, 2000; Holtzhausen, 2000; Karlberg, 1996). The "organization-centric" approach has been extensively criticized. Dozier and Lauzen (2000) and Karlberg (1996) asserted that the instrumental deep-pockets bias evident in public relations research into organization-activist public relationships has contributed to a predominantly partisan body of knowledge that seeks to prescribe organizational "solutions" to activist "problems." They also rejected the push to show how activists are similar to, rather than different from, other types of publics (Dozier & Lauzen, 2000).

Typical of this "deep-pockets bias" was Heath's (1997) assertion that models of activism are valuable if they provide insight into how organizations can constructively intervene to manage and reduce the concerns and issues motivating activists. In other words, activists are predominantly treated as a hostile part of the organization's environment in the public relations research and literature. According to this organization-centric perspective, models describing activism are useful only when they contribute to the

organization's capacity to control and limit activists (Grunig, 1992; Grunig & Grunig, 1997; Heath, 1997).

Precipitating organizational change is a primary objective of activist groups (Grunig, 1992), and so activists occupy unique and potentially powerful positions in relation to the organizations with which they share issues of mutual concern. Whereas organizations can choose to ignore markets, organizations have little choice other than to communicate with publics when they become active (Grunig & Repper, 1992). Relationships between organizations and their activist publics are typically described as antipathetic, with activists viewed as problem groups with whom contact is minimized and preferably resisted. The threat presented lies in their potential power to constrain organizational autonomy, and these constraints can result in increased costs, reduced market shares and damaged reputations (Grunig, 1992). Symbiotically, activist publics are particularly important to public relations practice because public relations could lose much of its value to organizations without the existence of activists (Grunig, 1992).

The application of the concept activist *publics* in preference to terms like 'groups' or 'organizations', is a significant distinction and deliberate choice. Following Dewey's (1927) definition of publics as a group of people who see they have a common interest with respect to an organization and that endeavor "to act through suitable structures and thus to organize itself for oversight and regulation" (p. 29), the perspective of this thesis is that publics are best understood as a process rather than a reified "entity" (Botan & Soto, 1988; Botan & Taylor, 2004). Publics "share interpretations of events and actions in their environment. When these interpretations lead to something the public wants addressed," an issue exists (Botan & Taylor, p. 655). Activist publics organize around issues and issues are created when "one or more human agents attaches significance to a situation or perceived problem" (Crabbe & Vibbert, 1985, p. 5). This perspective has more utility than the description of activist "groups" as reified entities that emerge "outside" the organization as a hostile part of the organizational environment. Such a distinction is problematic and redundant in many important contexts, particularly at the organization-activist relationship level. In other words, while the activist group is always an activist public, the activist public is not always an activist group. For example, while an employee union is clearly a separate organization, the organizational employees they represent, including those who might be actively seeking some measure of organizational change are clearly "internal" to the organization. For this reason, the activist group as a hostile and important but significantly, external public in the organization's environment is not a useful perspective at the organization-activist relationship level of analysis. The problem of distinguishing between who or what belongs to the organization and who or what is part of its environment is resolved by conceptualizing activists first and foremost, as active organizational publics.

CONCEPTUALIZING THE CONFLICT CONTINUUM

Relationship Structures and Processes

The approach taken in this study toward understanding, quantifying, and examining relationships between organizations and their publics follows the models provided by Broom et al. (1997, 2000). Organization-public relationship research has tended to focus on discerning the dimensions and characteristics of relationships and on measuring the outcomes of relationships in relation to public relations activities (Grunig & Huang, 2000; Grunig, 2001; Huang, 1997, 1998; Ledingham et al., 1999; Ledingham & Bruning, 2000a). The structures and processes of organizational relationships have received limited attention, although Broom et al. (1997, 2000) argued that state and process measures would provide useful profiles of organization-public relationships.

Van de Ven (1976) and Aldrich (1979) argued that dimensions commonly used to examine other social systems are appropriate for exploring relationships in organizational systems. Van de Ven claimed that organizational relationships could be examined in three ways: by defining and quantifying the formalization, centralization, and complexity of relationship *structures*; by examining the direction and intensity of resource and information flows and of relationship *processes*; and by exploring relationship *outcomes*, or the relationship's perceived effectiveness (Van de Ven, 1976). Aldrich (1979), on the other hand, proposed four dimensions of interorganizational relations: the *formalization* of agreements or structures, the *intensity* of resources committed or interactions between organizations, the *reciprocity* of these exchanges as described by the extent to which resources are transacted with benefits flowing equally to both parties under mutually agreed terms, and *standardization* as the degree to which procedures or the units of resources exchanged are similar. In exploring the implications of Aldrich's (1979) dimensions for public relations, Grunig, Grunig and Ehling (1992) argued that organizations should develop formalized, intense, and standardized relationships with their strategic publics and isolated reciprocity as an outcome rather than a component of the excellent practice of public relations.

