STEWARDSHIP AS A NEW IMPORTANT STEP IN PR PROCESS: IMPLEMENTATIONS OF TURKISH COMPANIES

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Abstract

Establishing mutual understanding is one of the main goals of public relations and it is grounded on the basis of symmetrical communication. The companies implement this approach to their communication strategies in different advances. The purpose of this study is to find out these different approaches on a concept evolved from management theories to public relations: Stewardship. Kelly’s (2001) stewardship orientated public relations approach is utilized for observing the Fortune top 75 companies websites in the search of stewardship elements which help building ongoing relationships with their stakeholders.

Keywords: PR Process, Stewardship, Corporate Communication

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Introduction

Today in public relations, ongoing relationships gains importance as the stakeholders demands becoming substantial. Also the highly competitive conditions effect the public relations practitioners as it does for the marketing arena. Because keeping an ongoing relationship based on mutual dialogue with all different stakeholders is as challenging as keeping the consumers loyal. Therefore stewardship performance of a company to build and/or nurture communication with stakeholders in order to conserve the relationship is becoming a major topic like the efforts of building and preserving reputation and/or image.

Stewardship: Definition of the Concept

Stewardship is a theory of management, which was developed against agency theory, which is involved with managerial communication. Transferring an approach of management to the field of Public Relations, we first have to take a look at the definitions derived from the management point of view. Agency theory evolves from the problematic nature and differences between being the owner of a corporation and being the agent of a corporation which is owned by other principals. In time, because of the globalization processes, the corporations become hard to manage by only one owner and manager, and this caused delegations of principals. According to the agency theory, losses to the principal resulting from interest divergence may be curbed by imposing control structures upon the agent (Davis, Schoorman ve Donaldson, 1997). This portrayal indicates the possible self interest of the principals, and the likelihood of this self interest to interfere the interests of the corporation. For the corporation, because of this situation of the principal, the protection of corporation’s welfare becomes an important issue. In the agency theory, the solutions to this problem are separating the ownership from management in large firms and also applying internal control mechanisms applied by the corporation to the principal in order to inspect the behaviors of the principal (Eisenhardt, 2004). Agency theory approach holds many obligatory decisions, but in contrast with that stewardship exists to the extent that leaders take responsibility for organizational actions and wield organizational power in the service of broader stakeholder welfare (Hernandez, 2007). It involves the motivation of the the leader to be willingly responsible for the best interest of the corporation and its stakeholders. Since a steward is defined as a person who rises above the level of an agent and is commited to the welfare of all stakeholders (Donaldson & Preston, 1995), a stewards behavior will not stand far from the welfare of corporation’s. A steward will not substitute or trade self-serving behaviors for cooperative behaviors, thus even where the interests of the steward and the principal are not aligned, the steward places higher value on cooperation than defection because the steward perceives greater utility in cooperative behavior and behaves accordingly, his/her behavior can be considered rational (Davis, Schoorman ve Donaldson, 1997). The fact derived from these definitions is about the steward becoming such a person by believing that this is the logical behavior.

Stewardship and Corporate Communication Practices

From agency theories, the economic model of man (self serving) who is the actor who seeks to maximize his/her individual goals, becomes the model of man who is a servant for the best interest of the corporation in stewardship theory. The corporations today being corporate citizens of communities, are entitled to serve for the best interest of the communities in which they operate. Also, stewardship in general is defined as the act of assuming responsibility for the welfare of others and of interests beyond the self (Lavelle, 2007). In accordance to this definiton, stewardship comes to the corporate point of view as the corporation being responsible for it acts, being an entity that cares not only for its interests but also protecting the welfare of other parties which are involved with the acts of the organization. From the perspective of excellence in public relations, the corporations should work closely with their stakeholders in a foundation of two-way
symmetrical communication, also they need to consider the effects of their actions not only on the corporation but also on the community and environment (Grunig, 2005). Today, the corporations are obliged to be the stewards of their surrounding communities therefore they have to implement socially responsible and sustainable actions, and they have a reputation to protect. The behavior on which stewardship theory is practiced includes collective, pro-organisational behavior that emphasizes goal convergence rather than self-interest (Kluvers ve Tippett, 2011). Corporations are bound to operate like a citizen of the communities in socially responsible manners, and also within this frame they have legal rights as individuals (e.g. the right to sue and be sued as individuals). The notion of corporate citizenship sees the company as having rights, duties and responsibilities in society in the same way that citizens also have rights, duties and responsibilities (McIntosh, 2007). This situation also adds the responsibility of that goal convergent approach of a corporation. Another theory for corporate communication practices is relationship management which states that public relations as a process which balances the interests of organizations and publics through the management of organization-public relationships (Ledingham, 2003). Stewardship is also implemented as a public relations process holding this perspective.

