Conceptualizing a Theoretical Model for the Practice of Public Relations in the Small Business Environment

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"Public relations for the smaller company differs in many ways from that practiced by the large regional and national companies and it is not a miniature version or copy of public relations as it exists among Fortune's 500 corporate leaders. Public relations in simplest terms thrives in smaller companies when it is organized correctly within the corporate structure; it often fails when it attempts to copy, on a small scale, big company practices" (Otterbourg, 1966, p. 2).

Public relations models abound in the literature; however, these models are often formulated based on the structure and goals of large corporations. Not only are public relations models biased against small businesses, but public relations research often focuses on examining the activities of large companies (e.g., David, Kline, & Dai, 2005; Heath & Douglas, 1995; Hung, 2005). A search of the major scholarly journals that publish public relations research resulted in a scant number of studies on the public relations activities of small firms,[1] even though scholars long have demonstrated that public relations activities are equally relevant and crucial for small businesses (Cole, 1989; Evatt, Ruiz, & Triplett, 2005; Gray, Davies, & Blanchard, 2004; Goldberg, Cohen, & Fiegenbaum, 2003; Mohan-Neill, 1995; Otterbourg, 1966; Street & Cameron, 2007). The lack of research on the public relations activities of small businesses and the need

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[1] Using the keywords of "public relations" and variations of "small business," including "small firm," "small organization," "small company(ies)," the author searched the following journals: Corporate Communication, Corporate Reputation Review, International Journal of Strategic Communication, Journal of Public Relations, PRism, Public Relations Journal, and Public Relations Review.

to address this deficiency in the public relations literature have been emphasized by other scholars (Evatt et al., 2005; Gray et al., 2004).

It is possible to speculate that the reason public relations research has failed to examine the small enterprises is because many existing public relations models have been conceptualized with the large corporations in mind, and therefore, cannot be readily applied to the smaller organizations. Most prevalent models in the field of public relations are inadequate for small businesses for three main reasons. First, small firms have different management structures, cultures, and goals compared to large corporations (e.g., Carolsson,1999; Otterbourg, 1966). Second, they are often constrained by their size and resources, and therefore, have to be more flexible, creative, and efficient in terms of strategic action (e.g., Goldberg et al., 2003; Kalantaridis, 2004; Pratten, 1991; Smith, 2007). Lastly, small businesses play a different role in society compared to large corporations (e.g., Acs, 1999; U.S. Small Business Administration, 2009a).

Small businesses are of utmost importance to our society because they make indispensable contributions to the U. S. economy (Carolsson, 1999; Street & Cameron, 2007). According to the U.S. Department of Commerce, small businesses represent 99.7 percent of all employer firms (U.S. Small Business Administration, 2009b). In addition, small firms often create the most jobs during economic recessions and play a crucial role in the national recover from recessions (U.S. Small Business Administration, 2009a). More importantly, small businesses are "the essential mechanisms by which millions enter the economic and social mainstream of American society" (Acs, 1999, p. 15; see also, Carolsson, 1999). While some young professionals fresh out of college

public relations programs may land a job with a large corporation, it is more likely that the graduates will start off with smaller organizations.

It is puzzling, then, that as an academic and professional field we have yet to take seriously the important role small businesses play in our society and in the developing careers of our young professionals. By not acknowledging the various ways small enterprises differ from large enterprises, and understanding how the differences affect the practices of public relations in small enterprises, we are missing the opportunity to further advance public relations theory and practice. Consequently, this paper hopes to take a first step in conceptualizing a theoretical framework for how small businesses undertake public relations activities.

The purpose of this paper is to take into consideration the unique characteristics of small businesses and propose a public relations model that is fitting for them. The paper will proceed as follow. First, it reviews literature that highlights the differences between small and large corporations. Second, it discusses a close line of research that has looked at the public relations activities of small businesses. Based on the review of the literature, the paper identifies specific public relations needs of small corporations. Next, it reviews existing, prevalent public relations models and theoretical frameworks and points out their inadequacies for addressing the specific needs of small businesses. The paper concludes by proposing a theoretical framework for looking at the public relations activities of small firms and suggests ways for testing the proposed model.

David (Small Business) vs. Goliath (Big Business)

Defining "Small"

Before proceeding to delineating the various ways small businesses differ from their larger counterparts, it is necessary to clarify what this paper refers to as "small business." Scholars have wrestled with various definitions of the term small business. One can define small business by its structure such as the number of employees or divisions (Kohn, 1997; Vinten, 1999), its financial performance (Calof, 1993), its age (Feindt, Jeffcoate, & Chappell, 2002), or its comparison to others in its field or industry (Alvarez & Barney, 2002; Street & Cameron, 2007).

