

Suggesting a strategy lineage for public relations

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ABSTRACT

This book review compares three strategic management books from the perspective of public relations and communications management *Understanding Michael Porter* (Magretta, 2012), *Playing to win* (Lafley & Martin, 2013), and *The design of business*. (Martin, 2009). The reviewer makes the case that public relations and communications management has been structured around Grunig's Excellence theory. The reviewer suggests that the new fact that digital communications has elevated the status of the communications in many organization, positioning it as a key management function. In light of this, reviewer argues that the most provocative answer would be that public relations can or should attempt to adopt strategy as a core responsibility; appropriating the function from other disciplines, and demonstrating that this specific form of positioning and repositioning is one of our professional competencies.

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Alfred North Whitehead once characterized the "European philosophical tradition" as "a series of footnotes to Plato" (Whitehead, 1978, p. 39). In public relations and communications management, we can invoke similar thinking when discussing James E. Grunig. In particular, there would be very little dissent to the argument that the lineage of much of the discourse being produced regarding public relations can be traced to Grunig's most influential writing. Thus, Grunig provides us all with a certain pedigree by creating the foundations of our discourse, including the important term 'two-way symmetrical' communication, which is so often cited and commented upon.

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With Grunig we also find the origins of discussion about public relations being a 'strategic' function, and 'strategic management' as a core element of excellence in public relations. Right up to today, the terms 'strategic communications' or 'strategic public relations' remain fashionable in our literature, but it is here that we run into a problem of taxonomy – i.e. what do we really mean when we invoke the term 'strategy' in general, and in relation to our field.

When Grunig discusses it in the Excellence Study, he notes, "public relations is managed strategically when it identifies stakeholders, segments active publics from stakeholder categories, and resolves issues created by the interaction of organization and publics through symmetrical communication programs (interactive or catalytic strategies) early in the development of issues" (Grunig & Repper, 1992, p. 150). Reading further into Grunig's thinking on this matter, it is clear that his use of strategy is confined by the management literature from the 1970s that he draws upon to flesh out his notion of strategic management of public relations, which he states explicitly in this section. An important concern is that from then until today we have in our public relations literature deployed the term 'strategy' in a way that implicitly draws on this out-dated management literature. Moreover, we seem to often use it in a largely untethered way. A final worry is that Grunig's definition limits us to thinking of public relations' role in strategy as constantly developing a calculus about stakeholder relations as our way of representing the contribution of public relations and communications management to corporate strategy.

Three recent publications from the Harvard Business School contain a rigorous strain of thinking on strategy that could be useful in addressing this challenge of taxonomy and practice in public relations. Specifically, the books addressed in this review provide the following:

- An air-tight definition of strategy, which positions it in the context of enhancing a firm's competitive capabilities (*Understanding Michael Porter*, Magretta, 2012)
- A thoughtful framework for developing sustainable strategy, based on 5 core questions or decisions senior leaders must make (*Playing to Win*, Lafley & Martin, 2013)
- A creative approach to thinking which the author convincingly argues optimizes one's contributions to strategy (*Design of Business*, Martin, 2009)

Collectively this strain of thinking has great potential to enable public relations practitioners to more significantly contribute to corporate strategy, and secondly is a strong candidate for a second important lineage for our field, one

that has strong foundations at the Harvard Business School.

Michael Porter is one of the most celebrated thinkers to come out of Harvard Business School, particularly for two major contributions to the business literature: *Competitive Strategy* (1980), and *Competitive Advantage* (1985). Michael Porter had Peter Drucker as a mentor, who is largely reputed to be the most renowned Harvard Business School theorist. Porter went on to found Monitor consulting group where Roger Martin was working when he was offering advice to Lafley at Proctor and Gamble.¹

Magretta's superb survey of Porter's work from 2012, *Understanding Michael Porter*, is being sold alongside reprints of Porter's voluminous works from the 1980s, under a synchronized cover design with good reason – the book is a superb guide to Porter's thought. My experience reading this book reminded me immediately of an attempt in grad school to read Michel Foucault, the French post-structuralist thinker. When I attempted to read the primary texts, those written by Foucault, I found them cumbersome, challenging and long-winded, but when I found the anthology of interviews titled *Foucault Live* (1989), I found the volume provided me an instant 'decoder ring' with which to interpret and absorb the thinking in the denser texts he'd written. Similarly Magretta has provided us with an excellent cipher for Porter's thinking on strategy with her book – one that also contains transcribed a interview between the author and Porter himself to clear up and expand some of his thoughts.

