

Revisiting the Continuum of Types of Organization-Public Relationships: From a Resource-Based View

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By combining the growing body of knowledge on organization-public relationship and insights from the resource-based theory in strategic management, this study explored the different types of relationships existing in Mainland China and which types of relationships are perceived as strategic resources that contribute to corporate sustainable competitive advantage. Through 15 in-depth interviews with public relations directors and other strategic managers from 14 Fortune 500 and Forbes China 100 companies, the findings showed that exchange relationships are the most common type of relationships in China. Mutual communal, covenantal, symbiotic, contractual relationships also commonly coexist. Exploitative and manipulative relationships rarely exist in the business world in China today due to the development of marketization, consumerism and empowerment of publics. Communal relationships, exchange relationships and covenantal relationships in the win-win zone are regarded as strategic resources that bring tangible and intangible benefits to companies and help companies compete in the market. The data suggest that along this continuum of types of relationships, there is a developing trend toward the middle range, especially toward the win-win zone. Both theoretical and practical implications of this study were discussed.

Relationship management has emerged as an important approach for public relations research and practice (Heath, 2001; Ledingham & Bruning, 2000). According to J. E. Grunig (2006) and Hung (2006), theory of organization-public relationship management consists of three major components: relationship cultivation strategies, relationship outcomes and types of relationships (J. E. Grunig, 2006; Hung, 2006). Previous studies have paid large attention to relationship cultivation strategies (i.e. J. E. Grunig & Huang, 2000; Hon & J. E. Grunig, 1999; Huang, 1997; Hung, 2002, 2006; Ki, 2004; Ki & Hon, 2006, 2007; Kim & Rhee, 2006) and measurement of relationships/relationship outcomes (i.e. Bruning & Lambe, 2001; J. E. Grunig & Huang, 2000; Hon & J. E. Grunig, 1999; Hon & Brunner, 2002; Huang, 1997, 2001, Hung, 2002, 2006; Jo, 2006; Ki & Shin, 2005; Kim, 2001; Ledingham & Bruning, 2000). However, types of relationships initially developed by Hon and J. E. Grunig (1999) and Hung (2002) have not been fully discussed.

Ni (2006) first adopted the resource-based theory from strategic management literature and built the links between relationships and organizational resources. Following Ni's (2006) study, Men and Hung (2009) further demonstrated that relationships are perceived as organizational resources because relationship cultivation is an organizational capability that can generate quality relationships as intangible assets. Both of their studies examined the value of quality relationships from a resource-based view.

As an extensive study of examining organization-public relationships from a resource - based approach, this study is designed to explore the different types of relationships existing in Mainland China and build the links between types of relationships and organizational resources. Specifically, this study intends to find out whether the eight types of organization-public relationships (one-sided communal, mutual communal, covenantal, exchange, symbiotic, contractual, manipulative, and exploitive relationships, see Hung, 2002) still exist in the fast developing Chinese business setting considering the dynamic nature of relationships. It also tries to examine which types of relationships are perceived by companies to be strategic resources that can contribute to organizational competitive advantages. The continuum of types of organization-public relationships developed by Hung (2002, 2005) is adopted as the theoretical base of this study which will be reexamined and further developed from a resources based view in Mainland China context.

CONCEPTUALIZATION

Definition of Organization-Public Relationships

Ledingham and Bruning (1998) first defined relationship by linking it with the impact based on interpersonal relationship principles: “the state which exists between an organization and its key publics in which the actions of either entity impact the economic, social, political and /or cultural well-being of the other entity” (p. 62). Then based on the system theory, Broom, Casey, and Richey (2000) defined OPRs from an exchange perspective, which points out the dynamic nature of relationship:

Organization-public relationships are represented by the patterns of interaction, transaction, exchange, and linkage between an organization and its publics. These relationships have properties that are distinct from the identities, attributes, and perceptions of the individuals and social collectivities in the relationships. Through dynamic in nature, relationships can be described at a single point in time and tracked over time (p.18).

