

# A DETAILED STUDY ON IMPACT OF PUBLIC RELATIONS IN CORPORATE ORGANISATION

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**Abstract:** Public relations in corporate industry have resulted from the need of stakeholders to maintain and formulate human interaction in interpersonal spheres. Crisis in corporate organisations threatens organisational reputation in a long range. Public relations help to maintain a discipline to look after reputation that aims to earn comprehension and support to influence opinion. In case of large-scale enterprises, it also regulates function of the governing management. The information is accumulated from a sample of 20 people who are randomly selected from the management board of 5 large-scale companies. Researcher uses a 5% significance level for the data analysis. The results show that the value of chi squared test 0.766951. Hence, the value of  $X^2$  is not significant at  $p < 0.05$  and the null hypothesis is rejected. In other words, it can be stated that public relations have a major impact on the corporate sector in Indian economy. The information states that public relations are a manner that lets corporate organisations to communicate with media and public. Technologies have facilitated public relations in corporate industries that enable it to fetch better results.

**Key words:** Public relations, Corporations, Indian companies and Progressive brand image

## 1. INTRODUCTION:

Public relations in corporate sectors arise from a basic requirement to build and improve human interaction in both personal and professional spheres. Public relations between employees and employers and among colleagues result in mutual understanding and harmony in working environment. The present paper practices the approaches to human communication in corporate sector. Indian government urges for additional communication channels to pronounce the commencement and analysis of major events. This leads to the establishment of public relations in mainstream business as a method of transparent and accurate information.

## 2. LITERATURE REVIEW:

Public relations in corporate organisations are chiefly governed by interpersonal and professional interaction between two or more entities. These interactions are classified as deliberately planned efforts that can establish mutual comprehension between a corporate company and its stakeholders<sup>i</sup>. Public relations promote communication and goodwill between organisations and their customers. Strong public relations help to build long-termed and productive relationships with the customers<sup>ii</sup>. Marketing strategies render more profits through extensive relationship and communication with consumers.

**Progressive public relations and its impact on corporate sectors:** Public relations are perceived as relationship functions in the corporate community to earn legitimacy for the company from its stakeholders<sup>iii</sup>. The parameters that shape the socio-political transformations in India are governed by the collective culture of business and customer communities<sup>iv</sup>. The genre of corporate industry also plays a significant role to retain public relation in the corporate sector.

**Progressive information:** Good media relations inform the company stakeholders of its objectives and practices in a credible and consistent manner<sup>v</sup>. This results in increased coordination with people who are responsible for producing news in mass media.

**Positive media coverage:** Promotional media relations maximise positive coverage of an organisation through public relations. Public relations manage information flow between a company and the stakeholders<sup>vi</sup>. This is referred to as a communications discipline that informs and engages primary audiences.

**Enhancing product demand:** Awareness produced by public relations on mass media or social platforms can boost products sales and maximise net gain. Public relation offices in corporate organisations use a variety of social outlets to create awareness in customers by advertising their goods and services to users<sup>vii</sup>.

**Brand reinforcement:** Public relations help stagnant organisations to advance through a positive public image. It enables the company to maintain a good relationship with intended audiences. This helps to reinforce infrastructure and daily workflow of the business<sup>viii</sup>.

**Liabilities of public relations in a corporate organisation:** A crisis in a corporate enterprise threatens reputation for integrity of an organisation. Public relations maintain a discipline to look after reputation that aims to earn

comprehension and support to influence opinion. For example, crises in public relations are handled through the concepts of systematic human behaviour<sup>ix</sup>. Similarly, instances of company failures in Indian economy can adversely impact crisis management. The board of directors must be responsible for retaining the integrity of the organisation in times of public relations crisis. Some of the liabilities are discussed below.

- **Lack of control:** Organisations cannot direct control public relationship. This is contradictory to paid advertising, which is often progressive in nature owing to strong control exercised by the company<sup>x</sup>.
- **Lack of guaranteed results:** Organisational leaders cannot choose the portrayal of their business and cannot guarantee a progressive result. Press releases and suitable journalists can rarely execute a review. Thus, the scope of poor or inefficient return on investments is high<sup>xi</sup>.
- **Evaluation:** It is also troublesome to evaluate the efficacy of public relations activities. Organisations can measure published stories and media mentions<sup>xii</sup>. Thus, it is difficult to determine the effect of public relations on intended audience.

### 3. MATERIALS:

This study predicts relationship between variables of public relations and corporate organisations in Indian market through the given hypotheses. Ho is considered as a null hypothesis and H1 as an alternative hypothesis.

