

Public Relations for Improving Public Perception of the Marketing Executives in the Banking Industry in Nigeria

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Abstract

This study was undertaken to examine how public relations enhances mutual lines of communication, understanding, acceptance and cooperation between an organization and its publics to improve the overall public perception of the marketing executives in the banking industry in Nigeria. The open systems model of public relations guided study analysis. The marketing executives of the consolidated banks in the commercial city of Lagos, Nigeria formed the population of the study. A sample of 180 marketing executives was determined using a percentage formula. The Friedman non-parametric test statistics was used for the hypothesis testing. A calculated Friedman Chi-square result of 246.410 was obtained from the tested hypothesis. This value is greater than the critical Chi-square value of 5.991, which is significant as P-value of $0.000 < 0.05$. This indicates that effective public relations can project the image of an organization to improve the overall public perception of the marketing executives in the banking industry in Nigeria.

Keywords: Public Relations, Public Perception, Marketing Executives, Banking Industry in Nigeria, Public Opinion, Media Relations, Open Systems Model of Public Relation.

Introduction

The purpose of public relations practice is to establish two-way communication seeking common ground or areas of mutual interest, and to establish understanding based on truth, knowledge and full information. The scale of activity to promote good public relations may vary considerably according to the size and nature of the interested parties, but the philosophy, the strategy and the methods will be very similar whether the public relation program is designed to influence international understanding or to improve relations between a bank and its customers. Public relations in the banking industry is a function of management. It can contribute to the successful operation of a bank in proportion to the extent to which it is allowed to play its part. This fact has been accepted by most large companies, but many banks in Nigeria have been slow to realize the advantages of organized public relations (Nwude and Uduji, 2013).

There could be two main objectives of public relations in a banking industry. The first could be to establish contact with three important sections of the public: its customers, its shareholders, and its employees; securing the mutual understanding and cooperation of these three groups is essential to success. The second objective could be to promote the bank's services and products in highly competitive world. It is necessary to draw a distinction between a public relations attitude and public relation practice. Both are required in the banking industry. The current attitude toward public opinion should be present from top to bottom in a bank; the practice should be the responsibility of professionals trained in the art of communication. Public relations in a bank requires a list of priorities in order that available money and manpower are deployed to maximum advantage. It is easy to be tempted into pursuing projects that might yield fruitful results; but there may be more important problems which should be tackled first. The order of priority will not necessarily remain constant, and will require periodic reassessment. Some very effective public relations can be carried out in the banking industry- both by banks with their own internal public relations departments and by using consultants- but the general level of attainment has been uneven. For example, one bank is well organized for press relations and employee relations, but neglects other aspects. Another bank devotes all its attention to community relations. The best result can only come from a properly coordinated plan that is based on a carefully chosen list of priorities (Nwosu and Uduji, 2009).

The importance of public relations to management decision making in banks was recently emphasized through the observation of the operation and function of a public relations department in some other industries in Nigeria. The role of the public is having on decisions made by top management in the banks was readily evident in more than a dozen areas. Technical advancement in the communications field, creating an accessibility to information not available to previous generations, is one of the reasons for an increasing national awareness and interest on

the part of the public in Nigeria. An exploding national population straining water, land, forest, and mineral resources, however, is probably the main reason for the public interest in banking industry decisions. Management in banks is also finding that it must know much more about the public and the various defined or specialized interest groups within the public which can have an impact on the banks concerned. Public influence can be exerted through the development of government regulation; legal system decision; lobbying efforts of special interest groups; press coverage, editorial comment, and published letters to the editor; through the withdrawal of bank product support; and by public demonstration (Uduji, 2012).