According to Peterson, Albaum, and Kozmetsky (1986), a widely used definition is one provided in the Small Business Act of 1953: "A small business concern…shall be deemed to be one which is independently owned and operated and which is not dominant in its field of operation" (U.S. Small Business Administration, 2009c). Even though the U.S. Small Business Administration additionally specifies that the category includes businesses having fewer than 500 employees, recent U.S. Census data show that the median employer firm size is four employees, and the average firm size is 23 employees (Headd & Kirchhoff, 2009). Adopting from existing definitions, for the present conceptualization, "small business" is defined as one that is not dominant in its field or industry and employs fewer than 100 individuals. This number cap is small enough to capture the characteristic of small businesses, but also large enough to incorporate the definition of small business as meant by the U.S. Small Business Administration.

As Lepoutre and Heene (2006) explain, "Small firms are not little big firms" (p. 257). Small businesses have unique characteristics that distinguish them from large corporations. The paper argues that because of these unique characteristics, public relations activities of small businesses differ in many ways from those of their larger

counterparts. For example, small firms tend to be more specialized in their products and services and can better tailor to customer needs (Pratten, 1991); they can also avoid regulatory burdens (Smith, 2007). However, small firms also feel more pressure about chances of survival in the market (Chen & Hambrick, 1995), have fewer resources than their larger counterparts (Goldberg et al., 2003), and lack negotiation power to influence external forces including the industry environment and suppliers (Lepoutre & Heene, 2006). The various ways in which small firms differ from large firms can be categorized into three major themes: legitimacy, strategic flexibility, and relationship-building.

Legitimacy

Suchman (1995) defines legitimacy as "a generalized perception or assumption that the action of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (p. 574). In other words, when a company has acquired legitimacy, other social actors know what activities and outcomes to expect from that particular company. Whereas large companies often do not have to deal with the issue of legitimacy, regardless of their reputation, small businesses often need to make extra efforts to demonstrate that they are reliable, trustworthy, and competitive (Chen & Hambrick, 1995). Small businesses face an uphill battle to achieve legitimacy because of their inability to provide evidence that they can successfully compete with larger, more-established businesses (Weigelt & Camerer, 1988). Simply put, it is difficult for small businesses to obtain trust without legitimacy.

Legitimacy is essential for the survival of any business because it attracts investors, customers, and competent employees (Zimmerman & Zeitz, 2002), builds corporate reputation (Fichman & Levinthal, 1991), and garners support from other relevant entities in its operating environment (Human & Provan, 2000). Reputation-

building, then, is an important tool for gaining trust and, by extension, legitimacy. Goldberg, Cohen, and Fiegenbaum's (2003) study of the reputation-building strategies of small enterprises found that although most small business managers value corporate reputation, they don't undertake specific reputation-building strategies. Instead, they incorporate reputation-building into other management activities, such as developing core competencies or strategic alliances.

Strategic Flexibility

Although small firms often lack resources and legitimacy, they have one important advantage over their larger counterparts: flexibility. Various scholars have emphasized the small firms' flexibility in their strategic approach as a competitive advantage (Chen & Hambrick, 1995; Diez-Vial, 2009; Kalantaridis, 2004; Kuratko, Goodale, & Hornsby, 2001; Mertz & Sauber, 1995). Flexibility of small businesses may take various forms, such as product flexibility, process flexibility, and strategic flexibility. Product flexibility and process flexibility refer to the ability of small firms to adapt their products or services to external demands (Kuratko et al., 2001). The more-important form of flexibility for small businesses, however, is strategic flexibility.

Strategic flexibility refers to small firms' ability to adapt their strategic action and response depending on the organizational need at any specific moment in time. For example, Chen and Hambrick's (1995) study comparing the competitive action and response between small and large airlines found that the size of airlines plays an important role. Specifically, they found that small airlines had "a greater propensity for action, faster action execution, and less action visibility than their larger rivals" (p. 470). They suggest that this difference in competitive response may be attributed to the fact

that larger firms usually are more structurally complex, which constrains their information-processing capacity and their ability to take swift competitive action.

Other scholars have also underlined large firms' bureaucratic and complex structure as a disadvantage. Pratten (1991) noted that larger businesses are relatively ineffective compared to small businesses because of "difficulties and delays in decision-making" and "coordination and information transfer problems" (p. 227). Carolsson (1999) also echoed Pratten's (1991) contention when he posited that small firms may have an advantage because they are less bureaucratic than their larger counterparts.

