Reputation or relationships: what really drives perceptions of employer attractiveness in the health industry?

Nigel de Bussy, Curtin University of Technology
Catherine Archer, Curtin University of Technology

Abstract  Managing relationships with key stakeholders has long been regarded as a central concern of corporate public relations. In recent years, however, the concept of reputation management has gained rapidly in popularity, potentially supplanting relationships as the discipline’s driving philosophy. This paper presents a case study of a major private hospital in Australia, focusing on the respective roles of corporate reputation versus relationships in forming perceptions of employer attractiveness. Through depth interviews and focus groups involving hospital management and highly skilled professionals, this study investigates what drives perceptions of employer attractiveness. Ramifications for the theory and practice of public relations are discussed.

Keywords: employer attractiveness; reputation; relationship management; healthcare

Introduction
Academics attest that we are no closer to a definitive definition of public relations (Hutton, 1999), in contrast to journalists who simply equate the term with spin, and the view of comedic script writers that “public relations means never having to say you’re wrong”. The PRIA’s own website admits to the difficulty in finding an accepted definition of what the profession is and does. “Unfortunately, the term ‘public relations’ is still misused and misunderstood – despite the profession being more than 55 years old in Australia – because it encompasses such a broad range of philosophies and techniques,” (PRIA, n.d.). The British Chartered Institute of Public Relations offers this definition. “Public relations is about reputation – the result of what you do, what you say and what others say about you. Public relations is the discipline which looks after reputation, with the aim of earning understanding and support and influencing opinion and behaviour,” (IPR Careers & Education, n.d.). An alternative view is offered by
many public relations scholars, for example James Hutton who defines PR as ‘managing strategic relationships’ (Hutton, 1999).

This paper explores the current dominant paradigms of public relations – looking at the perhaps conflicting or complementary concepts of reputation and relationship management. It examines these approaches, beginning with a literature review of the key concepts, before questioning them in the context of a pressing managerial problem, the skills shortage. Using a grounded theory approach, applied to a single case study in the healthcare industry, the study investigates what drives perceptions of employer attractiveness. The paper uses the findings to generate discussion on the role of relationships versus reputation and generates ideas for further research.

**Public relations as reputation management**

In recent years the concept of public relations as “reputation management” has gained rapidly in popularity, potentially supplanting relationships as the discipline’s driving philosophy. Hutton, Goodman, Alexander and Genest (2001) conducted an empirical study of Fortune 500 companies in the USA and found that “managing reputation” was the leading philosophy among the corporate communications departments responding to their survey. The term “reputation management” may have been introduced to counter negative associations with the public relations profession (Campbell, Herman, & Noble, 2006). Reputation management initially emerged in the management discipline. Charles Fombrun has led research in this area and defines reputation as “an assessment of a company’s ability to provide valued outcomes to a representative group of stakeholders,” (Fombrun, Gardberg, & Sever, 2000 p 243). Fombrun worked with PR company Shandwick to develop the “Reputation Quotient” which surveys a representative sample of the North American population. Weber Shandwick Worldwide remains a network partner of the “Reputation Institute”. RepuTex, another reputation measurement tool, uses a wide variety of “stakeholders” to gather its information – mostly those with little knowledge of the firm. Indeed, the Australian Chamber of Commerce and Industry criticised the measurement tool, likening it to the voting system for Australian Idol (Hendy, 2003). The problem with these reputation measures is that they rely on respondents with little or no involvement with the company. Perceptions are likely to be based on general media coverage and hence can be highly volatile. Another public relations firm, Burson-Marsteller, devotes a whole section of its website to reputation, clearly viewing it as a selling point for the consulting company. “Corporate reputation is a company’s most valuable asset. A favourable reputation has a positive impact on share price, sales, customer loyalty, recruitment and retention and sets a company apart from its peers...Burson-Marsteller has built a vast store of knowledge and accumulated unparalleled experience on corporate reputation,” (Burson-Marsteller, n.d.).
Campbell, Herman and Noble (2006) use critical theory to question the ideas and assumptions underlying reputation management. They state that reputation management can be seen as a metaphor masquerading as reality – appearing to be an explanation of what public relations is – but it is a term at war with itself (Campbell et al., 2006). The authors suggest the term is a conscious denial of the purpose of public relations practice and that at a superficial level it denies the uncontrollability of reputation and at a deeper level claims to balance organisational interests with those of the publics. Using the perspective of the philosopher Foucault, the authors point to the centrality of power in the discourse of all organisations and posit that reputation management can be seen as the attempt to exert power by influencing public opinion (Campbell et al., 2006).