Bank Management in Nigeria is rapidly learning that it is less costly to know the probable reaction of its public to decision so that courses of action can be planned in advance to educate and promote understanding. It is also learning to avoid decisions causing public reaction that will lead to increased legislation or regulation. Banks are learning that by ignoring or improperly evaluating public reaction, management decisions can be made which in the long range may be detrimental to the welfare of the banks. An example of the area in which public opinion and concerned are directly affecting management decisions in the banking industry in Nigeria, is in the protection of investors. Extensive steps are taken to keep investors and potential investors, through investment analysis, informed about management decisions and the bank's financial condition. This specialized sector of public relations has developed rapidly during the last few years in Nigeria. It is perhaps more correctly described as "Investor Relation". In this field, the public relations consultancy, or in-house department, will usually also be responsible for the financial advertising which can become very important in bid, takeover or right issue situations. It is essential to be familiar with the increasing number of disclosure regulations and insider restrictions applicable to all deals affecting the stock exchange. Different rules may apply to stock exchanges in other countries (Uduji, 2007; Nwude and Uduji 2013).

Previously, in the banking industry in Nigeria, the sending out of the annual accounts and balance sheets was often the only contact between a bank and its shareholders. This annual report, a legal requirement, was often little more than a mass of figures and statistics. It is now becoming common for public relations advice to be sought in the preparation of the report, in order that it may give as much information as possible to shareholders. The design and typography of annual reports can be improved beyond all recognition in the next few years. In addition to financial public relations in the banks, customer relations need urgent attention. Relations with customers depend very much on quality, price, and delivery service, but also very directly on the reputation of the bank in Nigeria. Public relations can play a vital part in safeguarding a reputation or in building a "new image". It can also help to improve methods of communication with existing and potential customers of the bank. Hence, this study was undertaken to examine how public relations enhances mutual line of communication, understanding, acceptance and cooperation between an organization and its publics to improve the overall public perception of the marketing executives in the banking industry in Nigeria.

Theoretical Framework

This study is based on the Open Systems Model of Public Relations. Acknowledging the importance of publics and their actions, Cutlip, Centre and Broom (2000) have proposed an open systems theory of public relations. Open systems are systems that take their environment into account and change their business activities accordingly. Closed Systems do not adapt to external conditions. Cutlip and his colleagues suggest that public relations should view itself as part of an open system. It should help the organization to monitor relevant environmental influences and adapt its activities accordingly, as well as encouraging changes in the external environment that will help the organization. In this model, two-way symmetric communications and strategic monitoring of the environment are fundamental to good public relations practice. According to Tech and Yeomans (2006), this approach has distinct advantages for practitioners:

- It positions them as strategic advisors to the organization and therefore gives them access to senior managers and more power to influence organizational activities.
- It limits the potential for crises, since environmental scanning allows the practitioner to anticipate difficulties and take early corrective action.
- It also ensures that public relations make a significant contribution to organizational effectiveness.