Relationship-Building

Small business literature has shown that relationship-building, the heart of public relations activities (Ledingham, 2006), is essential for small business growth and survival (e.g., Acs, 1999; Chaston, 2000). For example, small businesses are more likely to form cooperative arrangements with other companies compared to large businesses (Shan, 1990). The participation in a cooperative arrangement provides access to resources and helps small firms gain their competitive advantage, such as reduced reliance on larger companies and increased ability to compete in the market. The benefits of gaining access to resources and competitive advantages are perhaps why the majority of the small business literature focuses on building external relationships rather than internal relationships (e.g., Baum, Calabrese, & Silverman, 2000; Malecki & Tootle, 1996). To sum up, relationship-building and relationship management provide access to resources, increase business capability, develop competitive advantage, and finally, help organizations obtain legitimacy.

Despite the recognition of the vital role relationship-building and management play in the growth and survival of small businesses and the continuing emphasis on relationship-building in public relations activities, few public relations studies has made the connection between small business' relationship-building and public relations. There are a small, but inadequate number of articles that touch on the subject. The subsequent section reviews the thin line of literature that discusses the public relations needs of small businesses.

Public Relations Needs of Small Businesses

Public relations in small businesses is just as, if not more, essential than in larger businesses because it is an effective tool for the business to gain recognition, credibility, and stability – characteristics that are often inherent in larger companies. The research on how public relations is practiced in small companies, however, is scarce. This inadequacy in the public relations literature was underlined by other scholars as well (Evatt et al., 2005; Gray et al., 2004). The scarcity of literature could be attributed to the inaccessibility to publicly available data about small firms and the oft absence of clear delineation of public relations responsibilities in small companies. It can be argued, however, that the absence of both publicly available data and clear delineation of public relations responsibilities in small companies provides opportunities rather than obstacles to extend public relations theory. These opportunities for theory-extension will be discussed in further detail in a latter section. The subsequent paragraphs review the thin but important literature on the practice of public relations in small businesses.

Otterbourg's (1966) article is one of the earliest works found that addresses public relations practices in smaller businesses. In providing advice for small companies, the author emphasized public relations as an important corporate and marketing tool; however, he cautioned that small companies must not imitate public relations models of larger firms. While larger companies have the budget and resources to practice public relations across different departments, smaller firms lack the capacity to do so. Public relations in small companies, then, must be used effectively. Although the author raised some important points for small firms to consider regarding the practice of public relations, he did not provide a public relations model for small businesses.

Evatt, Ruiz, and Triplett (2005), to the best of the author's knowledge, conducted the largest and most-comprehensive study done on public relations practices in small organizations. Their study, funded by the International Association of Business Communicators (IABC), used focus groups, surveys, in-depth interviews, and Q-methodology to examine ways in which small for-profits, nonprofits, government, and associations conduct their public relations functions. The researchers found that a small organization's public relations often rests on the shoulders of one single individual. When an organization has fewer than 20 employees, public relations is most likely the responsibility of the chief executive officer (CEO); when an organization has more than 20 employees, the responsibility will most likely shift to someone else other than the CEO.

Evatt et al.'s (2005) study also found that small organizations place more emphasis on communication that is focused on relationship-building rather than

publicity-seeking. The authors posit that small organizations have three distinct perspectives on the value of relationship-building: "as an objective in and of itself, as a strategic function, or as a purely tactical undertaking" (p. 13). In addition, the IABC study found that public relations practices of small organizations is personal and informal in nature, and is heavily focused on direct forms of communication rather than using mass media or other indirect channels for communicating messages.

An equally important study by Gray et al. (2004) provides empirical evidence for a link between public relations and small business growth by surveying 2,750 small firms on their public relations activities. The study found that more than 90 percent of the firms surveyed use some form of public relations. Further, firms that undertake public relations activities perform better than firms that do not.

Other scholars have pointed out the relevance of public relations for small firms. Cole (1989) stated that public relations may help small organizations improve their public image. While Cole made an explicit connection between public relations and small organizations, Mohan-Neill (1995) made a more indirect connection between the two. Her study on the influence of firm age and size on its environmental scanning activities found that small firms differ from large firms in seeking and collecting information about their environment. Even though Mohan-Neill did not mention public relations in her study, she explored one of the most-important functions of public relations: environmental scanning. The study is significant because it suggests that companies often practice public relations even though they do not refer to their activities as public relations.

The paper has now established that public relations plays an important role in small organizations and identified their specific public relations needs. Current public relations framework, however, are inadequate for addressing these needs. The following section discusses the inappropriateness of adopting existing models for small firms.

Current Public Relations Frameworks

Theories that are developed from and tested in samples with large, established companies may not provide the best, parsimonious model for predicting, explaining, and describing the public relations behavior of small businesses. Our failure to acknowledge the ways in which small businesses differ from their larger counterparts stifles the opportunity to further advance public relations theory and practice. As previously stated, the absence of both publicly available data and clear delineation of public relations responsibilities in small companies should not be regarded as obstacles but, rather, as opportunities for theory extension.