Arguing that the major processes within interorganizational relationships are the flows of resources and information between organizations, Van de Ven (1976) made three contentions: first, that resource and information flows are the basic elements of activity in organized forms of behavior and that without them, social action systems cease to exist; second, that without resource flows, one or more parties to the relationship would probably terminate their participation; and third, that through resource and information flows, relationship dynamics can be studied from the perspective of a single relationship participant or the social action system as a whole. Relationship processes are characterized by their intensity or frequency, their direction, and their variability, and this approach to analyzing organization-public relationships was most recently applied in organization-public relationship research by Casey (1997) and Broom et al. (2000). In their exploration of an educational institution and its relationships with significant publics, Broom et al. (2000) applied three dimensions to describe the state of relationships, including formalization, standardization, and complexity. They also examined the intensity and reciprocity of information and resource flows. Information flows are the messages or communications about the units of exchange or the nature of the relationship transmitted between organizational parties through a variety of media (Van de Ven, 1976). In their study, Broom et al. recorded face-to-face contact, written communications, and phone calls to describe information flows (2000, p. 19).

The concept of information flows and the utility of this concept for describing the state of organization-activist relationships was given direction and support by the dimensions described by Aldrich (1979) and Van de Ven (1976), and later refined by Broom et al. (1997, 2000). Organization-activist relationships are therefore described using observable relationship processes, specifically, information flows.

Expressions of Conflict as a Relationship Process

Conflict is the most exacting test of the character of a relationship (Canary & Capach, 1988). It exists in interpersonal, intergroup, interorganizational, and international forms and settings and is an inevitable and pervasive aspect of relationships in organizational contexts (Huang, 1997; Morrill & Thomas, 1992; Nicotera, Rodriguez, Hall & Jackson, 1995) and, in particular, in organization-public relationships that include activist publics (Ehling, 1992; L.A. Grunig, 1992a; Huang, 1997; Murphy & Dee, 1996; Plowman, 1995; Plowman, Briggs & Huang, 2001).

Expressions of conflict or its antithesis, cooperation (Ehling, 1992), are organization-activist relationship information flows. These information flows provide the means with which to observe and describe these relationships longitudinally. Conflict and cooperation are particularly valuable for studies of organizations and their activist publics (Ehling, 1992; L.A. Grunig, 1992a; Heath, 1997; Huang, 1997; Putnam & Wilson, 1982; Smith & Ferguson, 2001). Organizations and activists relationships are organized around issues (Smith & Ferguson, 2001; Smith, 1996) and issues are conflictual in nature (Olien, Donohue & Tichenor, 1995). Their engagement in relation to issues of mutual concern is the primary source of conflict between organizations and their activist publics. In such conflict situations, organizations and their activist publics are likely to attempt to inform and influence public opinion through the mass media (Heath, 1997).

Locating relationships on a Conflict Continuum

Conflict and cooperation can be conceptualized as the extremes of a continuum (Ehling, 1992), and conflict can be described as an essential aspect of organization-activist relationships that serves to make some important exchanges in those relationships visible through the medium of news coverage (Grunig, 1992; Grunig & Grunig, 1997; Heath, 1997; Olien, Tichenor & Donohue, 1989). The involvement of the mass media in organization-public relationships is thus critical for organization-activist relationships because it affects relationship quality and generally intensifies relationships (Heath, 1997; Huang, 1997). The news media are likely to cover organization-activist interactions when the degree of conflict expressed is high because of the importance of conflict driving the selection and publication of news (Karlberg, 1996). Activists obtain credibility, resources, and exposure for their positions by attracting media coverage, and media coverage is often critical to their mobilization and effectiveness (Heath, 1997, Olien et al., 1989). Regardless of whether media attention is sought by organizations or activists in an attempt to better serve their interests in the prevailing public opinion environment, or whether it is an unwelcome but unavoidable side-effect of the conflict, the higher the degree of evident conflict in organization-activist relationships, the more likely that media attention and coverage will result (Grunig, 1992; Heath, 1997; Olien et al., 1989). The emphasis of this study is not on managing conflict in organization-activist relationships but on using expressions of conflict or cooperation as observable evidence of organization-activist relationship processes, specifically their information flows.

The description of cooperation as the natural opposite of conflict (Ehling, 1992; Levinger & Rubin, 1994) provides a precedent for the conflict continuum described in Table 1. The extremes of this continuum are conceptualized as representing a cooperative or a conflict state. In the cooperative state, all efforts by organizations and their activist publics in the population focus on reconciling their mutual interests, cooperating to reach joint benefits, and resolving issues to their mutual satisfaction (Putnam, 1990). In this mutual gains approach, organizations and activist publics in the population act as "cooperative protagonists (as they) struggle to satisfy their own interests with the knowledge that satisfaction is best accomplished through satisfying each other's interests as well" (Plowman et al., 2001, p. 306). In the conflict state, all efforts by organizations and their activist publics in the population focus on maximizing their own separate gains in relation to issues of mutual concern while minimizing their losses within a "win-lose" or self-gain orientation (Putnam, 1990, p. 3). This "zero-sum" game approach is symptomatic of "malignant social conflict" (Deutsch & Schichman, 1986, p. 229). These two ends of this continuum describe extreme and probably rare cases that provide useful theoretical boundaries but are not expected to represent the state of most organization-activist relationships; as Murphy (1991) explained, most situations "are located somewhere along the continuum" (p. 126).

