

The Communication Relationship Between Companies and the Public

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Abstract

Communication is the vital resource within companies. The public and the private sector operate according to different strategies, but however, both require the integration of communication within their operating system. How communication is approached is directly proportional to the difference between the principles that guide the two types of companies.

Private companies, which practice an open organizational climate, are focused on the formal communication, but with familiar influences; within the private sector, all members of the company are encouraged to express their ideas and suggestions, being actively involved in the proper functioning of the system. The system by which public companies operate is rigid, thus the communication with the members of the company and the public is lacking in warmth.

The purpose of this paper is to emphasize the role that communication has within companies and the communication relationship that forms between the company and the public.

Key words: the importance of communication, the public of the companies, the communication relationship between companies and the public

J.E.L. Classification: L32 Public Enterprises; Public-Private Enterprises

1. Introduction

Communication is the underlying theme of this article. For a natural course of the paper, we will first deal with the term of communication, followed by public communication, a form of communication whose importance is defining in both private and public companies. We will also focus on public relations, which are a result of public communication and which can substantially influence the communication process. The private and public companies will be analyzed separately, in order to be able to outline a delimitation between the way each one works, and then we will deal with the similarities and differences between the two sectors.

2. Theoretical notions about communication and the public

Communication is the vital element of any company, whether private or public. Communication is the means of communication of the company with the employees, the public and third parties, providing them with information of general interest, as well as information that is not public and that concerns only certain individuals. Through communication there is always an exchange of information between the company and the employees or the public; there are situations in which the message is unilateral, always waiting for a reaction from the other party (Niculae *et al*, 2006, pp. 9-10).

The messages transmitted are intended to inform, to share opinions, ideas and programs, but also to influence the public/clients. The public communication has the role of bringing to the attention of the target public information about the existence and the functioning of the companies, the decisions taken, the new regulations; there are certain information that cannot be disclosed and

which are related to the secrets of operating the company and its safety, so the company will provide the general details regarding the community of people interested in its activity. Through public communication, the needs and interests of the public/client are also monitored, following that through the resources that companies have, to intervene in solving problems. Public communication used by companies can be classified into three categories: institutional communication, used mainly by companies for communicating with employees and its public, political communication consisting of transmitting messages with political content and social communication, which is defined by human interaction (Rus, 2002, p. 30).

For the communication process to be functional, it is necessary for the two elements of the communication: transmitter and receiver. In this case the transmitter can be the company or the public, and the transmitter also the company or the public. Depending on who sends the message, the roles are reversed. The transmitter is represented by the person transmitting the message, an action that takes place from the desire to express ideas, opinions, information of general interest. The receiver is the person who receives the message transmitted by the transmitter, being the one who reacts to the received message. The receiver and the transmitter are also called the actors of the communication, expression in which the transmitter is designated as a speaker, while the receiver has the title of talker. Once the roles of the communication are established, it is the message that is directed from the transmitter to the receiver. The message can be transmitted orally, in writing or by signs, containing ideas, opinions, suggestions, informative information.

The public is defined as the community with decision-making power in relation to the interests of an institution/organization/company. The number from which the public is formed is considered to be irrelevant, so that only one individual can be considered to be public, as long as he manages to influence the institutional policy (Rogojinarul, 2010, p. 73). The public refers to the multitude of people who have common interests and values in certain situations. From a sociological point of view, the public is represented by any group or individual that is involved in the activity of a company. The term public succeeds in bringing together a number of people who share common ideas, values, norms and principles. The audience of a company is not definitive; it is constantly redefining itself, being in a permanent dynamic, as are the interests of the company; the public is directly proportional to the changes that occur at the organizational structure of the company, being the one that decides whether its values coincide with those of the respective company or if it decides to direct its attention to another company, its interests not consistent with those of the original company. Factors that also have an impact on the public's decision to support the company are the efforts made to achieve the objectives, the leaders who run the institution, the image they created, but also the external environment of the company, specifically the third parties with whom it interacts. The concept of audience is used most often in the singular, which has led to contradictions among the researchers; they are of the opinion that within the companies several types of groups are formed at the same time, depending both on the actions that the groups follow, and their principles, thus concluding that there are more *publics* within the companies (Marconi, 2007, p. 41).