Even though it may be more difficult to gain access to information on small firms, researchers should take this as an opportunity to gain an insider perspective by searching for points of entry into an organization. Further, although small businesses may not have a designated public relations individual or department, the absence of a clear delineation of public relations responsibilities provides us with a chance to extend public relations practice from a merely technical function to more of a management function within these corporations. Specifically, the strategic flexibility of small firms may provide communicators or public relations practitioners in small businesses the

opportunity to engage in multiple roles and to have more of a hand in the decision-making process.

This potential for the betterment of public relations practice is supported by results from Evatt et al.'s (2005) focus group study with small organization executives. Counter to their expectations, the authors found that small organizations' definitions of public relations were closer to the academic definition of public relations than those in large corporations. The small organizations use the terms "public relations" and "communication" interchangeably, think of public relations as more than just media relations but also as "encompassing a sense of the organization as a social citizen" (p. 13). Other authors also have pointed out the need to step away from defining public relations in a limited way. Cheney and Christensen (2001) argued that public relations ought to "become more intellectually expansive, more critically reflective, and more cognizant of the diverse forms of organizational activity in today's world" (p. 179-180). In a similar vein, Cropp and Pincus (2001) noted that public relations fluctuates depending on "organizational, situational, and market conditions" (p. 189). Simply put, the study of public relations practices in small firms will inform our research about public relations as a management function.

Based on the review of the literature, it is apparent that small businesses differ from large corporations in their management structure, culture, goals, and communication with relevant publics. While small businesses are often constrained by their size and resources, they are also allowed more flexibility and efficiency in terms of strategic action. The paper argues that the application of existing public relations

models to small companies is inappropriate because they do not take into consideration the unique characteristics of small businesses.

The remainder of this section will point out areas in which the application of the four major frameworks to small businesses is inappropriate. The paper refrains from reciting the basic premises of the frameworks because the focus of this paper is not to critique any of the four theoretical frameworks that will be subsequently mentioned. These public relations frameworks have withstood empirical testing and have been found to be sound models. Rather, the focus of this paper is to merely point out that because of the many unique characteristics of small businesses, the existing models may not be readily applicable to small businesses. Also, while the author recognizes that other theoretical frameworks are emerging, the paper will focus on the four major frameworks that have both longevity and substantial bodies of work in the field: Grunig and Hunt's four models, excellence theory, contingency theory, and situational theory of publics.

Grunig & Hunt's Four Models

Grunig and Hunt's (1984) four models of public relations are the earliest, formalized models of public relations practices. Since its introduction, Grunig and Hunt (1984) has become one of the oft-cited sources in public relations, mostly on the symmetrical model (e.g., Broom & Dozier, 1986; Callison & Seltzer, 2010; Hallahan, 1999; Murphy, 1991; Welch & Jackson, 2007). Over the past 25 years, Grunig has responded to various criticisms about the four models, and more specifically, the symmetrical model, and has introduced a more-refined two-way symmetrical model (e.g., Grunig, 2001; Grunig, Grunig, & Dozier, 2002). One of the most relevant critiques

of the symmetrical model is Karlberg's (1996) contention that the model has focused "exclusively on corporate and state communicative practices… [and] continues to furnish instrumental insights (albeit more ethical and responsible ones) only to highly resource-endowed organizations" (p. 271). In other words, the research on symmetrical theory has a bias toward powerful and, presumably, large organizations. Although in his criticism, Karlberg refers to activist groups rather than small businesses, the resource and power deficiencies of activist groups are just as relevant for small businesses.

In response to Karlberg's (1996) criticism, Grunig (2001) extended the symmetrical theory and provided five steps with which less-powerful organizations should practice public relations. These five steps were formulated with the assumption that problems exist between the powerful organization and the powerless activist public; however, problems do not always exist. Put another way, the competition between small and large corporations are not necessarily problems to be solved, but are relationships that need to be managed and continuously negotiated.

The issue with Grunig and Hunt's (1984) four models, specifically with the symmetrical model, is that it lacks specification on the communication strategies of small firms. The four models are restricting for small businesses because they imply that public relations is practiced by only public relations practitioners, as well as over-generalized for small businesses. Additionally, the models do not address the influence of small businesses' unique characteristics on their public relations practices.

Excellence Theory

The excellence theory, an extension of the Grunig and Hunt's (1984) four models of public relations, proposes seven characteristics of an excellent public relations

program and five attributes of organizations with excellent public relations (Grunig et al., 2002). The characteristics of excellent public relations programs were evaluated on three levels: the program level, the department level, and the organizational level. As proposed, the excellence theory is a model for "auditing and evaluating public relations departments" (Grunig, Grunig, & Dozier, 2006, p. 20).

