Towards an Integrated Model of Organization-Public Relationships and Strategic Management: A Resource-based View

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ABSTRACT

The purpose of this study is to demonstrate the value of public relations at the organizational level through a combination of relational approach in public relations and a resource-based approach in strategic management. Through an examination of the roles of organization-public relationships (OPRs) as strategic resources in strategic management, this study tries to build an integrated normative model of OPRs and strategic management from a resource-based view (RBV).

Starting from the model of public relations and strategic management initiated by the excellence team, this thesis discusses OPRs as organizational strategic resources, and how these OPRs contribute to sustainable competitive advantage, organizational effectiveness, and the achievement of organizational goals through participation in the strategic management process.

I conducted 17 in-depth interviews with public relations directors and other strategic managers (i.e., CEOs, vice presidents, general managers) from Fortune 500 multinational companies and Forbes China top 100 companies in the cities of Shanghai, Hangzhou, and Hong Kong.

The results supported all the propositions. The findings show that most companies in China have realized the importance of the changing publics and their interdependence with them. OPRs are recognized as organizational resources because relationship cultivation is perceived as an integrated organizational capability that can generate quality relationships (relationship outcomes) as intangible assets. Likewise, OPRs are regarded as strategic resources that can become a sustainable competitive advantage for strategic managers because they are valuable, rare, inimitable, and non-substitutable.
Participants also suggested that OPRs contribute to sustainable competitive advantage, organizational effectiveness, and the achievement of organizational goals through participation in the strategic management process. OPRs were found to assist in strategic management through two ways: 1) as one of the foundations of strategic management; and 2) participating in each strategic management stage, namely, strategic analysis, strategy formulation, strategy implementation, and strategic control.

Finally, the study builds an integrated normative model of OPRs and strategic management, demonstrating how OPRs as strategic resources can help in each strategic management stage. This integrated normative model indicates the value of public relations at the organizational level with OPRs as a mediator.

The findings of this study are useful for 1) public relations scholars who are interested in examining the value of public relations at the organizational level in strategic management; 2) public relations scholars who are developing the relationship management theory; 3) strategic management scholars who want to examine the links between resources and strategic management; 4) public relations practitioners who wish to be empowered and to participate in the strategic management process; 5) multinational and domestic companies in China that intend to build a quality relationship with strategic publics; and 6) strategic managers who want to apply strategic resources and OPRs in the strategic management process.
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