Hutton et al (2001) also question the validity of reputation management as a guiding philosophy. “Conceptually it is unclear whether reputation can be truly managed given that many scholars and practitioners believe that reputation is the outcome of all of an organisation’s activities,” (Hutton et al., 2001 p 256).

Linked to the concept of reputation are the notions of corporate social responsibility and corporate social performance. Corporate Social Performance (CSP) has been defined as “a business organisation’s configuration of principles of social responsibility, processes of social responsiveness, and policies, programs and observable outcomes as they relate to the firm’s societal relationships,” (Wood, 1991 p 693). In a lecture to the Canadian Public Relations Society Conference in June 2005, Bennett Freeman, Burson-Marsteller’s Senior Counselor for Corporate Responsibility, made the case that corporate reputation and corporate responsibility are inseparable. He acknowledged that “public relations and public affairs professionals have a fine line to walk in aligning private and public interests. They can walk that line and align those interests if they recognise that real commitment and performance matter most – and that only substance sells,” (Freeman, 2005, p.1).

**Are relationships PR’s raison d’etre?**

Although the concept of reputation management still “sells” for some in public relations, there has also been an increasing body of academic scholarship which views relationship management as the central concept for the profession – indeed, some would argue that it has always been the core of what PR practitioners do. Ledingham (2003) outlines a general theory of public relations as relationship management, identifying 11 dimensions of organisational-public relationships (trust, openness, credibility, emotion, intimacy, similarity, immediacy, agreement, accuracy, common interests and relational history). Grunig and Hon (1999) list six elements or components of relationships: control mutuality, trust, commitment, satisfaction, exchange relationships and communal relationships. Grunig and Huang (2000) proposed that the first four distinguishable, yet intercorrelated, factors can be used to conceptualise and
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measure the quality of relationships between organisations and publics. It is interesting to note the authors conceded that all factors influence each other. As an example, how can one party trust another if one is not committed or there is a difference in power ("control mutuality")? This, and the fact that a relationship can be viewed differently by both parties – as well as observers – points to the complexity of the construct.

Broom, Casey and Ritchey (2000, p. 18) proposed a summative definition of organisation-public relationships. "Organisation-public relationships are represented by the patterns of interaction, transaction, exchange and linkage between an organisation 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. Thoough dynamic in nature, organisation-public relationships can be described at a single point in time and tracked over time." It is worth noting that Hutton (1999) suggests strategic relationships should be seen as the dominant paradigm in the field of public relations and proposes the definition of public relations as "managing strategic relationships." Spencer (2005, p. 9) puts it succinctly, "[r]eputation is a notoriously nebulous issue to tackle. But by focusing on stakeholder relationships, companies get closer to influencing perceptions and gauging how they contribute to organisational success". Echoing these views, Phillips (2006) proposed that relationships are the core value for organisations.

One dimension of organisation-public relationships that has received considerable attention is trust (Chia, 2005; Dimmick, Bell, Burgiss, & Ragsdale, 2000; Welch, 2006). Grunig and Hon (1999) see trust as a critical element in relationships. In the relationship marketing literature and stakeholder literature trust is also seen as key (Jones, 1995; Morgan & Hunt, 1994). Morgan and Hunt (1994, p. 23) define trust as "confidence in an exchange partner's reliability and integrity". More recently, Welch (2006) has looked at the concept of "distrust", and suggests it should be added to Ledingham's (2003) 11 dimensions of relationships and be conceptualised with trust as being simultaneously employed in a zone of approval.

If distrust has not yet been given sufficient attention, then it could be said that the construct of power may also have been glossed over (Campbell et al., 2006). While Grunig and Huang (2000) do discuss the theoretical basis for power, they use the term "control mutuality" which could be seen as a euphemism and they conclude that for a stable, positive relationship, control mutuality among parties should exist to some degree [emphasis added]. However, the authors do not expand on to what degree this should be. In his qualitative research guide, Hackley (2003) suggests that it is increasingly common for interpretive approaches to research to be conducted within a critical focus on power and interest. "In micro-analysis of social life, researchers can look at how language and social practice confers power on individuals...Power is clearly important in
many organisational contexts," (Hackley, 2003 p 106).