In corporate view, when shareholders are concerned the control mechanism over individualistic behavior of managers is the board of directors. The board of directors is the mechanism that oversees the managerial activities on behalf of the investors (Davis, Schoorman ve Donaldson, 1997). When corporations viewed from the stakeholders perspective, the control of individualistic behavior of corporations can be overseen by the publics. The different stakeholders as publics may have the power to oversee the actions of corporations by demanding annual reports, sustainability and corporate social responsibility reports, press releases, fact sheets and many other knowledge sources. The corporations which do not want to risk their future presence (including future profitability and investor continuity) have to be beneficial for their stakeholders, be corporations that work for the wellbeing of stakeholders, and stewardship perspective provides a frame for these holistic efforts. Stewardship calls for an ethic of participation, care, consideration and responsibility in relation to the interests, resources and concerns to which one has been entrusted (Lavelle, 2007). Organizations being entrusted for the human and environmental resources in a community, apply this ethic of participation and responsibility by sharing different kinds of reports. By doing so, they try to accomplish the goal of being a steward in a community. In an era where sustainability is a global ethic, stewardship asks that people look to the interests not only of people and resources living today, but also those who will be living in the future (Heath ve Kelly, 2005). Corporate sustainability also seeks for the adequateness of resources for the future and in this manner, corporate practices become involved with stewardship issues.

Stewardship theory assumes that long-term relationships are based on trust, collective goals and involvement where the goal alignment between management and staff is developed by relational reciprocity (Kluvers ve Tippett, 2011). Also stewardship becomes a concept about relationships management tool to challenge executives to support the interests of the individuals effected by the actions of the organization (Heath ve Kelly, 2005). When these perspectives of stewardship theory are taken into consideration, it can be seen that there are similarities to the contemporary definitions of public relations, as public relations efforts are grounded in the foundations of mutual understanding and goal similarity between an organization and its publics. Maintaining relationships is one of the fundamental goals of public relations efforts. In the basic models of public relation campaign development, there are steps of research, objectives, programming and evaluation (RACE Model by Marston, 1979, ROPE Model by Hendrix, 1998). In each step the public relations program is created considering the organizations and publics mutual needs, both of the parties are researched for this reason. However after the program is implemented and evaluated, future collaborations with already reached audiences are ignored and therefore a cyclical public relations process is lost. Kelly (2001) added the stewardship step (see figure 1), realizing this gap in the ROPE model of Cutlip et al., which provides an extensive model for relationship management, it explains how relations with all publics – donors, investors, community residents, government officials, members of the media, consumers or others – are and should be
managed. Accordingly in this study, the stewardship related communication elements that corporations communicated via their websites are searched and analyzed (measured).

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**Research**
- Organization
- Opportunity
- Publics

**Objectives**
- Impact
- Output

**Programming**
- Planning
- Implementing

**Evaluation**
- Preparation
- Process
- Program

**Stewardship**
- Reciprocity
- Responsibility
- Reporting
- Relationship Nurturing

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Figure 1. Public Relations Process of ROPES. Source: Kelly (2001:281).

As Kelly (2001) emphasized, public relations activities are evolving from production of communication activities to managing relationships between an organization and its publics. Clearly, in this global and competitive environment, building precisely tailored communication programs are important for organizations, but correct managing and continuous nurturing of developed target publics are becoming more valuable. For these reasons the stewardship step is added and it is implemented under 4 main elements; reciprocity, responsibility, reporting and relationship nurturing.

Reciprocity finds its meaning in presentation of gratitude from the organization to its stakeholders. Gratitude is explained by the acts of appreciation and recognition (Kelly, 2001). Recognition is the acknowledgement of publics and appreciation is the sincere expression of gratefulness on behalf of the organization (Waters, 2009). Reciprocity finds its correspondance in marketing practices, as consumers are never left alone in after purchase periods, but this can not easily occur in public relations program. This situation might happen because of the long term assessment nature of public relations, and the fact that a public relations effort is not something that an end user can purchase. However, there is always a chance to show gratitude to stakeholders, in corporate level it can occur as; dividing information sections for each stakeholder as a way of showing the attributed importance to those stakeholders; providing promotions; giving a chance to become a member; and by recognizing the importance of operating in a community, community relations informations.