Public relations are an area that intervenes when there is information exchange between the company and the public. The half of the nineteenth century welcomes the business field with a new concept, namely, *public relations*. The phrase is used for the first time in order to maintain a connection between businesses and consumers. The term of public relations lasts in the dictionary before the outline of the term we are talking about, being defined in the form of information, persuasion and integration. Subsequently, these three terms merged into what we now call *public relations*. Of course, the basic meanings of the three terms remained the same, adapting to the new changes that occurred during the development of the society (Department of Communication, University of South Africa, 2000, p. 15). Public relations have the role of positively or negatively influencing the perception of the public, depending on the way of communication approached.

Proper use of public relations is a force multiplier for companies that know how to integrate them optimally into the operating system. In Eastern Europe, public relations are compared and confused with the promotion term, while the meanings of the two concepts are distinct. The impact of the two elements that companies use is different for each element; however, the two concepts should be used together, therefore a strategy that encompasses both will prove to be effective and impactful.

A functional strategy that theorists appreciate is the action of the company with disinterest; what this strategy means is that the benefits of the products and services presented spontaneously, without a scheduled lecture, become unbelievable to the public, thus the company looking like this is not strictly interested in increasing sales.

3. Private companies and public companies

The private company is a company that is owned either by a relatively small number of shareholders or members of the company, or by non-governmental organizations that are independent of the activity of the government; private companies are also referred to as unlisted societies or companies (Reifman *et al*, 2008). As an object of activity, private companies can operate in fields such as production, trade and service provision. These companies are often owned and run by the founders who created it, by their families and/or even their heirs.

Within the private companies the internal communication and the involvement of the company members in the organizational activity are fundamental. Both in private and public companies, communication takes place on all four levels: descending, ascending, horizontal and vertical; the doses with which these types of communication are used differ from company to company, but it is certain that there are significant differences between the private and public sectors in the approach of communication.

The public company is defined as the entity with a sole shareholder or a majority shareholder (Nicolescu, 2017). Public companies, from the point of view of visibility and accessibility, are defined as companies whose shares are listed on the stock market, which means that any individual active in the field of capital markets can own a share of the companies listed by buying shares in exchange of a sum of money (Banton, 2019).

Regarding the type of communication directed to the public, institutional communication is the predominant in both types of companies; if within private companies, communication with informal influences is appreciated, in the case of the public sector, formal communication is the one that dominates.

There is a major discrepancy between the styles of communication with the public between the two classes of companies. In the case of private companies, various events are organized which have as main purpose the communication, the conclusion of relations, the consolidation of public trust in the company, while in the case of public companies things are presented differently, the communication with the public being not an aspect such important to organize various actions for the purpose of communication.

4. Communication relationship between companies and the public

The public, defined as the community that is in the attention of companies, is one of the factors that strongly influence the way the company operates. Regardless of the field of activity of the company, the public is the final beneficiary, being the one who decides whether the internal decisions were good for their needs. Theoreticians claim the existence of several *publics*, even if it is the same company. Depending on the actions that the institution introduces in its activity, the general public is divided into several *publics*, according to values, norms, principles. Although the public institution represents the common interest of the public, it will be divided into categories of fields, according to its interests.

Companies, whether private or public, are vital to the functioning of a country. They have the role of fulfilling the needs of the public and meeting their wishes. Depending on their field of activity, public institutions meet certain conditions and have a certain structure that changes in relation to the field in which they operate. Although public institutions have the role of performing different functions from private institutions, their way of communicating with the public follows similar principles.

In the context of the communication relationship between the company and the public, the concept of leader and its action, leadership, also intervene. In terms of defining the term leader there are simplistic theories, so that, he is explained as being the person from a higher position, who leads the team or sends orders to be executed. The leader must acquire a series of qualities and

abilities, which will then help to deliver the message in a clear and concise manner. The leader is the person who has succeeded in knowing his skills and weaknesses, who has managed to balance his personal life with his professional one, relying on the same principles both in the workspace and in the daily life, even after leaving the company (Peters *et al*, 1986, pp.5-6).

Leaders are the ones who set the steps in a company, they are the ones who decide the direction and the way of communication between the company and the public. Although there are companies in which public relations departments are developed that consider communication with the external environment, the final decisions regarding the connection with the public are set within the leadership process.

