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Changing Roles for Changing Times?

How Listed Companies Interpret Their Role as Communicator

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ABSTRACT

In recent times, there has been a strong call for a greater focus on the ‘relationship management’ function of public relations. This exploratory study seeks to contribute to this movement within public relations scholars and professionals by exploring the relationship management aspects of financial public relations. Still a relatively new discipline, financial public relations faces many challenges in both the planning and implementation of communication programs for shareholders. The increasingly competitive nature of the world’s financial markets and the changing profile of the traditional shareholder are raising important issues for financial public relations professionals. This study explores the ways listed companies understand their relationships with their shareholders and the way such understanding influences the communicative practice of the listed companies. Data were collected from seven Australian publicly listed companies via interviews. A conceptualisation of four major roles played by a listed company in building and maintaining its relationship with its shareholders is provided. Two roles that the listed company believes the shareholder plays in maintaining the relationship are also identified. Challenges to the roles are identified, including the changing profile of the Australian shareholder, the influence of new technology, and growing shareholder activism.

Changing Roles for Changing Times? How Listed Companies Interpret Their Role as Communicator.

Introduction

There is growing recognition among public relations scholars and practitioners of the importance of managing relationships between organisations and publics (Ledinghan & Bruning, 1998; Jackson, 1998). For publicly listed companies, the focus is on managing relationships with their shareholders. A recent survey across European and American public companies demonstrated the importance of this relationship, with senior management listing shareholders as the first priority for their organisation (White & Mazur, 1995, p. 7).

Building relationships with shareholders must be done within the constraints of a regulatory environment which governs information disclosure (see for example, Australian Stock Exchange Listing Rules, 1996). Practitioners are constantly balancing the communication needs of the organisation and stakeholders within this environment. This balance, likened by Thompson (1996, May) to 'sailing through uncharted waters', places additional pressure on practitioners and is likely to require different approaches to practice than in other areas of public relations. This study explores the sets of behaviours used by a group of financial communicators to manage the company-shareholder relationship, and the underlying assumptions which guide such behaviour. A typology of roles played by the financial communicator is proposed to explain the current sets of behaviour, as well as to identify opportunities for change.

Uncovering Assumptions: The Study

This qualitative study of financial communicators in seven major organisations took an exploratory approach to understanding the assumptions guiding the listed company-shareholder relationship. An interpretive paradigm was selected, as one of the key features of qualitative research is the ability to examine relationships within a system or culture (Janesick, 1998). Qualitative interviewing was used to collect data. The qualitative interview is one of the favourite methodological tools of the qualitative researcher (Denzin & Lincoln, 1994) because of its ability to achieve 'crucial qualitative objectives within a manageable methodological context' (McCracken, 1988, p. 163). It also allows the researcher to 'understand the sensitive relationships' (Lindlof, 1995, p. 5) which engage the informant, which was a key focus for this study.

Interviews were held with company officers responsible for shareholder communication. The informants were purposefully selected to best answer the research question (Creswell, 1994). Given the different approaches to shareholder communication within Australian companies (Sullivan, 1997), informants held a variety of positions including chief executive, company secretary, legal counsel, investor relations manager and public relations manager. From the interviews, certain patterns, categories and themes were drawn and interpreted (Creswell, 1994). Coding of the interview data followed McCracken's guidelines (1988) on the development of analytic categories. This approach allows the researcher to progress from the particular data gathered upward through five successive stages of reflection and analysis to more general observations.

A Framework for Analysis

Managing relationships between listed companies and shareholders falls within the responsibilities of financial public relations (Jackson & Center, 1990; Grunig & Grunig, 1992). Sometimes termed *investor relations* (Mahoney, 1991) and *financial relations* (Seitel, 1992), financial public relations is responsible for the 'building of a relationship between a company and its shareholders' (Marcus & Wallace, 1997, p. 19).