The responsibility dimension of stewardship has the meaning of socially responsible acts against the stakeholders. Socially responsible acts builds upon the basis of corporate social responsibility. The definition of corporate social responsibility states that CSR encompasses the economic, legal, ethical, and discretionary or philanthropic expectations that society has of organisations at a given point in time. Corporations can communicate their actions about such expectations by sharing of basic information about their products or services and their value systems. Here the corporations have to communicate not only their self-serving interests such as quality products and safe working conditions, but also more grand notions of being a good community citizen (Waters, 2011) (e.g. values, norms, ethics, visions, missions).
Reporting is becoming a serious issue in the agendas of corporations, especially with the implementation of obligatory financial and sustainability reporting policies (e.g. the Integrated Report system in South Africa, sustainability reporting is integrated to financial reporting and became obligatory for 450 companies listed in the Johannesburg Stock Exchange (“Companies fret over,” 2010)). When considered in stewardship process, reporting to publics reinforces positive attitudes and behaviors and it increases the probability that supportive publics will react similarly in future situations (Kelly, 2001). Being socially responsible is not enough for the organizations, as if they do not communicate their implementations, the publics can not learn about them. From this perspective, reporting becomes a way of communicating the socially responsible acts. The responsiveness helps organizations to gain public support on account of the information they share. Organizations can make their implementations about reporting visible by developing newsrooms, sharing different kinds of environmental and financial reports or accountability systems, giving a chance of real time communication to the publics and publishing organizational publications.

The contribution of stewardship to the PR processes lies on the basis of the last element, relationship nurturing. As Kelly (2001) stated, treating publics goes beyond reciprocity, responsibility, and reporting; relationships so critical to the organization’s success must be nurtured. This is the opposite of neglecting the already developed publics, and nurturing them to achieve a continuous dialogue. As stewardship in public relations processes assumed the fact that evaluation ends the communication process but stewardship makes it continuous, this last element becomes important. It is vital that practitioners let stakeholders know on a regular basis that they are important to organizations respect and care about them, and they appreciate their involvement (Waters, 2011). Organizations may procure this step by giving a feedback and also information request chance to the publics, also by engaging the social media, the basic communication form of 2010’s, they can be visible and reachable for their publics.

Making all these efforts visible for all the stakeholders are crucial for the organizations, because otherwise the stewardship efforts will be meaningless. The internet as a medium, has many advantages on making the communication easier with every stakeholder. The Internet can effect the relationship between an organization and its stakeholders in terms of efficient interactive communications and social transitions (Kim, Park ve Wertz, 2010). The main reason of adding the stewardship step is also about establishing continuous dialogue and social nurturing of relationships. From this point of view, the organizations will be able to practice stewardship implementations via the Internet. Accordingly in our study, we looked for the four elements of stewardship in organizations websites.

Methodology

The aim of this study is to observe the stewardship behaviors and implementations of the Fortune top 75 companies via their websites. The study is adopted from Waters’ “Redefining Stewardship: Examining how Fortune 100 organizations use stewardship with virtual stakeholders” (2011) and Kelly’s “Stewardship: The missing step in the public relations process” (2001) articles. According to the aim of the study, following research questions were created:

RQ1: How well do the Fortune 75 companies implement and share the four stewardship strategies via their websites?

RQ2: Are there any significant differences of implementation among the different sectors?

In order to respond these questions, the four steps of stewardship strategies were utilized as following:
Reciprocity
- Shareholder/Partner Listings, Information Sections for Different Stakeholders, Membership and Promotions Through Website, Community Relations

Responsibility
- Product/Service Details, Managerial Staff Informations, Mission Statement, Vision Statement, Values, Historical Background

Reporting
- Online News Rooms, Financial Audits, Environmental Reports, Signing up to Mailing Lists, RSS Feeds

Relationship Nurturing
- Information Requests from Company
- Feedback Forms
- Customer Services
- Online Social Media

Content analysis was performed on the Fortune 500's first 75 firms websites in order to examine the stewardship efforts and the communication of stewardship efforts. Fortune 500 2010 corporations websites were selected from the Fortune Magazine Turkey's website. Two independent researchers coded the informations from the websites and for the inter coder reliability Cohen’s Kappa Coefficients were measured (93.02%). The frequencies were calculated and also Chi-Square test were executed to test the differences between different industries. The sample is appropriate for the purpose of the study, as in the study stewardship efforts defined as a following step of successful public relations programs and the most successful organizations are accepted to be the practitioners of excellent public relations. Also, the company websites are the most important medium for the companies to communicate with all stakeholders, thus the websites were explored to answer the research questions. This study is limited by the companies corporate websites and this limitation indicates the possibility of companies not communicating their implementations.