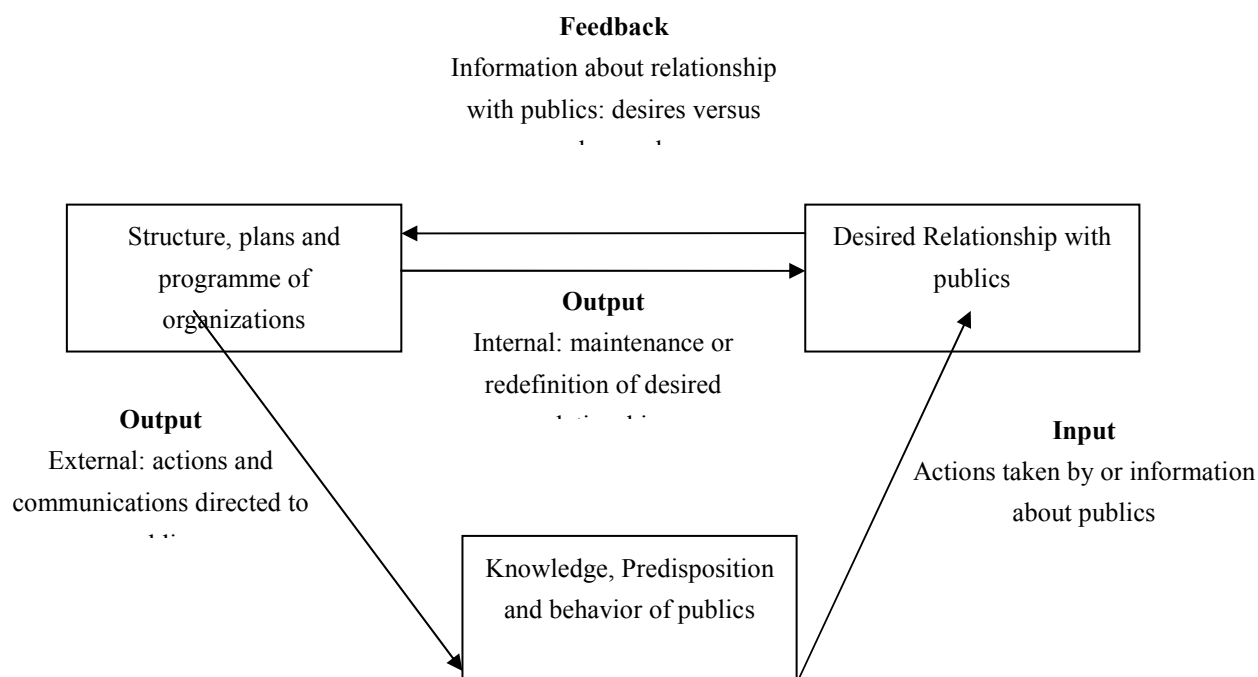


Figure 1: Open System Model of Public Relations

Source: Cutlip, S.M; Centre, A.H; and Broom, G.M (2000) *Effective Public Relations*, Upper Saddle River, N.J: Pearson Education Inc.

Figure 1 shows the model of open systems public relations

According to Grunig and Grunig (2000), a public relations planning is located with the activist framework and maps across very well to the systems view of organization as shown in systems theory. The “open system” view of an organization is an important concept for public relations planning, because an open system assumes that the organization is an organism of “living entity with boundaries, inputs, outputs, ‘through - puts’ and enough feedback from both the internal and external environments so that it can make appropriate adjustments in time to keep on living.

Cutlip, Center and Broom (2000) present an open systems model of public relations that clearly identifies how all these systems characteristics map on to the planning process, as shown in figure 1. So, for example, ‘input’ refers to actions taken by, or information about, publics. These inputs in turn are transformed into goals (aims) and objectives that underpin the desired relationships with publics. By contrast, a ‘closed system’ approach publics and thus the planner might formulate aims and objectives in isolation.

According to Hutton (2001), an emerging perspective in the systems family of approaches puts the actual relationship of an organization with its publics at the center of public relations is the objective of public relations. This means that strategies and tactics should always be assessed in terms of their effect on the relationship between an organization and its publics, rather than, for example, the benefits they provide for the organization. Black (1989) remarked that the focus on relationships broadens the perspectives used to formulate public relations strategies and tactics, but also by definitions requires greater involvement from organizations. This is not as simple as it sounds – involvement means genuine dialogue, which in itself can be challenging. For example, L ‘Etang (1999) points out that dialogue in practice frequently fails to meet the expectations of those taking part. The outcomes of diagloue may not be what was desired, and dialogue itself requires disclosure of information vulnerable. Practitioners pressing for greater interaction with publics must recognize, explain and manage these potential risks for organizations as well as for the publics they interact with (Dowling, 2001; Conelissen, 2004).

Drawing on the literature around public relations and relationship management, Ledingham (2003) draws fourteen conclusions about the organization – public relationship:

- Organization – public relationships are transactional. For example, the relationship between a bank and its customer is based on the fact that they buy and sell their products – it is an example.
- The relationships are dynamic: they change over time.
- They are goal oriented.
- Organization – public relationships have antecedents and consequences and can be analyzed in terms of relationship quality, maintenance strategies, relationship type and actors in the relationship.

- They are driven by the perceived needs and wants of interacting organizations and publics.
- The continuation of organization – public relationships is dependent on the degree to which expectations are met.
- Those expectations are expressed in interactions between organizations and publics.
- Such relationships involve communication, but communication is not the sole instrument of relationship building.
- These relationships are impacted by relational history, the nature of the transaction, the frequency of exchange, and reciprocity.
- Organization – public relationships can be described by type (personal, professional, community symbolic and behavioural) independent of the perceptions of those relationships.
- The proper focus of the domain of public relations is relationships, not communication.
- Communication alone cannot sustain long-term relationships in the absence of supportive organizational behaviour.
- Effective management of organization – public relations supports mutual understanding and benefit.
- The relationship perspective is applicable throughout the public relation process and with regard to all public relations techniques.