The issue with the excellence theory here is that it is inherently a model for large businesses because it requires several characteristics that are absent in small businesses: a public relations department or division, a clear hierarchical structure, a dominant coalition, and more than one communicator or public relations practitioner. This bias toward large companies is in large part attributed to the design of the original excellence study, which required at least 16 employees within an organization to fill out a survey questionnaire (Grunig et al., 2002). Although the study sample included small organizations, identified as those employing fewer than 20 employees, it also included organizations employing several thousand employees. The excellence theory assumes that organizations are large enough and have sufficient resources to have public relations departments that include at least one person whose sole responsibility is to practice public relations.

Lee and Evatt's (2005) survey of IABC members explored the relationship between excellent public relations and its predicting variables. They found that a proportionate number of public relations practitioners to the size of the organization is a more-important excellence factor than both the absolute number of public relations practitioners and the overall size of the organizations. Results from Lee and Evatt's study demonstrate the necessity to consider both the number of individuals practicing

public relations as well as the size of the company. To sum up, because the excellence theory was developed from and has been tested in samples that include large, established companies, the model may not be readily applicable to small businesses.

Contingency Theory

Cancel, Cameron, Sallot, and Mitrook (1997) introduced the contingency theory of accommodation in public relations in their seminal article more than ten years ago, which posits that the practice of public relations in an organization can be placed on a continuum from pure accommodation to pure advocacy (see also Cameron, Pang, & Jin, 2008). They articulated 87 internal and external factors that influence the practice of public relations in an organization. In a subsequent study, Cancel, Mitrook, and Cameron (1999) found additional factors to add to the existing contingent variables while finding some previous variables to be questionable. Grunig (2001) contended that the contingency theory is in essence an elaboration of the symmetrical model because symmetry in public relations "is about balancing the interests of organizations and publics, of balancing advocacy and accommodation" (p. 16).

Even though Cameron et al. (2008) explained that the contingency theory provides an overarching framework for viewing the stance of organizations at a given time without having to classify public relations practice into separate models, the generalizability of the model inherently compromises the specificity of the model. In other words, although some of the factors may be more relevant to some organizations over others, not all variables will be relevant for all organizations, and the level of relevance will also differ depending on the organization. For example, public relations

department characteristics may not always be germane to small businesses for the same reason excellence theory is inappropriate for small businesses.

Situational Theory of Publics

The situational theory of publics is similar to the aforementioned contingency theory because both take into consideration the "it depends" factor. It aims to understand why and under what circumstances publics are most likely to communicate (Aldoory & Sha, 2007; Grunig & Hunt, 1984). The three independent variables of the theory are problem recognition, constraint recognition, and level of involvement.[2] Several authors, however, have indicated the need to examine "antecedent factors that may help explain the development of involvement, constraint recognition, or problem recognition" (Aldoory & Sha, 2007, p. 351; also Aldoory, 2001; Hallahan, 2001). Two antecedent factors that are relevant to the current study include resource access (Aldoory & Sha, 2007) and source credibility (Hallahan, 2001). Aldoory and Sha (2007) argued that the situational theory should be reconceptualized in a way that takes into consideration the diverse nature of today's organizations.

In sum, the aforementioned four models in public relations are not readily applicable for small businesses because they have many characteristics that are not relevant (and also lack characteristics that are relevant) to the practice of public relations in small businesses. Some may argue that one should simply extend existing theory by incorporating additional variables based on characteristics unique to small businesses. Although that is a plausible option, it would complicate the already-complex theories and would violate one of the most important criteria for a good theory: parsimony (Shoemaker, Tankard, & Lasorsa, 2004). Therefore, the current paper