The increasingly competitive nature of the world's financial markets is driving a search for improved means of managing shareholder relationships. Trusler (1993) argues that society has moved from a manufacturing to a service economy. Critical for survival in this new environment are long term relationships (Tuominen, 1997). This changing environment has particular implications for listed companies. Companies must encourage shareholders to take a longer term view to their investment (Trusler, 1993), overcoming wherever possible, the short-term 'deal-orientated, volume-based mentality' (p. 49) of investors. Proactive communication is seen as a mechanism to help achieve this shift in focus, building shareholder loyalty while still recognising the importance placed by shareholders on continual return on investment (Tuominen, 1997; Trusler, 1993).

Shareholder relationship management must also recognise the changing nature of the shareholder body. There is a global trend towards greater share ownership among the adult population (The Clemenger Report, 1998). In Australia, private share ownership has increased from approximately 15 percent in 1991 to 40 percent of the adult population in 1998 (Australian Shareownership Surveys: 1998, 1994). While institutional investors remain the dominant players in the market, approximately 21% of shares in Australian listed companies are now held by individual investors, representing approximately $100 billion (Peacock, 1998).

Shareholder activism is also creating challenges for financial communicators. Shareholder activism is growing and predictions are that it will continue to grow (Dunlop, 1998; Johnson, 1998; Smith, 1998). Fleisher (1998) attributes the growing activism to better informed shareholders, empowered by new communication technologies. Describing shareholders as *empowered* brings into question the role that shareholders do and could play in the companies in which they invest. Shareholders have often been portrayed as powerless (Deetz, 1992), tending to be ‘disinclined and/or unable, to influence corporate decisions of the companies they “own” ’(p. 211). How listed companies will adapt to a possible recasting of the shareholder role is yet to be explored fully, however, the need to change is being emphasised in many industry publications (see for example, Investor Relations, 1998).

The desire to attract shareholders in an increasingly competitive market has refocused attention on the role of financial public relations in managing relations with shareholders. Leitch & Neilson (1997) argue that in public relations theory, ‘the form of the relation has taken precedence over the function or purpose of the relational strategy’ (p. 26). This leads to a focus on the forms of communication that occur between organisations and publics without detailed consideration of key dimensions of the organisation-public relationship including ‘power, strategy, objectives, and the manifold ways each articulates and overdetermines, constructs and deconstructs, organises and disorganises, the other’ (p. 26). In financial public relations, this focus can be seen in the predominance of literature that guides practitioners in the implementation of financial communication programs (see for example, Marcus & Wallace, 1997; Mahoney, 1991). While very useful for practitioners, the underlying assumption of these guides is that listed companies *will have a relationship* with their shareholders and the focus then shifts to how to implement the programs. Absent from the professional literature is any detailed analysis of the *underlying assumptions of the relationship* that the company has with its shareholders. Therefore, an opportunity exists to identify and challenge such assumptions and the framework which guides current practice.

The concept of a worldview helps provide a framework in which to think about and define the practice of public relations (Grunig & White, 1992). A worldview provides a ‘conceptual framework through which perceptions are screened’ (Meehan, 1968, p. 41) as it represents a ‘set of images and assumptions about the world’ (Kearney, 1984, p. 10). The assumptions driving the existing listed company-shareholder relationship can be explored through the analysis of the worldview that provides the conceptual framework for the organisation.

Kearney (1984) suggests that specific worldviews result in certain patterns of behaviour and not in others. Thus, the governing worldview provides important insights into existing behaviour and the possibility of different behaviour occurring through the adoption of an alternative worldview (Grunig & White, 1992).