**Ho:** Public relations pose no considerable effect on corporate organisations in India

**H1:** Public relations creates a significant effect on Indian corporate industries

### 4. METHOD:

The information is accumulated from a sample of 20 people who are randomly selected from the management board of 5 large-scale conglomerate enterprises. The analysis is implemented through descriptive and inferential statistical approaches. Descriptive statistics aid ample description of the collected data. Central tendency measures, for example, standard deviation and mean of chosen population helps to draw definite conclusion. In addition to this, inferential statistics benefited the study to reach a conclusion that is prevalent in the chosen sample. Furthermore, the researcher uses a 5% significance level for the data analysis. 5% significance is considered appropriate for the present study. This is because it reduces the chances of type I and type II errors. Inferential statistical analysis is preferred for a Chi-squared test of normal distribution. The observations from these analyses can be applicable to draw inferences in accordance with the population mean. This, in turn can appraise the hypothesis of the research for the objectives. (Refer to Appendix A)

### 5. DISCUSSION:

As per this observation, P-Value is found to be 0.766951. Hence, the value of  $X^2$  is not significant at  $p < 0.05$ . Since critical value is higher than the value of  $X^2$ , null hypothesis is discarded that says public relations fail to pose any considerable impact on corporate organisations at 5% level of significance. Hence, the researcher accepts alternative hypothesis.

- i) The products get better recognition and the brand image is positively impacted. However, owing to its unpredictability, the impact of public relations is rarely predicted. Thus, it is essential that analysts study the current trends of the market prior to application of the PR strategies.
- ii) Current trends of market can be influenced by public relations. Almost 85% of total responding population state that public relations has benefited their companies. The boost in sales have been an ample evidence to show the progressive impact of public relations
- iii) A majority of respondents affirm that company has to take a calculated risk while trying public relations to promote their brand image. Thus, risk management techniques must be prepared before application of public relations.

### 6. ANALYSIS:

Public relations in large-scale enterprises are a function of the management. These functions are placed under the establishment of the board of directors of a company in the private sector. It plays a critical role to influence major organisational decisions. Practitioners of public relations must be aware of current socio-political and economic scenario of the Indian market. However, it can be also argued that public relations have a significant effect on conflicts of interest in a company. Overall, public relationships have real and measurable influence to achieve strategic organisational goals.

### 7. FINDINGS:

The primary objective of this research study is to analyse the effect of public relations in corporate industries. Secondary objectives of the same study are given below.

- To test whether corporate industries should include public relations in their daily their transactions
- To analyse the fiscal liabilities of applying public relations in a corporate organisation in India

- To assay the benefits of public relations to create and maintain mutual comprehension among corporate organisations and their stakeholders
- To check whether public relations can make a company capable to attract new clients

**8. RESULT:**

**Descriptive statistics**

Categories	Classification	Number of participants	Percentage %
Age	25-35 years	03	15
	35-45 years	12	60
	45-55 years	05	25
	55 and above	0	0
Sex	Male	12	60
	Female	8	40
Position in the companies	Managers	14	70
	Directors	6	30
Total		20	100

**Table 1: Respondent description**  
 (Source: Given by Researcher)

As seen in the above table, the samples of participants are primarily classified into four subdivisions. 15% of the respondents belong to the age range of 25 to 35 years. 60% of the participants fall into the category of 35-45 years. 25% of participants fall into the age group of 45-55 years. Similarly, out of 20 respondents, 40% are female whereas 60% are male. A majority of the participants are managers (70%), while the rest are directors (30%) from anonymous corporate organisations. This implies most respondents may have ample knowledge of corporate sectors and the effect of public relations strategies on organisations. In addition to this, participants who are involved in production, as well as distribution, can provide information that is more accurate. This is because these people are aware of logistic and sales of the company products and the significance of public relations approaches on them.

Number of participants/Details on public relations effects	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	frequency
	A. Positive Media Coverage	1	0	0	1	1	1	0	1	0	1	1	0	1	1	0	1	1	1	0	1
B. Considerable PR Strategy	1	1	1	0	1	1	0	1	1	0	1	0	1	0	0	1	0	1	0	1	12
C. Boost in Product Sales	0	1	1	1	1	0	1	0	1	1	1	0	1	1	1	0	1	1	1	1	15
D. Increase in the number of customers	1	1	1	1	1	1	1	1	1	1	1	1	1	0	1	1	1	1	1	0	18
E. Costly Venture	1	0	1	1	0	1	1	1	0	1	1	0	1	1	0	1	1	0	1	0	13
F. Risk Maintenance	0	1	1	1	1	1	1	0	0	0	0	1	1	1	0	1	1	1	1	1	14
	4/6	4/6	5/6	5/6	5/6	5/6	4/6	4/6	3/6	4/6	5/6	2/6	6/6	4/6	2/6	5/6	5/6	5/6	4/6	4/6	