Hon and J. E. Grunig (1999) stated that a relationship begins when there are consequences created by an organization which affect publics or when the behavior of publics has consequences on an organization. Adopting this notion, Hung (2005a) suggested another definition based on the system theory: “OPRs arise when organizations and their strategic publics are interdependent and this interdependence results in consequences to each other that organizations need to manage constantly” (p. 396). According to Ki and Shin (2005), there is no consistent definition of relationship. However, although from different perspectives, these interpretations of organization-public relationships seem to agree that relationship is not only an output but a dynamic process that needs to be constantly managed which has an impact on organizations.

Types of Organization-Public Relationships

Early research has found two basic relationship types: exchange and communal (Clark & Mills, 1993; Mills & Clark, 1994). In an exchange relationship, each party gives

benefits to the other only if the other has provided benefits in the past or will do so in future. In a communal relationship, both parties provide benefits not for something in return but for the welfare of the other.

Hung (2002, 2005) identified six additional types of relationships through 40 interviews with 36 multinational companies in Mainland China and Taiwan: exploitive relationships, manipulative relationships, symbiotic relationships, contractual relationships, covenantal relationships and mutual communal relationships (for detail, see Hung, 2005).

Exploitive relationships. Explorative relationships means that one party takes advantage of the other when the other intends to be communal or that one doesn't fulfill its responsibilities in an exchange relationship (Clark & Mills, 1993; Hung, 2002).

Manipulative relationships. According to Hung (2005), manipulative relationship appears when an organization knows what the publics want, and still applies "asymmetrical or pseudo-symmetrical approaches to communicate with publics to serve its own interest" (Hung, 2005, p. 408).

Symbiotic relationships. Symbiotic relationships mean that different parties depend on each other for their common interests of surviving or goal attainment. It is not necessarily a specific relationship. In Hung (2005)'s study, symbiotic relationship happens when different departments of an organizations interact just for job requirements.

Contractual relationships. Contractual relationships means both parties agree on what they should do in the relationships at the beginning just like making a contract (Hung, 2002). However, as Hung (2005) pointed out, contractual relationships can not guarantee equal relationships as there are power imbalance.

Covenantal relationships. Covenantal relationships mean both parties "commit to a common good by their open exchanges and the norm of reciprocity" (Hung, 2005, p. 398). It can be realized through one party providing suggestions, criticisms and insights while the other party is always to listen and provide responses (Hung, 2005).

Mutual communal relationships. Hung (2002) developed two categories of communal relationships, one-side communal relationships and mutual communal relationships. According to Hung (2002, 2005), one-side communal relationships refer to relationships in which only one party expects the relationship to be communal and shows concern for the other's interests. Mutual communal relationships refer to relationships in which both parties expect the relationships to be communal and both parties show concern to welfares of each other.

Continuum of Types of Organization-Public Relationships

These eight types of relationship developed by Hung (2002, 2005): exploitive relationships, manipulative relationships, contractual relationships, symbiotic relationships, exchange relationships, covenantal relationships, mutual communal

relationships and one-sided communal relationships are continuous on a continuum (see Figure 1) swinging from one side “concern for self interest” to the other side “concern for other’s interests” (Hung, 2005, p. 416).

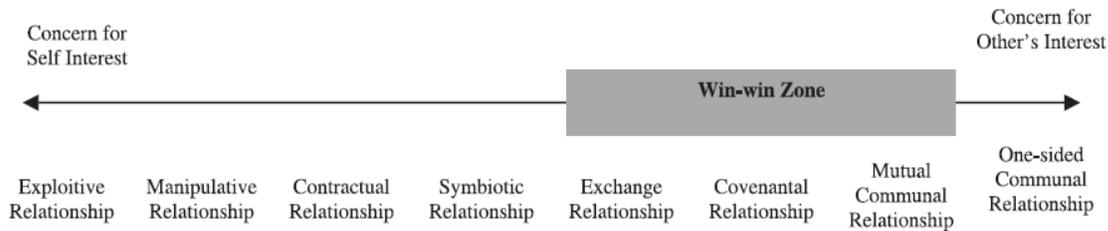


Figure 1: Continuum of Types of OPRs.

Note. From “Exploring Types of Organizational-Public Relationships and Their Implications for Relationship Management in Public Relations,” by C. J. F. Hung, 2005a, *Journal of Public Relations Research*, 17(4), 393-426.

