

Corporate Communications Revisited: Introducing an Advanced Theory of the Firm and Value Based Management into Public Relations Theory

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Abstract

New directions for research in public relations may be identified by combining management theory and communication science. This is especially true for any effort to answer the most important question posed by practitioners nowadays: does communication create value, and how?

In order to answer this question, one has to look for a starting point within management theory. An advanced theory of the firm argues that corporations are institutions acting in an environment that is defined both by legal rules (i. e. the economic system) *and* cultural rules (social values). Those rules and structures are, according to Giddens's theory of structuration, reproduced but also modified and changed in everyday's business life. As a consequence, value based management has to develop strategies and coordinate business activities in order to maximize value for shareholders *and* stakeholders, positioning the corporation in business and society.

A closer look at corporate strategy reveals a sophisticated concept of corporate communications: (1) Communication supports the bottom line (economic dimension) and secures the licence to operate (social dimension), (2) Communication creates value by facilitating business activities that create economic value, e. g. by motivating employees, generating public attention, influencing preferences (operational management), and by building up potentials and immaterial assets as a basis for future success, e. g. by establishing corporate cultures, reputation, and corporate brands (strategic management), (3) Corporate Communications takes place within organizations (internal communications), in transactional or competitive environments (market communications), and within social or political relationships (public relations), serving different objectives, but enacting similar strategies and instruments. It comprises any planned communication between a company and its stakeholders that aims at coordinating internal and external actions or clarifying interests. As a consequence, three fundamental propositions – the need for strategic, integrated and situational communication – should guide communication practice.

The theory outlined here has been developed ten years ago and proven to be fruitful in numerous applications to specific areas of public relations research. Recent topics, studies and publications include:

- *Value Based Communication*, developing a framework and new measures for Communication Controlling, e. g. the Corporate Communications Scorecard;
- *Innovation Communication*, combining new approaches in innovation management (open innovation, networks of innovation) with communication theory, e. g. the INNOVATE 2004/2006 empirical surveys of journalists and public relations practitioners and case studies;
- *Corporate Communications in the Google World*, exploring new technologies (Social Software, Web 2.0, Weblogs, Podcasts, Wikis) and communication cultures, e. g. the EUROLOG 2006 survey in 33 countries.

Curriculum vitae

Ansgar Zerfass, Dr., is Professor of Communication Management at the University of Leipzig, Germany (from July 2006). Prior to this, he worked in management positions at various companies and institutions for more than ten years, and was a honorary lecturer (Privatdozent) at the University of Erlangen-Nuremberg, Germany. He holds a university degree and doctorate in business administration and a postdoctoral lecture qualification (Habilitation) in communication science. He has received several awards both for his academic work and his communication campaigns, among them the Ludwig-Schunk-Award for economic science, the German Public Relations Award and the German Multimedia Award. Recently, he was elected "PR Head of the year 2005" by the German Public Relations Association (DPRG). Ansgar Zerfass is author and editor of 13 books and numerous articles on corporate communications and interactive communication, including the forthcoming "Handbook of Corporate Communication" (in German).

Current areas of research

Communication Management, Value Based Communication, Communication Controlling / Strategy and Evaluation, Quality and Usability in Public Relations and Political Communication, Interactive Public Relations (Social Software, Web 2.0, Weblogs, Podcasts, Wikis), Campaigning and Branding, Innovation Communication.

Selected publications

Zerfass, Ansgar (2004). *Unternehmensführung und Öffentlichkeitsarbeit. Grundlegung einer Theorie der Unternehmenskommunikation und Public Relations* [Strategic Management and Public Relations. A theory of corporate communication and public relations] (2nd Edition). Wiesbaden: VS Verlag für Sozialwissenschaften, 468 pp.

[Theoretical framework, based on Management Theory, Habermas and Giddens]

Zerfass, Ansgar (2006). The Corporate Communications Scorecard – A framework for managing and evaluating communication strategies. In: van Ruler, Betteke, Tkalcic, Anna & Vercic, Dejan (Eds.): *Public Relations Metrics: Research and Evaluation*, Mahwah (NJ): Lawrence Erlbaum, forthcoming, 14 pp.

[Value Based Communication]

Pfannenberger, Jörg & Zerfass, Ansgar (Eds.) (2005). *Wertschöpfung durch Kommunikation* [Creating economic value through communication]. Frankfurt: Frankfurter Allgemeine Buch, 224 pp.

[Value Based Communication: Theory and Case Studies]

Piwinger, Manfred & Zerfass, Ansgar (Eds.) (2006, forthcoming). *Handbuch Unternehmenskommunikation* [Handbook of Corporate Communication]. Wiesbaden: Gabler, 800 pp.

[State of the art in Corporate Communications Research in Germany]

Mast, Claudia & Zerfass, Ansgar (Eds.) (2005). *Neue Ideen erfolgreich durchsetzen. Das Handbuch der Innovationskommunikation* [Handbook of innovation communication]. Frankfurt: Frankfurter Allgemeine Buch, 232 pp.

[Communicating new ideas, technologies and products: Theory and Case Studies]

Bruck, Peter A., Buchholz, Andrea, Karssen, Zeger & Zerfass, Ansgar (Eds.) (2005). *E-Content – Technologies and Perspectives for the European Market*. Berlin, Heidelberg & New York: Springer, 256 pp.

[Interactive communication and Usability]

Zerfass, Ansgar & Boelter, Dietrich (2005). Die neuen Meinungsmacher. Weblogs als Herausforderung für Kampagnen, Marketing, PR und Medien [The new opinion makers. Weblogs as a challenge for campaigns, marketing, public relations and the media]. Graz: Nausner & Nausner, 192 pp.
[Corporate Communications in the Google World]

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