Magretta clearly reveres Porter, and knows him first from her time as his student and then through her role as a former editor at *Harvard Business Review* where Porter was a frequent contributor (Magretta, 2012, p 4-5):

Porter occupies a unique position. Among academics, he is the most cited scholar in economics and business. At the same time, his ideas are the most widely used in practice by business and government leaders around the world. His frameworks have become the foundation of the strategy field. (Magretta, 2012, p. 8)

The true value of Magretta's book comes not from feting Porter, but from clarifying his take on important concepts, strategy in particular. Early in the book (p. 5), Magretta draws our attention to Porter's own summary of his work, from the *Harvard Business Review* (1996). I found it valuable to retrace his thinking there on the definition of strategy, comparing it to Magretta's

1. Sadly Porter's consulting group collapsed in 2012, as chronicled in Denning's 2012 article, but it would be a fallacy to argue this as a reason to ignore Porter's teachings.

take. In the article, Porter makes several key observations as he applies the wood carver's chisel to eventually reveal a clear definition of strategy.

The essence of the article is that strategy is really about determining a path to achieve long term, sustainable, competitive advantage, though Porter never lays the definition out quite this clearly. What he does say is that it involves determining "positioning" (p. 64), like "customer segmentation" and the firm's "tailored set of activities" (p. 68). He also notes that strategy involves "making trade-offs in competing" (p. 70), and "choosing what not to do" (p. 70) as much as what to do. Likewise all the firm's activities need to gel, as this makes it "harder for a rival firm to match an array of interlocked activities" (p. 73). Porter also makes clear that 'operational effectiveness', that is, running the business well, is "a given" (p. 74), but is not a function of strategy. Porter is also helpful in this article at making clear that strategy's window is longer term (p. 74), and requires leaders with "a clear intellectual framework" and who are strong enough to make difficult choices (p. 77).

What I found most helpful and enriching about Magretta's book was her ability to further simplify and clarify Porter's thinking on strategy. Magretta makes clear that the critical issue when thinking about strategy is "performance in the face of competition" (p. 20), and that what Porter means when he discusses the term is really "a good competitive strategy that will result in sustainably superior performance" (p.19). The point is strategy is the determining factor relate to how you will out-compete rivals. As Magretta notes "if there were no competition, there would be no need for strategy, no need to come up with a way to 'win' to outperform your rivals" (p. 20-21).

Through the interview in the epilogue, we hear from Porter himself. In addressing pointed questions about approaching strategy, Porter makes a few other refinements on his definition. For one, strategy is not about competing to be the best using the same metrics and approaches as your peers, but to distinguish yourself from the competition by "performing different activities than they perform" (p. 188), and staying clear on these strategies while avoiding all the day-to-day things in business that "distract, deter, and divert" (p.189) from leadership focus. Porter also makes clear evermore the need to make decisions about what not to do: "strategy is not about making every customer happy" (p. 190), but instead ensuring the correct segments of customers are included and excluded from your undertakings.

Where Magretta ultimately lands is this definition of strategy from the glossary:

The set of integrated choices that define how you will achieve superior performance in the face of competition. It's not the goal (e.g., be number

you choose that will result in achieving the goal; the actions are the path you take to realize the positioning (p. 219).