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[2] For the definitions of the independent variables, refer to Aldoory and Sha (2007) and Grunig and Hunt (1984).
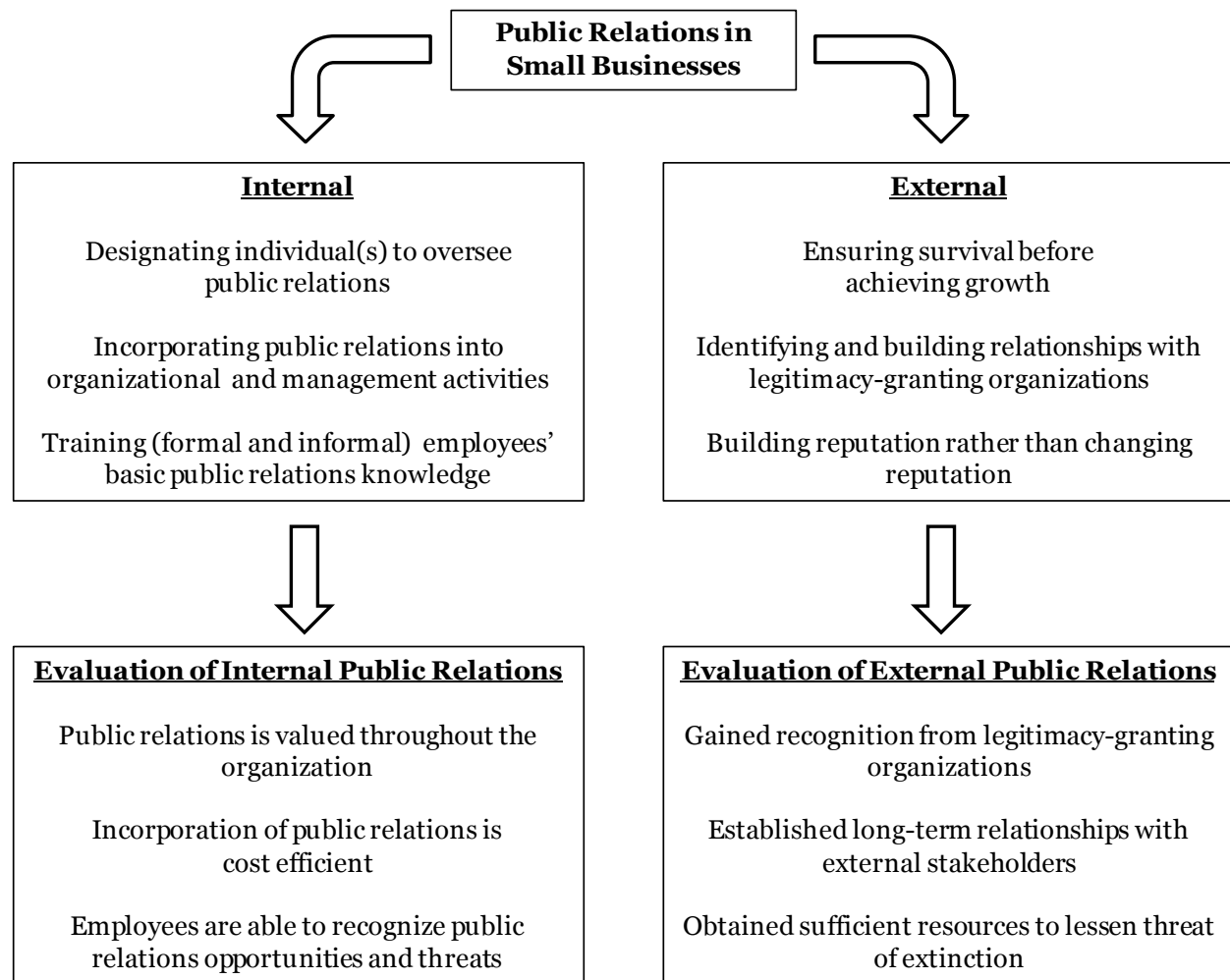
proposes a new public relations model for small businesses that takes into consideration the unique needs of the small business environment. The theoretical model is introduced and explicated in the next section.

Public Relations Model for Small Businesses

The difference in public relations needs between small firms and larger firms implies a variation in the fundamental assumptions for practicing public relations. First, small firms may be less likely to pursue media relations as the only public relations function. Second, the intention and purpose of relationship-building between small and large firms differ. Third, for small firms, legitimacy is an outcome rather than an antecedent, as it is the case for larger firms. And finally, public relations may not have a designated role but is instead dispersed throughout various organizational functions. Based on these fundamental assumptions, a model that specifically addresses the role of public relations in small businesses is proposed in Figure 1. It should be noted here that this theoretical model is conceptualized based on limited existing literature, and therefore, will need to be tested and refined to ensure that it accurately reflects real-world practices. This section proposes several ways through which future research may test the model and propositions set forth in this paper.

Figure 1

Public Relations Model for Small Businesses

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                    │ Public Relations in │
      ┌─────────────│  Small Businesses   │─────────────┐
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Internal	**External**
Designating individual(s) to oversee public relations	Ensuring survival before achieving growth
Incorporating public relations into organizational and management activities	Identifying and building relationships with legitimacy-granting organizations
Training (formal and informal) employees' basic public relations knowledge	Building reputation rather than changing reputation

Evaluation of Internal Public Relations	**Evaluation of External Public Relations**
Public relations is valued throughout the organization	Gained recognition from legitimacy-granting organizations
Incorporation of public relations is cost efficient	Established long-term relationships with external stakeholders
Employees are able to recognize public relations opportunities and threats	Obtained sufficient resources to lessen threat of extinction

Internal Public Relations

Small businesses often lack adequate financial and human resources (Goldberg et al., 2003; Otterbourg, 1966). This constraint, in turn, limits their ability to create a department or even a position devoted solely to public relations. However, the lack of a designated public relations position or department within an organization does not necessarily mean that public relations in not valued or practiced in the organization. Instead, as Evatt et al. (2005) found, the public relations responsibility in small

organizations often rests on the shoulder of the CEO in an organization with fewer than 20 employees. When the number of employees exceeds 20, the public relations responsibility more likely rests on another communicator within the business.