Results

The 75 companies of the first 500 of Fortune consisted of 45 industrial, 18 consumer goods and services, 6 petroleum, 3 telecommunications, 2 transportation and 1 information technologies companies.

The reciprocity element (see Table 1.) was defined as presentation of gratitude from the organization to its stakeholders, and in corporate level it is implemented by division of information for each stakeholder; providing promotions; giving a chance to become a member; giving out community relations informations. Almost half of the companies (53%) share the general informations such as shareholder/partner listings. There are sections for different stakeholders to gain information in the companies websites (70%), including the informations for shareholders (%64) and customers (66%). Companies also have informations for employees (20%) and for NGO's (10%) but the percentages are lower. Many companies have intranet systems for communicating with their employees, and for that reason they might not be communicating from their website. Companies have cooperations with NGO's, but they don't share information specifically designed for this stakeholder. Membership to the company through the website is not an option offered by the companies (18%) and also promotions through the website are not available (%1). The companies listed in the first 75 are mostly industrial and since they don't produce directly for the end user, the promotion percentages are considered to be normal. Most of the companies have community relations sections (72%) and these include company/holding events (65%), social and cultural events (53%) and corporate social responsibility activities (60%).

3 http://www.fortuneturkey.com/fortune500-2010/
Socially responsible acts (see table 2.) can be observed from the informations about the institutional self positioning of the company. The companies share product and service details and make their efforts on these visible (94%). Companies share the names of managerial staff (80%) but they don’t share the communication information to the managers (8%). Companies also state their missions (64%), visions (72%), values (53%) and the historical background of the company (90%).

*Table 2. Frequencies of Responsibility Strategies

Reporting (see table 3.) covers a larger area than only sustainability reportings of companies. For reporting to the media, 66% of the companies have online news rooms. Inside the news rooms they share annual reports about the company (60%), company fact sheets (66%), news reports (77%), news releases (56%), podcast/webcasts (28%). Only the podcast utilizations are low, this is because of the low usage of podcasts and webcasts in Turkish community. Financial audits (62%) and environmental reports (68%) are commonly shared by the companies. Companies do not give the choice of signing up for a mailing list, and don’t have RSS feeds.
As for relationship nurturing (see Table 4.), the most used way of continuous dialogue is requesting information from the company (68%), while feedback forms are not available in the corporations websites (9%). For continuity in future employee development, most of the companies (78%) have listings on job opportunities. Companies have special customer services (78%) for possible cooperations. The companies in the top 75 are not involved with online social media, as only 24% of the companies have such connections.

<table>
<thead>
<tr>
<th>Reporting Strategy</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online News Room</td>
<td>66%</td>
</tr>
<tr>
<td>Annual Reports</td>
<td>60%</td>
</tr>
<tr>
<td>Fact Sheets</td>
<td>66%</td>
</tr>
<tr>
<td>News Releases</td>
<td>56%</td>
</tr>
<tr>
<td>News Reports</td>
<td>77%</td>
</tr>
<tr>
<td>Podcasts/webcasts</td>
<td>28%</td>
</tr>
<tr>
<td>Environmental Reports</td>
<td>68%</td>
</tr>
<tr>
<td>Financial Audits</td>
<td>62%</td>
</tr>
<tr>
<td>Mailing Lists</td>
<td>12%</td>
</tr>
<tr>
<td>RSS Feeds</td>
<td>20%</td>
</tr>
</tbody>
</table>

*Table 3. Frequencies of Reporting Strategies*

In order to answer the second research question, Chi-Square tests were executed. One of the Chi-Square tests was about the shareholder/partner listings differences among different industries is related to the first step of stewardship strategies, reciprocity. The test was significant ($\chi^2(2, N=75)=8.59, p<.05$). The result shows that...
industrial companies share the information about their shareholders/partners, more than consumer goods/services companies.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial</td>
<td>20</td>
<td>25</td>
<td>45</td>
</tr>
<tr>
<td>Consumer Goods/Services</td>
<td>11</td>
<td>1</td>
<td>12</td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td>9</td>
<td>18</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>40</td>
<td>35</td>
<td>75</td>
</tr>
</tbody>
</table>

*Table 5. Shareholder/Partner Listings among Different Sectors*

Other Chi-Square tests did not reveal any significant relationships among different sectors.