Grunig (1989) suggests that the traditional perspective of public relations practice favours an asymmetrical worldview. Fundamental to this worldview is the belief that the organisation, or its dominant coalition, 'knows best' (p.32) and publics would benefit from co-operating with the organisation on its terms. Supporting this view is a closed system of communication where information flows out of, and not in to, an organisation (Grunig, 1989, p. 32-33). Research (Newsom et al, 1996; Dozier et al, 1995; Grunig, 1989) has shown that the asymmetrical models of public relations practice are widely used by listed companies in their shareholder communication. These models allow the listed company to control the communication process (Grunig, 1984), while trying to persuade shareholders to accept the company's position (McElreath, 1996).

The growth in shareholder activism (Dunlop, 1998; Smith, 1998) is demonstrating dissatisfaction with the current functioning of the listed company-shareholder relationship. Therefore, it is timely to explore alternative worldviews that may guide different approaches to communicative practice. The proposed alternative to the asymmetrical worldview is the symmetrical worldview (Grunig, 1989). Central to the symmetrical worldview is the belief in an open system between organisations and publics which freely exchanges information (p. 38). These exchanges require the participation of both the organisation and its publics as the symmetrical worldview recognises the interdependence of both parties (Grunig & White, 1992).

Both the asymmetrical and symmetrical worldviews can inform the relationship building process. However, the symmetrical worldview has been identified as the best process for building long-term, mutually beneficial relationships (McElreath, 1996). Within listed companies, there is significant interest in promoting the 'long term' nature of the relationship between the company and its shareholders (Tuominen, 1997). Therefore, a symmetrical worldview may provide guidance for practitioners interested in enhancing the relationships their companies have with shareholders.

A shift to a different worldview has major implications for practice, including the role that the publics play in the organisation-public relationship. Participation of publics in the asymmetrical worldview is limited. The asymmetrical worldview suggests that the organisation partakes of one-way communication which disseminates information (Grunig & Grunig, 1992), that is, it undertakes a 'monologue' (p. 289). The symmetrical worldview, however, requires substantial participation by publics. Communication within the symmetrical worldview is two-way communication which exchanges information (Grunig & Grunig, 1992) through 'dialogue' (p. 289) between the parties.

The concepts of the asymmetrical and symmetrical worldviews will be used to review the sets of behaviour which emerged from this study.

Playing Out the Relationship Roles: Research Findings and Implications

Earlier studies (see for example, Broom & Smith, 1979; Reagan et al, 1990; Dozier et al, 1995) have identified roles played by public relations professionals. These roles help to describe the many complex functions within the overall public relations service and the different approaches to practice by individuals.

For the purpose of this paper, it is useful to consider the conceptualisation of the relationship between the listed company and its shareholders in terms of the sets of behaviour found in the companies studied. These sets of behaviour emerged as a typology of *company* roles and *shareholder* roles. Sub-roles of each category were also identified. Within the *company* role, four major sub-roles were identified: *informer*, *performer*, *leader* and *nurturer*. While multiple roles were used to manage the shareholder relationship, the assumptions and requirements of any one role had the potential to conflict with the other roles played by the same financial communicator. Therefore, conflicting and often contradictory practices can reside in the one manager, as was evidenced in the interviews.

Two major *shareholder* sub-roles were identified: *participator* and *outsider*. These sub-roles helped to explain the companies' expectations of their shareholders and, therefore, provided a support base for the company roles.

The Informer

The *informer* role reflected the traditional view of financial public relations as communicating relevant information to the market (Smith, 1993; Mahoney, 1991).

> Informant 2: The role is aimed at realising the true value of the company in the market place…making sure the message on what the company is trying to achieve is passed on and the market is well informed.

Supporting Mahoney's description (1991) of the financial communicator's role as 'stepping through a quagmire' (p. 389), the *informer* role required a constant balance between disclosing information to ensure a favourable rating in the market and the need to protect commercially sensitive information. The disclosure regime was seen as the *base* of the communicative practice. However, the bureaucratic nature of the statutory regime discouraged companies from providing non-required information.

> Informant 7: We have a box and we tick it. It is prescriptive. Do we think outside the box? No.