RESOURCE-BASED VIEW OF OPRS

Resource-Based Theory

The resource-based view is one of the most widely accepted theoretical perspectives in strategic management (Newbert, 2007). The central focus of resource-based theory is the exploration of organizational resources to gain a sustainable competitive advantage that affords the accrual of superior performance (Wernerfelt, 1984; Barney, 1991; Peteraf, 1993).

Resources include three categories, tangible assets, intangible assets and organizational capabilities (Dess, Lumpkin & Eisner, 2007; Pearce & Robinson, 2000). Tangible assets include production facilities, raw materials, financial resources and real estate. They are the physical and financial means that a company uses to provide values to its customers (Dess, Lumpkin & Eisner, 2007; Grant, 1991; Pearce & Robinson, 2000). Intangible assets include those factors that are non-physical in nature and are rarely included in the companies’ balance sheet such as information and knowledge (Galbreath, 2005). According to Fernandez, Montes and Vazquez (2000), there are people dependent assets like human capital which refers to the knowledge acquired by a person, personal contacts and relations, as well as individual qualities. People independent assets include organizational capital (norms and guidelines, databases, corporate culture, strategic alliances, etc.), technological capital (the access, use and innovation of production techniques) and relational capital (reputation, brand loyalty, long-term customer relationship, commercial name, etc.). Organizational capabilities are intangible bundles of skills and accumulated knowledge exercised through organizational routines (Nelson & Winter, 1982; Teece et al., 1997).

However, not all resources are of equal importance or possess the potential to be a source of sustainable competitive advantage. According to Barney (1991) and Dess *et*

al. (2007), only resources that are valuable, rare, inimitable, and non-substitutable (known as VRIN framework¹) are strategic resources for companies and can help companies gain sustainable competitive advantages facing competition.

Research on OPRs from the Resource-Based View

IABC's Excellence study provided strong evidence for the value of OPRs, and found that OPRs are intangible assets that can help save money by preventing costly issues, crises, regulation, litigation, and bad publicity, and make money by generating good reputation, publicity, and attracting investments (L.A. Grunig *et al.*, 2002). Adopting the resource-based perspective, Ni (2006) found that quality relationships are organizational strategic resources because they are valuable, rare, inimitable and non-substitutable. Men (2009) and Men and Hung (2009) provided more evidence supporting Ni (2006)'s findings and found that quality relationships can help companies achieve sustainable competitive advantage. They also noted that OPRs are organizational resources because relationship cultivation is perceived as an organizational capability that can generate quality relationships/relationship outcomes (i.e. trust, satisfaction, commitment, control mutuality, support, information sharing) as intangible assets (Men, 2009; Men & Hung, 2009).

Relatively little research has been done to examine the links between different types of relationships and organizational strategic resources. Based on the literature review, the following two research questions are proposed:

RQ1: What types of OPRs do companies develop with different publics in Mainland China?

RQ2: What types of OPRs are perceived as strategic resources by public relations managers and other strategic managers in Mainland China?

METHODOLOGY

Qualitative interviewing was used to explore these issues. According to Kvale (1996), interviewing is an interpersonal interaction during which the interviewees' live meanings can be communicated not only by words, but by tone of voices, expressions, and gestures in a natural setting. Through qualitative interviews, researchers can obtain descriptions of the world as interviewees perceive it and reconstruct events without participating in them. According to L. A. Grunig (2008), interviews are perhaps the most commonly-applied qualitative research technique in the public relations field. Researchers can analyze interview data to "...explain what critical stakeholders think

¹ Valuable: Resources that can enable an organization to formulate and implement strategy that can improve their efficiency and effectiveness.

Rare: Resources which are not easily accessible to competitors.

Inimitable: Resources which are difficult for competitors to copy. Inimitable resources usually have the characteristics of path dependency, causal ambiguity, and social complexity (for detail, see Men, 2009).