**Table 2: Frequency table**  
 (Source: Given by Researcher)

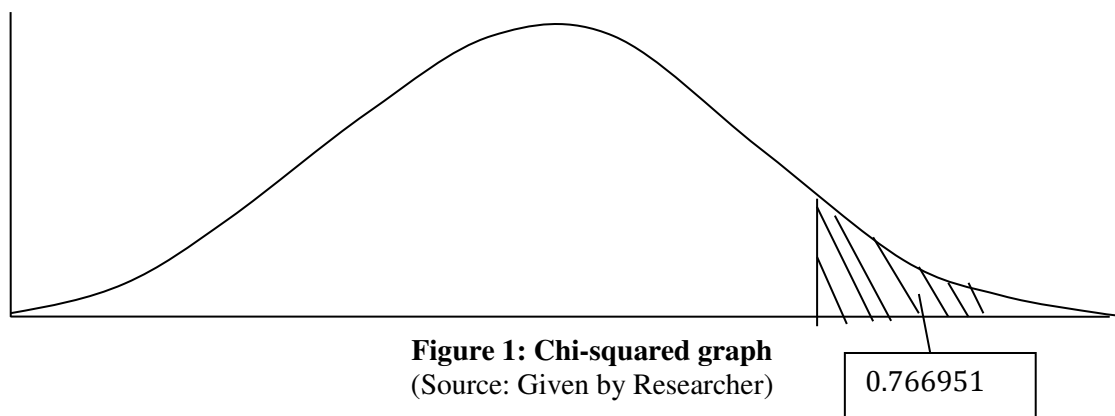
**Hypothesis testing:** The researcher has tested for null hypothesis (H0) with the help of Chi-square ( $\chi^2$ ). As stated above, null hypothesis stands valid when public relations fail to impose any effect on corporate organisations. This can be established by the formula of

Where,  $\chi^2$  stands for Chi-square, O means frequency observed in the frequency table given above and E is the expected frequency of the study.

Observed (O)	Expected (E)	O-E	(O-E) <sup>2</sup>	$\frac{(O-E)^2}{E}$
4	6	-2	4	0.67
4	6	-2	4	0.67
5	6	-1	1	0.167
5	6	-1	1	0.167
5	6	-1	1	0.167
5	6	-1	1	0.167
4	6	-2	4	0.67
4	6	-2	4	0.67
3	6	-3	9	2.25
4	6	-2	4	0.67
5	6	-1	1	0.167
2	6	-4	16	2.67
6	6	0	0	0
4	6	-2	4	0.67
2	6	-4	16	2.67
5	6	-1	1	0.167
5	6	-1	1	0.167
5	6	-1	1	0.167
4	6	-2	4	0.67
4	6	-2	4	0.67
				<b>14.286</b>

**Table 3: Calculations for chi squared test**  
 (Source: Given by Researcher)

From the above table,  $X^2 = 14.286$



**Figure 1: Chi-squared graph**  
 (Source: Given by Researcher)

Number of participants (n) = 20  
 Thus, Degree of freedom (n-1) = 20-1= 19  
 Thus, P-Value = 0.766951

**9. CONCLUSION:**

Thus, the information states that public relations are a manner that lets corporate organisations communicate with media and public. The approaches of public relations communicate with target audience of the company through mass or social media platforms. The present research has thus concluded that public relations create a recognisable impact on the image of the corporation. The limitation of the study is that it fails to account for conglomerate giants that are based in different countries but also operates in India. Despite the number of constraints, formulation of

inferential deductions has established the hypothesis. Modern technologies have further facilitated public relations in small and large enterprises.

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**Appendices**

**Appendix A: Survey questionnaire**

**1. Do you think that public relations can provide positive media coverage to a company?**

Options	Total respondent	Response
Yes (1)	20	
No (0)	20	

**2. Have your companies employed any considerable PR strategy in the last five years?**

Options	Total respondent	Response
Yes (1)	20	
No (0)	20	

**3. Have the product sales boosted by the application of public relations strategies?**

Options	Total respondent	Response
Yes (1)	20	
No (0)	20	

**4. Have public relations strategies increased the number of customers of your organisations?**

Options	Total respondent	Response
Yes (1)	20	
No (0)	20	

**5. Do you think public relations are a costly venture for multi-sector organisations in India?**

Options	Total respondent	Response
Yes (1)	20	
No (0)	20	

**6. Do you think the organisations face more risk owing to the unpredictability of public relations?**

Options	Total respondent	Response
Yes (1)	20	
No (0)	20	

<sup>i</sup> J. Doorley and H.F. Garcia, *Reputation management: The key to successful public relations and corporate communication*. Abingdon: Routledge, 2015.

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