Table 1 Listed in Table Index

The concept of information flows is applied in this study to locate the state of these relationships on a conflict continuum. Information flows are essential processes within all organizational relationships (Broom et al., 1997, 2000) and more specifically within the organization-activist relationships considered in this study. Because of their role in covering the issues around which activists organize, the news media have an important role in organization-activist relationships, and evidence of these relationships is frequently visible in news media coverage (L.A. Grunig, 1992a; Heath, 1997; Huang, 1997; Olien et al., 1989, 1995; Smith & Ferguson, 2001). Information flows in which organizations and activists signal the state of their relationships include the relationship-signaling statements they make in public forums. Relationship-signaling statements reported by the news media in the form of direct or indirect quotes are information flows. These statements provide cues about the state of relationships to the organizations and activists and to interested observers. In a study of how competitively organizations negotiated issues when direct means of communication were unavailable or illegal, Moore (1990) analyzed public statements made to the media to derive information about mediated communication between these competitors. The statements extracted and analyzed in Moore's study were quotes published by the media.

Organizations are more likely to respond to unfavorable depictions in media coverage (O'Donovan, 1999), and the framing of an issue in the media as positive or negative both reflects public opinion and signals its importance to the public (Dearing & Rogers, 1996; Deephouse, 2000; Schoenbach & Semetko, 1992). Studies have also recorded increases in positive or self-laudatory information disclosures from organizations around the time of events in which they were depicted unfavorably (Deegan, Rankin, & Tobin, 2002; Patten, 1992). In the context of organization-activist relationships, it is reasonable to anticipate that when organizations experience predominantly negative media coverage, they attempt to appease their activist publics by increasing the flow of cooperative and neutral statements. In other words, the imperative for organizations to resolve the issues of mutual concern increases when activists generate more conflict statements. When activists signal more conflict, organizations respond by making more cooperative and neutral statements.

To explore the relationships between the state of organization-activist relationships and patterns of relationship-signaling statements comprising those relationships, theoretic propositions were explored and are stated as follows:

Proposition (1) As organization-activist relationships move toward a conflict state, organizations will make more statements signaling cooperation.

Proposition (2) As organization-activist relationships move toward a conflict state, organizations will make more statements signaling neutrality.

Proposition (3) As organization-activist relationships move toward a conflict state, activists will make more statements signaling conflict.

Proposition (4) As organization-activist relationships move toward a cooperative state, organizations will make more statements signaling conflict.

Proposition (5) A stronger association exists between variations in the organization-activist relationship state and activist statements signaling conflict than any other type of relationship-signaling statement.

The assumptions made to operationalize the conflict continuum are, therefore, that organizations and activists signal the state of their relationships in public statements about their shared issues of concern and that some of these statements are reported by the news media. It is from this evidence that conclusions about the degree of conflict or cooperation are drawn. Public statements made by participants in relation to issues of mutual concern in the issue set are extracted from news media coverage and aggregated. The location of these relationships on the conflict continuum is then interpreted.

METHOD

The data were sampled, collected, coded, and analyzed using typical content analysis procedures. Content analysis provides a set of methods for analyzing communication by reducing the total content to a set of categories representing the characteristics of research interest (Singleton et al., 1993). Sources of data included a selection of the largest circulating national and state newspapers in Australia from 1981 – 2002; *The Australian*, *Australian Financial Review*, *The Age*, *Sydney Morning Herald*, and *Courier Mail*. This selection achieved a broad, geographical reach, a large audience size, a mix of format and content characteristics in relation to media ownership and perceived political stance, and ensures accessible material (Hansen et al., 1998). Two of the five newspapers, the *Australian Financial Review* and the *Sydney Morning Herald*, provided more than half of the articles analyzed for this study. The prominence of the *Australian Financial Review* can be explained by its focus on financial issues, and the rankings of the four remaining newspapers are generally consistent with their circulation and the publics they serve. The study included 6,595 newspaper articles.

Organization-activist relationship data were sampled systematically using the five newspapers specified. To make an informed observation about the state of organization-activist relationships in relation to the issue set, this phase of data collection was organized around the same two months from each of the 21 years, specifically, April and October. From the resulting data set the media coverage of public statements made by all organization-activist relationship participants were extracted, scored, and aggregated. Each recording unit was coded for the state of organization-activist public relationships in the population. The recording unit for the organization-activist relationship was defined as the comments contained within a single sentence that referred to issues in the issue set and were directly or indirectly attributed to the major banks or their activist publics; in other words, the recording units were the direct or indirect quotes reported in newspaper articles attributed to either banks or activists. The full text of each public statement from the sampled articles amounted to 11,924 recording units for analysis. The media content analysis guidelines provided by Riffe et al. (1998) were applied, and an 85% level of interrater agreement was assumed to be acceptable given the exploratory nature of this study, the scale of the data collected for coding, and the longitudinal timeframe. Holsti's (1969) coefficient of reliability was applied and the interrater outcome was 0.84.