Practitioners role have been a major focus for theory development within the systemic perspective. Broom and Smith (1979) proposed five practitioner role model: problem – solving process facilitators; expert prescribers, communication process facilitators; technical services providers and acceptant legitimisers. These were later simplified by Broom and Dozier (1986), who defined two basic roles for the public relations practitioner:

- The communication technician, who focuses on tactical matters such as writing, event management and media management.
- The communication manager, who has a more strategic communication perspective and will normally create overall strategy, take and analyze client briefings and deal with issues and crises.

Research Methodology

The study covered the marketing executives of the following selected eight consolidated banks in Lagos, commercial hub of Nigeria:

- Access Bank
- Diamond Bank
- Eco bank
- First City Monument Bank
- Fidelity Bank
- First Bank
- Zenith Bank
- United Bank of Africa

Since the study was concerned with specific predictions, narrations of facts and characteristics, a descriptive/diagnostic design was adopted. The research design ensured enough provision for protection against bias and maximized reliability, with due concern for the economical completion of the work. Both secondary and primary sources were used to gather information for the study. Questionnaire was the principal source of the primary data, while interview served as complementary. The sample size of 180 marketing executives was determined using a percentage formula:

$$n = \frac{Z^2(Pq)}{e^2}$$

where:

n= the sample size

z= standard error associated with the chosen level of confidence

P= estimated variability in the population

q= (100-p)

e= acceptable error

The choice of this formula was based on the fact that the study was focused on some nominally scaled question in the survey. Data collected for the study were analyzed using descriptive and inferential approaches. For hypothesis testing, Friedman Non – Parametric tests descriptive statistics was used to judge the significance of the result obtained.

Data Presentation Analysis and Interpretation

Scale:

- Definitely Disagree (DD)- 1**
- Generally Disagree (GD) - 2**
- Somewhat Disagree (SA) - 3**
- Generally Agree (GA) - 4**
- Definitely Agree (DA) - 5**

Table 1: Public Relations as a Tool to improve Public Perception of the Marketing Executives in the Banking Industry in Nigeria n = 180

Questions	DD (%)	GD (%)	SA (%)	GA (%)	DA (%)	Mean	Std. Dev.
Corporate PR, such as annual reports, conferences, ethical statements, visual identity, and images can improve the overall public perception of the marketing executives in the Banking Industry in Nigeria	0 (0.0)	0 (0.0)	0 (0.0)	84 (46.7)	96 (53.3)	4.53	0.50
Media relations, such as press releases, photo calls, video news release, off-the-record briefings, and press events can improve the overall public perception of the marketing executives in the Banking Industry in Nigeria	0 (0.0)	0 (0.0)	21 (11.7)	66 (36.7)	93 (51.7)	4.40	0.69
Community relations/corporate social responsibility, such as Exhibitions, presentations, letters, meetings, sport activities and other sponsorships can improve the overall public perception of the marketing executives in the Banking Industry in Nigeria	0 (0.0)	0 (0.0)	18 (10.0)	74 (41.1)	88 (48.9)	4.39	0.66

Source: Field Survey, 2013

While trying to establish whether using Public Relations can improve public perception of the marketing executive in the banking industry in Nigeria, certain responses were elicited from the study respondents.

In particular, as presented in table 1, 84 respondents (46.7%) generally agree and 96 respondents (53.3%) definitely agree that corporate PR, such as annual reports, conferences, ethical statements, visual identity, and images can improve the overall public perception of the marketing executives in the Banking Industry in Nigeria. With a mean response score of 4.53, the respondents definitely agree to this.