External communication is often reduced to managerial communication; the manager is considered to be the liaison between the organization and its external environment. Although the company's main spokesperson is the manager, he is not the only person who maintains the connection with the external environment. The interactions that the manager initiates with the public of the company he represents are often official, conforming to his role. Through public relations and advertising, the manager supports and consolidates the company's image; the manager is considered to have a symbolic role in companies, especially in the case of the public sector, when he is the one who maintains the connection with companies with similar profile.

Communication within companies is vital, and internal communication must be in line with the external one for optimal functioning of companies. The relationship that forms between the internal and external communication is visible in the way in which the company's departments work together, but also in the image that the company transmits outside. In order to be harmonious in the communication process, it is necessary to know the information about who is communicating, what is communicating and in what atmosphere: "Before communicating, the one who wants to design communication plans must obtain a coherent picture of the organization" (Cismaru, 2008, p. 8). External communication is the result of internal communication, so that before the message is transmitted to the public, it is initially created and analyzed within the company, and subsequently exposed to the public. The effectiveness of the message and the way it was transmitted to the external environment can be measured later, by analyzing the reactions of the public.

Internal communication is at an early stage in many companies in Romania. Managers pay attention firstly to the organizational identity, considering that the products and services require increased attention; In this way the internal environment of the company is in second place, the managers thinking that the members inside the organization will understand that the public must take priority. This behavior is considered to be defective by the critics, because the members of the company are the ones on whom the attention must be directed; it depends on them if the image of the company is transmitted correctly to the outside, as they are also representatives of the company, not just simple employees.

The relationship between internal communication and external communication has an important role in the smooth running of the company; the relationship between the two types of communication must work like a precisely created mechanism for harmony to exist. The performance that the company can achieve is strongly influenced by the way it manages to communicate with the internal environment and with the external public.

Communication is closely linked to coexistence. Relationships between people are based, above all, on communication. Companies, whether private or public, are created by people, and they are the ones who support them. Communication is a continuous process, which has to be sustained, and two-way communication is required, both from the company and from the company. Feedback provided by the public around which the company operates is fundamental to operating within normal parameters; feedback has the role of providing information on what can be improved.

5. Research method used

Following the information obtained and the qualitative analysis, we conclude with a quote on communication, which is described as "the most important engine of business performance". Communication is the impetus that starts the whole process of operating companies. The information we focused on provided us with informational data. We focused on qualitative information because we considered them to be relevant in approaching the present topic, helping to

create the connection between companies and the public from the perspective of communication. We analyzed the three terms separately, thus managing to understand the meaning of each one and the role they play, and then to merge the information into a whole.

6. Conclusions

The dominant type of communication in public and private companies is the institutional one; this type of communication involves making the public aware of additional information regarding the company's activity, its future plans, objectives set, etc. Within this type of communication, the image of the company is the defining one; the public is influenced by looking at the image of the company. It is intended to convince the public and attract it to the company in order to buy the products and services offered by it. Institutional communication also has the role to create a favorable image for the public, with the role of gaining its confidence in the company's activity.

The public relations that we mentioned in the chapter about the public have the role of maintaining the connection between the companies and the public to which they are addressed. Public relations are those that also have the task of caring and increasing the image of the company. The attention that the companies offer to the reputation is on an uphill slope, and the term of public relations also takes shape in Romania. Gradually, the advantages of this new field of public relations are identified and understood, which leads to the initiation of its practice (Rotar *et al*, 2010, p. 73). If the company uses the public relations tool for issuing information and the public relations have a set of tools that they use to spread messages; depending on what is intended to be transmitted, the information reaches the public through press releases, press conferences, public talks, community programs for the great mass, etc. (Hillstrom *et al*, 2002, p. 925).

There are studies that show that the public of a company is formed because of its prestige, the services and products provided are on second place, so public relations can have a huge impact on the functioning of the institutions. Public relations are described as representing the interests, needs and wishes of the public and of all other third parties, being the connection between the institution and the internal environment, but also between the institution and the external environment. The dialogue between the two entities, company and public, is the key to attracting and maintaining the public as a customer. The actions of public relations must be taken so that the interests of the public take precedence over the interests of the company. As the public contributes to the longevity of the company, one of the primary objectives of a company should be to thank the public and to offer new and useful information/services. However, public relations must prevent and identify existing problems among the public, in order to be able to then solve them.

We conclude this article by underlining the importance of communication between the company and the public. The processes and actions that the company initiates in favor of its community are based on communication; in the process of public relations, the company collects information about its interests and expectations, information that will be the basis of the strategies that the company will establish.

7. References

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