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The Importance of Public Relations in Corporate Sustainability

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Abstract- The purpose of this article was to present the importance of using public relations to communicate the intent and application of corporate sustainability by organizations that are involved in this practice. Since there are three areas that corporate sustainability is involved with, public relations need involve all of them. The areas are ecological, sociological, and corporate/business. The CEOs of organizations responsible for the strategic formulation and application of public relations need to have the appropriate vision in order to merge the target of public relations with the ever-changing internal and external environment of the organization. Public Relations must be embraced by organizations that follow the corporate sustainability model. From an internal/external perspective, stakeholders, employees, and the public must communicate effectively, efficiently, and on a timely basis in order to enhance their positive interaction and attain the desired goals.

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The Importance of Public Relations in Corporate Sustainability

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Abstract- The purpose of this article was to present the importance of using public relations to communicate the intent and application of corporate sustainability by organizations that are involved in this practice. Since there are three areas that corporate sustainability is involved with, public relations need involve all of them. The areas are ecological, sociological, and corporate/business. The CEOs of organizations responsible for the strategic formulation and application of public relations need to have the appropriate vision in order to merge the target of public relations with the ever-changing internal and external environment of the organization. Public Relations must be embraced by organizations that follow the corporate sustainability model. From an internal/external perspective, stakeholders, employees, and the public must communicate effectively, efficiently, and on a timely basis in order to enhance their positive interaction and attain the desired goals.

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I. INTRODUCTION

The corporation is one of the three legal forms of enterprise defined as “a legal entity that is separate from its owners and managers” (Robbins & Coulter, 2005, p. 363). In addition to making profit for its owners/stockholders, today’s corporations have social responsibility which is defined as “the idea that business has social obligations above and beyond making profit” (Kreitner & Kinicki, 2008, p. 137).

Sustainability is “the process of establishing appropriate strategies, policies, and procedures that satisfy present needs without jeopardizing the future” (Brockett & Rezaee, 2012, p. 5). The concern of sustainability in the external environment of the organization is directed toward the ecological and sociological areas of the macro environment. In the first case, the organization is concerned with the preservation of the physical ambient whereas in the latter case the concern is with the ethical and legal conduct of the organization. Finally, the third area is the internal environment in which the organization is concerned with ethics, the law, and equitable treatment of the human factor in every level of the organizational hierarchy.

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Public relations is a management tool designed to establish support among a firm’s various internal and external publics (Thomas & Lane, 1990). Another definition stated that public relations includes activities that is build around a favorable company’s image through publicity, and community events (Zeithaml, Bitner & Gremler, 2009). The major functions of public relations are to create and maintain excellent relations with the organization’s internal and external stakeholders, such as persons and private, governmental, and societal entities in general.

Public relations can have a strong impact on public awareness at a much lower cost than advertising (Kotler & Armstrong, 2006). The tools used in public relations are press releases, lobbying, product publicity, investor’s relations, and development. In this article, press releases, public affairs, and lobbying will be discussed. The CEOs of corporate sustainability efforts can use lobbying to persuade public and/government officials to favor a particular position or decision-making (Price & Ferrell, 2003). In this case, it is promoting the organization’s efforts in sustaining and developing the social and physical environment.

Modern public relations has evolved to embrace corporate sustainability; corporate sustainability is built around the organizational structure that embraces public relations theories and practices. Ecological, sociological, and corporate/business elements must be properly promoted internally/externally by utilizing public relations efforts in order to provide the most updated information to stakeholders/employees and the public (Penning, 2007). In reference to the power center of corporate sustainability, organizations need to have CEOs with strategic background, intent, and vision in order to direct public relations to the three target areas specified in this article.

Organizations throughout the world need to understand the value of public relations in an effort to meet institutional goals and objectives. More specifically, the overall organizational strategic plan needs to incorporate public relations initiatives within the short/long term planning to avoid internal/external communication mishaps (Public Relations Society of America, 2013).

Planned organizational change in relation to corporate sustainability continues to be arguably the solution to remain competitive for most United States

medium and large-sized organizations. For several years, studies have suggested “that swiftly planned organizational change initiatives are needed to stay ahead of organizational competitors” (Rivero, 2013, p. 169).

