

# **Networking processes and perceptions in public relations consultancies**

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## **ABSTRACT**

One of the key determinants of the success or failure of a small firm is the role and importance of business relationships and business networks. Membership of a business network can enhance the performance of an entrepreneurial firm (Chaston, 2002), assist in creating new ventures (Curran *et al.* 1993), acquiring information, and contribute to a widening customer base (Shaw, 1998). However, research has tended to focus on the structure of networks rather than on interactional dimensions, with the process of networking, the contents of network relations, and perceptions of networking as a business practice often remaining unexplored.

A particular field where business relationships are central is the area of services, and especially professional services. The relationship between professional service consultancies and their clients emerged in a number of studies in the 1980s and 1990s (e.g. West and Paliwoda, 1996), yet one professional service has received little attention in terms of relationship research and yet cites relationship building as central to its very practice. This is the area of public relations, which is concerned with handling organisational relationships. As a rapidly expanding professional service worldwide which casts itself in the role of stakeholder relationship management, public relations warrants further investigation.

This working paper outlines the findings of a pilot study undertaken as part of a PhD into how public relations practitioners build and maintain business relationships, and the extent to which networking contributes to practitioner performance and consultancy value in terms of acquiring and retaining clients. The interest in the public relations sector stems specifically from the researcher's own practitioner background working in public relations for over 12 years. The paper offers a brief overview of several areas of literature, and presents the research aims and methodology. It concludes with the findings - which offer an insight into the content, style and barriers to networking for practitioners; a conceptualisation of networking within consultancies; and an initial identification of 'types' of networkers - and further stages of the study.

## 1. Review of the Literature

### **Public Relations and Relationship Management**

Building and maintaining relationships is vital to public relations, indeed it lies at the very core of its practice (Ledingham and Bruning, 2000). Many definitions and theories of public relations advocate its role as helping to develop and maintain mutually dependent relationships between an organisation and strategic publics within its social environment, and as a 'boundary spanning' function which interprets the environment and represents the organisation to the environment (e.g. Aldrich and Herker, 1977). One of the most explicit definitions of public relations is given by the Institute of Public Relations (IPR): "*public relations practice is the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organisation and its publics*". Public relations is seen as organising two-way communications between the organisation and the audiences critical to its success. It is concerned with handling organisational relationships, with the goal being to attain and maintain accord with the social groupings upon whose support an organisation depends to achieve its mission. These groupings include all of the organisation's stakeholders (Moss, 1995) thus casting public relations in the role of stakeholder relationship management.

Indeed, one of the most influential perspectives brought to bear on issues of public relations in recent years is relationship management, with public relations seen as: "*the management function that establishes and maintains mutually beneficial relationships between an organisation and the public on whom its success or failure depends*" (Cutlip, Centre and Broom, 1994:2). Based on a wide-sweeping review of relationship literature from interpersonal and organisational communication, social psychology and other fields, Broom, Casey and Ritchey (1997) constructed a model for developing theory around the notion of relationship management, with a central recognition of the need to identify the antecedents, concepts and consequences of organisational-public relationships. Building on this model, Grunig and Huang (2000) followed Stafford and Canary's (1991) research, and adapted Broom *et al.*'s (1997) category of relationship concepts - which defined the nature of a relationship - to a category they called 'maintenance strategies' (Grunig *et al.*, 2000). They described these 'maintenance strategies' as those strategies that organisations use to maintain their relationships. Stafford and Canary's (1991) studies revealed five dimensions of strategies – positivity, openness, assurances, networking, and shared tasks – which Grunig and Huang (2000) argue appear analogous to public relations strategies. Although not overtly explored, the public relations literature is seen here to at least acknowledge a potential role for

networking. However, it is to maintain relationships between organisations and their key publics rather than relationships closer to home, that is, between practitioners and their clients. Similarly, there is no recognition of a role for networking in terms of relationship acquisition or as an ‘acquisition strategy’, including the acquisition of client relationships. While this aspect of networking is recognised in the small business literature, it has yet to be acknowledged or explored in the public relations literature.

Therefore, little study has been undertaken to understand how practitioners build and maintain their relationships, and in particular business relationships. Ironically, this is despite public relations’ claims that relationships are at its very heart, and the increasing role and deployment of public relations in relationship building and communications between organisations and their publics. The UK public relations industry has more than doubled in size over the last 15 years (Moloney, 2000), with similar growth in Australia (Tymson and Sherman, 1996) and the USA (Council of Public Relations, 2000). While much of the literature centres on the theory and practice of public relations, there remains a lack of understanding of public relations as a business and the formation and maintenance of business relationships in a public relations context. Similarly, the concept and practice of networking in the public relations sector remains unknown.