Companies consciously providing more than was required believed that their disclosure culture provided benefits in the way the organisation was viewed by and developed relationships with its shareholders.

> Informant 3: I don't think we would have won many brownie points if we had produced something that was very basic and just met the statutory requirements. So we try and meet those requirements but at the same time give an image of being a professional organisation.

Control over the external environment was sought through the *informer* role. The companies sought to control the information process as it was perceived to be integral to the market's interpretation of performance. While the desire to exert control over the valuation process was not articulated by the informants in this study, the informants talked negatively about the opposite of such control – *surprises*. Surprises were seen to develop from uncertainty in the market and, as one of the informants explained, 'no one likes surprises' (Informant 7). The desire for control can grow from a desire to lessen the uncertainty surrounding actions of another entity (Heath, 1997), as 'uncertainty is uncomfortable' (p. 294). A proactive *informer* role helped to reduce the level of uncertainty in the market and, therefore, reduced the opportunity for surprises to occur.

The *informer* role also achieved control by reducing the level of questioning of the organisation. By disclosing more information, the companies believed they could pre-empt any shareholder questions. This suggested that the questioning of the company by shareholders was viewed negatively and represented a form of activism against the company.

Deetz (1992) suggests that the traditional view of shareholders as ‘powerless’ (p. 211) is brought about by the withholding of necessary information and the release of information that is greatly influenced in its construction by the management group. Through the *informer* role, company management provided information to the market to meet what it had determined as the shareholders’ needs. The choice of the level of information revealed was clearly identified by one of the informants.

> Informant 7: You do have to draw the line between how much information you give them, because it is not information which is publicly available and that is our choice…They (analysts and shareholders) would get as much information as they can but we have to control that information.

The future fulfilment of the *informer* role was being questioned. A need for shareholders to become more responsible for information seeking rather than just information receiving was identified, with the change being aided by technological innovation. This would require the shareholders to take a more active interest in the informing process.

The *informer* role reflected many aspects of the asymmetrical worldview. In most cases, the organisation determined what it believed was important for the shareholders to know and then designed communication material to distribute the selected information. The company’s position was central to all aspects of the relationship. Control was sought throughout the various dimensions of the *informer* role, thereby protecting the company’s position.

The Performer

The *performer* role highlighted the tension between the owners of the company and the ‘hired managers’ (Anderson & Epstein, 1997). Shareholders are constantly seeking new ways to evaluate the performance of companies and much of the information used to make these assessments is released by the companies.

> Informant 3: Communication is an ongoing exercise in explaining how the company is performing, what it is doing, what are its goals, objectives, things like that.

The *performer* role was multi-dimensional. On the first level, it showed accountability to shareholders by achieving and reporting on current financial performance. Shareholders placed pressure on the company to 'deliver the goods year in and year out' (Informant 7). This element of the *performer* role was closely associated with the *informer* role.

The second level involved setting performance expectations through communicative practice. This required communicating in a less certain environment than the first level and brought with it the consequences of not achieving the expectations being set. Financial performance was not seen as an objective measure but involved performance assessment in line with shareholder expectations. Therefore, communication played an important role in setting expectations and demonstrating how such expectations had been met. Performing was important, but being seen to perform was equally as important. Here, the communication role was vital in constructing and managing perceptions of the company's performance and the way it demonstrated such performance to its shareholders as part of its accountability obligations.

Whereas the *informer* role was a positive function, the *performer* role was described in more negative terms, involving the concepts of *fear*, *threats* and *danger*. While these concepts may be easily associated with a non-performing company, they appeared to invade the culture of strongly performing companies as well. Strong performances created positive feelings on achievements as well as negative feelings about the consequences if record performances could not be continually achieved. Shareholder activism was seen as placing more pressure on the listed companies to perform, and therefore, enhanced the negative attributes associated with the *performer* role.