With a mean response score of 4.40 and the responses of 21 respondents (11.7%) who somewhat agreed, 66 respondents (36.7%) who generally agreed and 93 respondents (51.7%) who definitely agreed, the sampled respondents generally agree that media relations, such as press releases, photo calls, video news release, off-the-record briefings, and press events can improve the overall public perception of the marketing executives in the Banking Industry in Nigeria.

As indicated by the responses of 18 respondents (10%) who somewhat agreed, 74 respondents (41.1%) who generally agreed and 88 respondents (48.9%) who definitely agreed and a mean response score of 4.39, the respondents generally agree that community relations/corporate social responsibility, such as Exhibitions, presentations, letters, meetings, sport activities and other sponsorships can improve the overall public perception of the marketing executives in the Banking Industry in Nigeria.

Test of Hypothesis

Effective Public Relations do not project the image of an organisation to improve the overall public perception of the marketing executives in the Banking Industry in Nigeria.

To test this hypothesis, the respondents' responses to the three questions presented in table 1 were tested using the Friedman Test statistics.

Table 2: Friedman Non-Parametric Tests Descriptive Statistics

	N	Mean	Std. Deviation	Minimum	Maximum
q1	180	4.5333	.50028	4.00	5.00
q2	180	4.4000	.68991	3.00	5.00
q3	180	4.3889	.66340	3.00	5.00

Source: Field Survey, 2013

Table 3: Friedman Test Ranks

	Mean Rank
q1	2.13
q2	1.95
q3	1.92

Source: Field Survey, 2013

Table 4: Friedman Test Statistics

N	180
Chi-Square	24.844
df	2
Asymp. Sig.	.000

a. Friedman Test

Table 3 in ranking the mean responses to the three questions presents responses to question 1 with the highest mean rank (2.13) followed by question 2 (with a mean rank of 1.95) and question 1 (with a mean rank of 1.92).

Upon testing this hypothesis, a calculated Friedman Chi-square result of 24.844 was obtained. This value is greater than the critical Chi-Square value of 5.991. This result is significant as p-value of $0.000 < 0.05$. Hence, the null hypothesis is rejected. Therefore effective Public Relations projects the image of an organisation to improve the overall public perception of the marketing executives in the Banking Industry in Nigeria.

Discussion of Research Findings

The Friedman Chi – Square result of 24.844 which is greater than the critical Chi –Square value of 5.991, shows significant as p – value of $0.000 < 0.05$ suggests that effective public relations do project the image of an organization to improve the overall public perception of the marketing executives in the banking industry in Nigeria. This result indicates that output of a steady stream of press release and other traditional reactive public relations is suggestive of closed systems thinking operating in Nigeria banks. This all – two – common approach to the function is apparently based on two assumptions: (1) that the purpose of public relations in Nigerian banks is limited to effecting changes in the environment, and more mistakenly, (2) that banks have the power to change their environments, thereby eliminating the need to change themselves. On the other hand, the guided model of this study, an open systems approach casts public relations in the role of bringing about changes in both environments and organizations as a result of environmental inputs. Nwude and Uduji (2003) refer to the first approach to public relations as functionary and the second as functional. In their view, the functionary role is similar to a closed systems approach. In this approach to public relations, the emphasis suggests on maintaining the status quo within the banks while effecting change in the bank’s public. Therefore, to the functionary approach, the goal of building and maintaining relations between the banks and its publics is to bring the publics into line with the bank’s plans.

In contrast, the finding of this study as shown in table 1, 2, 3, and 4 indicates a functional view of public relations which calls for an open systems approach by changing both the bank and the environment. Therefore, relations between the banks in Nigeria and its publics should be maintained or changed on the basis of reciprocal output – feedback adjustment in order to improve the overall public perception of the marketing executives in the banking industry in Nigeria. The functionary approach would cast public relations practice in the banks in the technician role. And in this limited role, they monitor the environment (if at all) to make communication output more effective, not to make changes within the banks. But in the banks where public relations operate in the functional mode, on the other hand, practitioners can become part of the top management. In effect, public relations practiced in the closed system (functionary) model attempts to maintain the status quo within the banks while directing change efforts at the environment. When public relations is part of the bank’s strategic attempt to adjust and adapt to their dynamic environments, the practice reflects the open systems (functional) model. The open systems can radically change the practice from how it is widely practice in the banking industry in Nigeria. Whereas the more common functionary version attempts to exercise control over environmental forces, the open systems model suggests adjustment and appropriate responses for improving public perception of marketing executives among Nigerian banks. Most definitions of organizational environment suggest that it includes factors outside organizational boundaries and often outside organizations’ control. Therefore, a bank’s specific environment includes those constituencies that can positively or negatively influence the bank’s effectiveness. It is unique to each bank in Nigeria, and can change with conditions.