### **Business Relationships and Networking**

Many public relations consultancies are small businesses that must survive as professional service firms operating in a competitive marketplace. There is no clear understanding or predictive theory as to whether a small business will start up, grow, succeed or fail, and a review of small business and entrepreneur literatures reveal a variety of determinants for business success and growth for small to medium size enterprises (SMEs) (e.g. Storey, 1994; Perren, 1999; Thompson and Gray, 1999; Tilley and Tonge, 2003). The success and growth of any business is dependent on a range of situational and contextual factors (Fielden *et al.*, 2000) and how these blend together (Perren, 1999). Amongst these factors is the key need for business relationships and networks, with the impact of networks identified as influential (Aldrich and Zimmer, 1986; Johannisson, 1988) both prior to establishing a small business and as a potential growth factor once it is in operation.

Business relationships and their importance have long been the subject of academic investigation. There is overwhelming evidence of the interdependence of companies in many business markets, where a company’s relationships are important assets without which it could not operate or even exist (Ford *et al.*, 1998). Relationships have been described from

many different perspectives in marketing literature (Holmlund and Törnroos, 1997), including descriptions of their antecedents, contents and consequences or outlines of what activities and exchanges relationships encompass. A relationship is based on the notion that actors are connected by ties that exist between them. Definitions of relationships found in the interaction and network approach in business marketing see relationships often compared to marriages as opposed to more short-term 'affairs'. This corresponds to Holmlund and Törnroos' (1997:305) definition of a relationship as: "*an interdependent process of continuous interaction and exchange between at least two actors in a business network context*". While numerous studies on business relationships and their origins and development have been undertaken in industrial markets (e.g. Frazier *et al.*, 1988), much less attention has been given to the area of service marketing (Halinen, 1997), and in particular professional services such as public relations consultancies.

Early research on the role of networks in the SME sector applied social network theory, and revealed that small businesses use their personal contact networks to assist in activities such as the creation of new ventures (Curran *et al.* 1993). A network consists of a series of direct and indirect ties from an individual to a collection of others, with research into entrepreneurial networks falling into two principal categories: inter-organisational networks and the entrepreneur's personal or social network. The personal or social network construct has its roots in social network theory where it is accepted that network analysis should consider both the structure of the network and the nature of the interactions between network actors (Mitchell, 1973; Granovetter, 1973; 1985).

However, despite a wealth of research into networks and networking, a number of areas remain neglected in personal network research. Two in particular have been called upon for further study - the process of networking and the contents of network relations (e.g. Aldrich and Zimmer, 1986; Blackburn *et al.*, 1990; Joyce *et al.*, 1995). Examining the interactional dimensions of networks will improve understanding of the process of networking (Mitchell, 1969), and exploring the meanings people attach to relationships (Mitchell 1969) and the quality of these relationships (Ostgaard and Birley, 1994) will aid understanding of the contents of network relations. These meanings include the individual's perceptions, motivations, expectations and outcomes of network participation (Curran *et al.*, 1993). A deeper appreciation of these areas of networking will increase the understanding of networking (O'Donnell *et al.*, 2000) and shed light on the role of relationships within public relations theory and practice and the relational perspective of public relations in terms of practitioner-client relationships.

## 2. Methods

A comprehensive review of literature pertaining to public relations, small firms, business relationships, networks and networking enabled a framework to be constructed, which formed the background of the subsequent inductive research. This framework was to investigate the role of networking in public relations consultancies and the extent to which it contributed to the consultancy's survival or growth. This framework drew together the aims of the research which were to: investigate the significance of networking to public relations consultancies and the extent to which networking adds to firm value in terms of client acquisition and retention; explore practitioners' networking processes and practices; determine the content of practitioners' network relations, in particular their perceptions and attitudes towards networking; and develop a framework for classifying and evaluating the relationship between networking and firm value for the public relations industry.

This study is concerned with the processes, perceptions and attitudes of public relations practitioners towards networking - to uncover what they do in terms of networking, why they do it, what they think about it, and how it helps them maintain business relationships and win and keep clients. It is interested in what networking *means* to practitioners, as well as how and whether they use it as an aid to business. The philosophical approach which emphasises the meaningfulness of the subject matter in social science has been characterized by such as Geertz (1973) in terms of emphasising the centrality of interpretation. Therefore, a qualitative research method was used, as this permits researchers to get close to participants, penetrate their realities and interpret their perceptions. Data was collected during in-depth, semi-structured interviews in a small consultancy in Manchester, UK with three public relations practitioners - the owner-manager, manager and executive, with a second interview with completed transcripts to ascertain consistency.