> Informant 7: I think there is a recognition that if you don't continue to deliver, you will either become a target for a takeover or your employment as an employee and the future of the company as you know it may be jeopardised as such.

The *performer* role reflected aspects of both the asymmetrical and symmetrical worldviews. In some cases, communication strategies were used to try and persuade the shareholders to accept the performance standards as set by the company. In other cases, performance standards were negotiated through open communication exchanges between the company and its shareholders, primarily the institutional shareholders. However, these exchanges were still influenced by the generally asymmetrical approach of the *informer* role, which limited the ability for true exchange to occur.

The Leader

The *leader* role was characterised by the personal influence of those in leadership positions and the philosophy driving decision-making by those leaders on behalf of shareholders.

The personification of the *leader* role was achieved through the involvement of the Chairman and/or Chief Executive Officer. Strong leaders were seen to promote shareholder confidence.

> Informant 4: It is their program. It is really understood by all the shareholders that the Chairman and Managing Director have a close knowledge and interest in what investors think and they understand and are able to communicate to shareholders what is happening in the company.

Two possible explanations for the *leader* role were provided, reflecting the approach to organisational decision-making. The first view reflected the *privilege* given to the company's managers by shareholders. This recognised the assumed power of shareholders to remove that *privilege* at any time. The alternative view reflected the *right* of management to lead the company in the direction they believed best. Managers would strive to achieve a good performance for shareholders, but if the shareholders were dissatisfied, they could depart from the company by selling their shares.

> Informant 4: If shareholders are dissatisfied with the job management are doing, I suppose they have clear choices. One is to sell the shares.

This view promotes the impersonal nature of investing, where having shareholders is important to an entity, but the particular shareholders themselves are not important, and appears in conflict with the move towards 'long term interaction' (Tuominen, 1997, p. 303) between companies and their investors.

The informants who subscribed to the 'right to manage' philosophy believed that the communication process involved informing shareholders of decisions made, that is, 'telling them what we have done' (Informant 4). For the informants who subscribed to the *privilege* of leadership view, the *leader* role was to persuade the shareholders that the right decision had been taken. Communicative practice was used to ' justify what we have done' (Informant 5) and 'gain support from explaining why things have happened' (Informant 2).

The demonstration of the company's internal decision-making ability reflected the promotion of the 'elite' in the asymmetrical worldview (Grunig, 1989). Belief in the role of the 'elite' allows the organisation to support the view that the leaders of the organisation 'know best' (p. 33) and therefore power and authority should be centralised in the hands of such elite. The presentation of a strong *leader* role, while favourable in terms of promoting confidence that shareholder expectations for financial performance will be met, may lead to shareholder apathy as shareholders are 'overwhelmed by the "we know best" ' (White & Mazur, 1995, p. 219) attitude of management. This further promotes an asymmetrical worldview, as little shareholder participation is sought or encountered.

The Nurturer

The *nurturer* role was an active one, recognising the dynamic nature of the relationship and the constant need to maintain the relationship through positive action.

> Informant 5: The relationship with our shareholders is important. Just like any other relationship, if it is not nurtured and treated with due respect, it doesn't perform.

The key attributes of *trust*, *respect* and *credibility* shaped the role's implementation. While the performance of the other company roles was often highly visible, the *nurturer* role was described as *invisible* to those not directly involved in the relationship building process. Therefore, support for the role had to be constantly reinforced by the communicators to those in power.

> Informant 4: Their (shareholders) respect in the company is fragile. It is something that is not seen and if it is positive, it is very valuable but if you are negative about it, it takes a long while to gain that respect, so it is something that is important but you can't always see it.

The importance of the *nurturer* role was related to the *fragility* of the shareholder relationship. Any perceived action or inaction by the company could *damage* the relationship. Nurturing the relationship was difficult and time consuming, whereas damaging the relationship was easily done and very difficult to recover from in the short term.