The open systems model uses two – way symmetric approaches, meaning that communication is two – way and that information exchange causes changes on both sides of the bank –public relationships. The difference between one-way and two-way communication led the Grunigs to propose yet another way to describe closed and open system of public relations (Grunig and Grunig, 2000). Both approaches emphasized the primary role of communication in social systems. Applying the open systems approach to public relations in the banking industry in Nigeria, first and foremost calls for purposeful sensing of the environment to anticipate and detect changes that affect the bank’s relationships with its publics. But following an open systems approach, to improve public perception of the marketing executives in Nigerian banks, public relations must be selectively sensitive to specifically define publics that are mutually affected or involved by bank policies, procedures, and actions. The Open Systems Model of public relations calls for research skills to monitor publics and other environmental forces, as well as forces within the banks. Open Systems Public relations also has the capacity to initiate corrective actions within banks in Nigeria and direct programs to affect knowledge, predisposition, and behavior of both internal and external publics. The outcomes sought are maintenance or achievement of goals that reflect the mutual interests of the banks and their publics. Those found in conflict with mutual interests are changed or eliminated, before they become issues or problems. Proactive corrective action may be the major and most useful aspect of the open systems model of public relations. Steps taken in advance can reduce both the amount of effort required and the trauma associated with crisis-oriented reactive public relations. Thus, banks employing open systems public relations can maintain their relationships and improve public perception of the marketing executives, by adjusting and adapting themselves and their publics to ever changing social, political, and economic environment.

Conclusion and Recommendations

Effective public relations project the image banks to improve the overall public perception of marketing executives in the banking industry in Nigeria. Public relations in banks must be cost-effective and part of the formula for successful competition. Thus, the competitive nature and the profit imperative of business in the banking industry in Nigeria, make public relations work extremely demanding. Add to this, the increasingly global nature of bank business and its potential clash of cultures, as well as the possibility of a corporate takeover, merger, or acquisition. The public relations function in banks is subject to continuing evaluation- as are marketing, finance, and manufacturing- with the ultimate yardstick being progress toward goals and objectives set by management. In times of stress, economic downturn, or increased competition, management often increases its concern for the survival of the business and demands greater commitment to the bank goals. The public relations practitioner must be alert to these conditions, must understand that internal dissent and criticism of communication policies may be regarded as disloyal, but must continue to act professionally in the role of improving public perception of the bank in general, and marketing executives in particular.

For public relation to survive in the banking industry in Nigeria, it must do more than build and maintain relationships with employees and neighbours. Public relations must help banks create an environment in which owners or investors are satisfied with the return on their invested capital. This motivation usually means that much of what is called open system models of public relations should be designed to help the marketing function attract new customers and keep customers satisfied with the bank’s product or services. Simply put, public relations must contribute to achieving the profit goal of the banks in the competitive environment of the banking industry in Nigeria. The competitive and private nature of the banks in Nigeria and the demands placed on each function make for variety in the role and stature of public relations. Its place in the banks should be determined by top management’s concept of the function; hence the ongoing education process some practitioners find necessary in making the function part of the management team and professionalizing the practice. In some banks in Nigeria, public relations report to marketing, personnel, human resources, or even the legal department. In others, it reports directly to the CEO. Each bank tailors its public relations function to reflect the character and personality of its management, its corporate culture, and its tradition. But it is recommended in this study that public relations in the banking industry in Nigeria should be in the centre stage in helping to formulate policy and programs for carrying out the banks’ social responsibility in order to improve the public perception of the marketing executives for its profit imperativeness.

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