Non-substitutable: Competitors have no equivalent resources to substitute.

and do on their own terms” (L. A. Grunig, 2008, p.130). As in studies by Chen (2006), Hung (2002), and Ni (2006), this study exploited long interviews, elite interviews, in-depth interviews and active interviews² in the data collection process. Long face to face interactions and dialogues were conducted with strategic managers, including public relations directors from different industries. In order to have in-depth understanding of the context, we also did some field observation in connection with conducting the interviews in the interviewee’s offices. Active dialogues were attempted with some interviewees, in which joint efforts were made to construct meaning and search for answers.

Sampling

Theoretical sampling and snowball sampling were the main tactics for recruiting organizations and interviewees to participate. According to the theme of the study and the nature of the research questions, companies for interview were initially selected from the Fortune 500 list (available at <http://www.fortune500s.net/fortune500-list.php>) and Forbes’ China 100 top companies list for 2007 (available at <http://www.forbeschina.com/inc1/200708.htm>) with branch offices in cities of Shanghai and Hangzhou. After initial contacts with the 35 selected multinational companies and domestic companies via e-mail and telephone, 14 companies agreed to participate in the study. Interviewees include vice presidents, general managers, and public relations directors. These interviewees were then asked for further referrals.

Every Effort was made to avoid convenience sampling in recruiting as we agree with Patton (1990) that convenience sampling is neither purposeful nor strategic and therefore should be the last consideration. Finally, 15 interviews were held with strategic managers from 14 participating companies in the Chinese cities of Shanghai and Hangzhou in August 2008, during the summer breaks of school. Most of the participating organizations requested that their identities to be kept confidential.

Data Analysis

Three stages of data analysis: data reduction, data display, and conclusions and verification (Huberman & Miles, 1994; Berg, 2007) were followed in this study. To get a whole picture, the interview data was reserved with the original language in transcription as much as possible. Then as the project continues, the raw data was simplified and transformed into a more manageable form through written summaries, coding, and identification of analytic themes. To display the data, we first divided the responses of each question into different categories. Then conceptual mapping (Grich, 2007) was used to display the relationships between themes. Finally, after the data had been collected, reduced and displayed, analytical conclusions defined themselves more

² Long interviews can expose the contexts of people’s behavior, providing researchers a fuller understanding of meaning (Seidman, 1991). In-depth interviews intend to combine structure with flexibility. A range of probes and techniques can be used to elicit answers deep in terms of penetration, exploration and explanation (Legard, Keegan & Ward, 2003). Active interview situations rely on interactions and dialogues between the interviewer and the interviewee to create meaning. They allow the subjects’ interpretive capabilities to be activated, stimulated and cultivated (Holstein & Gubrum, 1995). Elite interviews refer to interviews with those who are influential, prominent and well-informed in their field and will not subject themselves to standardized questioning (Dexter, 1970; Marshall & Rossman, 1999)

clearly and definitively (Berg, 2007). Then we verified the findings by reading the transcripts and field notes again to make sure the conclusions were real and not just the wishful thinking. During the data analysis process, to ensure the objectivity some interviewees were contacted for clarification and confirmation of our interpretations through e-mail. Triangulation was also used to ensure the accuracy of the transcription, translations and interpretation of the interview data.

Ethical Concerns

During the initial contacts with the interviewees, the purposes of studies, how the data would be used, and the time required for interviews were clearly explained. If a potential interviewee was reluctant to participate, he was never persuaded. At the beginning of each interview, the aim was restated and permission for tape recording was obtained. Interviewees were assured that no information about their identities or those of their organizations would be disclosed in any form without their permission. A small souvenir was given to each interviewee to show our appreciation, and an executive summary of the report was promised to be given to them upon completion of the study.

RESULTS

New Characteristics of Publics in China: Getting Connected and Empowered

Nowadays companies are not facing different independent publics, but public networks. Publics such as the government, media, community, employees, customers, investors may have influences on each other, and relationships with one particular public may affect others. Public communication is changing from point communication to network communication. Just as the participant from a Fortune 500 chemical company put it,

The media can affect the community, employees and their family members. NGO and customers can also reflect information and even problems to the media, and the media can expose and exaggerate it. Suppliers can affect customers...They are all interlocked, connected, and it's just how much they connect.