> *Proposition 1: In the small business environment, public relations activities are overseen by the CEO or another communicator, rather than a practitioner devoted solely to public relations.*

Although it may be unlikely that the CEO is the sole individual responsible for all public relations activities, he or she is likely to be the one who *oversees* or *designates* public relations responsibilities within the company. Additionally, the above proposition recognizes that a public relations practitioner within a small business is likely to assume other organizational responsibilities in addition to public relations responsibilities. Further, the proposition also applies to instances in which a small firm makes the decision to seek outside counsel. With an outside counsel, it is likely that a communicator within the firm assumes the responsibility of overseeing the public relations activities.

One could posit that because public relations activities are overseen or designated by the CEO or another communicator within the business, it is more likely that public relations activities are incorporated into regular organizational and management activities. Because managers at small organizations often view the term "public relations" as encompassing more than media relations (Evatt et al., 2005), they may view public relations as a management function rather than simply a technical function.

Proposition 2: In the small business environment, public relations activities are incorporated into everyday organizational and management activities, rather than a separate set of functions.

To test the aforementioned two propositions, researchers may use the ethnography approach and observe the everyday practices of CEOs and communicators in small firms. This approach will allow for the documentation of the nature of their responsibilities. Ethnography, or participant observation, is more appropriate than conducting a survey, which asks respondents to select which public relations functions they perform. When researchers ask respondents to select from a formulated list of public relations functions, they may be defining public relations in a limited way. As Cheney and Christensen (2001) contend, it is necessary for public relations scholar to be more cognizant of the diverse forms of organizational activities that could constitute public relations. Additionally, the limited literature on public relations activities of small firms suggests that scholars are still unfamiliar with the subject area, and therefore, may not be able to devise a survey instrument that can accurately measure how small firms practice public relations. However, once there is a sufficient synthesis of criteria that emerge from the qualitative research, the characteristics of public relations in small firms might be tested quantitatively.

While it is important to formally designate individual(s), such as the CEO or a communication manager, to oversee public relations, it is possible that the individual has diverse responsibilities that he or she needs to manage; therefore, in a small business, it may be optimal to share public relations responsibilities among employees.

Proposition 3: In the small business environment, employees should have a basic knowledge of public relations.

This approach may mean, however, that it is necessary for a small firm to train its employees in basic public relations knowledge. The training could either be done on an informal basis, such as through everyday conversation and interactions, or on a formal basis, such as employee workshops or weekend retreats. Training programs should be designed and led by a trained public relations practitioner who understands the small business environment.

Training employees has two important implications. First, it ensures that public relations is valued throughout the entire organization, which means that employees will support the firm's public relations efforts. Second, it enables employees to recognize public relations opportunities or threats, such as scanning the environment for trends, competitor movement, or customer (dis)satisfaction. Training employees in public relations, however, should be cost-efficient. Again, taking into consideration the limited financial resources of small firms, if the management decides to take the formal training route, evaluation procedures must be put in place to ensure that the cost spent on training is beneficial to the overall organizational performance and not an additional financial burden.

To test proposition 3, researchers may conduct a survey of employees to measure their basic knowledge of public relations. The survey could propose hypothetical scenarios about public relations issues with follow-up questions such as what public relation issues are of concern, which stakeholders need to be addressed, what strategies and tactics are most appropriate for responding to the issues, and what

form of evaluation could be implemented to measure the outcome of the strategies and tactics used. Alternatively, the survey could gauge the level of employee involvement in the firms' public relations activities. In order to undertake the second alternative, however, it is necessary for scholars to first gain a deeper understanding of how small firms practice public relations.

Comparatively, evaluating whether public relations is valued throughout the organization is simpler. Focus groups may be conducted to gauge employees' attitudes and opinions about public relations for the firm's overall performance. Alternatively, a well-constructed survey measuring employee attitude on the importance of public relations for firm performance could also be utilized.

External Public Relations

Small firms feel more pressure about chances of survival in the market (Chen & Hambrick, 1995) because they have fewer resources (Goldberg et al., 2003) and lack negotiation power (Lepoutre & Heene, 2006). Additionally, firm size has a direct relationship with survival rate; small firms are less likely to survive compared to their larger counterparts (e.g., Bruderl & Schussler, 1990; Strotmann, 2007). For small firms, then, the priority of public relations should be to first help ensure the survival of the firm before attempting to achieve growth.