**How can PR contribute to employer attractiveness?**

While the discipline of public relations continues to debate its purpose, many organisations are facing a major managerial problem – the skills shortage. In health care, in particular, workers are in chronic short supply. The demand for trained nurses is increasing at the same time as the supply is declining (Creswell, 2005). In 2002 the Western Australian State Government launched a $16 million recruitment campaign for nurses ($16 million for WA recruitment, 2002). Meanwhile, in other countries including the US and England, a similar situation is reported for both doctors and nurses. In the UK the problem of a shortage of trained nurses has been acknowledged as a human resource crisis (Newman, Maylor, & Chansarkar, 2001). By 2020 the United States will lack 200,000 doctors (Fantin, 2005). The need for companies to differentiate themselves in the employer marketplace is becoming critical (Hogan, 2002). In Australia, healthcare is big business. The latest Australian Institute of Health and Welfare figures show total health expenditure to be $78.6 billion in 2003-4, which is 9.7 per cent of Gross Domestic Product (GDP). In 2003-04 expenditure on hospitals was $26.4 billion, made up of $19.8 billion on public non-psychiatric hospitals, over $6 billion on private hospitals and $534 million on public psychiatric hospitals (Australian Institute of Health and Welfare, 2005). Given the extreme labour shortages in the medical profession as well as other areas – the question for organisations is how to attract the brightest and the best in a sellers’ market. How can public relations practice assist organisations with this challenge?

With the skills shortage, it is perhaps no coincidence that the closely related constructs of employer branding and employer attractiveness have recently evolved, mostly in the marketing literature. The concept of “employer branding” appears to have first been discussed, if not coined, by Ambler & Barrow (1996) whose definition is, “the package of functional, economic and psychological benefits provided by employment and identified with the employing company,” (p. 187). Berthon, Ewing and Li (2005) defined the related construct of “employer attractiveness” as “the envisioned benefits that a potential employee sees in working for a specific organization,” (p. 156). Berthon Ewing and Li (2005) identified relationships and reputation as two key dimensions of employer attractiveness. As discussed, these constructs have developed as fields of study within public relations. The question of the relative influence of global reputation over relationships in creating employer attractiveness is one which has not been given sufficient attention. Indeed, in the public relations literature it has also been noted that research on organisation-employee relationships remains largely untouched and represents a research opportunity (Ledingham, 2003).
**Research objectives and methodology**

This study investigates three key questions in relation to employer attractiveness.

- Is employer attractiveness more influenced by a company's relationships or its reputation?
- Do perceptions of employer attractiveness in the health industry differ between 'stars' (doctors), 'rising stars' (nurses) and management?
- What are the barriers to implementing the employer branding/attractiveness concept in the health industry?

The research is qualitative and exploratory in nature, utilising a single case study approach with a grounded theory perspective. The focus of the case is an acute-care private hospital – one of the largest private hospitals in Australia. The hospital provides comprehensive care for private patients. It is accredited with the Australian Council on Healthcare Standards.

Data collection is through semi-structured depth interviews and focus groups with purposive sampling. The research is still ongoing but to date four focus groups have been held with nurses at different levels of seniority (one for senior clinical nurses, one for nurses with around five years’ experience, and two for recent nursing graduates). Each focus group comprised 12 to 16 nurses. Depth interviews have been held so far with the hospital’s Executive Director, Human Resources Manager, Marketing and Public Relations Manager, Director of Clinical Services (Nursing and Allied Health), Director of Medical Services, the Director of Corporate Services and the Nurse Manager – Clinical Services. It is more difficult to schedule interviews with senior doctors. However, three have been conducted so far and more are scheduled. Further interviews are planned with other nursing managers.

The rationale for the methodology adopted is that the hospital may be regarded as a 'revelatory' case; the investigator has an opportunity to observe and analyse a phenomenon previously inaccessible (Yin, 2003). Case studies have a distinctive place in interpretive research - the most important application is to explain the presumed causal links in real-life situations that are too complex for survey or experimental strategies (Yin, 2003). Case study enquiries enable the collection of rich, detailed information across a wide range of dimensions about one particular case (Yin, 2003). This is an 'embedded' case study design as sub-units of the organisation are being studied. Using a grounded theory approach, coding has been used to identify common themes emerging from the data. Grounded theory is 'a qualitative research method that uses a systematic set of procedures to develop an inductively derived grounded theory about a phenomenon' (Daymon & Holloway, 2002, p. 24). Theory is generated from the data in an iterative
process - this is a central feature of grounded theory and is one of its strengths (Strauss & Corbin, 1990). Ewing et al. (2002) proposed that case-based studies would add considerable value to the understanding of employer branding and attractiveness. Single case studies focusing on relationships and employees, where the organisation is a leader in its field, have been used to generate theory in other contexts. These studies have included South-West Airlines (Miles & Mangold, 2005), the Mayo Clinic (Berry & Lampo, 2004) and Novell (Wilson, 2000). A case-study on doctor-patient relationships within a hospital in the US was included in Ledingham and Bruning's investigation into public relations as relationship management (Dimmick et al., 2000).

