

**PUBLIC RELATIONS AND COMMUNICATION THEORY,
WITH SPECIAL REFERENCE
TO CORPORATE SOCIAL INVESTMENT**

by

JOHN CHRISTOPHER SKINNER

**Submitted to the Faculty of Arts in fulfilment of the
requirements for the degree of Master of Arts
in the Department of Communication Science
at the University of Zululand.**

**Supervisor: Professor G. M. Merham
November 1994**

This thesis is an original piece of work by the author and has not been submitted elsewhere for a degree.

Signed: A. C. 96-11

ABSTRACT

Public relations unique 'gate-keeping role' in a new communication order offers practitioners a definite break with the past and dynamic new challenges for the future. This new-found status rests on the premise that communication theory should provide the basic underlying philosophy for public relations. Furthermore, in the First World/Third World duality of South Africa, it is argued that the whole approach to public relations must change in order to more accurately reflect the needs of various communities. In communication terms, this means placing greater importance and reliance on recipients' needs throughout the communication process. Regular feedback must be encouraged. This emphasis supports the view that public relations is essentially a communication phenomenon rooted in the understanding of social issues. Thus its background and experience will serve it well in the evolution of a new, democratic, non-racial society in South Africa.

OPSOMMING

Die unieke hekwagterrol in kommunikasie wat deur skakelwese gespeel word, stel skakelpraktisyns in staat om van die verlede weg te breek en bied nuwe uitdagings vir die toekoms.

Hierdie nuutgevonde uitdagings berus op die veronderstelling dat kommunikasieteorie die onderliggende filosofie van skakelwese behoort te wees. Voorts word aangevoer dat in die Eerste/Derde Wêreldomstandighede van Suid-Afrika, die benadering tot skakelwese gewysig sal moet word om die behoeftes van die verskillende gemeenskapsgroepe te weerspieël. Dit sal beteken dat die behoeftes van die ontvanger in die kommunikasieproses meer beklemtoon sal moet word. Hierdie klem ondersteun die siening dat skakelwese in wese "kommunikasie" is en dat begrip van sosiale aangeleenthede 'n noodsaaklikheid vir die beoefening van skakelwese is. Hierdie siening is dus bevorderlik vir skakelwese in die evolusie van 'n nuwe, demokratiese, nie-rassige Suid-Afrika.

ACKNOWLEDGEMENTS

I would like to thank my colleagues and friends in the profession and at the KwaZulu Finance and Investment Corporation for their encouragement and support. They provided invaluable inputs and advice.

I would also like to thank Ms Karin Pampallis, who edited and typed the final manuscript.

My special thanks, however, go to my promoter, Professor Gary Mersham, who provided direction and focus for the study and wise and professional counsel.

The support of my wife, Jane, and family also needs to be acknowledged.

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CHAPTER ONE

PUBLIC RELATIONS - A FIELD IN SEARCH OF LEGITIMACY

1.1 INTRODUCTION

Modern man employs instruments of communication so rapid, so plentiful and so pervasive in nature that their full potential is difficult to comprehend. Messages are conveyed around the world by satellites within seconds and computers make immense quantities of data available at the tap of a key. In the unfolding complex of a global web of interactive networks, we are entering the age of the communications amalgam - the integration of the power of the computer and the flexibility of digital encoding elaborated by the reach and penetration of the mass media and the satellite.

In the midst of the electronic 'global information society,' however, misunderstanding, alienation, and antagonism are commonplace. Crises and conflict are often seen to be caused by a failure to communicate, for it is also the age where the recognition of the individual as a unique being is easily forgotten under the operational imperatives of increased complexity and interdependence: people become commodities, cyphers, stakeholders, members of groups, audiences. It

appears that mankind has the sophisticated tools and the accumulated knowledge but is unable to harness them for effective conflict resolution, negotiation and compromise between people of diverse interests and backgrounds.

What does this all mean for public relations? More than ever before the world, needs not just more information, but sensitive communicators and facilitators who can explain the goals and methods of organisations, individuals, groups and government in a socially responsible manner. Equally, such experts in communication and public opinion must provide their employers with information about what others are thinking, their attitudes and their perceptions, "to guide them in setting their policies wisely for the common good" (Wilcox et al. 1992:4). This is the new brief of the public relations practitioner. The full import of this 'gatekeeping role' has profound implications, raising questions of power, ethics, education and outlook of the individuals who profess to practise it.

The essential problem addressed in this study is the question of the 'legitimacy' or 'place' of public relations in today's society. Several related questions stem from this concern. For example, is public relations a science with a theoretical framework, an art, or is it merely a set of techniques? Is it an amalgam of all three aspects? Does it have an underlying philosophy? To what extent is it accountable to society? What is the role of public relations in South Africa - and in the new South Africa - and how should it differ from its role in so-called First World societies?

1.2 THE NEED FOR THE STUDY

Although the activities undertaken by public relations have undergone extensive change since its early stages, the negative stereotypes of its past continue to be associated with both its operations and its practitioners. Chapter Two examines the history of public relations in this regard.

It is commonly held that public relations lacks a comprehensive theoretical foundation. It is argued in this study that in general, although not exclusively, much of the theoretical work in public relations has not granted the process of communication its full importance. It is further argued that the discipline of communication science, therefore, is the logical theoretical foundation for the field and that it offers a much needed 'philosophical' point of departure for the field of public relations. Chapters Three and Four examine these propositions.

It is suggested that the public relations field may be reasonably described as in a transitional phase of 'struggle' as it tries to reconcile and situate its activities within the form of an ethical science - and in so doing adopt a broader, more humane social vision, in which accountability to its stakeholders is accorded its full importance.

The study also addresses the question of social responsibility or social investment. It is suggested that in the South African context, rapid social change has led to an enhanced questioning and review of the social purpose and social accountability

dimensions of public relations, bringing these issues into sharp relief. In essence, this study proposes that public relations is a communication phenomenon which should be rooted in the understanding of social issues; it emphasises the integral part that communication must play in the constructive engagement of a post-apartheid South Africa. Chapter Five examines the issue of social responsibility and its implications in the South African context.

To conclude the study, Chapter Six presents three major case studies to illustrate the various propositions discussed in earlier chapters. In each case, the activities are evaluated with respect to their philosophical points of departure, and measured against the public relations communications models of two communication scientists who have developed specific models relevant to First World/Third World conditions in a South African context.

Based on these case studies and the preceding discussions of a theoretical foundation for public relations, Chapter Seven provides various conclusions and recommendations.

1.3 METHODOLOGY

1.3.1 Conceptualisation - A Literature Survey

In order to assess the 'legitimacy' or 'place' of public relations in today's society, a

literature survey was undertaken to establish a framework of theoretical perspectives regarding:

- the evolution of the 'global information society' and its influence on communications policy and practice;
- the impact of these developments on communicators and in particular on the nature, role and importance of the public relations profession;
- the paradigms of public relations as an art, a science or a set of techniques;
- the various approaches to social responsibility or social investment research;
- analysis of the actions of South African companies in this latter context;
- validation of selected case studies with respect to their philosophical points of departure and measured against recently developed public relations communications models.

1.3.2 Personal Interview Techniques

The literature search was supported by a series of personal interviews. Individual practitioners in public relations were approached for their advice and input on the nature, role and importance of public relations, and discussions were held with the compilers of the Research Surveys Report (1992) for the Public Relations Institute of Southern Africa which investigated the "perceived importance [by senior practitioners] of various disciplines within the public relations profession in the period 1993-1998, as compared with the five year period prior to that date." The trends revealed in the survey provided further pointers for classification and focus

for the study.

Discussions were also held with BMI Services Research in Pretoria to gain access to the latest trends in Corporate Social Investment in South Africa. Confidential material was made available for inclusion in this research.

1.3.3 Case Study Approach

To validate much of the philosophical basis for this study, three case studies were selected. The examples were chosen from the KwaZulu-Natal province (the former Natal/KwaZulu region) for their ease of accessibility, relevance and impact.

Sunflower Projects is an example of a leading construction group involving itself in the teaching of basic building skills so that communities can design and develop for themselves the facilities they want; the Mbonambi programme, is an example of an integrated rural development scheme aimed at uplifting the living standards of an impoverished, marginalised society; and the Sundumbili share option scheme for black entrepreneurs was designed by a leading development agency in the region, to promote the free enterprise concept by making the local community 'investors' as well as 'shoppers' in their own retail centre.

Various visits and interviews were undertaken with personnel of the organisations concerned, namely Murray and Roberts, Sunflower Projects, Richards Bay Minerals, the Institute of Natural Resources, and the KwaZulu Finance and Investment Corporation. In each case, attempts were made to check statements and

facts provided by the project initiators with community leaders and those assisting with the projects at grassroots level.

1.4 Delimitation of the Study

By its very nature, public relations is a very broad discipline responsible for effective two-way communication between an organisation and its various publics or stakeholders, both internally and externally.

By focusing on the communication aspect, this study hopes to shed light particularly on the process or mechanism of communication, highlighting the importance of the 'receiver' of the message in the compilation of the original message. By shifting the emphasis away from source to receiver, the circumstances in which the receiver both receives and interprets messages become important. This has particular relevance in a South African context where transparency and accountability have been accorded greater significance.

The study thus focuses on public relations as a communication phenomenon rooted in the understanding of social issues. This approach is supported by recent research (Research Surveys, 1992) which intimates that, after employee communications, developing community relations will be the single most important responsibility of public relations practitioners in the foreseeable future.

1.5 Definition of Terms

Key terms used in the text are defined as follows:

- **public relations:** effective two-way communication between an organisation and its significant stakeholders
- **public affairs:** that area of public relations which deals with government and community relations
- **social responsibility:** the inter-relationship between an organisation and the society in which it operates and the part it plays in improving the well-being of that society
- **corporate social investment:** funds that are made available by companies for socio-economic upliftment programmes excluding their own employee benefits
- **capacity building:** the process by which a community's own inherent strength is developed to its full potential
- **development:** assisting in the creation of better economic and social conditions in a particular area or region

- **community relations:** interaction between organisations and local bodies who can influence positive or negative reactions towards that organisation
- **non-government organisations (NGOs):** organisations which operate outside the normal political structure, usually specialising in particular projects and fields.

CHAPTER TWO

THE ORIGINS OF PUBLIC RELATIONS - AN UNFORTUNATE PAST: ITS IMPACT ON CURRENT THINKING ABOUT THE PROFESSION

2.1 INTRODUCTION

This chapter contains a brief historical overview of the development of public relations. It also traces the various attempts at defining public relations and describing the nature and role of the profession.

2.2 HISTORICAL OVERVIEW

The problem of the search for a theoretical foundation for public relations can be traced to its historical development and to the perceptions of it that have developed as a result.

Published histories have usually telescoped and over-simplified a fascinating story by emphasising novelty and a few colourful personalities. The evolution of this practice is a complex and dramatic story.

Public relations historical context is a vital part of today's practice" (Cutlip et al., 1985:22).

Public relations can be traced far back in history. Not one well-known culture can be named in which men and women did not operate professionally in service of kingdom or church and for the maintenance of important relations (Van der Meiden and Fauconnier, 1986:122). Efforts to communicate with others and to deal with the force of opinion go back to antiquity; "only the tools, degree of specialisation, breadth of knowledge and intensity of effort required today are relatively new" (Cutlip et al. 1985:22). We are inclined to think of public relations as a twentieth-century phenomenon but it should be understood that its roots are ancient (Seitel 1984:24).

The application of some public relations techniques goes back to the dawn of civilisation.

In ancient Egypt the Pharaohs proclaimed their achievements through word-pictures on impressive monuments....

The leaders of Greece showed a thorough understanding of the value of communication by word-of-mouth to persuade people to a certain line of action. In their City-States political democracy was born and the male population fiercely debated matters of the day....

In the Roman Empire, with the slogan of 'Vox populi, vox dei,' this form of persuasion was continued by orators such as Cicero and Cato....

Communication through the written word in early times was practised by no one with greater success than St Paul. However, it was only with the invention of printing by Gutenberg and, later, the use of steam

applied to the printing process that the written word became a medium of mass communication.... (Malan and L'Estrange, 1981:6)

Modern-day public relations originated in the United States, and to a large extent the history of public relations in America determined its history in other countries (Van der Meiden and Fauconnier 1982:121).

While American politicians had been using press-agentry and other publicity methods for some time, at the turn of the century the great showman PT Barnum started doing the same. Not only did he buy advertising space, but he also knew how to exploit the news value of his attractions. Barnum started the trend, followed by many of the early film and press agents, of manufacturing news and using stunts and gimmicks to get attention.

All this resulted in a long-standing misconception about the nature of public relations. Press-agentry is only one technique of public relations and, because of its unscrupulous use, it not only impeded the growth of responsible public relations, but for many years caused newspapers and other people to confuse the two functions and view public relations with suspicion. (Malan and L'Estrange, 1981:9)

Public relations was later employed to defend powerful United States business interests against muckraking journalism and government regulation (Cutlip et al. 1985:2). The emphasis was on 'telling-our-story' counter-attacks designed to influence public opinion and fend off changes in public policy affecting the conduct of business. For this purpose more and more companies began hiring journalists in order to obtain positive publicity (Seitel, 1984:30-31; Cutlip et al., 1985:33). It is

for this reason that public relations is regarded as having evolved from press-agentry.

The concept of public relations as one-way, persuasive communication continued to dominate as the United States entered World War I and created the Committee on Public Information. Headed by George Creel, the Committee was responsible for uniting public opinion behind the war effort through an extensive nationwide propaganda campaign. During these early years, public relations was viewed as a means of influencing others. Various communication media were used, including advertising films and exhibitions - to such an extent that people eventually talked of 'The words that won the War.'

Many still define public relations as persuasive publicity. As late as 1955 the concept was reflected in the title of a book written by the internationally recognised 'father' of public relations, Edward L. Bernays, *The Engineering of Consent*. Bernays' title was so influential that even today many public relations practitioners find themselves dealing with managers and clients who hold this concept of the public relations function (Cutlip et al., 1985:2).

2.3 MODERN-DAY PRACTICE

In spite of subsequent changes in focus and operation (referred to below), it may be argued that the term public relations has been both misused and misunderstood. It

continues to be incorrectly associated with propaganda, press-agentry and manipulation, and confused with advertising, marketing and promotion (Mersham and Skinner, 1993a:293). However, particularly in the past two decades, strenuous and dedicated efforts have been made by professionals in the field to lay the images of it as an ephemeral, glitzy occupation to rest, and to stress the scientific nature of the many activities it comprises (Grunig and Hunt 1984; Newson and Scott, 1981; and South African authors: Mersham and Skinner, 1993a; Nel, 1993c; Venter, 1993). O'Dowd (1988), speaking at the Public Relations Institute of Southern Africa's National Conference on the theme 'Public relations - an executive management function,' states that public relations is primarily a question of substance and only secondly a question of presentation. It is, therefore, the concern of management at every level.

2.3.1 Interpretation of World Views

In discussing the effect of world views on public relations - the way that people and organisations think about and define public relations - Grunig and White (1992:31) state that many leading communication professionals look to the scientific method to produce a body of theoretical knowledge that will instill order on the chaos that seems to exist in public relations:

Communication professionals often seem to flounder without direction in their work. In actual practice, public relations has no consistent definition. Realistically, it can be defined as little more than "what public relations people do". The work of public relations people varies tremendously from one organisation to another or from one practitioner to another. To many critics, that work seems

unprincipled, unethical and atheoretical.

The subjectivity of the human mind plays an important role in how people think about public relations and in how they study it and practice it. Grunig and White (1992:38) argue that as a result, it is important to address this subjective component of both popular and scientific theories about public relations in order to understand and foster excellence in communication practice. To distinguish excellent from less excellent public relations they state that one must be able to compare and evaluate world views.

Some philosophers such as Collingwood (1940), Kuhn (1970), Feyerabend (1970) and Bohm (1977) argue that world views are completely subjective. They believe that people, groups, or societies choose one world view rather than another by arguing, fighting, voting, or mobilising supporters - rather than through reason, negotiation, or compromise. Others, however, maintain that there are quasi-rational ways of evaluating world views.

Kearney (1984:52-57) states, for example, that world views can be evaluated on the basis of internal and external criteria. From an internal perspective, he believes that some world views have assumptions that "are logically and structurally related to each other better than others." From an external perspective, some world views allow people to relate better to their environments than others. He also believes that we can judge world views by "some presumably more valid historical perspective".

Laudan (1977) suggests that perhaps the most useful criterion is the ability of a world view (and the theories it generates) to solve important problems. In public relations it may be asked, for example, which world view generates public relations programmes that best resolve conflict in society, resolve national and international issues, make organisations more socially responsible or make organisations more effective.

Grunig and White (1992:38) conclude that an excellent world view for public relations will be one that is logical, coherent, unified and orderly - the internal criteria. It also should be effective in solving organisational and human problems, as judged by relatively neutral research or by history - the external criterion. Finally, it should be ethical in that it helps organisations build "caring - even loving - relationships" with other individuals and groups they affect in a society or the world. To achieve this state of equilibrium requires an understanding of both the nature and process of communication.

This world view presupposes that public relations serves the public interest, develops mutual understanding between organisations and their publics, contributes to informed debates about issues in society, and facilitates a dialogue between organisations and their publics.

2.3.2 Public Relations' Role in Management and its Growing

Professionalisation

Clearly the public relations profession today faces much greater challenges than in the past. As society becomes more complex and interdependent, the need for sophistication in communication techniques and research methods increases. This has given rise to the need for communication experts who can understand the intricate socio-economic, political and other forces as they relate to the communication needs of modern-day organisations. "It is for this reason that public relations today is considered an intrinsic part of corporate management" (Wilcox et al., 1991:442).