The recording units, public statements that are direct or indirect quotes from the banks or activists, were coded as indicating cooperation (1), conflict (-1) or neutral (0). This example of a cooperative, bank-sourced statement appeared in an *Australian Financial Review* report, in which a Westpac spokesperson commented on an employee relations dispute in the following way: "We are willing to sit down with the union and clarify other proposals on the table such as increased parental leave and sick leave" ("Pay Rise," 2001, p. 44). Another example of a bank-sourced cooperative statement appeared in a report from *The Age*, in which Westpac announced a revamped, "come-clean" approach to doing business and launched a new advertising campaign. The managing director, Frank Conroy, was quoted as saying, "It's an attempt to respond to what our customers are saying. There

has been an underlying feeling of almost resentment and mystique. They are saying: 'For goodness' sake tell us how you operate'," (Smithers, 1991, p.23). The next example appeared in a *Courier Mail* article and was coded as an activist-sourced statement indicating a conflict state. Commenting on the credit card interest rates of the major banks, Queensland Consumers Association president Cherie Dalley said, "I think they are showing a lack of conscience in not reducing these credit card rates at a better rate than they are now" (Spann, 2001, p.3). An example of a neutral, bank-sourced statement appeared in a *Sydney Morning Herald* article that discussed the special packages banks were offering to wealthy customers (Maley, 1995). The Commonwealth Bank's chief manager of group communication, Lyndell Deves, was reported as saying that the bank's packages were "negotiated separately but the benefits could include a 0.5 per cent discount off the standard home loan rate, exemptions on credit card fees and larger lines of credit on credit cards" (p. 3).

After extracting and coding these and other quotes like them, the scores for the months sampled were calculated and interpretations as to the state of these relationships emerged from two approaches. First, the frequencies of conflict, cooperative, and neutral states were reported by source; in other words, they were separated into bank and activist statements. The relationship state for each month was interpreted narratively using a standardized set of phrases such as, "very low conflict, some cooperation evident – moving toward a co-operative state from low to very low" and "very high conflict evident – moving toward a conflict state from medium high to very high conflict." Bank-activist relationships were then described using the Janis and Fadner (1965) coefficient of imbalance. By applying this coefficient, the proportion of statements reflecting a conflict state was compared with those statements reflecting a cooperative state, controlling for the overall volume of statements. The outcomes for each month located the bank-activist relationship state on the conflict continuum between -1 (total conflict), and 1 (total cooperation).

RESULTS

Variations in the location of the bank-activist relationships along the conflict continuum from 1981-2001 are described in Figure 1. When the line moves above zero on the conflict continuum, the bank-activist relationship state is described as moving toward a cooperative state, and when the line moves below zero, the relationship is described as moving toward a conflict state. Zero describes a neutral state. The bank-activist relationships moved more frequently within the range below zero. This means that the relationships were most often in a conflict state and the variations were in the degree of conflict evident, from zero (neutral) to -1 (total conflict), rather than between cooperation and conflict. From 1981 to 1987, the variations in the location of these relationships on the conflict continuum were most extreme. The least variation in the location of these relationships on the conflict continuum was evident from 1988 to 1994. From 1995 to 2001, the bank-activist relationships were again less likely to stay in the cooperative range of the continuum, from zero (neutral) to 1 (total cooperation).

Figure 1 Listed in Figure Index

When the frequencies of conflict, cooperative, and neutral statements are compared a dramatic changes is evident in the increase in neutral statements from banks (see Figure 2).

Figure 2 Listed in Figure Index

The concurrent increase in conflict statements from activists over time is also worthy of note (see Figure 3). In other words, in the latter years of the study, the banks generated fewer statements reflecting a conflict state while making an increasing number of neutral statements.

Figure 3 Listed in Figure Index

The frequency of conflict statements made by activists increased dramatically from the mid-1990s. This is consistent with the increased presence of activist publics from 1995 in comparison with the 1980s and early 1990s. While the banks and their activist publics generated conflict statements with similar frequency prior to 1995, from 1995 to 2001, the gap widened as the banks made fewer conflict and more neutral statements, while activists made many more conflict statements (see Figure 4).