Another participant from a multinational business software company also showed the same concern. In her opinion, the media can connect with the government; the government can connect with the competitors and business partners. Sometimes it only “takes one hair affecting the whole body” (牵一发而动全身), you must take all these relationships into consideration when you make decisions. You need to balance the interests.” One participant from a Chinese internet company made such a comparison: “Relationships with all publics are like an ecological chain, when there are problems...with any party, there will be influences on others, and vice versa.”

Besides, the strategic publics can also connect one another in another way. There are multiple roles of each public, and there can be overlapping and exchanges of roles. For example, according to one participant, media members can also be consumers and

community members; competitors or business partners may become customers or investors one day.

When publics are connected, they become empowered. With the fast development of internet in China, it provides more opportunities for publics to connect. As one participant from a Chinese internet company stated, “from website, BBS, to blog, instant messenger, more and more convenient channels are provided to different publics. Publics can access to the media very easily.” During the year 2008, China had the world’s second largest base of internet users in the world according to the recent report of CNNIC (China Internet Network Information Center). Most companies in China realized this new rising force, *wangmin* (the net public). One participant, who is a general manager of a renowned Japanese consumer electronics company showed his concern with an example:

In the past, when consumers have problems about our products, they would not think about to complain it in public and they also didn’t have this channel. Even if they said our products were not good, it was just limited in a small circle. Few people would know it. But nowadays, everything is different. Consumers are directly connected to the media. They can post their experiences in product BBS, community BBS, or their blogs, a small problem may be exposed, or enlarged in a short second! This may have big damage to our image and reputation.

Besides technologies, there were also social reasons causing the empowerment of publics. Since the economic revolution and opening to the world by Deng Xiaoping in 1978, China has greatly changed in the economy system, social culture and every dimension of social life in the past thirty years. With the growth of the market economy and social change, Chinese consumers are gradually enlightened and empowered. Consumerism is developing in the Chinese market. One participant from a multinational chemical company, who has more than ten years’ experience in practicing marketing and public relations remarked,

If we say it was companies dominant and publics [consumers] dominated in the past, then I think...the situation is different in recent years. Consumers are having an increasingly strong sense of individualization. The government made policies that favor those “minorities” (弱势群体). Besides, with the participation of the third parties, such as NGOs and the media, I feel it’s hard to see one side dominating and the other side passively receiving.

RQ1: Types of OPRs in China

According to the interviewees, most of the types of relationships commonly exist between companies and their strategic publics except for manipulative and exploitive relationships. Most of the participants (13 out of 15) alleged that they do not have exploitive or manipulative relationships with their publics. As one participant from a Chinese internet company remarked, “Publics are no fool. You cannot manipulate or exploit them. Once so, no one will trust you for a second time.” Some participants thought that in the past, there might be manipulative relationships and exploitive relationships because companies were more powerful in those days. Publics had fewer choices. But, with the development of consumerism, the empowerment of publics, the emerging third parties’ communication, and increasingly fierce market competition, it is hard for one party to manipulate the other one.

However, among the participants, two interviewees asserted that they had all types of OPRs including manipulative and exploitive relationships. One of them further explained:

What type of relationships to develop and what strategies to use depend on different characteristics of publics, different situations, and the most important criterion, the benefits. No matter what type of OPRs to develop, for companies, they want to get benefits.

Another participant from a multinational energy company gave an example of manipulative relationship with the media:

Several years ago, I worked for a sports company. This company invited Liu Xiang as its spokesperson. Every time after the games, we would hold the press conference for him. Outside of the games, this was the only window through which the media could contact Liu Xiang. For me, I had the negotiation power at that time. I had to ensure the positive image of the spokesperson on the media. Therefore, I would arrange those friendly media into the press conference and exclude the unfriendly ones from the list.

Then she further explained her logic:

Perhaps this is kind of a manipulative relationship. But from the perspective of the company, this is just a communication skill. Sometimes you need to have a strong attitude, and to be aggressive. Perhaps the tactics or skills are manipulative, but it’s for the good of the company. However, if you always manipulate or exploit the publics, the relationships will not last long.

“Different types of relationships are at different levels of companies. Some are at the strategic level, some are at the basic level and some are at the tactical level. They are situational,” the participant, a general manager from a multinational auto company also remarked.