As with many of the other 'applied' fields of communication such as journalism, advertising and marketing, public relations is also becoming increasingly concerned about the education and training of its practitioners and with their professionalism. The Public Relations Institute of Southern Africa (PRISA), through its revised registration system and national educational programmes, is making concerted efforts to upgrade the status and professional standing of public relations.

2.4 TOWARDS A WORKING DEFINITION

Until the present, scholars have argued for an extremely wide definition of public relations, that its nature and scope draw on an understanding of the whole area of

general human and organisational behaviour.

Skinner and Van Essen (1991:1) state that:

Public relations has emerged in South Africa today as a sophisticated, multi-faceted discipline able to help forge effective two-way communications between an organisation and its various publics.

It is the great variety of activities within public relations work and the need for practitioners to have a broad understanding of business, management and the social sciences which is at issue here. It is therefore essential that public relations both contributes to and draws from various disciplines.

2.4.1 Types of Activities Practised

Part of the problem of understanding what constitutes public relations stems from the many different activities with which it is concerned. For example, the International Public Relations Association lists some fourteen separate types of activities with which practitioners may be concerned at one time or another. They are listed in the IPRA Gold Paper (1990) as follows:

- Counselling based on an understanding of human behaviour.
- Analysing future trends and predicting their consequences.
- Researching into public opinion, attitudes and expectations and advising on necessary action.
- Establishing and maintaining two-way communication based on truth and full information.

- Preventing conflict and misunderstanding.
- Promoting mutual respect and social responsibility.
- Harmonising the private and public interest.
- Promoting goodwill with staff, suppliers and customers.
- Improving industrial relations.
- Attracting good personnel and reducing labour turnover.
- Promoting products and services.
- Projecting a corporate identity.
- Encouraging an interest in international affairs.
- Promoting an understanding of democracy.

There is a vast amount of literature which describes what is done in public relations. Unfortunately, much of this work could be described as using the 'cake recipe' or 'shopping list' approach, itemising and discussing the various public relations activities. Considerably less emphasis is given to explaining why such activities are undertaken in a broader social context.

2.4.2 Variety of Titles Used

Understanding the nature of public relations is also complicated by the plethora of different titles which are used by organisations to designate what might generally be termed the public relations function. Some studies (Black, 1989; IPRA, 1990) have found more than a hundred different titles used to cover the area of public relations, including titles such as 'Corporate Affairs,' 'External Affairs,' and 'Community

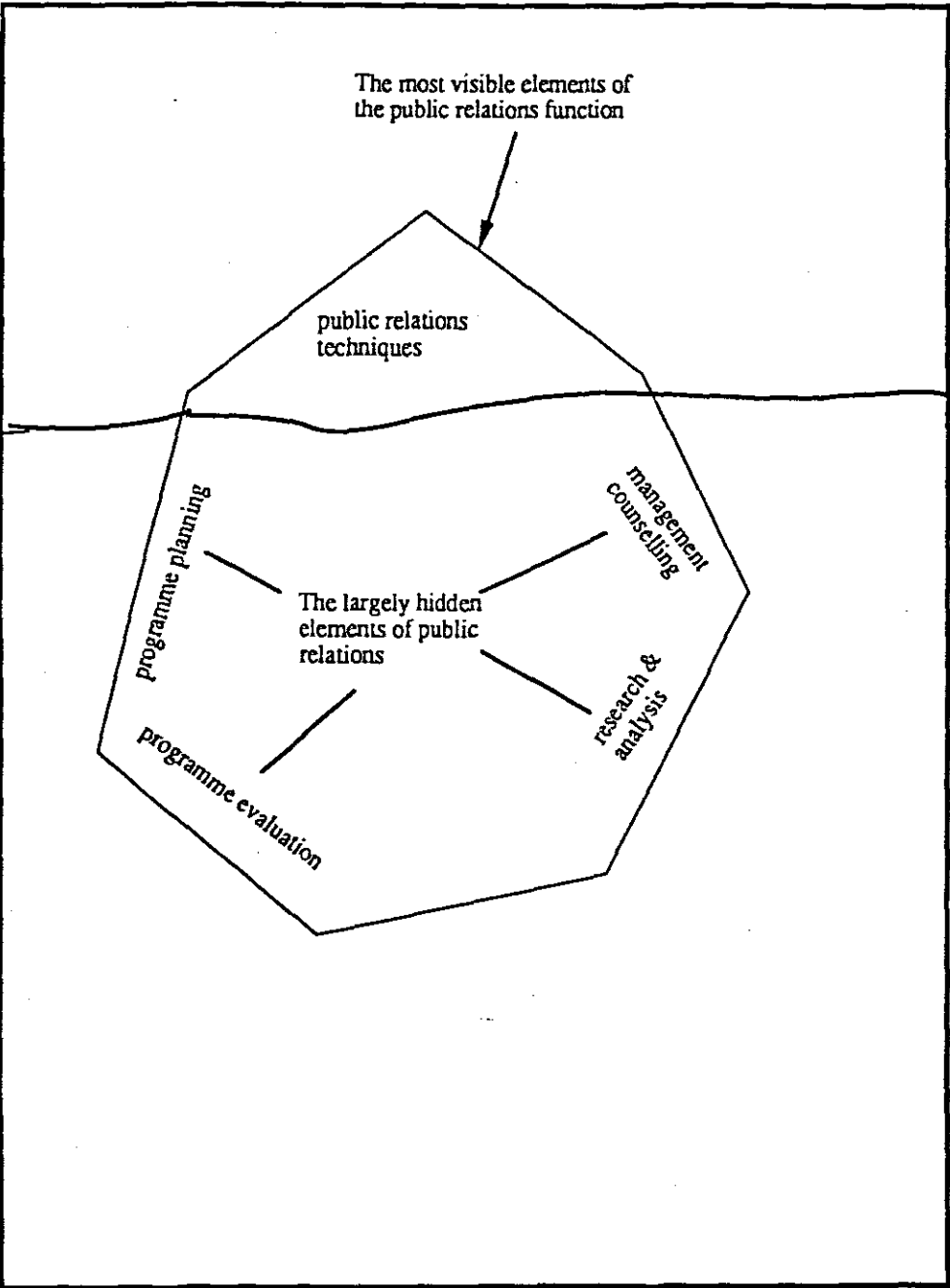
Relations.' While acceptable in themselves, each of these terms relates only to part of the whole field of current public relations practice. The use of so many different titles naturally serves only to add to the confusion which often surrounds the nature of the profession. In addition, although most of the activities and objectives listed above would be considered appropriate as public relations activities by public relations practitioners, in government such activities are almost never referred to as 'public relations.' Wilcox et al. (1992:390-391) also indicate various titles are used, such as 'information officer,' 'liaison officer,' 'press officer,' 'public affairs officer,' 'communication officer' and so on.

2.4.3 The Search for an Acceptable Definition

Although there has long been a search for a single, broadly acceptable definition of public relations, a completely satisfactory and universally accepted definition has yet to be found. Long-time public relations scholar and professional leader Dr Rex F Harlow collected no fewer than 472 definitions of public relations since the turn of the century.

One way to describe this problem is to distinguish between 'visible techniques' and 'hidden activities' (see Fig. 1). A major problem in understanding public relations as a field is that the integral importance of the vast amount of 'hidden' activity is not acknowledged - often by management, the general public and regrettably by some members of the profession. However, in this study, the idea of a hidden

FIGURE 1. THE 'ICEBERG SYNDROME'



Source: Stirling, 1993:17

dimension will need to be enlarged and modified. It is within this dimension that the whole question of the fundamentals of the communication process often lie hidden and unrecognised.

Cutlip et al. (1985:2-4) point out that attempts to define public relations have taken two distinctive routes. On the one hand, definitions have taken an operational form; these attempt to describe the type of activities that make up the practice. On the other hand, definitions of a largely conceptual form have been developed which have reflected the evolving nature and understanding of the public relations function. It is the latter type of definition which takes precedence in this study.

The various conceptual definitions of public relations which have been put forward over the years have been developed both by academics and a number of professional bodies. For example, the Institute of Public Relations (IPR) in the United Kingdom and the Public Relations Institute of Southern Africa (PRISA) have adopted a largely conceptual definition of the practice which places the emphasis on the sustained and reciprocal nature of the process involved:

Public relations practice is the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organisation and its publics.
(IPRA, November 1987).

The problem with most conceptual definitions is that they often provide only a limited understanding of what the practice involves. But despite the plethora of definitions which exist, it is possible, however, to discern a notion which runs like a common thread through all of them - the process of communication.

Grunig and Hunt (1984:6) state that public relations is the management of communication between an organisation and its publics; this appears to have become the internationally accepted definition for the profession. The two key words are management and communication.

That means that you must know what management is, namely anticipation and organising. You must also know what communication is, namely to open your mind for the other and to be prepared to change your own behaviour. Communication is essentially a two-way process, otherwise it is propaganda.

2.5 PUBLIC RELATIONS' CONCERN WITH THE MANAGEMENT OF RELATIONSHIPS

If public relations is viewed as a function concerned with the management of relationships between an organisation and its publics, the form that such relationships may take and the specific role which public relations plays in their management must still be clarified.

Traditionally, public relations has been portrayed as a simple communication function. However, in many cases the definition of communication is restricted largely to the transmission and reception of information, usually with the aim of influencing or modifying attitudes and opinions - the view that "public relations programmes may need ultimately to bring about a behavioural change in order to achieve their objectives" (Stirling 1993:14).

This behavioural directive is sometimes extended to management.

...it is important to recognise that bringing about a change in an organisation's relationship with its publics often requires a behavioural change on the part of the organisation and/or its publics. In this sense, communications activities, while important, should be viewed primarily as tools used by practitioners rather than ends in themselves (Stirling, 1993:14).

The approach of this study does not accept the definition of communication (within public relations) as essentially concerned with achieving 'behavioural change.' Such an approach is too mechanistic, and is rejected by communication scientists who argue for the primacy of the reflexive aspect of communication (Van Schoor 1986). It also narrows the scope and impact of communication as a phenomenon in our daily existence (see Chapter Three). Therefore, the author has difficulty with the statement that:

The concept of a function concerned with the management of relationships implies the need for a more complex range of activities than those used to carry out communications. It implies the need for thorough analysis of the relevant relationships and encompasses the role of counselling management about the impact of policies which may lie outside the remit of public relations (Stirling, 1993:14).

This author argues that a thorough analysis of 'relevant relationships' and 'counselling management' does not lie outside the remit of either 'communication' as it is understood in its broad sense or 'public relations.'

It may also be argued that two 'core concepts' are evident: the need for authentic, two-way communications; and the importance of public relations being treated as an integral part of the management function.

integral part of the management function.

2.6 TRENDS REFLECTED IN THE SOUTH AFRICAN CONTEXT

Following the example of the Institute of Public Relations in the United Kingdom, the Public Relations Institute of Southern Africa has adopted the conceptual definition of public relations:

Public relations is the deliberate, planned and sustained effort to establish and maintain mutual understanding between the organisation and its publics, both internally and externally.

This definition emphasises the fact that public relations is a deliberate and intentional part of an organisation's policy, a conscious effort to provide information and create goodwill. Public relations is designed to influence, gain understanding, propagate information and ensure feedback from those affected by the organisation's activities. It means that messages are tailored to reach identified target groups in accordance with a definite set of objectives.

It also describes public relations as a planned effort in which activities are not haphazardly undertaken, but systematically organised. Research is undertaken, problems are identified, strategies adopted and objectives decided upon. The goals may be for the short, medium or long term and planning involves detailed steps according to carefully determined priorities and aims. It also subsumes the conscious evaluation of the organisation's activities which have a bearing on its

reputation. For purposes of clarity, and in line with modern-day trends, the term communication could be added to specify the nature of the planned effort.

Public relations is also a sustained activity, an uninterrupted effort which recognises the fact that the public is continually changing, that there are numerous causes clamouring for its attention, and that it must be kept continuously informed.

The definition also draws attention to the pro-active quality of good public relations. Instead of responding to crises with knee-jerk reactions, public relations practice anticipates and plans for community concerns and possible crises. Public relations, therefore, implies an ongoing analysis of the entire communication equation - sender, message, channel, destination and feedback within a particular system.

The need to establish and maintain understanding follows from the above, but the words 'mutual understanding' are perhaps the crux of the definition. The products, services, policies and practices of an organisation may be excellent, but unless the public understands these, and recognises them for what they are, they will be neither used nor appreciated.

By the same token, the organisation cannot adjust its products, services, policies, and practices to the desires of the public it serves, unless it has an understanding of their likes and dislikes.

In the modern world nothing remains static. Planning must be sufficiently flexible to

cope with a changing environment. A two-way flow of ideas, a continuous interchange of thought, is therefore a prerequisite for mutual understanding. To ensure this, a dialogue with the various publics must be established, a dialogue evaluated on an on-going basis.

Effective public relations reflects actual policies and performance by organisations, companies and individuals. Acceptable performance and policies cannot be manufactured by the practitioner, and no amount of public relations activities can hide, for example, a company's poor employment policies or lack of response to community concerns. Trading interaction does have by far the greatest impact on an organisation's corporate image.

2.7 THE PROACTIVE AND REACTIVE NATURE OF PUBLIC RELATIONS

Clearly, for public relations to fulfil its potential as an effective means of managing an organisation's relationships with its stakeholders, it is necessary for public relations to be given the scope to operate on either a reactive or proactive basis as circumstances dictate.

While a good deal of the more routine work of maintaining an organisation's on-going communication with its publics will inevitably be conducted on a reactive basis, such an approach limits the ability of public relations to be a force for

change, an important issue in contemporary South Africa. (See Chapter Five on 'social investment.')

The reactive approach is perhaps most suited to fairly stable environments in which the principal aim is simply to maintain the status quo. Its limitations tend to be exposed, however, during periods of significant change when organisations may need to anticipate the actions of their various publics and adapt their policies accordingly. In a reactive mode, public relations often has little influence on an organisation's decision-making and is left with the task of defending policy decisions once they have been taken.

As early as the 1920's, leading practitioners such as Edward L Bernays' 'Crystallising Public Relations' (1923) and John Hill's 'The Making of a Public Relations Man' (1963) were preaching the virtues of 'offensive' or 'proactive' public relations. Bernays stressed the importance of a good reputation being based on sound performance, integrity and social responsibility - all concepts which today are generally accepted as central to the development of an effective corporate public relations function.

In a reactive mode, public relations is concerned essentially with communicating only what has happened and responding to events which affect an organisation. It is primarily a defensive function and has little or no responsibility for influencing policies which may change the perceptions of an organisation.

Working in a reactive capacity, practitioners are concerned primarily with planning how to transmit information to the organisation's publics in the most effective way. (This study seriously questions the concept of 'transmission' and what constitutes 'information.')

They will usually have only limited influence on what information is communicated. Dialogue has a relatively limited role, and is usually confined simply to monitoring the results of the communications activities undertaken. Essentially, in the reactive mode the emphasis is placed on maintaining the status quo within an organisation, rather than helping an organisation to adapt to external pressures for change.

In contrast, in organisations where public relations is practised as a proactive function, practitioners normally have a far broader role and the function as a whole is often viewed as an integral part of the strategic management function. The practitioner working in a proactive capacity may have responsibility for the comprehensive management of an organisation's overall communications strategy. This will usually include the gathering of information from specific publics, interpreting its implications for an organisation, counselling an organisation's leaders, and ultimately developing appropriate communications programmes to support an organisation's wider strategic and operational goals.

FIGURE 2: CHARACTERISTICS OF REACTIVE AND PROACTIVE PUBLIC RELATIONS

<u>CHARACTERISTICS</u>	<u>REACTIVE PUBLIC RELATIONS</u>	<u>PROACTIVE PUBLIC RELATIONS</u>
Objectives	Keeping public informed of organisational decisions and ensuring accuracy of the news	Influencing perception of an organisation; bringing about change in attitudes or behaviour
Influence on core management strategies	Little or none	Normally developed as an integral part of core strategies
Scope of activities	Relatively narrow; emphasis on media relations and publications	Potentially wide-ranging; include communications activities, counselling and strategic planning
Target publics	Largely confined to those publics with which an organisation has immediate contact	Broad range of publics including publics with which an organisation has immediate contact and publics which have potential to influence its future plans
Access to senior management	Limited	Normally seen as essential
Chief communications characteristics of the message	Responsive	Both responsive and formative
Use of research	Limited: confined largely to evaluation of media coverage	Extensive: both to assist in planning and monitoring programmes and in evaluating impact

Source: Stirling, 1993:13

Reactive programmes are based on relatively closed systems approaches (see Chapter Three) to programme planning and management.

Like the cuttlefish, the reactive public relations programme is activated only when disturbed. The proactive programme in contrast, makes adjustments and generates internal and external input, on the basis of its early-warning "radar" to prevent or avoid disturbances later (Cutlip et al., 1985:192).

2.8 SUMMARY AND CONCLUDING REMARKS

This historical review of public relations reveals a profession that has undergone extensive change in terms of its activities and its importance in modern life.

However, to some extent it still suffers from its past, and negative stereotypes continue to be associated both with its operations and its practitioners. Although this situation is changing, the profession needs to address issues such as titles used, definition and responsibilities of public relations; it needs to focus on the management of relationships and the development of proactive rather than reactive responses to events.

Chapter Three examines the theoretical foundation of public relations as a basis for its rationale and operations.

CHAPTER THREE

PUBLIC RELATIONS AND COMMUNICATION THEORY

3.1 INTRODUCTION

This chapter examines the theoretical foundation of public relations and explores its position within the field of communication science. It provides a background to communication theory and places public relations in a broader social and ethical context. The adoption of an open systems model is proposed.