Figure 4 Listed in Figure Index

To explore the bank-activist relationship data the bank-activist relationship state and the frequencies of conflict, cooperative, and neutral statements were analyzed using the Pearson product-moment correlation. Some significant relationships emerged. Consistent with the first proposition, a significant relationship was evident between the state of organization-activist relationships and the frequency of cooperative statements made by the banks $r = -0.289$, $p < 0.05$ (one-tailed). In other words, as the bank-activist relationships moved toward a conflict state, the banks made more statements signaling cooperation. The second proposition was not supported. That is, no significant relationship was detected between organization-activist relationships moving toward a conflict state, and banks making statements signaling neutrality. The third proposition was supported with a significant relationship emerging between bank-activist relationships moving toward a conflict state and activists making more statements signaling conflict $r = -0.487$, $p < 0.01$ (one-tailed). The fourth proposition was less well supported $r = 0.326$, $p < 0.05$ (one-tailed). That is, a significant but not strong relationship was evident between bank-activist relationships moving toward a cooperative state, and an increase in bank statements signaling conflict. Overall, the fifth proposition was confirmed. A stronger correlation emerged between the bank-activist relationship state and statements from activists signaling conflict, as compared with any other type of relationship-signaling statement. In other words, in spite of the relatively small number of published relationship-signaling statements made by activists in comparison with the overwhelming volume of statements from the banks, the activist conflict statements are better predictors of the state of these relationships.

LIMITATIONS

The purpose of this study demanded that the state of bank-activist relationships be constructed using artefacts of those relationships, specifically evidence collected from statements published in the public domain. An alternative way of describing the bank-activist relationship state that was not bound to media coverage would have been useful for providing further insights into the bank-activist relationship state. Sources other than media coverage, such as internal records from the banks and their activist publics, correspondence, meeting minutes, and memoranda, would have also enriched this study. However, assuming such records existed and were continuous, intact, and accessible, the resources required for obtaining, analyzing, and interpreting them would defeat all but the most well-resourced team of researchers, particularly within a limited timeframe.

While a useful indicator of the state of bank-activist relationships, the aggregation of data required for applying the coefficient of imbalance (Janis & Fadner, 1965) obscured some important complexities in the exchange of relationship-signaling statements used to locate bank-activist relationships on the conflict continuum. These organization-activist information flows, specifically public statements reported in media coverage signaling the relationship state, became less visible after the application of this coefficient. In reducing the frequencies of relationship-signaling statements to a single number, some important contextualising information were lost; for example, the overwhelming number of statements from banks relative to their activist publics was not evident once the coefficient was applied

DISCUSSION

The results of this study suggest that activist publics engaging with the major banks over issues of mutual concern have had a limited voice. That voice has typically been antagonistic, and the organization-activist relationships most likely to persist were attached to multiple, persistent issues. In other words, their mutual concerns were for issues with enduring prominence in the issue set. For example, while the Finance Sector Union had an obvious stake in the issue of employee relations, it also was involved in other issues that had repercussions for their members, such as mergers and acquisitions, the expansion or contraction of branch networks, and electronic banking and technology.

Organized activist publics with financial and human resources, formalized management structures, and extensive memberships were the same publics with which the major banks had persistent relationships that emerged and re-emerged from 1981 to 2001. Banks and employee unions share relationships fitting all of these criteria. Employee unions are formal organizations that have been legitimated by Australia's industrial relations laws and share with the major banks multiple and persistent issues of concern. While not subject to the same regulatory imperatives, the major consumer organizations, such as the Australian Consumers Association, and welfare organizations, including the Australian Council of Social Services and other groups belonging to the mainstream church organizations, such as the St. Vincent de Paul Society, engaged similarly with the major banks. As formal organizations recognized by regulators and other government and social institutions, these activist publics have persistent structures and share similarly persistent multiple issues of concern with the major banks. In contrast, variations in bank-activist relationships were also evident in the appearance and eventual demise of the single or "hot" issue activist publics. For example, the Foreign Currency Borrower's Association persisted only as long as that issue remained prominent in the issue set. This issue emerged from circumstances peculiar to the Crash of the late 1980s and continued while matters were dealt with in the courts and periodically reappeared in retrospective accounts of the events of that period. Eventually the issue captured a place in popular culture and was dramatized in "The Bank," a movie released in 2001.

The results of this study also suggest that between 1981 and 2001 the exchange of relationship-signaling statements between banks and activists shifted fundamentally. While the banks more consistently made, or at least were reported making many more public statements about issues of mutual concern in all three case studies, several important variations occurred over time. First, the gap between the frequencies of bank and activist statements grew over time. Second, the gap between neutral statements from banks and all other statements from banks or activists became more emphatic from 1992 to 2001. Third, as is described by the approximately equivalent number of conflict statements from both activists and banks, the banks tended to match the activists "blow for blow" in media coverage from 1981 to 1994. However, from 1995 to 2001, this "matching" routine disappeared to be replaced by an escalation in neutral statements from banks that was followed closely, but not matched in scale, by the escalation in conflict statements from activists. This represented a transformation in bank-activist relationships between 1981 and 1995. Specifically, the earlier years of the study, from 1981 to 1987, were characterized by balanced, if limited, engagement in the exchange of relationship-signaling statements between banks and activists. Statements from activists were acknowledged and debated by the banks. In later years, particularly from 1995 to 2001, the routine changed, and banks became increasingly unlikely to make conflict statements.