The transcripts were analysed using a 'template analysis' approach (Miles and Huberman, 1984; King, 1998) and two additional research instruments supplemented the interviews. With the first, interviewees completed a network 'map' depicting their first, second and in some cases, third tier of contacts in their personal networks to enable them to describe more fully their network contacts and how they assisted them in terms of their work and adding to consultancy value. The second technique used was repertory grids, based on the Personal Construct Theory of Kelly (1955) which supplied a deeper understanding of practitioner's perceptions and attitudes towards networking as a practice and the constructs they use to understand and manage their world (Easterby-Smith *et al.* 2002).

### 3. Findings and Discussion

The initial research findings revealed a number of key themes that arose from the data, network maps and repertory grids. These are summarised in Table 1. These findings revealed important aspects to practitioners' formation and maintenance of business relationships and can be grouped into the following themes before being briefly considered below: the content of practitioners' networks and network relations; the style of networking in public relations consultancies; and the barriers to networking which practitioners experience.

**Table 1: Pilot Study Findings - Key Themes**

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| 1. Two main groups of personal network contacts                            |
| 2. Senior practitioners - more extensive and diverse personal networks     |
| 3. Greater effort given to media relationships                             |
| 4. Preferred contact mode for each group                                   |
| 5. Modes of contact: contradiction of preference with practice             |
| 6. Dislike of formal networking events                                     |
| 7. Use of networking to gain favour  |
| 8. Potential determinants of network size, diversity and activity          |
| 9. Client acquisition - importance of client and media contacts            |
| 10. Client retention - importance of family, colleague and client contacts |
| 11. Methods of client retention  |
| 12. Importance of Key Contact Relationship to retain clients               |
| 13. Barriers to networking   |

*Source: Author's Own Research: Key Networking Themes (2004)*

#### **The Content of Practitioners' Networks and Network Relations**

The contents of network relations can be approached by exploring the meanings people attach to relationships (Mitchell 1969) and the quality of these relationships (Ostgaard and Birley, 1994). These meanings and quality incorporate four aspects (Curran *et al.*, 1993) – the individual's perceptions, motivations and expectations of network participation and the outcomes of network participation. In terms of practitioners' perceptions of networking, these emerged as mainly negative toward 'traditional' and 'formal' networking. Very strong views were raised as to the reasons not to network and each practitioner expressed a personal dislike of networking as an activity they had to go out and 'do'. This reluctance and lack of inclination to network often contradicted the practitioner's expressed beliefs that networking was a 'good method' of building relationships, 'getting to know' people and 'getting results'.

Practitioners' displayed different motivations in networking with their two main network groups – clients and the media. With clients, motivations were to 'keep them sweet' and lead them to further potential clients; with media contacts, it was to ensure the media

looked favourably on material submitted on behalf of the client, leading to use of the material and so aiding client satisfaction and retention. In terms of expectations of networking, these were fairly low and reflected practitioners' similarly low opinion of networking as a business tool or an efficient use of time. However, when they considered using email and telephoning as networking tools, practitioners expressed more confidence in using them to achieve results, co-operation and feedback from both media and clients. In terms of the outcome of their network contacts, networking enabled practitioners to both retain and acquire clients. In terms of client retention, three groups of personal contacts emerged as important – clients, colleagues and family members – with the owner manager particularly using family members to help retain clients via advice seeking, gaining ideas and for business and emotional support. In terms of client acquisition, clients and the media were the most important personal contacts. Here, practitioners networked with clients to gain introductions to other potential clients - with the role of 'broker' highlighted where key clients recommended prospects to the consultancy or made introductions - and networked with the media to obtain press coverage, which led to referrals for clients from journalists. However, practitioners saw this as a fortuitous by-product of their relationship rather than a planned outcome.

### **The Style of Networking in Public Relations Consultancies**

A number of key themes to emerge from the findings are grouped together here as the 'style' of networking. These are network components (groups), diversity; direction (effort) and methods. Using Granovetter's (1973) model concerning the strength of contacts within personal networks, where contacts are determined as either 'strong ties', 'weak ties' or 'contacts with strangers', clients and the media emerged as the strongest groups with which practitioners networked most. However, there was clearly a different level of network contacts for each practitioner. The most senior practitioners had larger and more diverse personal networks, with the female owner manager carrying out the most networking activities. Reasons for this may include seniority, gender or entrepreneurial background and such factors as determinants of networking propensity may emerge in the larger study.

