

Chapter 6

Role of PR in Relations Management with Strategic Partners Leading to Value Co-Creation

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ABSTRACT

The Chapter focuses on the importance of Value Co-Creation as a major Corporate Principle behind successful Corporate Governance practice of an organization. This chapter besides emphasizing on the trend of Innovation and Participatory Management as the success mantra for every business organization, also focuses on the role of Public Relations as a major means to achieve this Corporate Principle. To describe the growing trend of today's service sector industries giving more importance to Value Co-Creation as an emerging concept in Business, Marketing and Innovation Management and Public Relations becoming one of the most sought after functions in an organization towards the achievement of Stakeholder Participation and Stakeholder Satisfaction, the Chapter makes a detail study of the Public Relations Office of a very renowned hospital of global repute and its contribution in building relations with the stakeholders of the hospital leading to its smooth functioning and generation of Value Co-Creation.

INTRODUCTION

It's a fact that in order to create a truly value-driven business model, it is necessary to establish a participatory and innovation management system, where it is very essential that an organization should leave no stone unturned in the direction of securing customer involvement and customer satisfaction. The present scenario is reflective of the fact that an organization can no longer function only with the objective of securing customer satisfaction, rather it is customer delight and customer loyalty which pays

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dividend for an organization in the long term. When we talk of customer relations, the strategic role and functions of Public Relations in this direction in an organization cannot be neglected or trivialized. The essence of the profession of Public Relations is that it is a management function which identifies people's thoughts, opinions and ideas, evaluates organization's programmes, policies and actions and executes a plan of action in such a way so as to establish mutual understanding and goodwill (Grunig & Hunt, 1984). Public Relations is therefore a highly specialized function whose sole objective is to establish mutual understanding and good will relations with all the target stakeholder groups of an organization, thus helping in its smooth and successful functioning.

PR and Its Role in Value Co-Creation in an Organization

A business organization depends on all its stakeholders in an equal manner to achieve its objectives and function smoothly. Every stakeholder group is important for an organization, helping in the attainment of its objectives in some way or the other. Thus an organization should strive to fulfill and satisfy the needs and demands of each of its stakeholder group in an equal manner in order to establish a competitive edge in the present world of fierce cut throat competition. Public Relations is an effort in this direction to influence the stakeholders by identifying and analyzing their needs and demands and establishing a fair and transparent two-way channel of communication between them and the organization.

When we talk of in terms of value co-creation, PR plays a very important role as they are the professionals who interact with target stakeholders, establish a channel of two-way communication and mutual understanding based on truth, integrity and credibility between them and the organization.

The concept of Public Relations is often confused with other concepts as well and therefore it is imperative to have conceptual clarity. PR is a function which helps in value creation in the functioning of the organization and acts as a very important function in the direction of building good corporate governance mechanism. Besides creating good relations with stakeholder, another major function of Public Relations is to be acquainted with the needs and demands of the publics of an organization and to inform the management about their needs, thus acting as perfect advisors or analysts to the organization, ensuring that their opinion and feedback is given due significance while making policies or framing key decisions of the organization. This function is normally carried out by doing a proper environment scanning and information gathering regarding what areas the public is most happy and unhappy with, what are their likes and dislikes and how can they be made satisfied by the timely redressal of their needs and creating strong relations with them. Every organization for its successful functioning requires to create a mutually beneficial relationship with its stakeholders and receive the feedback of its concerned public on routine basis as it helps the organization to make or modify its plans and policies as per their needs and demands, thus securing their involvement as well as their satisfaction and support towards the organization. In a way it can be said that besides creating relations with all the concerned public of an organization through various strategies and tools, PR officials are above all the custodians of an organization's image as well as the interests of the stakeholders. Thus it cannot be denied that PR plays an important role in Value Co-Creation in an organization in the direction of providing a platform where customers can be involved in various ways in the smooth functioning of the organization as PR professionals work consistently with the objective that customers and their feedback and views are given their due importance and taken into consideration while making the policies and programmes of the organization.

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