One explanation for the changing pattern of information flows in bank-activist relationships, as described by the frequencies of public statements, emerges from the shift in media relations practice and approaches to issues management since the late 1980s. Over the past two decades, public relations practice in Australia has followed U.S. trends for organizations under activist "attack" and resisted engaging with activists directly and publicly in the media (L.A. Grunig, 1992a; Heath, 1997; Manheim, 2001; Smith & Ferguson, 2001). There are two rationales for this approach. First, the organizations can avoid sustaining a debate that might otherwise fade from the public view by refusing to engage in a debate fuelled by media exposure (Heath, 1997; Manheim, 2001). Second, dominant groups, such as the major banking corporations in this study, ward off challenges by downplaying controversy and "thereby withdrawing legitimacy from alternative views" (Olien et al., 1995, p.320; see also Karlberg, 1996, Dozier & Lauzen, 2000). For example, in a *Sydney Morning Herald* report about pending job losses, the reporter described a dispute between one bank and the Finance Sector Union, noting that "ANZ downplayed the union claims, saying the bank is working through a restructuring period and it is too early to say how many jobs would actually go" (Kidman, 1996, p. 37). By avoiding making public statements signaling conflict at a rate comparable to their activist publics, it could be argued that the banks were strategically but indirectly downplaying the legitimacy of those claims and the activists authoring those claims. The public opinion environment was most consistently unfavorable when this strategy of downplaying and "neutralization" was most intense. If one of the goals of generating more neutral statements and avoiding generating conflict statements was to improve the direction of the public opinion environment, its effectiveness was not evident in the findings of this study. In other words, if the major banks employed these strategies as a means of improving their image and encouraging more favorable media coverage, these outcomes reveal nothing to support such a contention. If anything, it could be argued that the banks' "neutral comments" spurred the activists to assert their positions more aggressively by making an increasing number of conflict statements that were reported by the media more frequently. Without elaborating beyond the available evidence, the outcomes of this study call into question the value of advice that encourages organizations to deal with issues of concern and contention by seeking to downplay issues and escalating the use of neutral statements.

Longitudinal research is rare in public relations and is even rarer in the study of organization-public relationships. Consequently, there are few models for researchers to follow. Broom, Casey, and Ritchey (1997, 2000) provided some important starting points. This paper advances their work conceptually and operationally, building a framework for further organization-public relationship research that is not limited to the perceptions of a few individuals captured at only one or several points in time. Such advances are fundamental to the development of more informed theories about these relationships.

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TABLE INDEX

Table 1

The Conflict Continuum – Concept Summary and Indicators

<i>Conflict State</i>	<i>Cooperative State</i>
<p>All efforts by organizations and their activist publics in the population focus on</p> <ul style="list-style-type: none"> ➤ maximising their own separate gains on issues of mutual concern. ➤ minimising their losses within a “win-lose” or self-gain orientation. <p style="text-align: center;"><i>Indicators of a Conflict State</i></p> <p>Public statements attributed to relationship participants by the news media</p> <ul style="list-style-type: none"> ➤ explicitly reject cooperation as desirable and necessary or omit any reference to cooperation. ➤ describe the relationship as being in a state of conflict. ➤ focus on conflict-seeking and the points of dissension on the issues of mutual concern. 	<p>All efforts by organizations and their activist publics in the population focus on</p> <ul style="list-style-type: none"> ➤ reconciling their mutual interests. ➤ cooperating to reach joint benefits. ➤ resolving issues to their mutual satisfaction. <p style="text-align: center;"><i>Indicators of a Cooperative State</i></p> <p>Public statements attributed to relationship participants by the news media</p> <ul style="list-style-type: none"> ➤ openly acknowledge cooperation as desirable and necessary. ➤ suggest that cooperation is occurring and that consensus is evident. ➤ focus on solution-seeking and the points of consensus on the issues of mutual concern .