**Discussion and Conclusions**

The findings of this study revealed that Kelly’s (2001) stewardship strategies as measured according to Waters’ (2011) are represented in the Fortune 75 organizations websites but not fully effectively. Some of the stewardship strategies are implemented well, but they are not efficient enough for the continuity in dialogue with all of the stakeholders.

The stewardship implementations which are researched in this study, helps to make the basic assumption of the search for continuity in dialogue with stakeholders on behalf of the company. Stewardship in public relations was propounded for a solution to the acyclic nature of campaign building. In order to keep the earned attention of relevant stakeholders, public relations should not end at the point of evaluation. In corporations, keeping this dialogue alive can also depend on stewardship strategies such as reciprocity, responsibility, reporting and relationship nurturing.

The first step of stewardship, reciprocity was observed as a strategy mainly used by Turkish companies, as there are different sections from which different stakeholders can gain information. Only for employees and NGO’s the ratios were lower, but especially for employees, companies have built in intranet systems to communicate. But they don’t show this on their website, so access seems to be limited. Membership options to the company website is limited and that shows that companies don’t need the stakeholders to establish such connections, or it may be seen as unnecessary. Promotions for the visitors are unavailable but since most of the companies are in the industrial field and they are not working directly for the end user, this situation is considered normal. Companies have community relations sections, and this shows the fact that they are openly communicating their actions towards the community. The chi-square analysis about differentiating sectors puts forward an interesting fact that consumer goods/services companies don’t share partner/shareholder lists as much as industrial companies does. Consumer goods/services companies might be concealing this information because they work for the end user, yet with the non-communication of this information, they are missing on stakeholders other then the consumer of goods and services.

Socially responsible acts against stakeholders can be made visible through the self portrayal of the company itself. Turkish companies make their product and service details visible for their stakeholders and this act states that they are openly communicating their work. They also share managerial staff information, but they don’t reveal any contact informations. This situation shows that, companies still don’t want to be easily accessible by
their stakeholders, and this posits a lateral barrier against two-way communication. Companies mostly have their historical background presented, but they don’t present their mission statements about the future as much as they present their past. This shows that for Turkish companies, history is still more important than future.

Reporting implementations of the companies are not limited by only environmental and financial reports. Any reporting system from inside of the company to the stakeholders is perceived as a communication strategy of stewardship. In these implementations, online news rooms concerning the media was highly used by Turkish companies. However, companies are still giving out classical forms of informations through these news rooms such as press releases, news reports, fact sheets and annual reports. Podcast/webcast technologies are not used widely and also email registration options for stakeholders and RSS feeds are not used by companies. Even in the internet environment which is built for interaction and fast communication, companies seem to stay traditional and don’t choose to communicate more interactively with their stakeholders. Other than annual reports and fact sheets, they only share already shared informations with the media as a stakeholder.

The strategy which gives stewardship its main meaning is relationship nurturing strategies, and it is not fully achieved by the Turkish companies. The right to request information is presented for the stakeholders of the companies, that means they can ask for information about the companies acts or products/services. But the main element which makes communication two-way, the feedback forms or sections are not available in companies websites. Job opportunities within the corporation are well listed in the websites human resources sections, that means the companies are willing to gain future employees attention. Customer services are also present in companies websites and this puts forward the idea of communicating with the stakeholders for possible future outcomes. The companies which are in the top 75 are not involved with social media. Corporate blogs are not available, so corporate blogging is still a new and unfamiliar issue for the companies. The companies may have Facebook accounts but still even if they do have such pages, they are not communicating this within their corporate websites. Most of the companies have many brands underneath their umbrella, social media activities might be operating under these specific brands.

When compared to Waters’ (2011) research, Turkish companies are one step behind in the implementation of stewardship strategies. In the Fortune 100 research, companies are one step ahead in the reciprocity strategies. For the responsibility strategies, companies don’t differ in sharing of contact informations of managerial staff. Also historical background is more widely communicated than mission statements, as in Turkish companies. Online communications techniques such as RSS feeds and social media are also not widely used by Fortune 100 companies, the ratios are slightly higher than Turkish companies. According to these findings about stewardship implementations in Turkish companies, it can be said that improvements should be done in order to maintain better relationships with stakeholders. However, the implementations abroad are also slightly similar, there is a need for extensive utilization in social media techniques, which are suitable for corporate communication practices.
References