3.2 HISTORICAL OVERVIEW

For years scholars have said that the absence of an integrating conceptual model is a major obstacle to the development of public relations as a profession.

Without one, there is no consistently used framework for understanding, organising and integrating the many activities and purposes of public relations. Yet the professionalisation of any field requires a body of knowledge surrounded in theory. (Cutlip et al., 1985:183)

De Wet (1989) argues that, though the field has seen a number of text books and articles written on public relations, attempts to put public relations in conceptual theoretical perspectives have been limited. "The need therefore, for definite, substantial empirical and theoretical contributions to the field of public relations is vital" (De Wet, 1989:53-58). Nevertheless, in the past two decades strenuous and dedicated efforts have been made by practitioners and professional associations to emphasise the scientific and professional nature of public relations and the many activities it comprises. (See, for example, Mersham, 1993a; Nel, 1993c; De Beer, 1993; Tympson and Sherman, 1990).

Notwithstanding these insights, one of the greatest problems facing the field and its practitioners today is the "lack of an articulated philosophy which situates public relations squarely within the humanities and social science perspective" (Mersham 1993b). Mersham argues that, more than anything else, public relations is a communication activity and rightly belongs under the rubric of communication science which offers a moral, ethical and humanist view of communication. He suggests, therefore, that a social science/humanities background is essential to the practitioner, developing insight, perspective, critical understanding, perceptiveness and continuity.

3.3 BACKGROUND TO COMMUNICATION THEORY

Research into communication theory had its origins in the wish to test and increase

efficiency and effectiveness in the spheres of education, propaganda, telecommunication, advertising and public and human relations. It began with practical concerns and was later fed by developments in psychology and sociology and by general advances in methodology, especially the use of experiments, social surveys and statistics.

3.3.1 Shannon and Weaver's "Mathematical Model"

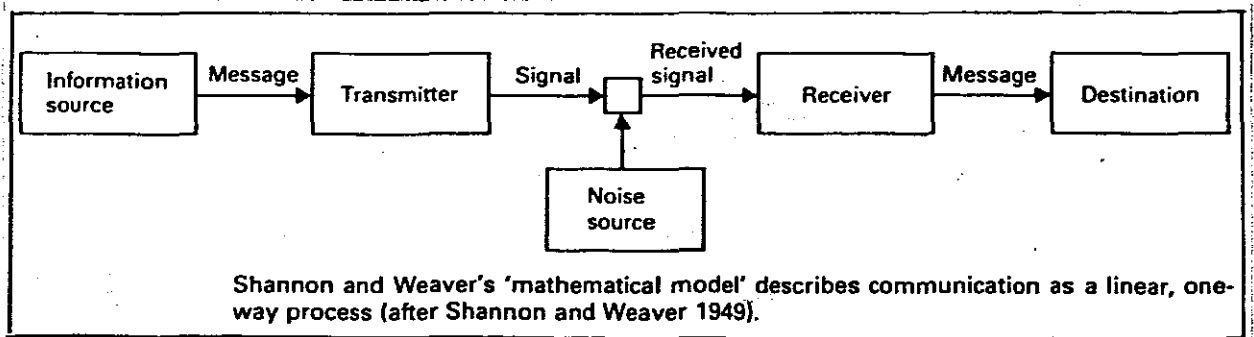
Mathematician Claude Shannon first provided the stimulus to social scientists to formulate their thinking about communication in model form. McQuail and Windahl (1981:5) elaborate this:

The initial appeal of this approach can probably be related first of all, to the predominance of the current interest in effects and effectiveness, secondly to its consistency with the stimulus - response model of behaviour control and learning which was fundamental to psychology and thirdly, to the growing wish to order and codify existing knowledge and enquiry in mass communication research.

Communication is here described as a linear, one-way process. The model states five functions to be performed and notes one dysfunctional factor, noise.

Graphically, this may be presented as in Figure 3.

FIGURE 3: SHANNON AND WEAVER'S 'MATHEMATICAL MODEL'



Source: McQuail D. and Windahl S. (1981:12)

3.3.2 Modifications to the CMR model

This initial simple "sender-channel-message-receiver" model was rapidly modified during the 1950s in order to take account of several important new aspects. One was the need to incorporate more fully and as an essential component, the occurrence of feedback. Associated with this was the recognition of the non-linearity of communication processes. A second major development related to the fact that receivers normally selectively perceive, interpret and retain messages. It recognises that the intersubjectivity of communication is a matter of negotiation and that it cannot always be predicted in advance. "This thought has continued to be important in recent work on interpersonal communication and has influenced the development

of 'audience-centred' approaches to mass communication" (McQuail and Windahl 1981:6).

3.3.3 Analysis of the Mass Communication Process

During the 1960s and 1970s, the focus of research and model-making has tended to move away from the search for a general understanding of the mass communication process, and has concentrated more on research on specific aspects of this process, in particular on: longer-term social, cultural and ideological effects; the media organisation and its relationship to society and audience; the social and psychological bases of audience choice and response; the structuring of typical content forms, especially news and 'reality' information.

The influential work of social psychologist, Dr Leon Festinger (1957), for one, challenges the classic information processing and the dominance models.

The latter refers to types of communication situations in which the mass communicator defines the audience according to his own purposes and thus self-defines a strong and clear attitude to the audience.

Festinger's theory of cognitive dissonance held that decisions, choices and new information have a potential for creating a feeling of inconsistency for an individual. Furthermore, he believed such dissonance is 'psychologically uncomfortable' and will motivate the individual concerned to seek information which supports the choice

he has made. An example of the theory in question is provided by evidence which showed that new car owners read advertisements about the car which they had recently bought more than they read advertisements about other cars.

The view of communication as all powerful is also challenged by broadcaster, Joseph Klapper (1960). His mass media research led to his 'Law of Minimal Consequences' which turned traditional thinking about the 'power of the Press' and communication effects on its head. (See Pavlik, 1987:93.)

There is independent evidence from studies of the effects of mass communication which gives weight to theories of selective perception and to the expectation that the most likely effects of communication, including mass communication, will be towards the reinforcement of existing opinions, attitudes and behavioural tendencies.

3.4 COMMUNICATION THEORIES IN PUBLIC RELATIONS

Various communication theories in public relations have been proposed.

3.4.1 Hedging and Wedging

Stamm and Grunig, reported in MacNamara (1992:17-32), have developed a theory which has major implications for public relations. According to this theory, when a person with a firmly-held (wedged) view is faced with a contrary view, he or she

will, at best, hedge. Hedging is defined as a cognitive strategy in which a person holds two or more conflicting views at the same time. Thus it would appear to be improbable or impossible for attitudes to be changed diametrically from negative to positive or vice versa. Stamm and Grunig believe that attitudes can be moved from wedging to hedging to wedging, but not wedging to wedging. The implication of this for public relations programmes is significant, as the intention is often to diametrically change people's views about an individual or organisation.

3.4.2 Situational Theory

Another significant contribution to modern public relations is Grunig's Situational Theory of Communication. This theory holds that the relationship between knowledge (awareness), attitudes and behaviour is contingent on a number of situational factors. Grunig and Hunt (1984:130) list four key situational factors:

- the level of problem recognition;
- the level of constraint recognition (does the person see the issue or problem as within their control or ability to do something);
- the presence of a referent criterion (a prior experience or prior knowledge);
and
- level of involvement.

It appears their research does not mean to imply that communication has no effect, but it does indicate that it is dangerous to make assumptions about communication outcomes. They suggest, therefore, that a greater understanding of communication theory is desirable among public relations practitioners. They argue that the results

of communication will not always be behavioural; they may be cognitive (simply getting people to think about something), attitudinal (form an opinion), or behavioural. Public relations executives are advised therefore, that conclusive results are less likely the further one moves out along the axis from cognition to behaviour. If overly optimistic objectives are set, evaluation of public relations could prove to be a difficult and frequently disappointing experience.

Grunig (1984:22) has developed four models of public relations depicting different types of PR practice and the different objectives pertaining to each. (See Figure 4.)

FIGURE 4: GRUNIG'S FOUR MODELS OF PUBLIC RELATIONS

<u>MODELS</u>	<u>PRESS AGENCY/ PUBLICITY</u>	<u>PUBLIC INFORMATION</u>	<u>TWO-WAY ASYMMETRIC</u>	<u>TWO-WAY SYMMETRIC</u>
Purpose	Propaganda	Dissemination of information	Scientific persuasion	Mutual understanding
Nature of Communication	One-way, truth not essential	One-way, truth important	Two-way imbalanced	Two-way balanced
Research	Little, press clippings	Little: readability tests, readership surveys	Feedback, formative, evaluation of attitudes	Formative, evaluation of understanding
Historical figures	PT Barnum	Ivy Lee	Edward Bernays	Bernays educators
Where practised today	Sports, theatre, product promotion	Government, non-profit organisations, structured companies	Competitive business	Regulated business, modern flat structure companies
Estimated % of market	15%	50%	20%	15%

Source: Grunig and Hunt (1984:22)

Grunig (1984:22) argues that press agency, public information and two-way asymmetrical PR are all asymmetrical models; that is, they attempt to change the behaviour of publics without changing the behaviour of the organisation. Under the press agency model, public relations strives for publicity in the media in almost any way possible. The public information model uses journalists in residence to disseminate only favourable information about the organisation. With two-way asymmetrical public relations, the organisation uses research to develop messages that are most likely to persuade publics to behave as the organisation wants.

In contrast, an organisation that uses the two-way symmetrical model uses research and dialogue to manage conflict, improve understanding, and build relationships with publics. With the symmetrical model, both the organisation and its publics can be persuaded; both may change their behaviour. Grunig (1984:22) adds that:

Excellent public relations departments adopt the more realistic view that public relations is a symmetrical process of compromise and negotiation and not a war for power. In the long run, the symmetrical view is more effective. Organisations get more of what they want when they give up some of what they want.

He further argues that - in spite of the good intentions of practitioners - it is difficult, if not impossible, to practice public relations in a way that is ethical and socially responsible using an asymmetrical model. However, no one public relations practitioner or even a single public relations department is accountable for the approach that an organisation takes to communication. To develop excellence in public relations, Grunig states that one must look at both the cultural presuppositions

of the organisation as well as its public relations presuppositions. For this purpose Grunig draws on Kearney's work on world views.

3.4.3 World Views

Kearney (1984:74-76) isolates what he considers to be 'universals' in the world view of all cultures. Of these universals, the most important in a public relations context is the relationship between 'Self' and 'Other.' He argues that people see themselves as distinct from their environment. Some cultures see the relationship as one of interdependence and harmony and others as one of subordination and dominance. In the First World view, people see an "ecological relationship" in which they "see themselves as intimately connected with the Other ... and see their well-being as dependent on its well-being". Other cultures, in contrast, see the relationship as one of individualism or "as a struggle for existence in which the fittest survives".

Organisations with a symmetrical world view typically have some of the following presuppositions in their culture (Boyte, 1980:70):

- **Equity:** People should be given equal opportunity and be respected as fellow human beings. Anyone, regardless of education or background, may provide valuable input into an organisation.
- **Autonomy:** People are more innovative, constructive and self-fulfilled when they have the autonomy to influence their own behaviour, rather than having it controlled by others. Autonomy maximises employee satisfaction inside the

organisation and co-operation outside the organisation.

- **Innovation:** New ideas and flexible thinking rather than tradition and efficiency should be stressed.
- **Decentralisation of Management:** Management should be collective; managers should co-ordinate rather than dictate. Decentralisation increases autonomy, employee satisfaction and innovation.
- **Responsibility:** People and organisations must be concerned with the consequences of their behaviour on others and attempt to eliminate adverse consequences.
- **Conflict Resolution:** Conflict should be resolved through negotiation, communication and compromise and not through force, manipulation, coercion, or violence.
- **Interest-Group Liberalism:** Interest-group liberalism looks to citizen groups to "champion interests of ordinary people against unresponsive government and corporate structures".

In responding to this symmetrical world view, many practitioners and theorists claim that the approach is unrealistic or idealistic. They argue that organisations hire public relations people as advocates to advance their interests and not as 'do-gooders' who 'give-in' to outsiders with an agenda different from that of the organisation. In short, these critics believe that organisations would not hire a public relations person who does not practice asymmetrically.

It is true that organisations want public relations people to work in their interest.

They do not want to give in to all outside demands on the organisation when they believe the organisation's position is right. As Tujela (1985:85) puts it, "No responsible manager completely rejects return on investment...." Corporations are not charitable organisations; but, he adds, people in organisations have 'divided loyalties' to the organisation and to society.

3.4.4 Mixed Motive/Game Theory

Another term used for divided loyalties is mixed motives, a concept from game theory that Murphy (1991:120) introduced to public relations theory. She argues that most of those who strongly advocate symmetric communication admit that it is extremely rare in actual practice. However, Murphy goes on to propose a 'middle ground' based on game theory, rather than the zero-sum game which characterises one-way communication. Murphy proposes a definition of public relations as a mixed motive game to help reconcile the divergent symmetric versus asymmetric models. She sees public relations as "a sliding scale of co-operation and competition in which organisational needs of necessity be balanced against constituents' needs, but never lose their primacy". In simple terms, Murphy's mixed motive game positions public relations on a sliding scale of action somewhere between pure conflict and pure symmetry.

Over thirty years ago, the functionalist sociologist Alvin Gouldner (1960:173) wrote that a "norm of reciprocity" is a universal component of moral codes. He refers to Aristotle's observation that people are "more ready to receive than to give benefits."

People tend towards egoism, he said, "a salient (but not exclusive) concern with the satisfaction of one's own needs."

3.4.5 Balancing the Dilemma of Unequal Power

In short, excellent organisations realise that they can get more of what they want by giving their publics some of what they want. Reciprocity means that publics, too, will be willing to give up some of what they want to the organisation. The logic of reciprocity breaks down, however, when one actor (such as an organisation) has more power than another (such as a public). "Given significant power differences," according to Gouldner (1960:174), "egoistic motivations may seek to get benefits without returning them". Rakow (1989), for example, criticised the symmetrical approach to public relations as impractical because she believed that organisations in the US social system, at least, have more power than publics and therefore have no motivation for reciprocity. Mallinson (1990) similarly argued that the two-way symmetrical model would work better in the more egalitarian cultures of Europe than it would in the United States. And Pavlik (1989) showed, in game theory terms, that organisations are unlikely to practice public relations symmetrically until publics gain equal power.

The dilemma of unequal power has been partially resolved because publics have gained power by organising themselves into activist groups. But in many relationships with publics, organisations still hold the upper hand. In that case, Gouldner (1960) proposes that a "generalised norm of reciprocity" would solve the

dilemma of unequal power. Most moral codes, he says, contain a norm that reciprocity is good or necessary - even if people or organisations can get what they want by exerting their power. Organisations that do not adhere to this general norm lose the trust and credibility of the larger society of which they are a part. Thus, excellent organisations would seem likely to incorporate the norm into their business or organisational ethics and, in turn, into their public relations ethics. The norm of reciprocity is the essence of what generally is called social responsibility. According to Gouldner (1960:174),

The norm of reciprocity, however, engenders motives for returning benefits even when power differences might invite exploitation. The norm thus safeguards powerful people against the temptations of their own status; it motivates and regulates reciprocity as an exchange pattern, serving to inhibit the emergence of exploitative relations which would undermine the social system and the very power arrangements which had made exploitation possible.

3.5 THE SOCIAL ROLE OF PUBLIC RELATIONS

This discussion of asymmetrical and symmetrical world views about public relations touches on concepts such as the community, the social system and social responsibility. Most practitioners and scholars have presuppositions about the social role of public relations, even though they may not articulate them or be aware of them. It can be argued, therefore, that some of these extant presuppositions enhance the excellence of public relations and others detract from it. In addition some are symmetrical and some are asymmetrical.

3.5.1 Pragmatic Social Role

Grunig and White (1992:36) argue that the pragmatic social view is common in public relations because of its concern for doing what the clients wants. However, this view is not conducive to excellence, and seldom makes the organisation more effective.

3.5.2 Conservative Social Role

According to the conservative presupposition, public relations defends and maintains the status quo. See, for example, Tedlow (1979) who describes public relations as a "defensive political device." Pimlott (1951) suggests that public relations justifies and defends the privileges of the economically powerful and that public relations practitioners, like politicians and teachers, are essentially articulate apologists for a social system based on what are, in some cases, insupportable inequalities. Sussman (1949) describes public relations as based on a defensive ideology.

Modern reflections of this view are found in the writings of Philip Lesley (1984) in books such as *Overcoming Opposition*, which explains how public relations can overcome threats to the status quo. In practice, a conservative view of the social role leads practitioners to adopt a defensive or protective outlook on their client's interests - that is, an asymmetrical outlook. Practitioners with this social view also see society in conservative terms. They believe in defending the status quo and an idealised capitalist system from attack.

3.5.3 Radical Social Role

The radical world view presupposes that public relations contributes to change, within organisations and in society. It does so by providing an outside perspective to management about the organisation and its internal functioning. In the wider society, public relations contributes to social change by providing information for use in public debate, by establishing links between groups in society, and by bringing together resources that can be brought to bear on the solution of social problems.

This world view also sees society as a system in which knowledge and information provide power and influence, which in turn can be used to bring about change.

Goldhaber et al. (1979) argue, for example, that power and influence within organisations now have passed to people such as public relations practitioners, who can provide information about the environment to decision makers. Hofstede (1980) argues that practitioners should act as agents of change within organisations, to help them to adjust to changing public expectations.