The diversity of the strong ties within each practitioner's personal network also differed, with the greatest diversity apparent in the owner-manager/director's network, which included colleagues, family, friends, media and clients, while the executive had the least developed network. In terms of the direction of their networking activities, practitioners allocated equal importance to both clients and the media, but in terms of effort they mainly networked with the media to achieve their assignments for clients. The direction of their networking activities

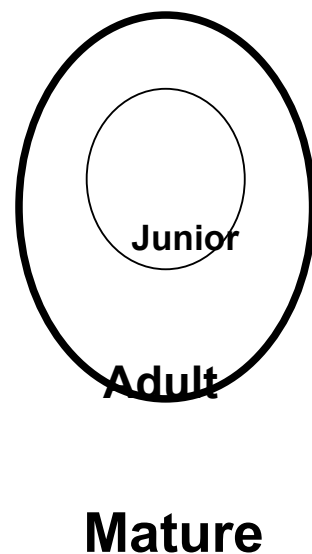
was also largely devoted to practitioners' 'key contact' relationships in both the client organisation and the media, an importance which supports the central role of the relational perspective in the public relations literature in terms of relationship building and management (Ledingham and Bruning, 2000). In terms of networking methods, practitioners preferred different activities for specific groups – telephoning with clients, and email with the media. Although meetings were cited as the preferred mode of contact, this was not carried out in practice. Planned socialising and meetings with clients and the media were rare, which can be linked to practitioners' reticence to socialise and network.

### **Barriers to Networking**

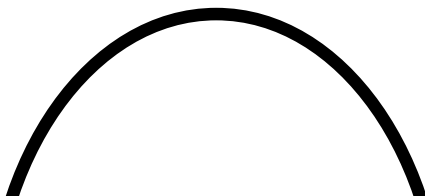
A further theme to arise in the interviews that did not emerge in the various literature reviews concerned barriers to networking. This area remains largely unexplored, especially in the professional services and public relations context. In this study, three recurring reasons, perceptions or attitudes emerged which the practitioners put forward to explain why they believed they did little or no networking. These were: negative perceptions of networking; lack of confidence; and lack of experience and client knowledge. Again, this area warrants deeper exploration to increase the understanding of practitioner networking practices and perceptions, and further findings are expected in the larger study.

## **4. Conceptualisation**

The findings of the pilot study summarised above can also be conceptualised to reflect the networking process in the consultancy explored (see Diagrams 1 and 2). This preliminary conceptualisation is a first step towards understanding how networking is being undertaken within public relations consultancies, the role networks play in contributing to winning and keeping clients, how practitioners perceive networking and what it means to them.