The *nurturer* role presented difficulties for the financial communicators as it required a personal approach in what was often an impersonal environment. Many shareholders were 'unknown' to the company and, therefore, those that were known often received more nurturing than others. In many cases, this favoured group was the institutional investors because they were ‘known’ which helps explain the often practised discrimination between the ‘two worlds of investors’ (Mahoney, 1991, p. 64), the institutional and individual investors.

The symmetrical worldview supports the nurturing of relationships (White & Mazur, 1995, p. 22) by bringing parties closer together, through understanding and co-operation (McElreath, 1996). Building long-term, trusting relationships by engaging in genuine dialogue (McElreath, 1996) is a key aspect of the symmetrical approach. This approach was evident in the *nurturer* role, however, the primary motivation was still to protect the company’s position in the relationship. This reflects the ‘mixed-motive’ form of symmetrical communication (Murphy, 1991) where both sides pursue their own interests while still recognising that the relationship must be satisfactory to both sides.

The Outsider

While the purpose of investor relations has been described as ‘ensuring investors consider themselves internal, rather than associated or external publics’ (Crable & Vibbert, 1986, p. 143), the positioning of shareholders in this study was that of *outsiders*. The shareholders were seen as *external* to the company and often *remote* from its operations and management. Thus, spatial locality positioned shareholders as *outsiders*.

> Informant 2: I guess the general view is that shareholders are out there somewhere and we are in here somewhere.

This positioning provided support for the representational democracy model inherent in the Australian public company structure. The shareholders were *outsiders*, represented by the Board of Directors who were *insiders*.

> Informant 7: Shareholders are external, without a doubt. The way I see it is that shareholders delegate responsibilities to the Board of Directors, who in turn delegate responsibilities to employees, who then have an accoutability back up the line. So we do see them (shareholders) as external.

Such delegation made the *outsider* shareholders dependent upon the *insider* Directors and management for the disclosure of key information. As outlined in the *informer* role, there was strong recognition of the selective nature of the disclosure process which could be seen to equally work towards preserving management as protecting shareholder interests.

A further dimension of the *outsider* role involved the *anonymous* and *transient* nature of the shareholders. This characterisation was somewhat problematic for the informants as it provided further support for the division between institutional shareholders, who were known to the company, and the individual shareholders, who were anonymous. Thus, there were categories of *outsiders* within *outsiders*. Building relationships with shareholders was challenging in itself, however, the challenge grew when the other party was not known or did not appear to be actively engaged in the relationship itself. The anonymous and inactive nature of many shareholders supported the notion of the ‘passive’ shareholder (Deetz, 1992).

The positioning of shareholders as *anonymous* and *transient outsiders* promotes the asymmetrical worldview as it reduces the importance of the shareholder body in relation to the company and the knowledge base of such a body. This justifies the role of the ‘elites’ in the organisation who have more knowledge than the *outsiders* (McElreath, 1996). The inherent difficulty in building relationships with *unknowns* can move organisations towards more efficient uses of resources, working with the *knowns* and concentrating resources on their internal management processes.

The Participator

The *participator* role supported the traditional view of the passive shareholder (Deetz, 1992). The listed companies favoured representational forms of participation (Pateman, 1970). Barber (1948 in Deetz, 1992) suggests that representation destroys participation in democratic systems. This may help to explain how little participation in the company was expected of shareholders and, therefore, creating opportunities for greater participation was not given high priority.

The direct participatory role of shareholders was conceptualised in two ways. The first was *financial* participation through the provision of dividends. The other major form of participation was through *feedback*. The listed companies reported their actions to shareholders and the shareholders responded.

As the current arrangements for participation through feedback were so widely supported, the companies were not actively seeking ways to expand participation in their companies. Some of the informants alluded to *more participation*, but this was directly related to *more feedback*.

> Informant 2: As far as participation, what I would like to see from shareholders is more feedback, more communication. A lot of them tend to just sit there and don't make any comment.