Findings and discussion

A recurring theme to emerge from the data is the conservative nature of the medical profession. This is potentially a serious barrier to the creation of a differentiated employer brand in the healthcare industry. The concepts of public relations, marketing and branding are seen by senior management in the medical and nursing areas as tainted and too commercial to be applied to healthcare. 'Branding in health needs to be quite different from a general business organisation,' commented one manager in the clinical services area. 'I hate the term “brand”,' said another. In contrast the Public Relations Manager said hospitals have to see themselves as a business. She commented, 'when I first used the term “brand” no one liked it – it was seen as almost a dirty word. The business savvy just is not generally accepted and may be holding us back'. The Human Resources Manager also acknowledged the conventions of the healthcare profession meant it could be difficult to achieve a strong employer brand. The feeling was that the medical profession didn’t know – and didn’t want to know – how to promote itself. When the Executive Director was asked what the barriers to employer branding were he immediately said ‘ourselves’! However, he was conscious that it should be a priority. ‘Doing those sorts of things take time but we are conscious of we’ve got to increase our profile – that’s one of our objectives.’

Employees as customers - the relationship must come first

Both the HR and Marketing/PR Managers agreed that creating an attractive employer brand is not only important but vital. The concept of the prospective employee as a demanding consumer was identified. ‘We need to market to the “passive” jobseeker. As far as I am concerned we need to “sell” the hospital – it’s a product just like a car,’ said the HR Manager. Prospective employees are looking for a company which offers exactly what they want - the choice in the marketplace is ‘incredible’. Employees need to feel appreciated and don’t ‘live to work’ anymore. Focus groups with nurses echoed this view. The less experienced, recently graduated nurses, in particular, were attracted to an organisation which didn’t just ‘view them as a number’ and gave them
real support in the first year out. This concept of 'not being a number' echoed throughout all focus groups. 'The wards know who the grads are - you don’t get lost; whereas some other hospitals, they wouldn’t have a clue who you were.' 'You don’t want to get lost in the system.' Interestingly, the Marketing/PR Manager used the same expression. 'It should not be a numbers approach - we have to treat them (nurses) with respect and have an appreciation of their life outside work.' The personal approach – and formation of early positive relationships - is very important to initial recruiting. The Government sector’s approach – a long, web-based application form is off-putting - whereas at the case hospital, the interviews were friendly. 'They didn’t make you feel stupid.' 'The interview was relaxing.'

The public relations-marketing manager, when discussing launching her new advertising campaign, wanted to stress that it was tailored for different stakeholders (for example to be used in different areas, including recruitment), and therefore was more complex.

[With] the specialists, with every nursing and staff member, with every patient – that takes a lot of work, and effort...and that takes key messages being delivered consistently across - it’s not just like we’re launching our ad for the next month – “Hope you buy”.

It’s like: “What did you think of it?”

It’s like: “Do you want to come on board?”

It’s like every single individual unit being a person – or a stakeholder – requires work – requires a relationship. I mean, it’s almost entirely relationship marketing.

Nursing graduates explained that it was a hospital where they had developed a relationship (usually through their ‘prac’ – practicum) where they were more likely to apply for a place. They also said that ‘public ones [hospitals] stand out most at Uni – they come and talk to the students.’

‘Most of us - I had a prac here – I knew the paperwork, I knew the wards, I knew some of the staff – you talked to other grads on the programme…’

The public relations-marketing manager was aware that the Nurses Recruitment Expo was not the place to recruit – it had to happen throughout the year, through developing a relationship with graduates.

‘We should be communicating with them constantly – not just at times of the year when we want to recruit graduates. We’re going proactive. It’s like you only ring me when you want me – you know, that sort of friend, I don’t want to hear from you when you want me – I want to hear from you when I am learning to become what I am eventually going to be, I want to see you more often than that – that’s the basic simple concept....
I’ve come back [from the expo] and in our debrief we’ve said ‘Okay the nurses expo is like 15 per cent of what we should be doing – by the time the nurse’s expo comes along, they should have decided ‘hospital x’ or not – So in my opinion it’s been like 75 per cent part of the recruitment strategy- I think it’s no more than 10 or 15 – You know, you can’t have a conversation there – it’s kind of too late – they’ve already been bombarded by everyone else, all of that.’