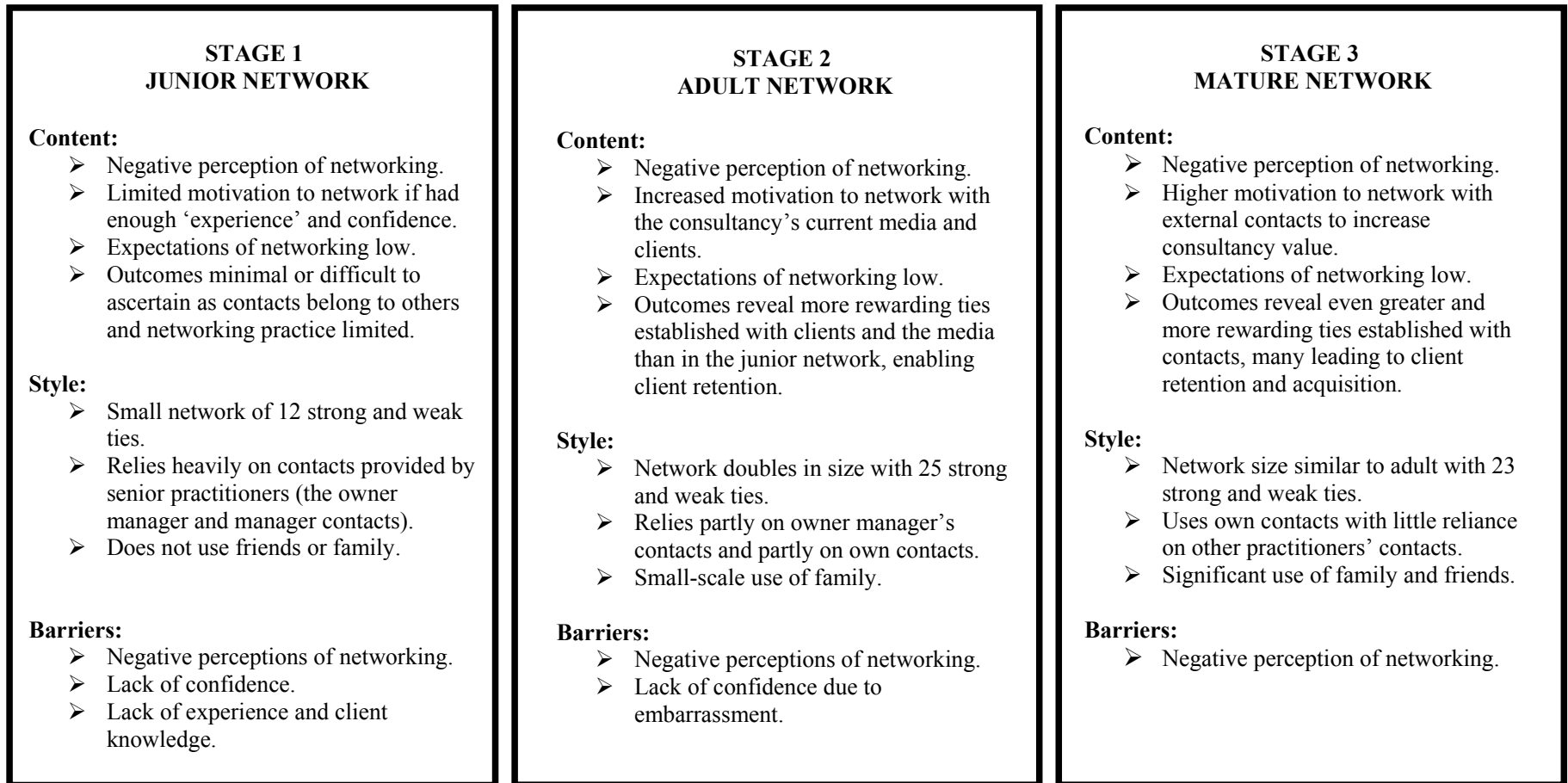
**Diagram 1: Three Stage Network Concept**





*Source: Author's Own Research: Three Stage Network Concept (2004)*

**Diagram 2: Three Stage Network Concept: Model Contents**



*Source: Author's Own Research: Three Stage Network Concept: Model Contents (2004)*

This conceptualisation draws on the data gathered during the interviews and also from the network maps drawn by each practitioner. The concept identifies three network ‘stages’ that practitioners appear to follow – the junior network, the adult network and the mature network. In keeping with the themes identified in the findings, each network stage is presented in terms of network content, style and barriers. Again, this concept is being further explored in the full study with a larger number of public relations practitioners and consultancies.

## **5. Conclusion**

This exploratory pilot study aimed to gain an understanding of the role networking plays in the survival and growth of public relations consultancies, and in particular the impact of networking on the retention and acquisition of clients - an area of public relations activity that has received little attention in the small business, network or public relations literatures. A number of gaps in the various literatures have been identified and an exploratory framework drawn up which informed the pilot study. The findings reveal several key themes which have been grouped under the headings of network content, style and barriers to networking. A conceptualisation of networking in public relations consultancies has been presented in terms of three stages of networks – junior, adult and mature – that appear to represent the stages of practitioners’ networking practice. The larger study underway is exploring these key themes and to what extent the ‘three stage concept’ exists in additional public relations consultancies.

The contribution of the final study will be on a number of levels. It will provide an understanding that is currently lacking into public relations practitioners’ network relations, and in particular how networking contributes to public relations consultancy value in terms of winning and keeping clients. A deeper appreciation of the content areas of networking in different contexts will also increase the understanding of the process of networking (O’Donnell *et al.*, 2000) and further theory in these areas. An exploration of the style of networking will provide a deeper insight into practitioners’ networking practices. The study will also further theory on the relational perspective of public relations, in particular the role of networking as an ‘acquisition strategy’ for business relationships and the importance of the ‘key contact relationship’. A further contribution will be to provide an insight into the barriers to networking which practitioners may experience. And finally, it is hoped that the final study findings will have managerial implications in as much as they may help advise public relations practitioners and consultancy owner-managers in their efforts to acquire and retain clients, and contribute to consultancy survival and growth.

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