The informants suggested that any change to the current arrangements would have to be prompted by the shareholders. Participation was seen as the choice of shareholders who equally had the choice not to participate. This relieved the company of any responsibility to actively seek the involvement of shareholders.

> Informant 7: Shareholders can take a back seat if they want and others can be more involved and they do. The risk return associated with that methodology is theirs. It is their choice.

As outlined above, shareholder participation was only expected as part of an action-response sequence, triggered by the company. Shareholder activism worked outside this approach, which may explain the negative connotations associated by the companies to such activism. Shareholders were seen as becoming more *demanding*, which was recognised as a right of ownership, but still viewed negatively by the companies.

Through activism, shareholders were seen to be gaining *power*. The demonstration of such power, highlighted by recent cases such as demands for the resignation of the chairman of BHP, was not expected by the companies.

Passive shareholders were associated with well performing operations, whereas active shareholders reflected 'things going wrong' (Informant 7). Once again, this associated negative consequences with shareholder participation.

> Informant 4: If we conduct ourselves where shareholders are always agitating, we know we are doing something wrong. Now just because shareholders are not agitating, it doesn't mean we are necessarily doing it 100% right but we are not doing a lot of things wrong. It is not in our interests or in shareholders' interests for any shareholder groups to be agitating.

The limited approaches to participation and the limited interest in pursuing further means of participation do not suggest strong support for the symmetrical worldview. The direct participation of shareholders in decision-making and direction setting is not being sought, however, if particular shareholders show interest in greater involvement, the companies appear to deal with the matters on a case by case basis. When combined with the informants' strong views on the *leader* role, the shareholder *participator* is reduced to a *responder* role whose views may or may not be taken into consideration in future planning. Under the asymmetrical worldview, change is undesirable and outside pressure for change is considered subversive and should be resisted (McElreath, 1996). This may help to explain the negative connotations attached to shareholder activism which is pressing for change in a range of company activities.

Conclusion

The typology of roles which emerged from the study suggests the listed companies' behaviour is closely aligned with the asymmetrical worldview where limited participation of parties is encouraged. An asymmetrical approach may lead to a focus on effectiveness strategies within organisations (Deetz, 1992). Effectiveness strategies view communicative acts as a means to accomplish the desired ends and focus more on the transfer of meaning as defined by the organisation. The effectiveness strategy is designed to achieve control through communication, further promoting the power base of the organisation (McElreath, 1996). The need for control was highlighted in a number of the roles, particularly the *informer* and *leader*.

While the symmetrical worldview has been suggested as the best approach to building long term, mutually beneficial relationships (McElreath, 1996), it is recognised as a normative theory of how public relations should be practised (Grunig & Grunig, 1992) rather than describing actual practice. As questions of shareholder participation are central to any shift towards the idealised state of symmetrical communication, the informants' difficulty envisaging participation outside the current limited practice questions the likelihood of such a shift in the near future.

The negative connotations attached to the greater participation of shareholders suggested a defensive stance against shareholder involvement, rather than any encouragement of it. Tourish (1998) describes participation as 'the institutionalisation of dissent' (p. 106). If shareholder activism is the manifestation of such dissent in the listed company-shareholder relationship, it does not appear to be *institutionalised* by the companies themselves. Instead, it is portrayed as negative to the health of the companies and strategies are being taken to reduce such activism. This strongly reflects the asymmetrical worldview where the conservative nature of the organisation works to subdue any external pressure for change (McElreath, 1996).

Further research is needed on the participatory roles of shareholders in listed companies. With more Australians investing in the stockmarket, the time may be right to challenge the assumptions of the ‘passive’ shareholder (Deetz, 1992). As the current structure promotes representative participation, some value has been placed on this type of participation. To challenge this, a higher value needs to be placed on other forms of participation to encourage the necessary change in approach. Whether this change is desirable and whether it would be company led or shareholder led are questions to be explored in further research.

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