When we compare this to the notion of strategic management Grunig was invoking, it is clear that Porter's definition is both an expansion and at the same time a pivot toward positioning being the central focal point. Where Grunig was concerned with PR being able to map stakeholders with a view to achieving corporate ambition, it may be provocative but accurate to venture that applying Porter's definition to public relations would see our role morph into helping the firm diverge radically from the positions in the marketplace that rivals occupy.

In any case, using Porter as a touchstone for strategy could modernize the discourse in our field and provide the beginnings of a renewed model for strategic thinking.

On that note, Lafley and Martin's *Playing To Win* (2013) seems to pick up where Porter left off, and enriches his thinking on strategy by providing a set of questions that should be followed in creating strategy, and other algorithmic thinking to follow in refining strategy. Their aim is to "provide you with a do-it-yourself guide to strategy" (p. 6). The authors deliver handsomely, drawing their prescriptive findings from the transformative journey undertaken at Proctor and Gamble, for which both authors were rewarded with much prestige. Roger Martin is the outgoing Dean of the Rotman Business School at the University of Toronto and a popular author of influential business books, and A.G. Lafley was chairman of Proctor and Gamble, leading the company through a period of massive growth across many diverse portfolios.

The two authors do not linger much on their success, nor do they linger on Michael Porter, but instead cut to the chase of how to implement strategy, or how to do strategic thinking. The key to the book's method is the cascade of choices, delineated as sequential questions. They are "what is our winning aspiration?", "where will we play?", "how will we win?", "what capabilities must be in place?" and "what management systems are required?" (p. 14-15). There is no doubt this list hearkens back to Porter because the list is focused as a series of choices; in strategy, it is both about what is in, but also about deciding what is out. What is most interesting about the book is that each question is fleshed out by a chapter, relating the lesson back to achievements at Proctor and Gamble. While this may sound self-aggrandizing, it is not. In fact, the P&G anecdotes provide an engaging read for students of competitive business rivalries. Fascinating examples are plenty, and their relationship to each lesson is organic. A personal favourite: how Olay went from a bargain

cosmetics brand associated with elderly women, to being positioned at the moderate high end of price in retail locations as a result of positioning, branding, and additions to the line through research and development. Further to this, Lafley and Martin provide other clear tools like “the strategy logic flow” (p. 161), and a process to “reverse engineer” (p. 187) options, which together make for a framework for strategic planning that builds upon Porter’s initial thoughts on strategy.

Building on Magretta’s summary, *Playing to Win* essentially takes Porter’s definition, and builds on it to develop a framework for how to develop and execute on the concept.

In *The Design of Business*, Roger Martin provides yet another layer or progression to this thread of thinking about strategy, though the work is written earlier than the previous two we have discussed. Specifically Martin takes up the task of identifying the type of thinking that can lead to truly divergent thinking, along with advice on how individuals can cultivate the correct approach. So where Porter has given us a strategy definition, and Lafley and Martin developed a framework flowing from this definition, Martin provides us with a model for the type of thinking that will lead to the use of the framework being maximally successful.

Martin is primarily concerned with how new knowledge is generated, in the context of ‘value creation.’ Martin contrasts the analytic mode of thinking, which is based on past experience and induction, with intuitive thinking, which when used in business does not have the same success at systematizing (p. 5-6). Martin argues in the book that both modes of thinking co-exist in the most successful firms who allow for creative thinking that can then be systematized.

Part of this process is what Martin calls “the knowledge funnel” which progresses from “mystery,” to “heuristic,” to “algorithm” (p. 8-9). “Algorithm” attains the highest stage of reliability and systematization. This is extremely valuable terminology, and this process is fleshed out fully, with great value placed at each phase of the funnel. For example, mystery is not neglected as simply the obvious starting point of a business problem requiring systems to create reliability. Instead, Martin values the contemplative act that reveals the mystery, refining its boundaries. This questioning eventually leads to the development of a heuristic where somewhat reliable information is gleaned about the phenomena in question, to algorithm. So to paraphrase some examples from the text, Cirque de Soleil moved from mystery to heuristic by identifying a broader problem with traditional circus acts, and determining a rule of thumb for a successful business which involved eliminating problems with

live animals by having no animals, and striving for a more high-brow experience with highly trained acrobats. McDonalds, we might surmise, moved from the heuristic stage of drive through restaurants and familiar menu choices, to an algorithmic business with highly standardized protocols ensuring high reliability and quality control across their many locations. Martin surmises that by thinking across the phases of the knowledge funnel, “the complexities of the world are mastered through simplification” (p. 12-13).