3.5.4 Idealistic Social Role

Idealistic presuppositions about public relations appear in codes of conduct, definitions of the practice, conference speeches, and academic writing about the practice. This world view presupposes that public relations serves the public interest, develops mutual understanding between organisations and their publics, contributes to informed debate about issues in society, and facilitates a dialogue between

organisations and their publics.

This world view sees society as emerging from compromise - from the peaceful resolution of conflict between groups in society. It assumes a pluralist and progressive society, in which a diversity of views and their reconciliation lead to social progress. Excellent public relations practice in this context therefore, generally will be symmetrical and idealistic.

3.5.5 Ethical Considerations

Ethics is a further consideration. Grunig and White (1992:38) believe that public relations should be based on a world view that incorporates ethics into the process of public relations rather than on a view that debates the ethics of its outcomes. Such an approach could, for example, set up a dialogue between tobacco companies, smokers and anti-smoking groups or between various religious groups and abortion rights groups. The outcome then must be ethical if all parties participate in making decisions and accept the consequences that are to be sought and those that are to be avoided.

Cheney and Tompkins (1984:6) based their ethical theory on Kenneth Burke's concepts of "identification." "An ethic of identification must account for both explicit and implicit forms of linking one's interests with those of others". They isolate four deontological rules of rhetoric that constitute the ethical dimension in what they describe as mixed-motive symmetrical communication (1984:10-14).

- **Guardedness:** Communicators, or organisations, should not capitulate "willy nilly" to the persuasive demands of others.
- **Accessibility:** Communicators should be open to the possibility of being persuaded for their own benefit.
- **Non-violence:** It should be a policy to persuade rather than to coerce others. In doing so, however, it is important not to "arouse and solidify hostile feelings nor should we present our view of the world as the single, correct one".
- **Empathy:** It is important to listen to others as much as for oneself as for others. We should be genuinely concerned with the arguments, opinions, values and philosophies of others.

Pearson (1989) developed a similar but more extensive theory of public relations ethics based in large part on the theories of the German philosopher and rhetorician Jurgen Habermas (1984). In developing his theory of ethics, however, Pearson also uses traditional philosophical theories of ethics and psychological theories of moral development - especially those of Kohlberg (1981) and Gilligan (1982) - as well as those of Habermas (1984). Habermas's (1984) theory of ethics rests on his concept of an ideal communication situation - a situation characterised by dialogue and in which participants agree upon a system of rules to facilitate that dialogue. These rules constitute the formal, deontological aspects of ethics.

Pearson (1989:315) explained that people - or organisations and publics - that follow these rules will not always agree on practical decisions when they have different

values or different concepts of what is good. That is, they often will not agree on the utilitarian or practical aspect of ethics.

He argues that people will have mixed motives - the conviction that they are right and the conviction that others should be respected. What is needed is an approach to ethics that combines 'moral conviction and tolerance.' When people disagree what is moral, therefore, they debate and attempt to persuade one another.

In doing so, however, Pearson believes they should follow rules like those of Cheney and Tompkins (1984) that leave them open to persuasion at the same time that they themselves are trying to persuade others. He states what is right or wrong, true or false can be determined only through dialogue and agreement and not through the evidence or raw organisational data provided by one party or one organisation. Pearson (1989:239) says, for example, that the statement that an organisation has 'advanced minorities into management ranks' can be said to be 'true' only when the organisation and a representative of a minority public agree that it is true.

Psychologists such as Kohlberg (1981) have shown that people must advance through several stages of moral development before developing the ability to take others into account by accepting the norm of reciprocity. Pearson (1989) adds that Habermas (1984) and feminist psychologists such as Gilligan (1982) argue that moral development has one more stage - that of interactive competence or the ability to engage in dialogue. At this stage, people base morality on responsibility rather

than on rights and develop a greater sense of interdependence and relationship.

Pearson (1989:244) summarises the situation by pointing out that the more ethically developed an individual - or an organisation - is, the more he or she uses the concepts of reciprocity and symmetry to decide what is moral - twin concepts that are crucial components of the world view.

To conclude, Pearson (1989:377) develops an ethical theory for public relations based on a basic premise and two moral imperatives:

- **Basic premise**

Ethics in public relations is not fundamentally a question of whether it is right or wrong to tell the truth, steal clients from one another, accept free lunches or bribes, provide information for insider trading, etc. Rather, ethical public relations practice is more fundamentally a question of implementing and maintaining inter-organisational communication systems which question, discuss and validate these and other substantive ethical claims.

- **Basic moral imperatives**

- 1) It is a moral imperative to establish and maintain communication relationships with all publics affected by organisational action.
- 2) It is a moral imperative to improve the quality of these

communication relationships, that is, to make them increasingly dialogical. More precisely and more concretely this means working toward rule identification, rule clarification and rule change such that measures of organisational/public understanding of and agreement on communication rules become increasingly positive.

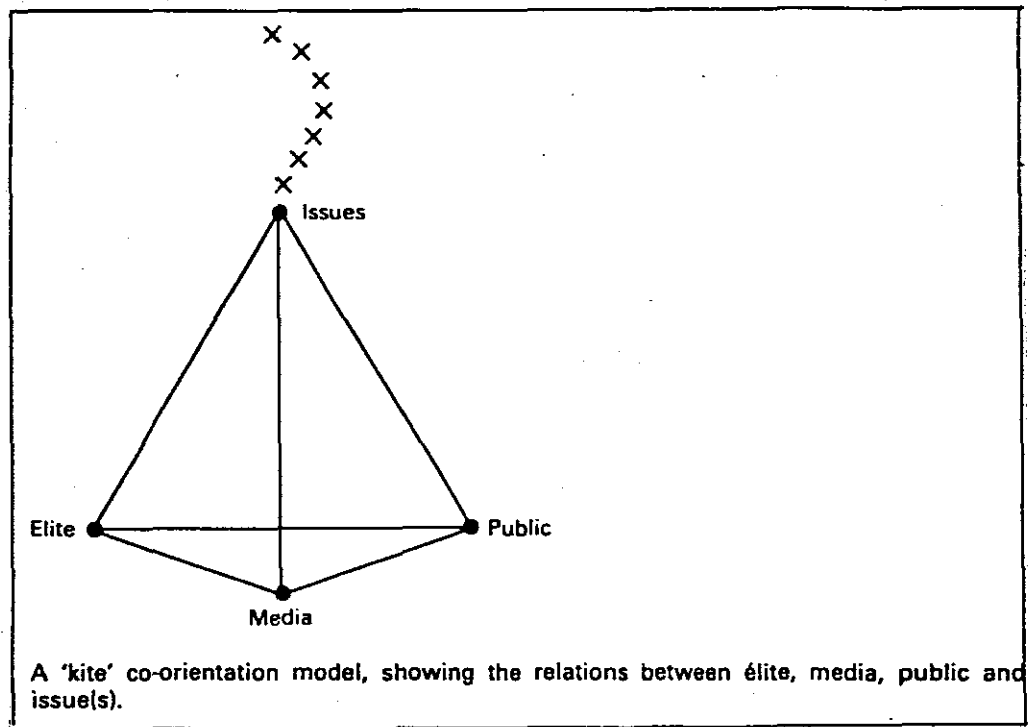
3.6 COMMUNICATION MODELS IN PUBLIC RELATIONS

More recently, a school of research in communication has flourished which has developed out of the ideas of balance, congruence and seeking of supportive information. McLeod and Chaffee (1973) have labelled this new tradition the 'co-orientation approach.'

3.6.1 Co-orientation Model

The key features of this approach are a focus on interpersonal communication and on communication which is two-way and interactive; an emphasis on the simultaneous inclusion in any study of the three main elements of information sources, communicators and receivers; and an interest in the dynamics of communication situations. The basic features of this approach are illustrated in Figure 5.

FIGURE 5: A 'KITE' CO-ORIENTATION MODEL SHOWING THE RELATIONSHIP BETWEEN ELITE, MEDIA, PUBLIC AND ISSUE(S).



Source: McQuail D. and Windahl S. (1981:23)

The model depicts a common finding of research on public opinion and communication: information about an event or issue is sought from or acquired by members of the public by reference to personal experience, or elite sources, or the mass media, and often from a combination of these.

The outcome of what is a dynamic situation will thus depend on the relationships between public and a given elite, on the attitude of the public to the media and in the relationships between elite sources and media channels. (McQuail and Windahl 1981:24)

In a study of mass media use and opinion about community issues, Tichenor et al. (1973) confirmed an initial expectation that the definition of an issue as controversial leads to more learning from the media about that issue. This work was carried out with reference to the existence and development of knowledge groups; this approach is particularly relevant to research in convergence and divergence in opinion and information levels between given social groups or categories.

3.6.2 Open and Closed Systems

According to Cutlip et al. (1985:192-196), output of a steady stream of press releases and other traditional reactive public relations responses is suggestive of 'closed systems' thinking. This all too common approach is based on the notion that the purpose of public relations is limited to effecting changes in the environment. On the other hand, the open systems approach puts public relations squarely in the middle of bringing about changes both in the environment and in the organisation itself as a result of environmental inputs.

Bell and Bell (1976:51-52) make a similar distinction, referring to functionary and functional approaches to public relations. The functionary role is similar to the closed system approach:

Public relations functionaries attempt to preserve and promote a favourable image of the organisation in the community on the hypothesis that if the organisation is 'liked,' the public will continue to absorb the organisation's outputs. Such functionaries are only concerned with supplying information about the organisation to the environment and not with supplying information about the environment to the organisation.

Because functionaries do not supply feedback information, they do not function in decision-making or even in advisory roles in relation to environmental concerns. Therefore, they have little to say about 'what' is said; they are mainly concerned with 'how' things are said. (Cutlip et al., 1985:193)

In this approach to public relations, the emphasis is on maintaining the status quo in the organisation while effecting change on the parts of the organisation's publics. Relations between the organisation and its publics are changed only to the extent that the publics are brought into line with the organisation.

In contrast, a functional view of public relations calls for an 'open systems' approach, using both input and output to change both the organisation and the environment. Relations between the organisation and its publics are maintained or changed on the basis of reciprocal output-feedback-adjustment.

In this approach, public relations

... has the potential to act in an advisory capacity and to have impact on decision-making. This potential in turn leads to some control over its own domain in times of crisis and, as a sensing device, public relations can be effective in preventing many potential crisis situations. Management properly remains the 'large wheel' but the small wheel that is public relations may occasionally be capable of influencing the larger one. If observations of external and internal environments indicate that a policy or practice is detrimental to the best interests of the organisation (and, increasingly, society) management can be encouraged to adjust. (Cutlip et al., 1985:193).

The functionary mode limits the public relations practitioner to a technician's role.

The environment is monitored (if at all) for the sole purpose of making communication output more effective, not to bring about changes within the organisation. Grunig and Hunt (1984:22) estimate that 85 per cent of all organisations practise public relations in ways consistent with the functionary role. In organisations where public relations operates in the functional mode, practitioners are managers - combining the roles of expert prescriber, communication process facilitator and problem-solving process facilitator.

3.6.3 An Open Systems Model of Public Relations

It may be argued that an open systems approach to public relations suggests radical departures from the widely used functionary approach. This approach which Grunig and Hunt (1985:22) call the 'two-way symmetric' model, stresses that communication is reciprocal and that the information exchange modifies both sides of organisation-public relationships.

As discussed earlier Chaffee and Patrick (1975:109) adopt a similar concept of corporate public relations, defining it as

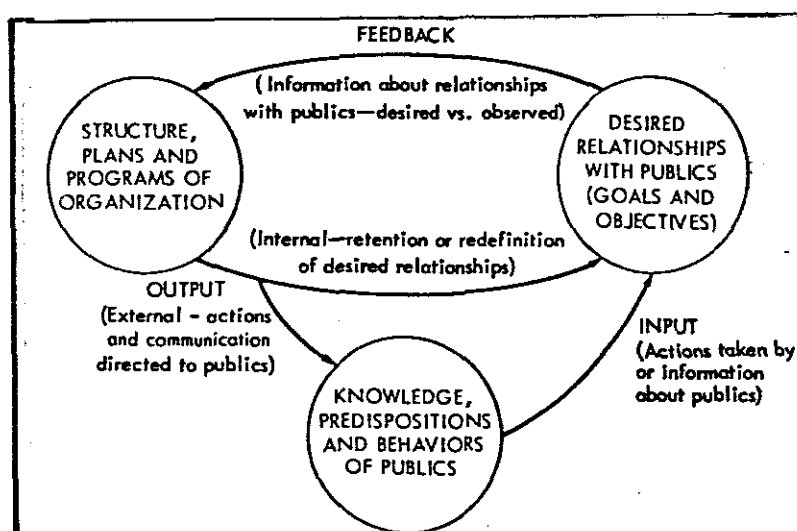
helping both the corporation and its public get more correct pictures of one another; it also would employ communication as a tool to help both corporations and citizens solve problems. In such an approach, communication strategies are designed for the sharing (not just giving) of information and for the solving (not just explaining away) of problems.

Although Chaffee and Patrick refer only to corporations, this approach also

emphasises the primary role of communication in social systems in general. As Buckley (1967:47) puts it,

"the interrelations characterising higher levels (of systems) come to depend more and more on the transmission of information - a principle fundamental to modern complex system analysis".

FIGURE 6: OPEN SYSTEMS MODEL OF PUBLIC RELATIONS



Source: Cutlip, Center and Broom (1985:194)

Applying the open systems approach to public relations calls for the purposeful scanning of the environment to detect and anticipate changes that affect the organisation's relationships with its publics.

Following an open systems approach, public relations must be selectively sensitive to those publics that are mutually affected and/or, involved by the organisation's

policies, procedures and actions. This not only calls for specifically defined publics, but also for the research skills to monitor publics as well as the organisation itself. Open systems public relations also has the capacity for initiating corrective actions within the organisation and for directing efforts to affect knowledge, predispositions and behaviours of the publics. (Cutlip et al., 1985:194-196)

The dynamics sought in this model are the maintenance or achievement of goals that are in the organisation's and the publics' mutual interests. Those found to be in conflict with mutual interests are changed or eliminated. Proactive corrective action may be the major and most useful aspect of the open systems model of public relations. Preventive measures require less effort and trauma than crisis-orientated reactive public relations. Thus, organisations employing open systems public relations maintain their relationships by adjusting and adapting themselves and their publics to ever-changing social, political and economic environments.

3.7 CONCLUSION

In advocating an open system, the public relations profession, through its practitioners, has the opportunity of placing itself in a broader social and ethical context. For this to happen, however, it will be necessary for the profession to evaluate its current practices and at the same time to foster greater independence of thought and action. The need for this new approach is discussed in Chapter Four, particularly in the South African context.

CHAPTER FOUR

COMMUNICATIONS IN A CHANGING FIRST WORLD/ THIRD WORLD ENVIRONMENT: ARE THERE DIFFERENCES?

4.1 INTRODUCTION

In Chapter Three the background to public relations and communication theory was discussed at length, with the question being posed as to whether the profession should, or is able to, practice an 'open system' or 'symmetrical' approach. It is argued here that in attempting to meet the future challenges of public relations in a First World/ Third World context such as South Africa, practitioners "will have to change their whole approach and in the process develop new techniques, if they are to remain relevant" (Skinner, 1992: 44).

The most fundamental adjustment will have to take place in the communications context. For example, a communication model for public relations developed by Mersham (1991) proposes that disadvantaged communities should replace the organisation as the key communicator/source in the traditional public relations communication programme. Mersham also highlights the "facilitative role that

practitioners should play as 'change agents' in the developmental aspects of social investment and social responsibility projects" (Mersham, 1993).

4.2 THEORETICAL BACKGROUND

Experience has shown that in development situations, "change agents need to appreciate that their effectiveness is dependent on their concern and on their gaining trust and respect" (Skinner, 1992:44). There have been many instances where local and foreign experts entering a new culture have seen local problems in terms of their own culture. In order to avoid such errors, their first priority must be to identify the needs of the community and to work towards establishing mutual and trusting relationships. For effective development, therefore, communication must be approached within a purposeful and interactional framework.

4.2.1 Martin Buber's "I-it" Relationship

Public relations in South Africa has been characterised for many years by a white/black, 'them/us' context. (See Skinner, 1992:44; Mersham, 1993b). Philosopher Martin Buber (1970) has described this as an "I-it" relationship.

Buber argues that "I-it" is the primary way of experiencing and using in which the 'I' regards the other as an 'it', an object. It is not a true relationship, in that it takes place within the individual and not between him/herself and another. It is a state of

monologue in which the 'I' cannot reach out to the other - he/she can neither listen attentively nor respond.

Words which Buber uses to characterise the I-it relationship include 'domination,' 'self-centredness,' 'pretence,' 'exploitation' and 'manipulation.' I-it is not a relationship of mutual trust, openness and reciprocity, but one in which the 'I' uses and manipulates the other in instrument to achieve his/her own ends.

4.2.2 "I-you" Relationships

Participants in any communication process should be encouraged to pursue an 'I-you' relationship where the 'I' reaches out to the 'you' with his/her whole being and the 'you' responds with his/her whole being. By approaching each other with mutual respect, sincerity and honesty, with the intention of becoming subjectively involved in a reciprocal relationship, a true state of dialogue occurs. This, according to Buber, is the relationship between two equal subjects, which he believes the public relations practitioner should always strive for in his/her communications (Jansen and Steinberg, 1991:110-115)

4.3 COMMUNICATION MODELS FOR DEVELOPMENT

4.3.1 Introduction

Public relations and developmental activities have much in common in the South

African context. Both rely on effective communication for their success and increasingly, public relations activities in the sphere of social investment have developmental goals - the idea of teaching a man to fish rather than simply providing him with fish to keep him alive.