In the limited number of doctor interviews conducted thus far, this was also seen as very important. ‘Listening to the needs of the specialty – providing adequate infrastructure – showing strong evidence they value you as a specialty,’ was one doctor’s comment on what was most important in making a hospital attractive to work for. Another doctor commented ‘the vast majority of my work is talking to patients, to staff or being in the operating theatres. What makes or breaks the relationship is knowing that you can talk to someone if you have an issue and it is dealt with’.

Reputation – negatives and positives

Limited credence was given to the value of advertising and positive publicity in attracting employees, at least by some in the organisation. Thus the organisation’s positive reputation amongst the general community was not seen as being important. Corporate Social Performance was also dismissed as being of little interest to prospective employees. When asked about community involvement and sponsorship to employer attractiveness, the collective response from recent graduates was that it was not important. However, the effect of negative publicity is seen as having a harmful effect on employer attractiveness and hence the organisation’s ability to attract employees. A hospital which had suffered poor publicity was cited as an example by many of those interviewed. It was felt that bad publicity which had occurred as long as seven years earlier could affect people’s intention to work for an organisation. A reputation was seen to suffer when relationships with patients and staff – i.e. the key stakeholders – had not been handled well. This reinforces the view of Hutton et al. (2001) that relationships should be prioritised ahead of reputation, since the latter is largely a function of the former.

The medical director reinforced this concept:

‘Absolutely. Reputation – in particular getting a lot of adverse publicity. I think the negative is probably a really strong driver to keep people away but the positive is also important. The negative is stronger...yes, for sure.’

R.E.S.P.E.C.T: tell me what that means to me?

As the research has progressed it has become evident that a major challenge – or perhaps an opportunity – for being an attractive employer for both nurses and
doctors in the health industry was the culture and history of the professions, in particular the questions of power and respect. Interestingly, the public relations-marketing manager, who had only recently commenced working in the health public relations/marketing field (but with senior experience in other areas) was extremely insightful and honest about this challenge.

‘I see a massive disparity in how we recruit specialist doctors – the high end – and how we recruit nurses which is more like a cattle call...I think the one thing that is missing is professional respect for that group [nurses]. I think it’s appalling, to be honest with you, the way we market to nurses, the way we treat them – they are so far down the rung compared to doctors. I have a huge amount of respect for doctors, but I also have a huge amount of respect for nurses and I think that should translate into how we recruit them, how we communicate with them. We are coming up with an annual recruitment/branding strategy alongside the HR which will cover year-round educational forums for nurses where we fly out “international nurse of the century” to talk to these people, to access some of those minds where we give them support for their professional development – the way we do with GPs – we will also talk to them about what it’s like to work here. They will be like symposiums for nurses...communicating with them.’

The Executive Director’s language also tacitly acknowledged this disparity.

‘Doctors would want to have good patient care – doctors would want their instructions to be followed, want to be able to get their patients in – staff to know them – ‘the way I like to do things’; pre-empt what it is this they want...Nurses would want other people to treat them with respect – not to be treated like dirt.’

One senior nurse made the comment: ‘We feel underpaid, undervalued, overworked.’

However, those nurses who commented positively said it was definitely the support for their professional skills that made a difference. The Nurse Recruitment Manager (herself from a nursing background), who has recently changed her title to Nurse Manager – Clinical Services, felt that the most important thing in attracting nurses was respect. ‘That’s the reason I’ve been here so long – you are not just treated as a number here – we don’t do salary packaging, but I would rather have the respect and not be treated as a number.’

Conclusion

At a time when skilled employees are an increasingly scare resource, the construct of employer attractiveness has become a pressing issue in the healthcare industry. The conservative attitudes and wariness of public relations efforts displayed by many healthcare professionals is a serious barrier to the successful implementation of the concept. There is clearly a culture gap between
public relations and HR professionals working in healthcare and their medical and clinical counterparts. Overwhelmingly, relationships are seen as vital to successful employer attractiveness. A positive overall corporate reputation appears to have only a marginal impact—especially for prospective employees. However, negative publicity can be extremely damaging and long-lasting. Poor relationship management is widely seen as the underlying cause of bad publicity—hence maintaining healthy stakeholder relationships is key to reputation management. The history and culture of the medical and nursing professions are also potential barriers to recruiting, particularly nurses. Establishing a dialogue, ("two-way communication") and showing respect were seen as essentials in creating a strong employer brand. For the ongoing paradigm struggles within the public relations discipline, this paper suggests that relationships rather than reputation should be the primary focus. Since reputation seems to be largely a function of the health—or otherwise—of an organisation’s relationships with its key publics, it appears that defining PR in terms of reputation risks paying attention only to the symptoms rather than the causes of fundamental organisational issues.

References


Reputation or relationships