The key to making this progression of thinking is “abductive logic” (p. 25), a concept Martin borrows from American pragmatist philosopher Charles Sanders Peirce. In Martin’s reading, Peirce claims a third kind of logic in addition to inductive and deductive reasoning, which draw upon past information or premises. In abductive reasoning, Martin claims the individual is able to stare into these mysterious situations and make leaps (“logical leap of the mind” in Peirce’s language (p. 25), which then lead to greater certainty about how to resolve the initial mystery. These leaps do not come from past experience or learning, as would be the case with inductive reasoning, but instead involve the ability to combine and imagine new scenarios, a capacity that I believe Peirce would argue we all have and can refine. And it is this ability, an entirely separate form of logic, which allows us to make transitions in our thinking across the three stages of a problem in the knowledge funnel.

Another important point emerges when Martin cites a former colleague Rob Harvey, vice president of design at Herman Miller, with the quote “Well, Roger, strategy is a design exercise, isn’t it?” Though this quote stands out as a central insight in the book, it would be misleading when taken at face value. Martin does not value purely right-brained thinking in this model, but instead values the notion that both the design team and the analytic business manager can and perhaps should coexist in the firm. The creative work must occur against the backdrop of well-run supporting business processes, in a way that is not dissimilar from Porter’s notion that organizational effectiveness is a necessary complement to strategy. Martin’s model is more organic, and he cites Google as a prime example of the optimal balance (p. 122) – a firm with both radical, explosive creativity and ‘buttoned-down operational discipline’ in an environment that is constantly renewing its thinking about problems through the knowledge funnel.

Conclusion

Tracing a line of thought through these three books provides us with an interesting schematic of what strategy is, how it is approached, and the type of thinking that might lead us to new solutions and sustained advantage for our firms. However, after completing this survey, a question remains: How does this thread of knowledge connect back to this notion of strategic communications or strategic public relations? How would the incorporation of these ideas broaden or transform Grunig's starting point?

The most provocative answer would be that public relations can or should attempt to adopt strategy as a core responsibility; appropriating the function from other disciplines, and demonstrating that this specific form of positioning and repositioning is one of our professional competencies. Though I do not have a concrete example as to where this has been done, in particular by public relations practitioners, what this brought to mind for me was the firms that have radically diverged in the marketplace, and whose success is due to a multi-faceted strategy involving reputation, earned media, dynamic advertising, unique aesthetic, and sublime user-experience. I am thinking here of Apple, of course, where their achievement and unique positioning is the clearest example of deployed design thinking. To an even greater degree this may be applicable to public relations work in the public sector, where competition is not for market share or earnings, but instead for reputation among peers, partly as a result of the value and service quality that can be provided to the public. If not public relations, which professional competency or department aids companies in seeking their unique place in their market?

Though it may be too bold to suggest public relations can or should aim to own strategy as a whole, there is no doubt where positioning is concerned our approach to stakeholder segmentation and understanding adds great value to the overall process of strategy development. If broadened to include design thinking, dialing our approach back to envisioning and reshaping the company's vision well in advance of stakeholder segmentation, public relations could emerge as a truly strategic discipline, or discipline which to some degree 'owns' strategy, giving it a new prominence amongst professional fields in the 21st Century. In any case we would be well served to choose the important line of thinking from Harvard Business School chronicled in this review as our lineage when discussing 'strategic public relations', as opposed to using the term strategy without modern theoretical grounding.

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