FIGURE INDEX

Figure 1

Bank-Activist Relationships on the Conflict Continuum

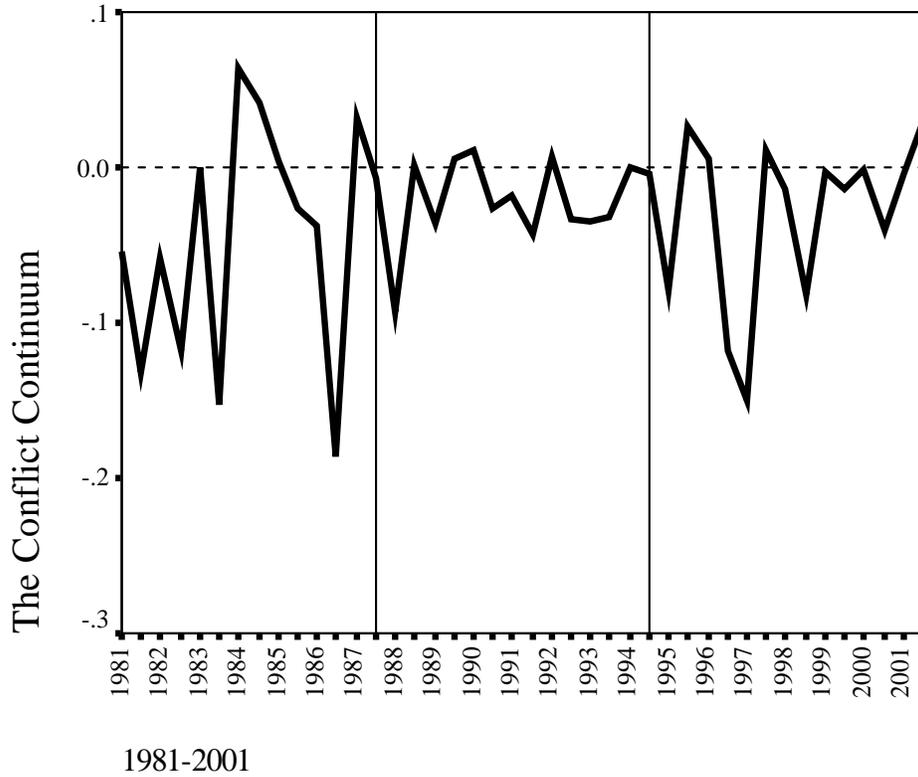
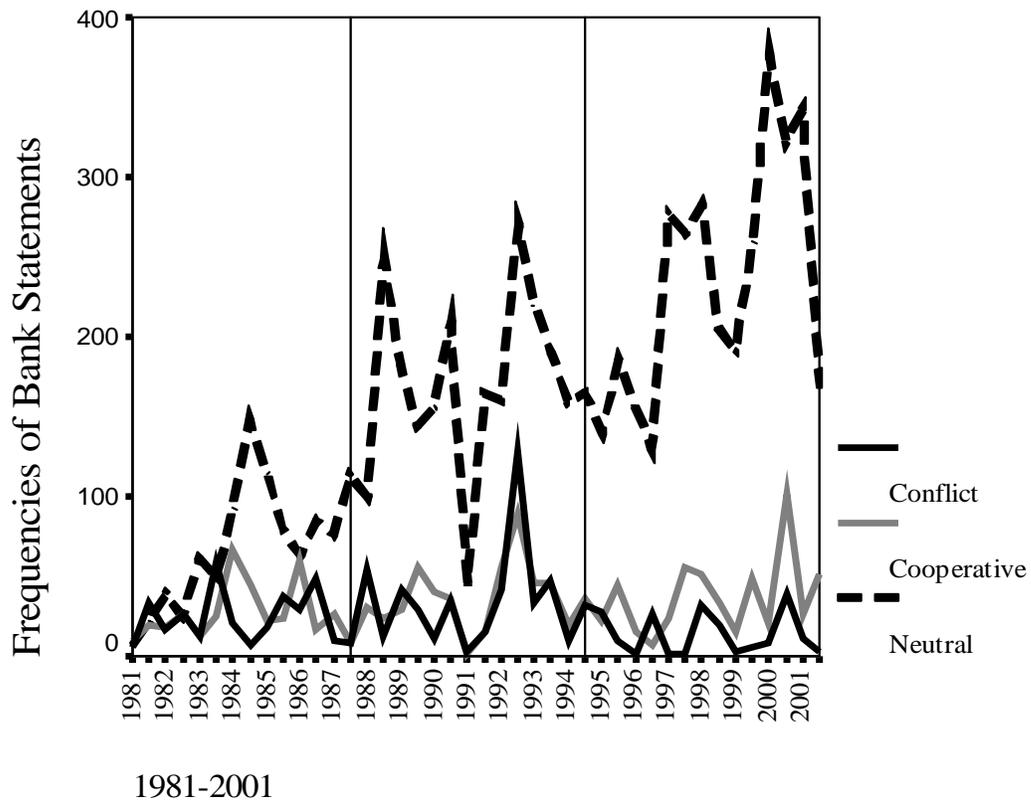