4.3.2 Views of Mowlana

According to Mowlana (1987:5),

"the meaning and philosophy of development is inherent in the value system of any community and nation in which a variety of economic, political, social, and cultural activities are under examination.

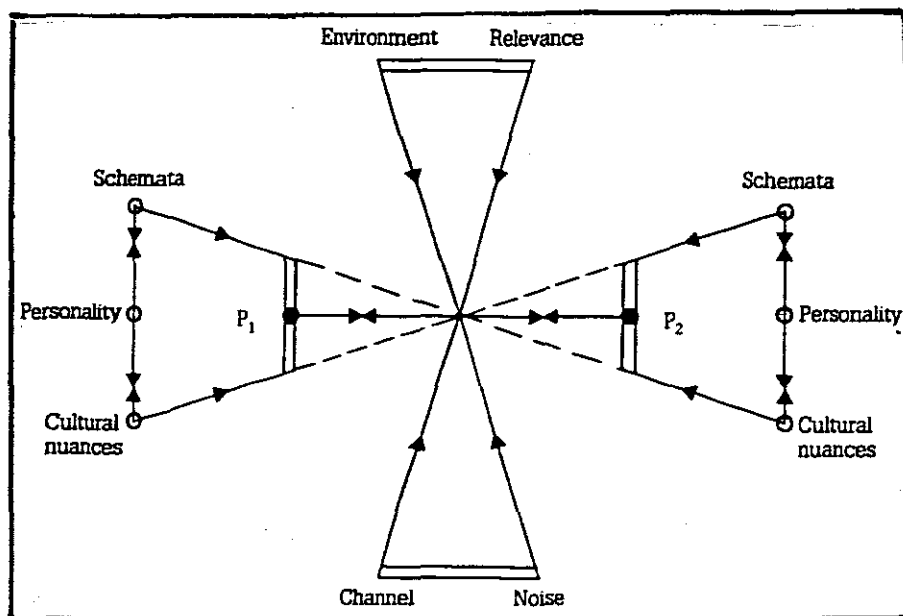
He points out that it is not a question of "which values should be adopted at the expense of others," but to "recognize that stability and equilibrium of any living system is directly connected to the process of value orientation and value maintenance," which is absolutely dependent on the process of communication and interaction. They are both essential to the "evolving norms" of society which drive any development process.

4.3.3 Analysis of Marchant's Theory and Model

According to Marchant (1988:58) project planners appear to conceptualise communication in a limited way as the transmission of information from sender to receiver, that is as a one-way flow. In his view the emphasis should be on the users' needs. Rapport with and an understanding of the user group is more important than technical expertise and hardware resources. In the business world competitor

analysis is considered essential for strategic and market planning. Marchant (1988:58) believes that the analysis of key participants in communication deserves similar attention. "Communication must be seen as the relationship between participants in an exchange of information."

FIGURE 7: H MARCHANT'S TRIANGULATE MODEL



Source: Marchant, H (1988:59)

The main features of Marchant's model (see Figure 7) are the following:

- It breaks away from the view of communication as a one-way process. The participants (P₁ and P₂) are seen as co-managers of communication rather

than as senders and receivers. The indefinite lines linking the apices of the participants' triangles indicate the reciprocity involved in 'other-orientated' awareness of the interactional process. The 'internal' environment or perceptual fields form the base of the triangle. Meaning is derived from the personalities involved - as a result of interaction between schemata and tradition - so that a movement towards a shared culture can emerge. Thus people can engage in a creative process which is based on such a situational awareness. Indeed, only in such conditions can subliminal conditions operate and create triggers for action which may result in the formulation of new ideas.

- The bases of the opposing two triangles comprise the 'external' perceptual fields involving both the nature and the transmission of the message. In the upper triangle, the environment refers specifically to the ecological dimensions - situation, conditions and time. Above all, it is the relevance of the message that determines attention. The lower triangle refers specifically to transmission problems - channel selection and noise factors. The degree of awareness and understanding of the encoding and decoding devices used by participants affects both channel credibility and the rate of message interchange. Since this is a model for informal oral communication, both semantic and non-verbal factors would operate.
- The model configuration, that is that of the blades of a propeller, emphasises the dynamic rather than the static nature of communication. The process is ongoing and in a continual state of flux.

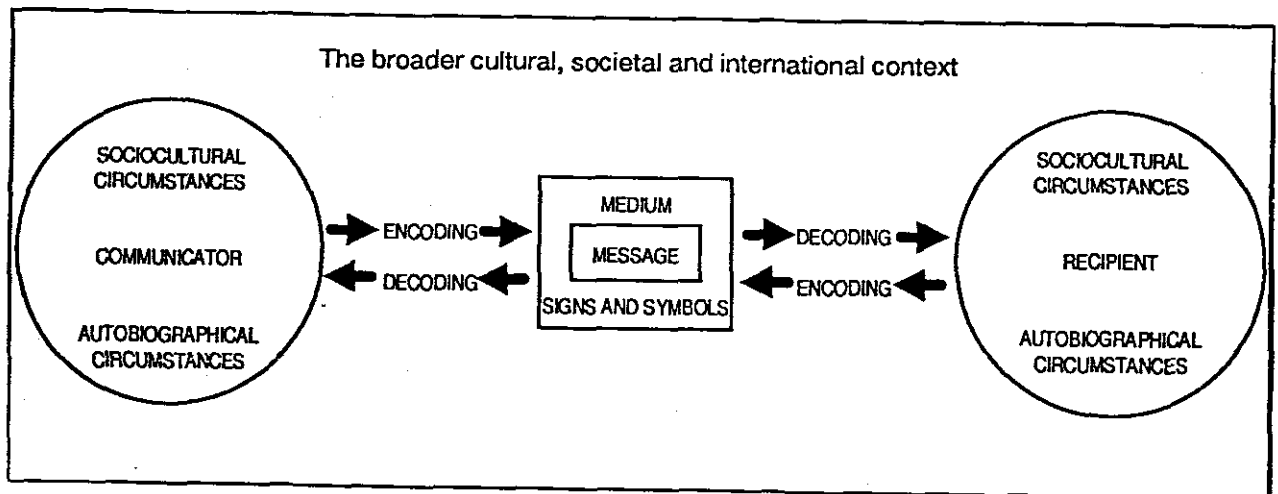
The three components of the triangulate model are the participants, the situation and the problem (subject matter). By stressing the need to appreciate their relationship, Marchant (1988:59-60) believes his model can assist in promoting more effective communication.

4.3.4 Analysis of Mersham's Theory and Model

Mersham (1992b), in his graphic communication model for development and public relations (see Figure 8), argues similarly for 'equality' between communicator and recipient. Mersham believes in recognising the 'equality of roles' of the communicator and recipient in the traditional communicator-message- recipient (C-M-R) model, but goes further by saying that the public relations practitioner first needs to become the 'recipient' of messages originating from members of the various disadvantaged communities in South Africa.

If such messages are not spontaneously forthcoming, the public relations person involved in social investment acts as a kind of 'midwife' to facilitate the passage of messages between the stakeholders and the organisation. Mersham also analyses the message component in the triptych, drawing attention to the codes and symbols of content as a vital area in the process of understanding. All of these factors have particular relevance in contemporary South Africa.

FIGURE 8: G M MERSHAM'S COMMUNICATION MODEL



Source: Mersham, G.M. (1991:6)

In Mersham's model, the way in which the communicator manifests his/her ideas is a vital part of the process. The central position in the communication triptych is the message. In order to transfer thoughts, information, feelings and attitudes, Mersham argues that we need to manifest them in some concrete form; otherwise they remain 'inner thoughts' and are not shared. The external, material form of the message must be perceptible to the senses through some or other medium.

The medium may be thought of as a message receptacle - that which provides the platform for the signs, symbols and codes of meaning to be transported. He adds that each medium has its own set of encoding possibilities and structures - leading to

McLuhan's observation (1967) that "the medium is the message." However, the definition of the medium as the vehicle which 'carries' messages must also include technological aspects.

This dimension draws attention to the fact that the communicator must have skills in encoding messages in the technology and techniques of the medium in question, and the recipient must have certain skills to decode the mediated message.

Mersham (1992b) argues that signs and symbols in themselves are devoid of meaning. They can mean something to somebody only if the source endows them with a specific meaning and if the recipient sees a specific meaning in them. The meaning of a sign depends not only on personal interpretation, but also on collective agreement that may vary across space and time and culture. Mersham (1992b) believes the recipient's interpretation of the message content can never be wholly objective, however impartial his attitude to the message may be. His interpretation of sign and symbol systems (codes) can only be one of many possible avenues of interpretation for a given message. Communication does not terminate once the message is expressed and encoded in a medium; to complete the process of communication that message must be received and interpreted.

The recipient's participation in the communication process must be recognised. This process of interpretation (internalisation), Mersham argues, can be vigorous enough to transform the message into the recipient's 'own' message when it is re-expressed (externalisation). It may in fact become an entirely new message or at least a

revised form of the original. In developmental communication messages, Mersham believes too much emphasis is placed on the so-called 'effect' of the message upon the recipient. He believes it is very important for the communicator to take active steps to encourage the recipient to manifest his interpretation, through a medium, so that the meaning attached to the original message by the recipient can be evaluated. The development communication scientist (and public relations persons involved in community and social investment programmes) should therefore first 'prompt' the community to initiate the messages about their developmental needs.

Alternatively, the development scientist or agent can be thought of as a facilitator who carries out 'environmental scanning.' In this process the messages from a given community (or stakeholder) are actively monitored. By setting out a development or social responsibility plan which is in fact a 'response' to a message from the communicators in the community, the communicator's and recipient's roles are thus reversed according to the conventional model.

Mersham (1992b) further argues that in the past development communicators found that the negative image of capitalism created by the 'circumstances' of apartheid resulted in intense resistance by the black community to any development strategies that appeared to be linked to government. This gave rise to the establishment of many non-government organisations (NGOs) to meet the needs of various community organisations. In the same way, the perceived corporate identity of an organisation, and the perceived characteristics of the stakeholders it wishes to communicate with, also seem to impact on the communication process.

In Mersham's (1992b) model, these aspects are graphically illustrated by the spheres which surround both communicator and recipient, and the box around the triptych of the communicator, message and recipient to represent the broad cultural, societal and international context. Mersham (1992b) argues that the consideration of what constitutes 'South African society' may be important for the communication process. Appeals to national identity, patriotism, widely-held perceptions, key terms in contemporary South African discourse (such as the 'New South Africa') and so on serve only as examples. He believes the international context, too, will often be important. In South Africa, for example, the imposition and lifting of sanctions, as well as various kinds of international recognition and support for various public relations and developmental projects have been central to the passage or non-passage of innumerable messages.

Mersham (1992b) concludes with the view that individual circumstances must also be recognised. He states that, in spite of the commonalities that link us to the social structure, no two lives are ever the same in terms of individual experience. Thus, within the circles surrounding communicator and recipient, he indicates the legend 'autobiographical circumstances.'

4.3.5 Overview

Communication theories are often linked to the assumptions that 'communication equals successful communication' - that is, the objective of conscious communication is achieved. The elicitation within the mind of the

recipient/interpreter of specific ideas held in the mind of the communicator/source is seen as the most important function of communication. McQuail (1975:32-34) formulates a model which assigns different states of activity/passivity to the communicator and recipient. However, Van Schoor's (1982:1-4) dialogic view of communication stresses that it is the value and significance attached to the message by the recipient which determines whether 'true' communication actually takes place.

It would seem, therefore, that the main problem with many communication theories is that the term recipient suggests a too passive role description of the person(s) who are the significant 'others' in the communication process. Too much emphasis is placed on the source or communicator, with explicit or implicit reference to his/her initiative - the communicator, sets stimuli in motion with the specific intention of influencing the recipient. According to Mersham, this view dominates many communication models, especially those directly related to occupations in the general field of communication activities. The AIDA (Attention, Interest, Desire, Action) model in advertising is a good example of this approach. Instead, the subjectivity of the reception process should be given more importance. More emphasis should be placed upon the recipient as an equal in the communication process.

4.4 SUMMARY

In examining the communication process and in particular the practice of an 'open

system' or symmetrical approach to public relations in a First World environment, the question is posed as to whether any differences in approach should be adopted in a multi-cultural, multi-ethnic situation such as those prevalent in Third World environments. Research by leading communication scientists Marchant and Mersham seems to indicate that this is so. Marchant believes that user needs are paramount and that the analysis of key participants in communication is crucial. Mersham for his part goes further and argues for 'equality of roles' of the communicator and recipient in the traditional C-M-R (communicator-message-recipient) model. He sees public relations practitioners becoming the initial 'recipients' of messages originating from members of the various disadvantaged communities in South Africa.

The case studies discussed in Chapter 6 illustrate only too clearly what problems can arise if simple but effective messages, channels and feedback mechanisms are not in place. They also highlight the 'facilitative' role of public relations.

In Chapter 5, public relations' increasing involvement in a broader, more human social vision, in which accountability to stakeholders is accorded its full importance, is discussed. This move, in fact, mirrors the growing acceptance of 'equality of roles' in the communication process, as well as the new facilitative responsibilities of public relations practitioners.

CHAPTER FIVE

CORPORATE SOCIAL INVESTMENT: ADMISSION OF GUILT OR A NEW PARTNERSHIP

5.1 INTRODUCTION

Events in South Africa in recent years, and in particular the current focus on reconstruction and development, have led to an enhanced questioning and review of the social purpose and social responsibility dimensions of public relations, bringing these issues into sharp relief. In essence, this study proposes that public relations is a communication phenomenon which is rooted in an understanding of social issues. It also emphasises the integral part that communications must play in the constructive engagement of a post-apartheid South Africa. This chapter focuses on the philosophical background to corporate social investment (CSI) as part of this constructive engagement, traces its origins in a South African context and poses the question whether it can be seen as an 'admission of guilt' or a 'new partnership' on the part of companies and organisations who practise it.

5.2 PHILOSOPHICAL BACKGROUND

5.2.1 Overview

The traditional role of business, as propounded by Milton Friedman (1962:133), is "to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game...." - in other words, to make profits for shareholders. Others, such as Orpen (1987:89), argue that the firm is no longer only responsible to the shareholders, but also to customers, employees, union leaders, suppliers, other special interest groups and to society in general. Companies, like individuals, are expected to possess a social conscience and to not only achieve economic goals but to use their power and influence to foster the welfare of the community.

Although there is little doubt that corporate social investment is here to stay, the precise extent to which businesses should be responsible to society continues to remain controversial. With the focus on reconstruction and development in post-apartheid South Africa, government and business will have to re-examine their respective roles as a result of changes in policy, priorities and increasing community demands for a share in resources and wealth.

5.2.2 Definition of Corporate Social Investment

There appears to be a lack of consensus regarding the definition of corporate social

investment. This has led to much confusion in both academic and business disciplines. Leoka (1985:72) sees it as the "conscience of the capitalist system" and warns that its meaning and application varies from region to region and particularly from country to country.

Charney (1983:43) quotes A A Sommer (former member of the Securities and Exchange Commission), who stated that CSI refers to an organisation that "voluntarily expends its resources to do something not required by law and without immediate economic benefit."

The 'three concentric circles' approach to define CSI, espoused by the Committee of Economic Development in 1971, was one of the first to include both economic and non-economic concerns. The inner circle is concerned with basic responsibilities for what is described as the efficient execution of the economic function. The intermediate circle encompasses a responsibility to exercise this economic function with a sensitive awareness of changing social values and priorities. The outer circle outlines newly emerging and still amorphous responsibilities that business should assume to become more involved in actively improving the social environment. CSI can therefore be seen as the pursuit of economic objectives by an organisation but at the same time voluntarily taking into consideration the major concerns, interests and needs of stakeholders of the society in which business operates, even though this concern may not immediately directly affect profitability.

5.3 CORPORATE SOCIAL INVESTMENT IN SOUTH AFRICA

5.3.1 Historical Review

Prior to the Second World War, primarily philanthropic social responsibility activity and paternalistic corporate attitudes were not uncommon. In the 50s, 60s and 70s, social investment was no longer primarily characterised by philanthropy, although it did remain a permanent element of most companies' programmes. The concept of 'good citizenship' was used to define a more diverse approach towards social responsibility in the sense that it implied a closer relationship between the firm and society. This approach was based on an interpretation of the needs within society and the response of the firm to these needs, but primarily within the areas of education, employment, the arts, health, welfare, religion and politics. The relative importance of particular areas was determined by management.

In the 90s, social upliftment will be one of the major issues addressed by the new government as part of its Reconstruction and Development Programme (RDP). A recent study, co-sponsored by the Development Bank of Southern Africa (DBSA), the Independent Development Trust (IDT) and Kagiso Trust (KT) (Cargill, 1993:11), estimates that approximately R56 billion in capital and R33 billion in recurring expenditure will be required for socio-economic reconstruction over and above present levels of state spending during the next five years. These are the amounts required to achieve minimum living standards for South Africa's population as a whole. Over R3 billion has already been set aside by the government in its first

year of operation to start the reconstruction and development process.

The sheer size of the task however, should not cloud the key issue of how responsibility should be shared between government and business. It poses the question of what activities properly belong to government's sphere of responsibility and what are CSI's responsibilities in evolving political, social and economic circumstances? Increasingly, public relations activities in South Africa have a direct, although not symbiotic relationship with development needs. (See, for example, Mersham, 1992a).

From the outset, public relations practitioners who are charged with South African social investment programmes should be cognizant of the broader developmental requirements of the country as a whole. The concept of social responsibility, then, includes not only an organisations' relationship to the society in which it operates, but also its involvement in the problems of national significance that face that society. That involvement will become increasingly functional at the micro level - the level of community.