RQ2: Types of OPRs and Strategic Resources

When talking about different types of OPRs as strategic organizational resource, most participants thought that communal relationships, exchange relationships and covenantal relationships are strategic resources that can generate tangible and intangible benefits for companies. These types of OPRs also fall into the win-win zone of OPRs developed by Hung (2002, 2005).

Communal relationships

According to the interviewees, most participants asserted that they had communal relationships with the publics, and they can bring them long term benefits. One participant from a Japanese consumer electronic company said:

Sometimes we don't expect any return, such as what we did to help the victims in the Wenchuan³ earthquake in May, 2008. We donated money to help those who were suffering. This is the social responsibility for us....But although we don't ask for any return, this (communal relationship) can still help improve our reputation ...and benefit our brands.

Another participant from a multinational energy company also agreed:

Our relationships with the community are communal. We cannot expect any return from them in a short time. This is just like doing CSR. You cannot say that you did communal service today, and tomorrow they will buy your products. Communal relationships are to build the positive images. For example, we are an energy source company, and the publics usually think we are detrimental to the environment. Then we promote the concept of "carbon release." Do you think this will benefit our own business? Maybe. But what we are trying to do here is to blazon a sense of environment protection. The public will think that we are a responsible and friendly company.

Although most participants acknowledged that they had communal relationships, some of them thought that one-sided communal relationships seldom existed in the business world. As one participant from a multinational chemical company said,

Every company has its purposes when communicating with each public, some salient and some hidden. Even if they are the NGOs, like Green Peace, they need the recognition from the publics and the social donations to live on. For companies, they need the revenue to return to shareholders. Communication or Relationships with each public are built on the basis of benefits. Tangible benefits are like selling products and earning money. Intangible benefits are like the survival right, competitive

³ The Wenchuan earthquake, also know as the Great Sichuan earthquake was a deadly [earthquake](#) that measured at 8.0 M_s and 7.9 M_w occurred at 14:28:01.42 [CST](#) (06:28:01.42) [UTC](#) on May 12, 2008 in [Sichuan](#) province of China and killed at least 68,000.

advantage, etc. If you are against by the publics, you cannot stand, not to say develop. Therefore, I don't think there are pure communal relationships.

Another participant from a Chinese internet company showed the similar opinion. In his opinion, building relationships with each public has its different purposes. Government relations are to get the product approval from the government. Building Relationships with the media is to disseminate the corporate voices and reduce negative media coverage. Good relationships with employees are to get good performance. Then he concluded, "I don't think pure communal relationships exist in companies; I think they do exist in the human society, for example, between friends."

There seemed to be some conflicts among different interviewees' opinions on communal relationships. However, similar to Hung's (2002) findings, almost all participants thought that gaining benefits was the ultimate goal for companies to develop OPRs. Communal relationships, realized or not, can bring benefits for companies and contribute to their survival in future, thus are organizational resources.

Exchange relationships

Exchange relationships were acclaimed to be the most common relationships between companies and different publics from the interviews. Some companies directly described them as win-win OPRs as suggested in Hung (2005). They thought exchange relationships are the most dependable and lasting OPRs because they go with the benefit-oriented nature of enterprises. "Every company wants to earn money. If they are not mutual beneficial, the relationships cannot be continued," one participant from a Chinese internet company remarked.

Several participants gave sufficient evidence on why they thought exchange relationships were strategic organizational resources for companies. For example, one participant from a multinational telecommunications company talked about how both parties benefited from the exchange relationship between the government and the company:

At the beginning, we don't have the research center built in Hangzhou. But the Hangzhou government gave us many favorable benefits on policies and other aspects, such as helping us furnish our offices, tax refund, and low renting. Then our company built the research center here. Over the past years, our research center continued to expand, from 60 employees to 500 employees. We provided job opportunities, led the local industry, and helped local economic development. This is how we both benefitted.

Another participant from a Chinese top telecommunication company (Hong Kong) described the exchange relationships with the media. She said:

For the media, they need to write story or a report, so they need to get the information from us. For financial analysts, they need information to write their own analysts report. Also, we need them to pass our voices and to make our company look good to the publics. Basically, we need each other.