Figure 2

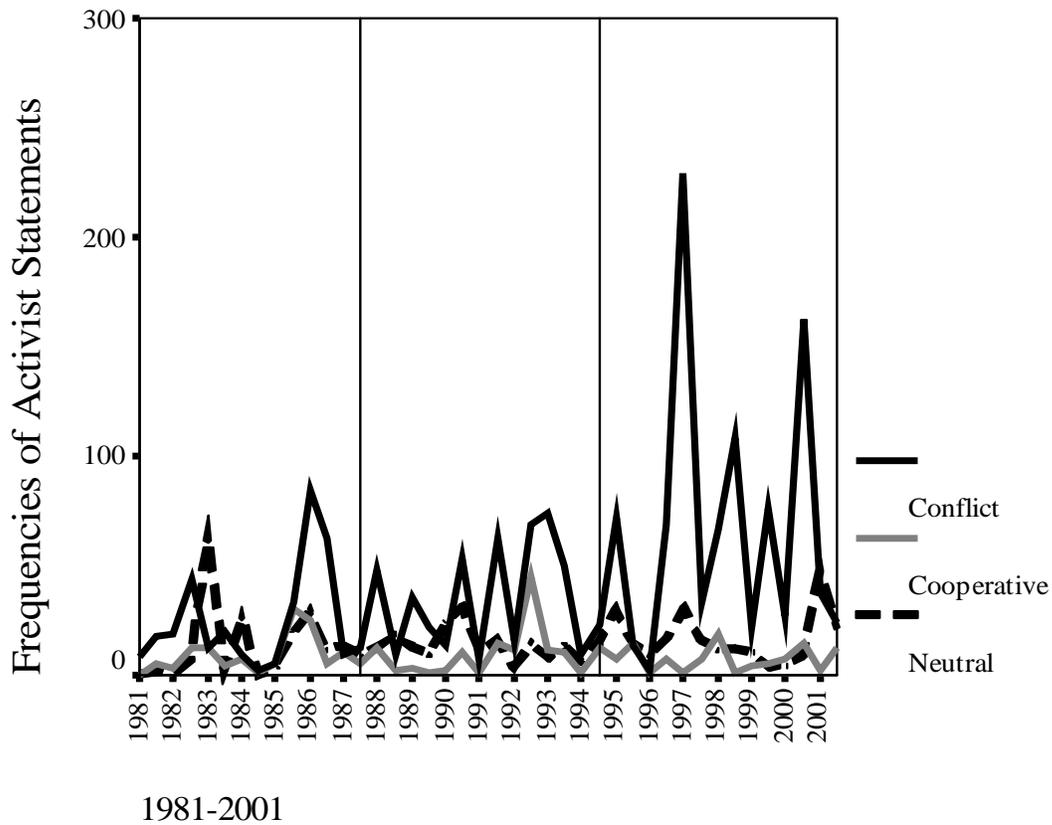
Frequencies of Bank Statements, 1981 - 2001



1981-2001

Figure 3

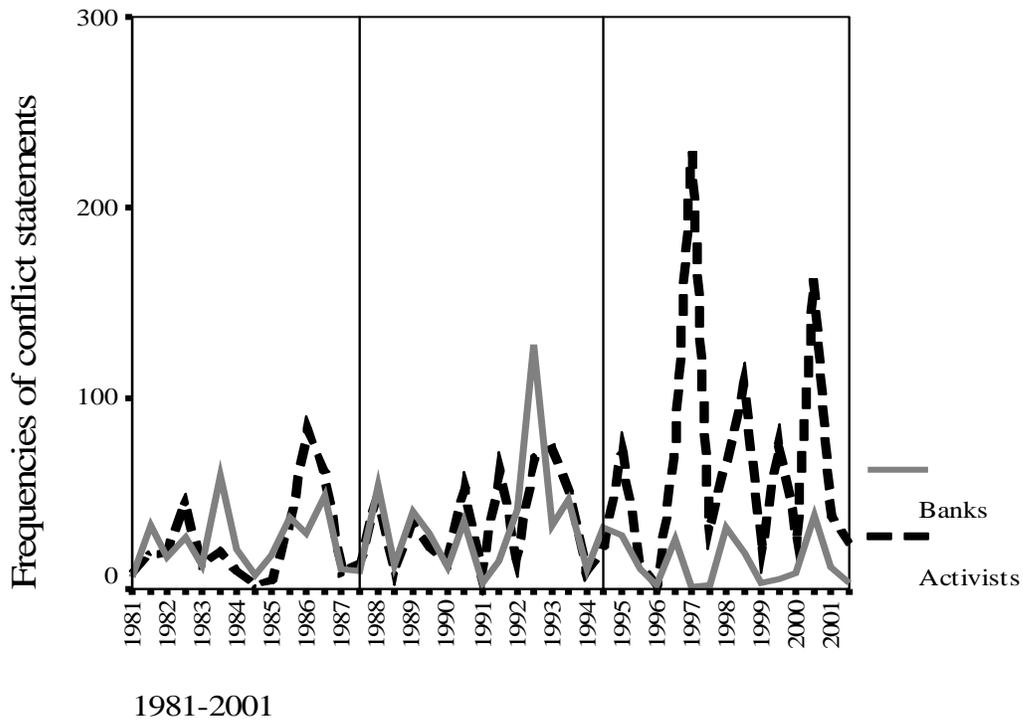
Frequencies of Activist Statements, 1981 - 2001



1981-2001

Figure 4

Comparison of Bank and Activist Conflict Statements, 1981 - 2001



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