5.3.2 Levin Report: Pre-Apartheid Policy and Practice

In 1987, prior to the landmark political announcement by President de Klerk of the formation of a new, democratic South Africa, Levin conducted a qualitative investigation of leading South African chief executive officers with regard to their views on CSI and their companies' activities in this regard. Although the research

does not present statistically definitive conclusions, it does provide some interesting thoughts and trends reflecting a pre-apartheid standpoint on policy.

Levin (1987:133-137) found that although traditionally business was perceived to have an economic role only, this popular misconception had given way to the realisation that business also had a role in the socio-political sphere. Although government and business were seen to share this role, government was perceived to have a greater function due to its immense power. Further it was felt that business should not antagonise government but should 'rather build up a relationship conducive to interaction and negotiation between government and business.'

The report showed, however, that South African companies still appeared to be predominantly driven by economics. To be socially responsible was perceived to be in "the long-run interests of the organisations interviewed but many actions were purely for self interest." Activities which were merely socially desirable but not economically attractive for companies were thus not carried out.

Many respondents also mentioned that they feared the reaction of trade unions, shareholders and other stakeholders in general. Shareholders were still considered to be the most important stakeholders. It was felt that "by adopting a socially responsible stance, criticism from stakeholder groups could be expected." To some extent this could explain why CSI had not been used as a promotional tool but more to promote the organisation in the eyes of employees. This was reflected in the view that "charity begins at home," with many of the CSI programmes being instituted to

improve the well-being of the organisation's own employees. Thus, chief executive officers seem to have had a narrow definition of CSI, and a great deal of social policy was guided by "gut feel and in an act of faith."

Levin's results suggested that the majority of businessmen at that time saw CSI, goals and profit maximisation goals as being compatible, with CSI being perceived as a means of improving profitability. However, CSI was not featured as an important corporate goal and few companies had a shared CSI ideology.

The survey also revealed that chief executive officers played a large role in CSI, with CSI departments having direct access to them. These departments also had close links with the Personnel or Human Resources departments with strong input from Industrial Relations specialists. This is not surprising considering the emphasis on employee acceptance/support as an integral part of the programme.

The most frequently instituted programmes were those concerned with education and in-house training. Chief executive officers understood, however, that change in the political sphere was essential if any real progress was to be made in those fields. When referring to programmes implemented, the importance of self-help was recognised, as was the importance of recognising the dignity and self-respect of people. Cheque book charity was thus frowned upon by the respondents.

Although the importance of consultation with the community and its leaders was recognised to ensure that programmes were meeting the needs of the people, few if

any organisations had formal environmental scanning systems. Information was on the whole obtained informally and without direct consultation with the people concerned.

Despite its limitations, Levin's survey is a good example of what chief executive officers and companies thought about CSI in the dying days of apartheid. Change was taking place, but only slowly and with no one quite envisaging the momentous shift in policy direction and power which would take place in the 1990s. There was a recognition that politics and economics were closely intertwined. However, despite this realisation, chief executive officers did not have a clear, consistent ideology with respect to CSI; hence much confusion and many contradictions were apparent. In fact, it would appear that the majority of businessmen appeared to have made only a partial response to CSI based on enlightened self-interest. The result was ad hoc, half measures which were in the main generally inconclusive.

5.3.3 BMI Report: Post-Apartheid Policies and Practice

The BMI Report conducted in 1992, however, reveals the changes in policies and practices that have occurred in the post-apartheid socio-political environment in South Africa. Nel and van Rhyn (1993:14), the authors, estimate that the top 300 companies (including multi-nationals) contribute to at least 72 % of the total CSI expenditure in South Africa, which in 1992-1993 amounted to R1,125 million. According to their analysis, 25% of the top 300 companies account for an estimated 43% of the total CSI budget.

Industrial holdings and mining houses account for 44% of the total CSI budgets, as reflected in Figure 9. While the top 300 companies contribute on average an estimated 1% of pre-tax profit to social upliftment programmes, the average percentage contributions, based on pre-tax profits, drastically decline to 0,5% and less for other companies.

FIGURE 9: % EXPENDITURE ACCORDING TO INDUSTRY SECTOR

INDUSTRY SECTOR	% CONTRIBUTION
Industrial Holdings	23
Mining Houses	21
Financial Institutions	17
Chemical and Oils	10
Steel and Allied/Engineering	7
Food and Sugar	4
Beverages and Hotels	3
Electronics	2
Paper and Packaging	2
Motors	2
Retail/Wholesale	2
Other: - Tobacco, transport, development capital	
- Building, clothing, pharmaceuticals	5
	2
TOTAL	100

Source: Nel, B and van Rhyn, H. (1993:14)

Nel and van Rhyn (1993:1) further report that demands on CSI funds have noticeably increased over the last three years, at a time when CSI budgets were under pressure because of recessionary conditions and declining profit margins. (See Figure 10.) Even though CSI budgets are mainly determined as a percentage of pre-

tax profit, the amount spent on CSI pre- and post-apartheid has more than doubled.

FIGURE 10: TOTAL CSI BUDGET 1987, 1991 AND 1993

PROGRAMME	CONTRIBUTION Rm		
	1987	1991	1993
Education	297	554	772
Job Creation	-	30	67
Health Services	30	57	61
Social Welfare	49	51	60
Community Development	-	42	52
Environmental Conservation	15	59	50
Art and Culture	20	27	31
Housing	45	12	21
Other	39	8	11
TOTAL	495	840	1125

Source: Nel, B and van Rhyn, H (1993:10)

For the purpose of their study the CSI budget is divided into the following segments (see Figure 10):

- **Education:** Pre-primary; secondary; tertiary; technical; bridging; building of schools/classrooms; supply of equipment; supplementary maths; science and English; teacher upgrading; career guidance
- **Welfare:** Assistance to all welfare projects and organisations
- **Environment:** Includes support to organisations and nature conservation programmes
- **Community Development:** An holistic approach to community empowerment; infrastructure programmes such as water, community centres;

rural development

- **Job Creation:** Development of small businesses; advancement of free market system
- **Art and Culture:** Support to performing and fine arts (excludes company art works); choir competitions; cultural organisations
- **Housing:** Housing schemes, projects and organisations, excluding staff housing
- **Other:** Religion, politics, human rights, other organisations, discretionary budgets not elsewhere classified.

It is important to note that the following categories in the BMI Services Research survey are excluded in calculating CSI budgets: government budgets; employee benefits; funds made available by the Independent Development Trust, the South African Housing Trust, the Joint Education Trust and the small Business Development Corporation; and foreign country investments.

In analysing these figures, it emerges that a significant 69% of all social investment funds is spent on education. Job creation has grown from virtually no support in 1987 to the segment with the second highest support in 1993. Support for environmental conservation has shown a significant growth between 1987 and 1991 but has stabilised and shows a decrease in support for the last two years. However, major companies whose activities have an impact on the environment keep separate budgets for environmental conservation. These are not regarded as CSI funds and are excluded from the BMI Services Research survey. The percentage expenditure

attributable to each segment has also shown little change since 1991 according to the survey results.

What is of particular significance, however, is the divergence of views which the survey reveals with regard to black community needs versus % CSI contributions. (See Figure 11.) Although there is broad agreement on the importance of education, marked differences emerge in the priorities accorded by the community to the provision of housing, the development of infrastructure and the curbing of violence; these are not addressed by CSI programmes. This is further reflected in the varying priority of needs between the two sides. (See Figure 12.)

Results from Market Research Africa's Black Sociomonitor of black adults over the age of 16, conducted between October 1993 and January 1994, tend to reinforce these trends. However, government's responsibility to provide jobs for the unemployed has emerged as top priority, closely followed by the provision of free education (see Figure 13).

BLACK COMMUNITY NEEDS VS % CSI CONTRIBUTION

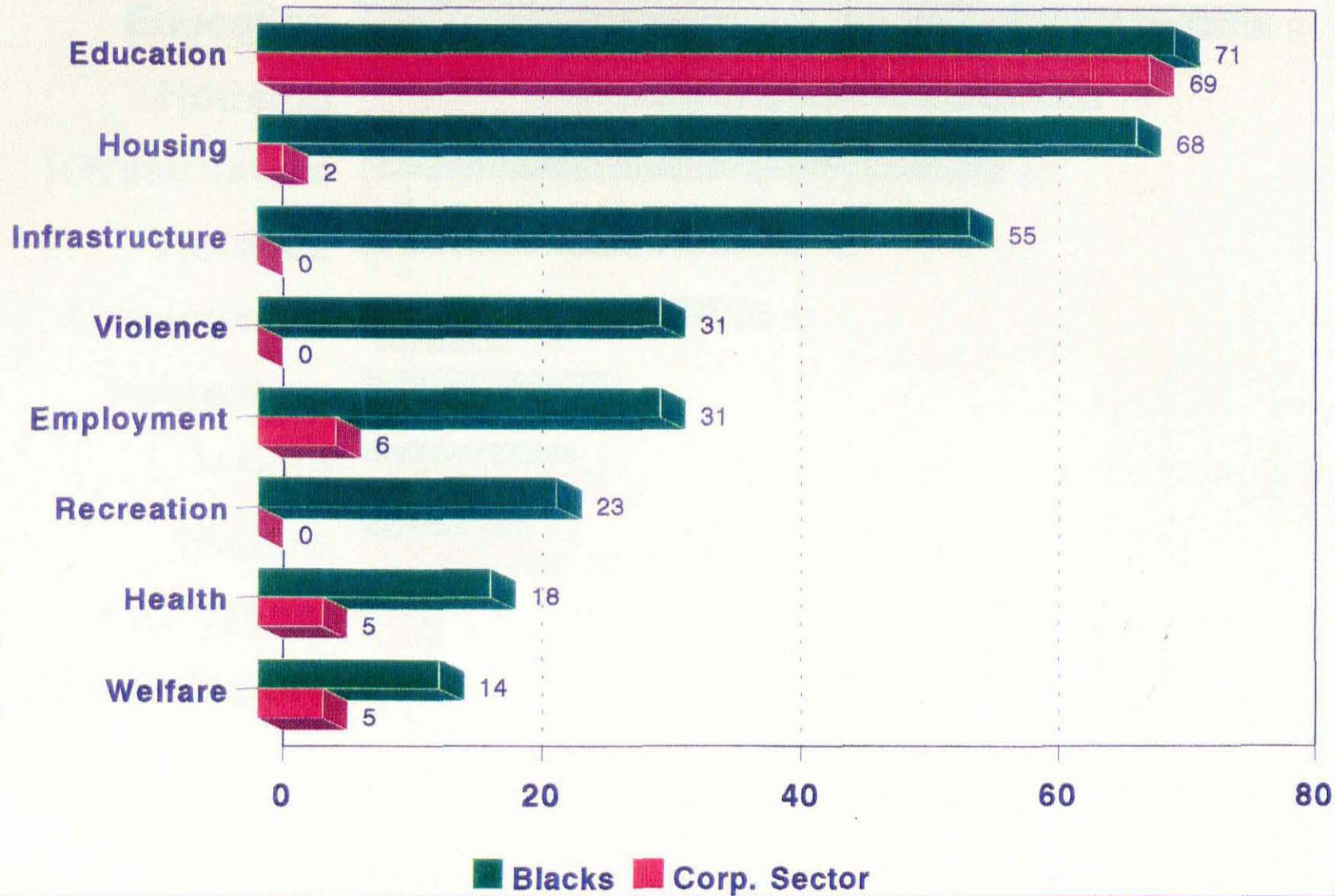


FIGURE 11: BLACK COMMUNITY NEEDS VS % CSI CONTRIBUTION

Source: Nel, B and van Rhyen, H (1993:13)

PRIORITY OF NEEDS

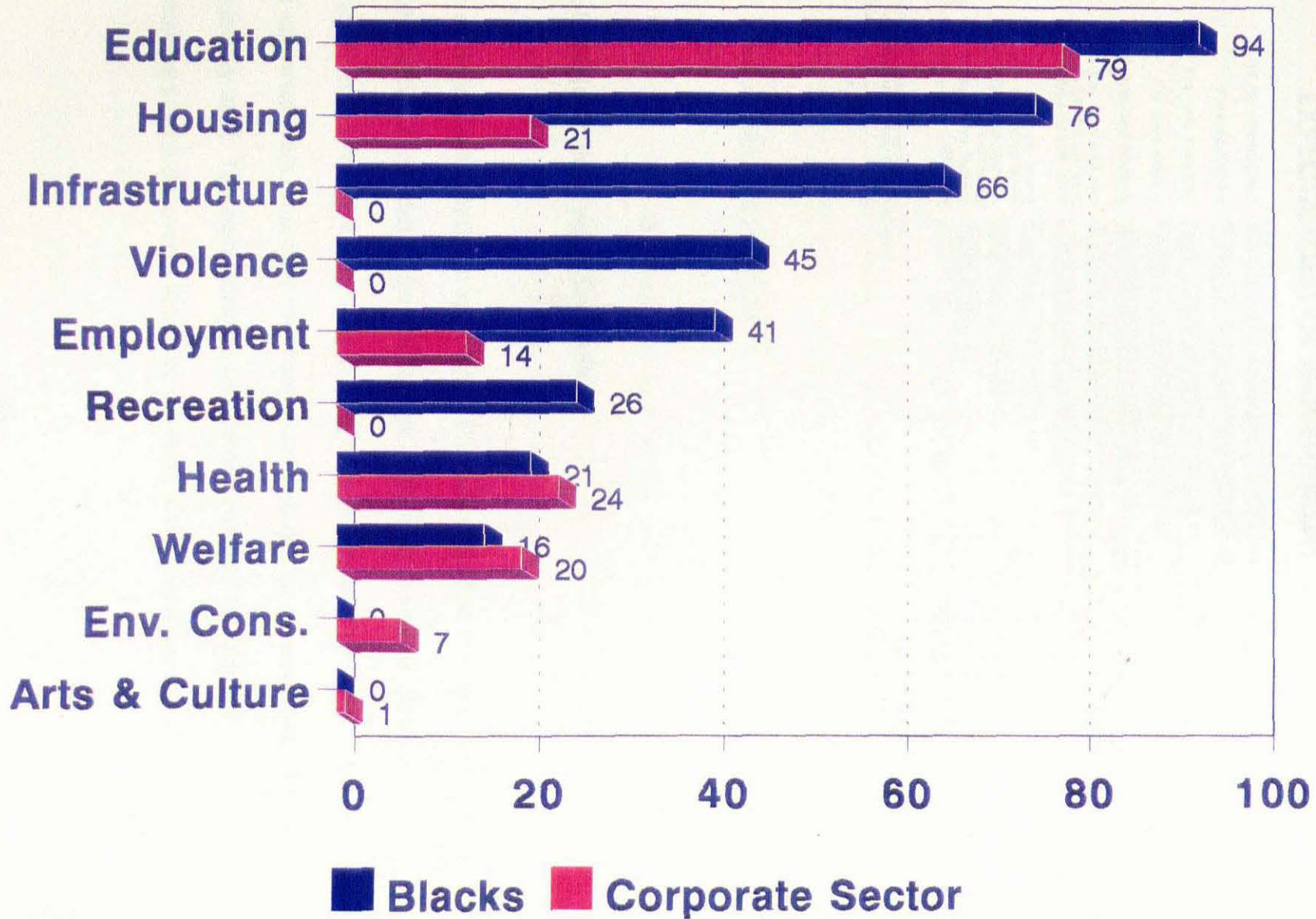
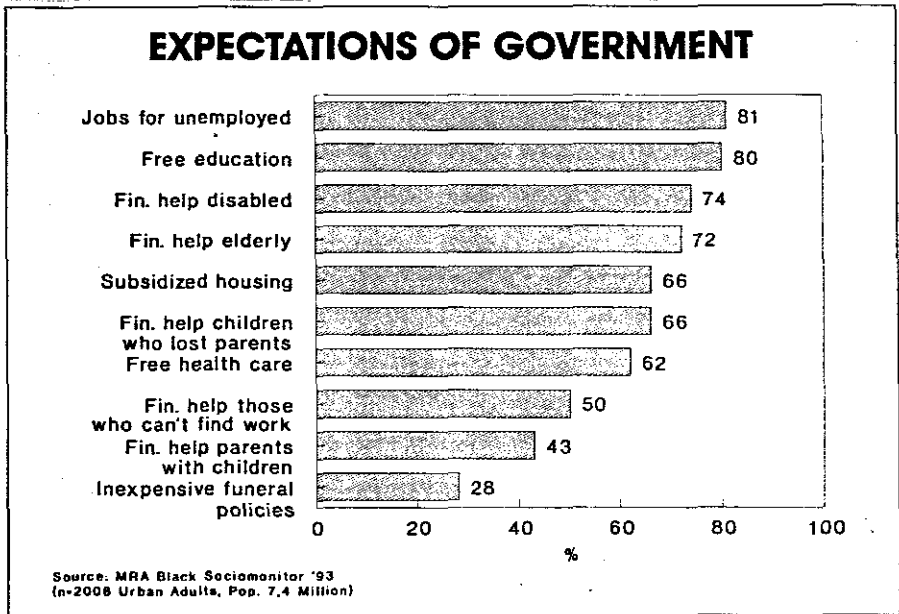


FIGURE 12: PRIORITY OF NEEDS

Source: Nel, B and van Rhyen, H (1993:27)

FIGURE 13: EXPECTATIONS OF GOVERNMENT



Source: MRA Black Sociomonitor '93

5.3.4 Major Policy Trends Since 1990

The most significant change in approach to CSI policy amongst the top donors in South Africa, as recorded by the two surveys, is the shift in emphasis from a proactive to an interactive way of addressing needs. Companies previously identified and supported needs from their own perspective with little or no involvement of the community itself. The main focus has now become self help through self development, with the overall aim of empowering marginalised communities.