> *Proposition 4: Public relations in the small business environment aims to ensure survival of the firm before achieving growth.*

The priority of ensuring survival means that it is necessary for small firms to obtain legitimacy. Small firms often face an uphill battle to achieve legitimacy because they lack the track record or reputation that shows their reliability, trustworthiness, and competitiveness (Chen & Hambrick, 1995; Weigelt & Camerer, 1988). Legitimacy

enables firms to attract investors, customers, and competent employees (Zimmerman & Zeitz, 2002). One way for small firms to achieve legitimacy is by identifying and partnering with legitimacy-granting agencies. Small firms may seek out accreditation agencies in the relevant industry, partner with local or regional government, or establish relationships with other more-established, reputable firms in the same market. The association with other organizations that are legitimate may in turn grant legitimacy to small firms. The logic behind the old saying "guilty by association" can similarly be applied to the phrase "legitimate by association."

> *Proposition 5: Public relations in the small business environment focuses on*
>
> *building relationships with organizations that will help the firm gain legitimacy.*

Researchers may test the above proposition by conducting interviews with both decision-makers and those responsible for communicating with external stakeholders. Interview questions should focus on the reasons why the small firm chose to partner with specific organizations. It is also important to conduct interviews with contacts at the partnering organizations to gain an understanding on how the small firm approached them and the reasons why they agreed to partner with the small firm.

Finally, small firms often lack legitimacy because other social actors, either individuals or organizations, are unsure of what activities and outcomes to expect from those firms. As Weigelt and Camerer (1988) contend, small businesses have difficulty providing evidence that they can successfully compete with larger, more-established businesses. Simply put, many small firms have *no* reputation. This is an important differentiation between small and large companies: while large companies either have to *protect* their reputation or *improve* their reputation, small firms have to *build* their

reputation. Reputation-building is an important tool for gaining trust, and by extension, legitimacy.

Proposition 6: Public relations activities in the small business environment are devoted to building reputation rather than changing reputation.

As Goldberg, Cohen, and Fiegenbaum's (2003) study found, even though small business managers value corporate reputation, they do not undertake specific reputation-building strategies; rather, they incorporate reputation-building into other management activities, such as developing core competencies or strategic alliances. The interviewing method proposed for testing proposition 5 is also useful here. Specifically, interview questions should focus on identifying management and external public relation activities. Similar to the argument proposed for propositions 1 and 2, to test proposition 6, researchers should not begin the interviews with a preconceived list of what small firms' reputation-building strategies are because the literature on the subject is still nascent.

Conclusion

Even though many small businesses often do not have a designated public relations department, or even an individual focused solely on public relations, small businesses nonetheless undertake public relations activities, such as scanning the environment for opportunities or threats, building relationships with relevant stakeholders, and creating and communicating identities and reputation. Small businesses incorporate public relations activities into other management or organizational activities because they often lack the resources and personnel necessary to develop a separate public relations department or designate an individual for the

responsibility. This integration between public relations and management activities provides scholars with the opportunity to extend the practice of public relations as a management activity. In other words, research on how public relations is practiced in the small business environment may better demonstrate the practice of public relations as a management function. By not addressing how small businesses practice public relations, scholars are missing an opportunity to advance public relations theory and practice.

The current paper has sought to take a first step toward taking advantage of the opportunity by delineating the differences between the public relations needs of small firms and large corporations. Subsequently, a public relations model was proposed to address the unique characteristics of small businesses. However, as previously noted, limited research has been done on the public relations activities in the small business environment. Therefore, the model is conceptualized based on existing literature in both management and public relations. Even though the model is somewhat limited because it is based on the literature rather than empirical evidence, it serves as a springboard for future research on the subject. Additionally, the current paper made suggestions on ways the proposed model can be empirically tested.

Future research should consider testing the propositions using the recommended approaches. Empirical evidence may help improve the theorizing as well as the practice of public relations. Researchers and practitioners should also seek to identify whether differences in public relations activities exist depending on the industry in which firms operate. For example, firms that operate in the biotech industry may focus more on gaining financial resources and building alliances with other biotech firms, whereas

firms that operate in the community banking industry may focus more on building trust and relationships with local communities.

It is hoped that the proposed conceptual framework for the practice of public relations in the small business environment highlights an area of study in public relations that needs to be expanded upon. As noted by Evatt et al. (2005), small organization managers' definition of public relations is often closer to those used by scholars than their counterparts who run large organizations. Additionally, managers at small organizations "view public relations as holistic and inclusive of all communication functions" (p. 13). It would be appropriate, then, to suggest that the examination of public relations practices in the small business environment may be more revealing than in the large corporate environment.

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