Therefore, as long as the exchange relationships are going on, there must be exchange of benefits and satisfaction of mutual needs. “It must be a win-win relationship,” concluded a participant from a multinational chemical company.

Covenantal relationships

As discussed earlier, covenantal relationships mean both sides commit to a common good by open exchanges and the norm of reciprocity. The two parties may discuss on a common issue and one side is always to listen and provide responses. According to the interviewees, covenantal relationships do exist, and were also recognized as win-win OPRs (Hung, 2005). Companies can benefit from covenantal relationships which are regarded as strategic resources.

One participant, a general manager from a multinational auto company gave an example illustrating the covenantal relationships with the publics in China when this auto company first entered China in 1996:

Before we built the joint-venture company in China, customers could only buy very old style cars in the Chinese market. When XX (this company's name) entered China, it brought the newest design and the newest technology. Then the old cars were not competitive anymore and were gradually replaced. More and more new cars were developed. It's XX that changed the situation of the auto market and improved the industry capability in China. Therefore, in these what you call...covenantal relationships, the Chinese auto industry was benefitted, the Chinese government was benefitted, and our partners and suppliers were all benefitted. Meanwhile, we gained trust from these publics. The governments gave us more support when making policies. Other competitors respected us and we had a say in the auto industry. Every party won from the improvement and development of the Chinese auto industry.

Another participant from a multinational chemical company believed that in covenantal relationships, usually, one party had more expertise or experiences than the other one and therefore was more powerful. Then this party can influence the other in a positive way. One interviewee from a Hong Kong limited company gave a concrete example about how they benefited from such covenantal relationships. According to her, they had this covenantal relationship with the Hong Kong Council of Social Services (HKCSS). Sometimes when they had proposals of community services, they would contact with the HKCSS for discussion. Then they could get valuable suggestions for improving the services.

Therefore, it can be seen that in covenantal relationships as long as they have the common good and are open for discussion, both parties can benefit from this resource.

DISCUSSION AND CONCLUSION

The eight types of OPRs from the literature, communal (one-sided communal and mutual communal), exchange, covenantal, symbiotic, contractual, manipulative, and exploitative relationships were all explored during the interviews. Exchange relationships were found to be the most common type of relationship as it fits into the nature of business operation. This also echoed Mill and Clark (1994) and Hung (2002) that participants in business settings are more involved in exchange relationships. Mutual communal, covenantal, symbiotic, contractual relationships were all reported to commonly exist by most of the participant companies in Mainland China. Few differences were found between the types of relationships developed by multinational companies and local Chinese companies.

Exploitative and manipulative relationships are not common in the business world today according to the interviewees. Even if companies are able to get benefits from exploitative or manipulative relationships temporarily, these relationships can not last long because publics cannot be fooled more than once. In addition, with the marketization process in China, the consumers have more choices than ever, which gets them empowered. The development of consumerism and arising of *Wangmin* (the net public) also contributes to the empowerment of publics in China. However, sometimes, as communication tactics or skills, manipulative and exploitive relationships can exist in some occasions in certain ways. Pure (one-sided) communal relationships were found hardly commonly exist between companies and publics in the business world because the nature of companies is to ultimately gain benefits.

Among all types of OPRs, communal relationships, exchange relationships and covenantal relationships were regarded as strategic organizational resources that could bring benefits for companies and help companies compete in the market. In communal relationships, which appear more in CSR and community relations, companies give without the expectation of getting returns in the short term. But in the long run, companies can get intangible benefits that can also contribute to the corporate bottom line, such as word-of-mouth, good reputation and image. In exchange relationships, mutual needs are satisfied and the companies can directly get tangible and intangible benefits. In covenantal relationships, both parties engage in discussions on the common good. No matter which side is more powerful, covenantal relationships generate mutual reciprocity from which companies can benefit. Consistent with Hung's (2002, 2005) studies, communal relationships, exchange relationships and covenantal relationships were regarded as win-win OPRs and more symmetrical than other types of OPRs. Besides, they were perceived as strategic resources and are preferred by companies in developing different types of relationships with Chinese publics. On one hand, companies generally strive for a mutual beneficial situation in doing business. On

the other, I believe the people-oriented nature of Chinese culture which emphasizes reciprocity and relational harmony (Hung, 2002; Luo, 2002) cultivates a win-win mindset.