According to survey director of BMI Services Research, Ms Bets Nel, certain changes have taken place over the past 12 months; although not obvious from the 1992/1993 budgets, these will no doubt be noticeable in the composition of budgets for 1993/1994 and 1994/1995. Some of these changes are:

- Companies who at present use budgets for mere hand-outs, have indicated that they will strive to get more involved and to adopt a "hands-on" approach.
- Major companies which are being recognised as leaders in the area of handling CSI programmes and projects have changed their approach (especially in the past three years) from a prescriptive, paternalistic involvement to an integrated approach where community involvement creates an empowered society that will accept full responsibility for its own development.
- Companies have also indicated that more substantial funding will in future be made available for technical training, grassroots education, teacher training and upgrading and job creation. Many will be committed to the rebuilding of black schools. There may also be a shift in focus from tertiary to pre-primary and primary education. More support will also be given to job creation programmes and the development of small business.

It is also firmly believed that more companies must get involved in community upliftment programmes. According to Nel and van Rhyn (1993), the large number of companies that presently do not have a formal commitment to social involvement could, by changing their attitude, collectively have a major positive impact on

improving the quality of life of impoverished communities in South Africa. They argue that:

- Too many companies do not have a formal CSI budget. The rationale is that where a relatively small amount of money is available for CSI, then it is not worth having a formal budget. This means that if a company can afford to spend R100 000 per year but does not have a formally approved CSI budget, as little as R5 000 may eventually be donated during a specific financial year. Nel and van Rhyn (1993) recommend that, however small the amount, CSI should be formally budgeted, whether the type of support is pre-determined or donated on an ad-hoc basis.
- Lack of knowledge, understanding and information concerning CSI matters seem to be stumbling-blocks in the way of small and medium size companies in formulating their CSI budgets. A solution to this problem may be for such companies to primarily focus on the needs of the communities within which they operate, while at the same time supporting the needs of the communities of their own employees.
- Research reveals that it sometimes takes up to three years before funds of newly created CSI budgets are made available for distribution. The main reason for this is a lack of commitment from top management.
- However, Nel and van Rhyn believe the major stumbling block is the very real misconception which currently exists amongst the business sector in South Africa, that CSI presupposes the involvement of large amounts of money. The major corporations are seen as chiefly responsible for addressing community needs and problems because they can afford to spend large

amounts and have the infra-structure to administer it.

- Coupled with this is a view that a small amount spent on CSI has such an insignificant impact that it is almost not worth the effort. Analysis of community programmes, however, irrefutably proves that where acknowledged successful community programmes were initiated, many are run on relatively small budgets. Most projects require nothing more than commitment and assistance. This is particularly the case in the development of small business and job creation where involvement can mean offering expertise, advice or training, without large financial outlays.

5.4 CONCLUSION

The part to be played by the private sector in socio-economic development in South Africa still remains largely a matter of debate, but it will become a more intense policy and implementation issue in the near future. At present the debate is powerful, controversial and latent with conflict of interest. Nel and van Rhyn (1993:2) argue that however big the responsibility that the corporate sector has accepted in terms of social upliftment, a company's first priority is to maintain its position as a profit-making institution with financial and other responsibilities primarily to its shareholders and employees and the communities they live in.

CSI funds are thus limited and it is imperative that they are allocated to address

community needs in the most effective way possible. Nel and van Rhyn conclude by saying that communities must also understand their own responsibility in solving problems within their own ranks. They suggest that, apart from government and corporate support, this may be the most untapped resource available in South Africa.

For its part, big business argues that CSI "is neither an admission of guilt for their share of the agony of the deprived, nor is it implying responsibility for the socio-economic welfare of the country" (Visagie 1993:1). The emerging leadership of disadvantaged communities on the other hand, often see CSI in quite the opposite terms, linking it to a redress of past inequalities. There is no doubt that among emerging leadership cadres, capitalism has earned itself a dirty name. In this view, corporate citizenship lives in the shadow of its partnership with past government in the support of apartheid capitalism and the resultant exploitation of black people. CSI is seen as propaganda, designed to mask the face of exploitative capitalism "and a crime against workers whose money is 'stolen' to pay for CSI" (Visagie 1993:2). The perceived motivations inherent in CSI programmes ironically have led to a greater mistrust by many South Africans and their leadership during the transitional phase. Big business, on the other hand, argues that CSI "has matured into a focused and well-structured strategy to facilitate socio-economic development (Visagie 1993:1).

In order to achieve an integrated approach to CSI programmes, however, the socio-political dimension remains the primary concern. As Anstey (1991:38)

explains, in the South African context race and class have become confused. In the current process of change, members of the lower strata of the privileged group feel most threatened. Paradoxically, as attempts to secure equity and remove privilege based on group membership proceed, so group membership and mobilisation becomes critical to upwardly aspirant and dominated groups to secure power and resources. The possibility of conflict is thus ever present in the subsequent power struggle between the two groups. This situation will have to be carefully monitored and appropriate action taken to reassure and support the aspirations of both groups.

To relate the theory of CSI to the importance of communication in the process of constructive change, Chapter 6 examines three case studies, which in their own right provide insight into the dynamics of community consultation and capacity building.

CHAPTER SIX

EVALUATION OF THE EFFICACY OF PROPOSED PUBLIC RELATIONS COMMUNICATION MODELS WITH REFERENCE TO INDIVIDUAL SOUTH AFRICAN CASE STUDIES

6.1 INTRODUCTION

This chapter presents three major case studies to illustrate various propositions discussed earlier. These revolve around the thesis that public relations is essentially a communication phenomenon which is rooted in the understanding of social issues. It further emphasises what a key role public relations can play in the constructive engagement of a post-apartheid South Africa.

In each case, the activities are evaluated with respect to their philosophical points of departure and measured against the public relations communication models of Marchant and Merham, which were analysed in Chapter Four.

6.2 PROJECT SELECTION

The three case studies were selected from a wide range of projects currently under way in KwaZulu-Natal. They each exhibited originality in concept and execution in circumstances which, because of the political turmoil of recent years, have not been ideal. The lessons learned, however, have implications and application outside their own target market. As such, therefore, they have a role model quality of great value in this new phase of reconstruction and development in South Africa.

6.3 SUNFLOWER PROJECTS

6.3.1 Introduction and Historical Overview

"Sunflower Projects" is an umbrella term for a multi-faceted corporate social investment programme. It includes adult literacy and numeracy programmes, as well as training in building and other practical skills. Since its inception in 1988, Sunflower Projects has been involved in over 33 community projects, mainly in KwaZulu-Natal, at a cost of R52 million. By involving local communities in the various projects, the organisers have trained some 7700 workers in basic building skills in the Department of Manpower Unemployed Training Programme.

A significant portion of the value of these projects is the cost of the skills training programme sponsored by the Department of Manpower. Funding for the capital cost

of the facilities has been provided by a number of organisations including the Department of Manpower, the Joint Services Boards, the Kagiso Trust, the Independent Development Trust, the Murray Trust, the Durban Corporation, Round Table, the Department of Health, the Department of Welfare and Population Development and the KwaZulu/Natal Provincial Administration. Additional funds for capacity building and training have also been provided by the Development Bank of Southern Africa.

The Sunflower Programme grew originally from the in-house training scheme of the Natal-based company Murray and Roberts Construction. Their particular system of training workers in the building industry developed in the 1970s from the constraints and imperatives experienced in implementing construction projects in rural areas with minimal skilled labour (Skinner JP, 1992). Their response was on-site training carried out in an area of bush which was cleared adjacent to the construction site. The approach was developed and refined and has now become a highly structured system involving modular skills training which is accredited by official trade bodies including the Department of Manpower.

Sunflower's addition of literacy courses to basic skills training was the logical result of the requirements of accreditation. A "ceiling" was reached after the lowest level of certification for those artisans who could not read and write. The company consulted Hampton Business College and acquired the services of their senior consultant, Mrs Jeanette Wicks, who brought in the Molteno system of literacy training and developed it to integrate directly with the needs of numeracy and skills

training.

Sunflower was registered as a Section 21 Company in March 1994, independent of the Murray and Roberts Construction Group of Companies. However, it still benefits from staff secondment from the Group and is funded largely through the Murray and Roberts Foundation. Adult literacy and numeracy programmes are now provided independently of Sunflower to meet community requirements.

6.3.2 Project Concept and Development

The process always starts with an invitation to Sunflower by a community to assist them in clarifying their developmental needs. These may include a broad range of community facilities such as day care centres, clinics, industrial hives, community centres and other such facilities. Sunflower is then able to help in equipping the local community with skills so that they are empowered to undertake the construction work themselves under the supervision of Sunflower. In the process, the participants gain valuable experience to enhance the skills they have gained. This experience enables a trainee to become productive within a relatively short time period, thereby helping the individual to obtain and keep a job in the longer term.

The range of skills learned on the job include bricklaying, carpentry, roofing, plastering and floor screeding, gas cutting and welding, block and brick making, plumbing and drainage, steel-fixing and electrical skills.

As far as the community is concerned, various stages of contact and development occur.

The first phase is surveying the barren ground - the identification of a need within a particular community. A barren shackland where strife and unemployment is rife has the most obvious needs. The 200 000 strong settlement of Lindelani, or Place of Waiting, 30 km from Durban, was such an example. The unemployment rate in 1989 was 75%. Not one school, clinic or formal shopping facility existed.

The second phase - preparing the ground - is about establishing the commitment of the community to self-help development. This process includes identifying needs with members of the community at the design stage and establishing a close working relationship with them.

The third phase - the planting of the seed - is the establishment of a management committee incorporating local formal and informal leaders and representatives of local authorities, as well as interested community organisations involved in the development of a particular region. Sunflower also encourages the involvement of local business enterprises. This joint decision-making forum ensures that the interests and objectives of the local people are met.

The fourth phase is the provision of the 'water' of financial support for the seed so that it takes root. Plans with costs are prepared and a detailed Sunflower proposal is then submitted to financiers for final go-ahead and allocation of funds. At the same

time, the clearing of land of shanty shacks - with the cooperation and agreement of the owners - takes place. The shacks are removed to new ground and reassembled while the land is prepared for the new building project. Under the guidance of competent Murray and Roberts instructors, residents are taught basic building skills. The construction of a community centre allows for the practice and improvement of skills by the people themselves. Unskilled people are taught the basic disciplines of building - from making blocks from sand and water won from the site, to plastering and wiring.

In the fifth phase the seedling sprouts. Recruits of all ages and inclinations begin to experience the satisfaction of teamwork and the fruits of their labour in a concrete form. Christian principles of good fellowship are promoted daily in a short prayer.

The sixth phase is the 'budding' phase. The 'bud' is bursting open and the rewards are clear: the Lindelani Centre now includes a clinic, a creche, a training centre, workshops and outlets for the sale of goods by small business entrepreneurs, involving an investment of over R3 million. Sunflower retains one member of the Board of Management. There is support from the new Natal Provincial government, which provides nurses for the clinic, while TREE provides training for pre-primary teachers for the creche.

6.3.3 Communication Dynamics

Each project undertaken is conceived and executed according to the Sunflower

philosophy (see Appendix 1). Sunflower Projects depends entirely on direct involvement with and commitment from participating communities - from the design stage to completion of a scheme. A key figure in the initial stage of any project is Sunflower's community liaison officer. His job is to look, probe and listen. Experience has shown that he can be invaluable in helping the community clarify its own priorities.

Once a particular project has been agreed, a management committee is set up, comprising both local formal and informal community leaders as well as representatives from any existing local authority or organisation involved in the development of a particular region. Sunflower also encourages the involvement of local business enterprises. This ensures that a joint decision-making forum exists to promote the interests and objectives of the local people.

Through dialogue and discussion, project communication ensures that each member of the community is kept fully informed. Commitment from the whole community is thus obtained and the type of project, buildings required and the nature of the facilities to be provided are agreed.

6.3.4 Analysis According to Marchant's Model

In communication terms the project breaks away from the view of communication as a one-way process. The participants are seen as 'co-managers' of communication. The community liaison officer, for example probes and listen with the objective of

helping the community clarify its own priorities. Thus, reciprocity is involved and interaction is encouraged at all stages from design to the conception of the scheme. It is made clear from the very beginning that the Sunflower Project depends entirely on direct involvement with and commitment from participating communities.

The 'internal' environment has to be conditioned to accepting change with all its implications. Meaning is derived from the personalities involved - as a result of the interaction between schemata and tradition - so that a movement towards a shared culture can emerge. Christian principles of good fellowship are promoted daily in short prayer sessions before the commencement of work. The wishes of the community are respected at all times. For its part, the local management committee ensures that a joint decision-making forum exists to promote the interests and objectives of the local people. It thus allows for the people themselves to be engaged in a creative process resulting in the formulation of new ideas and prioritising of needs.

In Marchant's model the bases of the opposing two triangles comprise the 'external' perceptual fields, involving both the nature and the transmission of the message. Marchant stresses the importance of the 'ecological dimensions,' for example the environment the Lindelani people found themselves in and its impact on them. Hampered by illiteracy and lacking basic skills, people were unable to take charge of their lives. It was a community in crisis - people living without hope for the future. In such a situation, the message of hope which the community liaison people brought with them was well received and supports Marchant's view that it is the

relevance of the message that determines attention.

Marchant's lower triangle refers specifically to transmission problems - channel selection and noise factors. During the early negotiation phase, understanding cultural differences and mutual respect are essential for establishing trust and good working relationships. Marchant's model is intended for informal, oral communication and is thus directly applicable to the situation at Lindelani. After initial briefing sessions with community leaders, emphasis was placed on group discussions spear-headed by individual facilitators with the theme, "Help us help ourselves." The 'encoded' messages were presented in Zulu supported by graphic story-boards which could be passed around for all to see.

Both semantic and non-verbal factors played a key role in exploring the basic concepts of the scheme, showing what could be achieved through cooperation and good will. At a later stage in the development of the project, more formal structures such as the local management committees were developed to cement effective teamwork.

6.3.5 Analysis According to Mersham's Model

This project meets Mersham's criteria that the organisation actively monitors messages from a given community or stakeholder group. The social investment plan qualifies as a 'response' to the messages initiated from the community. In the initial stages of discussion and planning with community members, the taken-for-granted

role of the organisational representative as the cardinal communicator is reversed according to the conventional C-M-R model.

Mersham points to the importance of the material forms of the message transactions (the medium/media) as critical to ensuring the authenticity of the communication process. This is linked to the second phase of the Sunflower metaphor, 'preparing the ground' - establishing community commitment to self-help development. This involves extensive and detailed dialogue with members of the community to identify the greatest areas of need. Communication takes place in the face-to-face, interpersonal communication context, using the spoken word. This phase creates the best opportunities for dialogical communication and the free exchange of opinion and fact. Using the 'round table' approach the community itself can clarify its own priorities, which are then conveyed to the organisers. Also, in terms of message coding each medium has its own set of encoding possibilities and structures. In the Lindelani case the facilitators were white but Zulu-speaking, and were fully conversant with issues raised in discussions. An important point in the question of establishing understanding between the organisation and stakeholders is the need for communicators to have skills in encoding the message in the appropriate medium, congruent with the skills of the other partners in the communication process.

The third phase - the establishment of the local management committee - leads to a shift in the media used. Proposals are made, minutes are taken, and documents which constitute the formal plan are prepared. The roles, duties and responsibilities of all parties are set out in these documents. From the point of view of Mersham's

medium analysis, the shift is from verbal to written and, in this case, from Zulu to English. The literate representatives of the community have the important task of making sure that the implications of written documents are explained to non-literate members.

This phase constitutes the 'collective agreement' stage, establishing agreements concerning the concepts mooted, i.e., agreements on the relationships between signifiers and signifieds. For example, a 'community hall' is a signifier for both the development agent and members of the community. However, they may have widely divergent views about what the building looks like, its fittings and facilities, its proposed functions within the community, the control of it as a community resource, and so on. These aspects of the signified have to be clarified into an agreed form.

As Mersham argues, it is necessary to take active steps to encourage the community members to consciously manifest their interpretations of messages as they apprehend them. Only when opportunities and platforms are in place can 'inner thoughts' be shared. This is the 'prompting action' that is required to have the community initiate messages about their developmental needs. Mersham draws attention to the need to consider the important role of 'gatekeepers' and 'interpreters' in the social investment process.

Mersham also draws attention to the 'socio-cultural circumstances' of both parties in the communication process. This cultural baggage which he states we all carry with

us may act as either a stimulation or impediment to communication. Thus, the organisation needs to establish its *bona fides* with the people concerned, particularly its stance with regard to key issues such as socialism, the free enterprise system and job creation.

For example, from discussion with various facilitators working on the project, there is sometimes tension between Sunflower's grounding in big business and its people-centred development objectives. Training managers find, for instance, that where the economic imperatives of completion of a building project conflict with training needs, business considerations come first and labour intensive methods will be set aside if necessary. According to JP Skinner (1992), COSATU plans to enter the field and offer a programme similar to Sunflower's; in this case pressure would be exerted upon business enterprises to use COSATU's programme. Sunflower's personnel also believe that the interest shown in the programme by the ANC might foreshadow a take-over in a new dispensation.

6.3.6 Conclusions to be Drawn from the Case Study

One of Sunflower's strengths is its holistic approach in which literacy, numeracy and manual skills are taught concurrently and reinforce each other. Sunflower also allows for networking with other organisations such as Molteno, based at Rhodes University, and Hampton Business College in Durban. There is integration with the demands of present Government policies, such as the Educational Renewal Strategy, and also interfacing with COSATU which approves the integrated modular skills

training offered by Sunflower.