The role of the corporation in the area of the physical environment is to provide sufficient attention and help understand the concept of ecological modernization which is “a system based approach that looks to the interconnections between policy formation, the economy, and the natural environment” (Benn & Dunphy, 2007, p. 16). Public relations is directed toward the domestic and international centers of ecological interests and concerns and toward the public in general. Corporate sustainability efforts are aiming at increasing the organization’s participation in the maintenance and growth of the physical environment; for this reason, the need to incorporate public relations within the organization’s strategic plan in meeting such goals is crucial. The use of press releases, public affairs, and lobbying are strong tools in reaching the centers of power dedicated to sustaining and developing the physical environment.

The role of the corporation in the social area of sustainability is based on socially responsible investments. These are “value chain social impacts that are affected by the organization’s activities and social dimensions of competitive context that affect the drivers of competitiveness where the organization operates” (Epstein, 2008, p. 64). Public relations is directed toward stakeholder groups and investment/financial centers. Penning (2007) stated that public relations is a critical component when it comes to public reporting, the economy, equality, and environment.

Moreover, the organization’s strategic plan should consider incorporating social responsibilities and sensitivity to diversity issues in an effort to boost organizational branding efforts. Penning also stated that organizations must be able to monitor the economy in order to readjust their organizational strategic plan initiatives to remain competitive. Furthermore, from the sociological perspective, “organizations must develop to meet the needs of our public, as opposed to strategizing to get them to change to meet the organization’s objectives” (Penning, 2007, p. 2). Public relations, lobbying, and press releases in this area, too, are excellent tools to reach the power centers that monitor corporate social responsibility.

Finally, the role of the corporation within its internal environment area is to operate under ethical and legal auspices, respect the equity between work and compensation/benefit, implant motivational forces that need to increase human resources work satisfaction, and provide opportunities for growth and development within its structure. Organizations adopting innovative and value-adding approaches to sustainability have

emphasized the “development of employee capital and corresponding competencies and have acknowledged their importance for long-term competitive advantages” (Dunphy, Griffiths, & Benn, 2003, p.187).

In order to provide continuous growth and development, the employment of organizational development becomes necessary. Organizational development makes the organization more open and more adaptive through increases in capability and potential in order for it to continue planned change efforts on an action orientation basis. Organization development is a planned change effort and involves all the parts of the organization, and it is initiated and managed from the top hierarchy. To make the organization more open and more adaptive, organization development unfreezes the existing status quo, makes the planned changes, and refreezes the new status quo in order to avoid regression (Theodore, 2012).

Public relations, in the internal environment area, is directed to both the entire organization and to its individual departments and units. Internal communication and good internal communication channels are of paramount importance. From an internal perspective, organizations must be able to communicate effectively with its human resources in order to streamline organizational development. Finally, public relations must also be an important part of internal communication to promote planned change and development within the organization (Rivero, 2013).

II. SUMMARY

The purpose of this article was to present the importance of using public relations to communicate the intent and application of corporate sustainability by organizations that are involved in this practice. The areas where corporate sustainability is involved are ecological, sociological, and corporate/business. The CEOs of organizations responsible for the strategic formulation and application of public relations need to have the appropriate vision in order to merge the goal of public relations with the ever-changing internal and external environment of the organization. The role of the corporation in the area of the physical environment is to provide sufficient attention and help under the concept of ecological modernization. Press releases, public affairs, and lobbying are strong tools in reaching the centers of power dedicated to sustaining and developing the physical environment.

The role of the corporation in the social environment of sustainability is based on socially responsible investments. Public relations is directed toward stakeholder groups and investment/financial centers and it is a critical component when it comes to public reporting, the economy, equality, and environment press releases, public affairs, and lobbying are

strong tools in reaching the centers of power dedicated to sustaining and developing the social environment.

Finally, the role of the corporation within its internal environment area is to operate under ethical and legal auspices, respect the equity between work and compensation/benefit, implant motivational forces that need to increase human resources work satisfaction, and provide opportunities for growth and development within its structure. Public relations, in the internal environment area, is directed to both the entire organization and to its individual departments and units. Internal communication and good internal communication channels are of paramount importance in conducting planned changes and overall organizational development.

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