The conclusions echoes Hung’s (2002, 2005) findings on the types of OPRs and provide new indications. My data suggest that along this continuum of types of OPRs, the two extremes, exploitative or manipulative and one-sided communal relationships are not common in companies’ business operation nowadays in China. There is a trend toward the middle range of the continuum for companies’ types of OPRs, especially toward the win-win zone. Companies as well as the publics can benefit more from the exchange, covenantal and mutual communal relationships, because there is a balance of interest important for long-term relationship development. Besides, these relationships are regarded as strategic resources for companies that can contribute to sustainable competitive advantage. The preference of the win-win relationships by companies in China indicates a symmetrical climate and mindset in corporate relationship building with strategic publics. Based on the findings and discussions, the continuum of type of OPRs from a resource-based view can be drawn as follows:

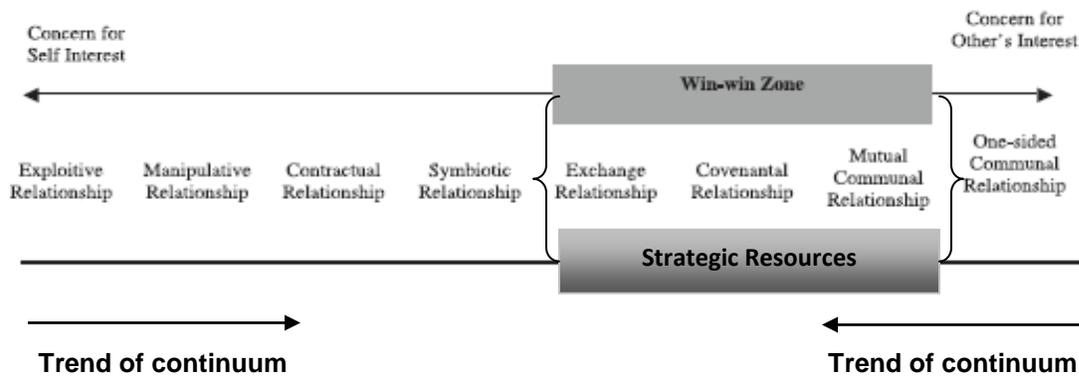


Figure 7: Continuum of Types of OPRs from a Resource-based View

This model indicates the dynamic nature of relationships. The characteristics of publics are changing with the development of the political, economical and social environment. Correspondingly, the types of relationships developed between companies and the publics are changing. For example, different from decades ago when the market was product dominant, exploitive and manipulative relationships can rarely exist in today’s business world, as the market is becoming more consumer dominant and the publics are getting empowered. This also suggests that the continuum of types of OPRs developed by Hung (2002) may have different implications when applied to different social settings or the same cultural setting over time, especially in a fast developing social context like China.

Following Hung (2002, 2005)’s study and Ni’s (2006) study, this research explores the types of relationships developed between companies in China and strategic publics and built the links between types of OPRs and strategic resources. It tested the continuum of types of OPRs developed by Hung (2002) in the social setting of Mainland China and

further developed it from a resource-based view. In addition, beyond exploration of what types of OPRs exist between companies and their strategic publics, this study also implies the preferences of types of OPRs to be developed by companies in China. The findings expanded the literature on types of relationships and relationship cultivation study in Chinese social cultural setting.

This study also encountered some limitations. Although types of OPRs as antecedents and outcomes of relationship cultivation have some implications for relationship cultivation strategies (Hung, 2006), this study did not examine what strategies companies in China use to develop the win-win relationships (communal, exchange, and covenantal relationships) which are regarded as strategic resources. The interviews were conducted with both multinational companies and Chinese local companies. However, the number of Chinese local companies (3/14) was not big enough for a comprehensive comparison study. Future studies can be designed and conducted to overcome these limitations. In addition, considering the dynamic nature of types of OPRs, more future studies can be done to test the continuum of types of OPRs across cultures beyond the Chinese cultural setting.

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