Commenting on progress made to date, Mr Jonathan Smith, Project Development Manager of Sunflower, says he is aware that the development challenges that lie ahead are immense.

At this stage Sunflower has barely scratched the surface, despite having been involved in a number of successful community projects around the country. We are, however, determined to make a meaningful contribution in the reconstruction and development of disadvantaged communities. In order to expand the development of our regions we are in the process of establishing strategic alliances with organisations including the KwaZulu Training Trust, Khuphuka and the Tembaletu Community Education Centre. Our vision is to see the Sunflower concept spread throughout South Africa and across our borders into the rest of Africa. (Smith, 1994)

The role of communication in the dissemination of the broad aims and objectives of Sunflower will be of vital importance and the existing documentation of the various projects under the Sunflower umbrella could provide useful blueprints for successful implementation. Community approval and commitment will be vital for success.

6.4 SUNDUMBILI PLAZA

6.4.1 Introduction and Historical Overview

The mission of the KwaZulu Finance and Investment Corporation Ltd (KFC) is to

contribute significantly to the socio-economic empowerment of the people of KwaZulu-Natal. It does this by financing and investing in sound productive enterprises and projects, fostering entrepreneurship, providing critical skills, promoting sustainable urban development and successfully assisting rural households and communities to identify and satisfy their needs (KFC Annual Report, 1994:6).

The KFC has over the past decade been largely instrumental in introducing to KwaZulu a number of commercial projects. One of the largest is an R18 million shopping complex at Sundumbili close to the north coast town of Mandini and the Isithebe Industrial Estate, on the banks of the Tugela River.

6.4.2 Project Concept and Development

The 13 600 m² Sundumbili Plaza project absorbs much of the area's current buying power outflow, while also attracting both black and white consumers from the surrounding districts. The Plaza includes 41 tenants employing 256 people.

Sundumbili Township has a formal population of more than 30 000 and many thousands more are accommodated in more informal settlements around the KwaZulu town.

The investment by the KFC in the shopping complex is R18,5 million. An analysis of this project will serve as example of KFC's integrated approach to development and its aim of promoting free enterprise in under-developed areas.

6.4.3 Communication Dynamics

The launch of Sundumbili Plaza in October 1991 was accompanied by the offer of seven million shares in the development exclusively to black shareholders, many of whom lived, worked and shopped in the region. It was an attempt to win their support and to reward them for their custom if they supported the shopping complex. The KFC manages the centre but shareholders will ultimately benefit from ensuing profits and dividends.

A number of communication problems and challenges emerged. First, it proved difficult to sell the concept of share ownership, more so in a project which was still in the design stage. The Johannesburg Stock Exchange was approached for help in basic literature explaining the concept of buying and selling shares. Nothing was available in a black language and so a special brochure had to be prepared in English and Zulu to explain the basic concepts of share ownership. (See Appendix 2.)

The detailed prospectus and application form did not help matters. It was printed in English and couched in legalese; it proved totally unintelligible to the essentially illiterate market it was aimed at. The booklet thus presented real communication difficulties to potential buyers who had to have the document explained to them in their own language. They also had to be assisted to complete the application form. (See Appendix 3.)

The communication strategy involved a carefully designed promotional mix consisting of a simple brochure exploring the philosophy of share-ownership; a series of newsletters in both English and Zulu giving the details of the progress of the construction of the shopping complex; extensive briefing sessions and discussions with potential shareholders on their home ground by trained KFC black staff (over 4000 were personally addressed in this way); and the use of Radio Zulu for news updates on how the project was progressing. A competition was also designed to stimulate interest in the complex; the prize was a R60 000 house in Sundumbili itself. It generated over 150 000 entries, a record for Radio Zulu.

The project generated extensive free media coverage for the KFC, through national television and radio, a broad spectrum of newspapers and the specialist press. Radio emerged as a vital communication tool. Its immediacy and flexibility helped to create an awareness of and interest in the complex on an on-going basis. It emerged as an ideal medium for promoting both commercial and community development projects.

What also clearly emerged as crucial to the project's success were the efforts of the public affairs staff of KFC in the field, explaining the nature of the share offer to prospective investors. The idea of participating in a company through the issue of shares was an entirely novel idea for prospective customers of Sundumbili Plaza, the majority of whom were ordinary labourers in the Isithebe factories, while others were drawn from the tribal areas in the vicinity.

The primary stakeholders were identified as: housewives, both in the township and in the tribal areas; income generators, both male and female, from Isithebe and the Sappi Industrial Areas; Sundumbili Township dwellers; and tribal land dwellers whose gateway to the outside world was through Mandini. Organisations identified for personal briefings were the Sundumbili Township Council, Mathonsi Tribal Authority, local community organisations, taxi owners associations, black business communities, Isithebe employees and organised labour. For the purpose of reaching tribal areas in the outlying regions, it was decided to approach the Regional and Tribal Authorities of Inkanyezi, the Induna Wards of the Tribal Authorities, the circuit inspectorate of Inkanyezi, the school principals in the Inkanyezi church organisation, and the Macambini Tribal Authority.

The forums used to reach the potential market included Radio Zulu, Regional Authority meetings, Tribal Authority meetings, Induna Ward meetings, Chamber of Commerce meetings, high schools, and the Sundumbili Town Council.

In terms of media selection, Radio Zulu was identified as the most powerful means of communicating the scheme because it penetrated every corner of KwaZulu, Eastern Transvaal, Northern Transkei, and the Eastern Orange Free State as far as Bethlehem. With over three million listeners a day, it was able to provide the widest coverage in Zulu to the target market for potential shareholders.

The content of the radio message was designed to be both informative and educative. It regularly featured the share scheme at Sundumbili and invited would-

be investors to participate in it. Furthermore, it provided opportunities for explaining what share participation actually involved. Every two weeks, a ten minute Radio Zulu slot provided constant reminders of the offer right up to the opening of the Plaza itself.

Radio feedback was very effective, providing an almost immediate reaction from listeners. This took the form of telephone calls to the presenter, Mr Thomas Rodolo, KFC's Public Affairs manager.

Pre-publicity over the radio stimulated large crowds at tribal or Induna Ward meetings to hear first-hand about the scheme and these in turn were reported back over the air, often mentioning important members of the audience who had attended.

Word of mouth communication also proved vital. Many meetings were held between the Commercial Investment Department of the KFC and the Sundumbili Township Council to provide updates on the progress of the share scheme. This Council was a particularly important target market for the KFC as the project fell within its legal jurisdiction.

Communication with tribal communities was via the Inkanyezi Regional Authority. After several meetings it became apparent that KFC's communication was not transmitted to the people of the community by this Authority. This phenomenon was explained by Thomas Rodolo as being peculiar to Regional Authorities who often

treat people from outside the region with a great deal of suspicion, resulting in a lack of feedback to the constituencies. Mr Rodolo also found that the newness of the share issue concept engendered a lack of enthusiasm to pass the information on to potential subscribers. It was therefore decided to go to the district itself and seek opportunities to speak at tribal authority meetings about the Sundumbili share-issue.

It was also difficult to get advance dates at which the community could attend KFC presentations. A special tour to the Amakhosi Tribal Court House had to be undertaken in order to extract dates for meetings. Opportunities were also taken to pass the word on by using the trading stations where people congregate. All this resulted generally in meetings being well attended.

One of the major problems encountered was who would help the old and illiterate to complete the share application forms. The Regional Authority suggested that secretaries in the tribal courts could help complete application forms for those who had a problem. For this purpose secretaries in the Inkanyezi Magistrate Court were instructed on how to complete forms.

Payment for shares was also a problem. In the entire Inkanyezi District there is only one Ithala Bank at Mandini and one Standard Bank at Eshowe. The Post Offices for buying postal orders are similarly located at these places.

It was found that the calculation of Revenue stamps was another problem. In one way or another, however, solutions were found to these problems. For example, a

table of calculated revenue stamps payable was prepared. This the KFC distributed to the tribal court secretaries as a guide.

Commenting on how information was presented and the questions raised, Mr Rodolo said many of these gatherings were, in fact, seminars on shares, which lasted anything from two to three hours.

I took it upon myself to explain what a share is, based on the share booklet. I then had to explain what a "company" is and how it operates. A more difficult concept to explain was that of "investment," which entailed "ploughing your money in a building" where you cannot take it out again, but which will bear you a "harvest" year after year, until the "building" is destroyed in an earthquake or bombing.

Another concept I had to explain was to differentiate between the profits made by the tenants who traded in the complex from that of Sundumbili Plaza Limited. This I did by giving example of a person building a shop and letting it out to somebody else in return for rent solely. I had a problem though to explain how each investor would get his or her dividend according to his investment. Share block was explained as an "inyanda" which means a bundle of firewood normally carried on the head by our women (Rodolo, 1993).

The prospectuses were unfortunately delayed by about a month, so that it left only two months to have them delivered, filled out and posted back for registration purposes. This time frame proved too short, particularly when two visits would be necessary, the first to collect the application form and then to return the completed form with the money.

Given these difficulties, an arrangement was made to deliver prospectuses to the

tribal offices where the tribal secretary would help the prospective applicant fill in the form, calculate the amount needed for their shares and revenue stamps, in order to enable the person to travel only once to the bank and the post office. To help the applicant further, a request was made for addressed envelopes to be supplied with each prospectus. Although not as easily accessible to all the tribe, the tribal courts were frequented by the Indunas on a weekly basis. Thus another arrangement was made that the Indunas would collect prospectuses from these places for as many people as requested them.

Communication problems were found with regard to the prospectus itself. The application form was buried in the body of the document, hardly recognisable as an application form. (See Appendix 3.) The language was confusing and ambiguous, especially to a person filling in such a form for the first time. Examples of what details were wanted for specific applications were therefore photocopied and left with the secretaries of Tribal Authorities to assist prospective share owners.

Another problem appeared to be how to tear off the completed form. There was no perforation to indicate where to tear off. One had to use scissors or a razor blade or a knife to cut the application form out.

Psychologically, a lot of people failed to do this as our people grew up being told never to cut pages out of a bound book. It would have been better if the application form was in the centre spread of the prospectus document, for a person to pull it out.

My conclusion was that there was a lot of impracticality and amateurism in the compilation of the document. I am still convinced that if these little considerations had been taken into account, more

shares could have been sold. (T Rodolo, 1993)

In summary, company shareholding is a First World practice, which presupposes a public literate in English, a public which also has access to modern banking and postal services and has some means of transport. The English-language prospectus was presented to an illiterate public, uneducated in the intricacies of legal share documents.

At the conclusion of the promotion, 1496 black shareholders invested approximately R350 000 in the scheme. This figure falls far short of the target of seven million shares for the offer. However, changes have been made to the investment concept, providing investment units - a loan linked to a share - and yielding more attractive returns. As a public relations exercise, it proved a great success in reaching out to communities that only had a limited knowledge of the KFC. Opportunities were taken to introduce the financial services of the corporation and to provide feedback on the needs of rural communities. Much goodwill flowed from the exercise, despite the limited success of the share offer.

6.4.4 Analysis According to Marchant's Model

Initially, as project planners, KFC conceptualised communication as the transmission of information from sender to receiver very much as a one-way flow. However, it soon became apparent that this would not achieve the objectives of the share ownership scheme. The switch in strategy reflected the need to identify users'

needs. As Marchant points out (1988:58), "rapport with and an understanding of the user group is more important than technical expertise and hardware resources."

Similarly, in line with Marchant's view that the analysis of key participants in communication is considered essential for strategic and market planning, the KFC embarked on a comprehensive analysis of its target market for its scheme, singling out the Regional Authorities as the best channels of communication. These, however, proved to be uncommitted and uncompromising at times. Therefore, it was necessary to re-address its message through the Tribal Authorities which represented, in its view, grassroots opinion and support.

As the communication programme developed, KFC's strategy increasingly focused on stakeholders and their needs with the result that in Marchant's overall scheme of things both senders and receivers became 'co-managers' of communication.

Reciprocity developed in response to communication exchanges. Meaning was derived from the personalities involved - as a result of interaction between schemata and tradition. A movement towards a shared culture emerged. Empathy and concern became part of the communication exchanges, and the formal requirements of share ownership, seen in the light of First World concepts, were modified. KFC staff, grappling with the realities of rules and regulations governing share applications, engaged in a creative process based on an understanding of situational awareness. Only in such conditions, according to Marchant, can sub-threshold effects operate and create triggers for action. In the KFC's case, this resulted in the formulation of new ideas, new approaches and new policy directions.

With regard to external considerations involving both the nature and transmission of the message, the KFC developed an effective communication strategy using the media to good effect. Radio Zulu was used extensively, culminating, according to the station, in the most successful competition ever held to date to highlight the official opening of Sundumbili Plaza. The environment - the actual situation, conditions and time - played a very important part in the communication exercise with many forces working against effective communication. But these were addressed by the KFC and the personality factor came strongly into focus.

With regard to transmission problems - channel selection and noise factors - as the promotion unfolded the KFC became critically aware of the encoding and decoding devices necessary to affect both channel credibility and the rate of message interchange. The whole exercise revolved around successful informal oral communication, where both semantic and non-verbal factors operated. The KFC facilitators went to extraordinary lengths to assist with translations and personal briefings to answer any questions about the completion of the basic share application form.

Finally the whole exercise demonstrated the dynamic rather than static nature of communication reflecting Marchant's belief that the communication process must be ongoing and in a continual state of flux.

6.4.5 Analysis According to Mersham's Model

As with Marchant's model, Mersham argues similarly for 'equality' between communicator and recipient. As the Sundumbili project got under way, the KFC began to modify its communications as a result of feedback from the community. It thus became a 'recipient' of messages originating from members of the various disadvantaged communities, reversing the traditional C-M-R model.

Central to the Mersham model is the message component, focusing on codes and symbols of content. Of all the three studies discussed in this chapter, the Sundumbili experience shows the necessity of adapting First World written communications to Third World conditions. The researching of a share brochure to explain the nature and purpose of this form of investment, the drafting of the prospectus, and other written forms of communication had to be revised in the light of the lack of comprehension on the part of the target market for which they had been designed. If for statutory reasons the prospectus had to be published in a set format, the KFC went to great lengths to translate and explain the intricacies of the document so it would be understood by the target market.

Of particular importance in this whole exercise were the communicators' skills in encoding messages in the technology and techniques of the medium in question. Translators were used, for example, to explain the technicalities in the share documents to recipients. Without their help, the message content would not have been understood. In this case recipients did not have certain skills to decode the

mediated message. This reflects Mersham's view that "to complete the process of communication that message must be received and interpreted."

The KFC facilitators thus became increasingly aware that recipient participation in the communication process must be recognised. This process of interpretation (internalisation), Mersham argues, can be vigorous enough to transform the message into the recipient's 'own' message when it is re-expressed (externalisation). Every opportunity was taken in the briefing session to explain terms in ways that would relate to the community's experience. The descriptions provided by Mr Rodolo of shares, investment, profit, and so on, used illustrations that were easily grasped by the audiences being addressed and in turn they manifested their own interpretations. Lively training sessions ensued, providing for some 'evaluation' of the original message communicated.

Ideally, therefore, according to Mersham, communicators should first 'prompt' the community to initiate the messages about their development needs, thus reversing roles according to the conventional model.

Of particular concern in the Sundumbili situation was the enmeshing of local, regional and national issues, which impacted on both the sender and the receiver in the communications context. Politics played a part in the acceptance of individuals and organisations as well as considerations of the financial viability of the scheme. Socio-cultural factors in the Mersham model are therefore vital as are autobiographical circumstances. Thus the Sundumbili case study illustrates what can

go wrong if communicators are not aware of all the circumstances that impact on the communication process.

6.4.6 Conclusions to be Drawn from the Case Study

The Sundumbili Plaza share scheme was an attempt to involve essentially rural communities in a business undertaking in which they were partners themselves as both consumers and potential investors. Above all, it demonstrated ordinary people's willingness to enter the First World via investment. The KFC provided both the communication and institutional support to pursue this avenue. The scheme faced many difficulties such as ignorance about shares, illiteracy, and severe communication problems. A further complication was the lack of time to convey messages adequately to targeted audiences. But perhaps the single most important factor which impacted on the scheme was the timing of the launch. It occurred when KwaZulu was in the grip of a State of Emergency with political violence raging. Had the situation been normal, more participation might have been experienced.

Some valuable insights were gained from this exercise, however. First, it laid to rest the view that people in rural areas are not interested in share ownership. They were found to be honest and ambitious for the good things in life for themselves and their children. Although many of them did not have ready cash available, they were willing to convert their assets to cash. There were schemes for taking livestock to stock sales, raising loans against future cane harvests or from plantation payments. Some borrowed money from sons, daughters and husbands working in Durban and

other metropolitan areas.

One clear lesson perhaps emerges from the exercise. It is vital for the organisation offering the service to establish credibility. It is then necessary to sell the concept to the community, without whose support the venture will surely fail. Finally, it is imperative to address issues in a simple, uncomplicated style (Skinner, 1992:42-46).

From a communication standpoint, the programme perhaps best illustrates the "I-you" model of communication proposed by Buber. It is essential to identify the communities and stakeholders not simply as objects to be manipulated but as equal participants in the communication process.

Furthermore, both the mass media and interpersonal channels used need to be coordinated in any integrated development effort. In particular, there is a need to break down as far as possible the traditional isolation of rural society from developing sectors of society - to proactively expose members of rural societies to the instruments and philosophies which lead to economic empowerment.

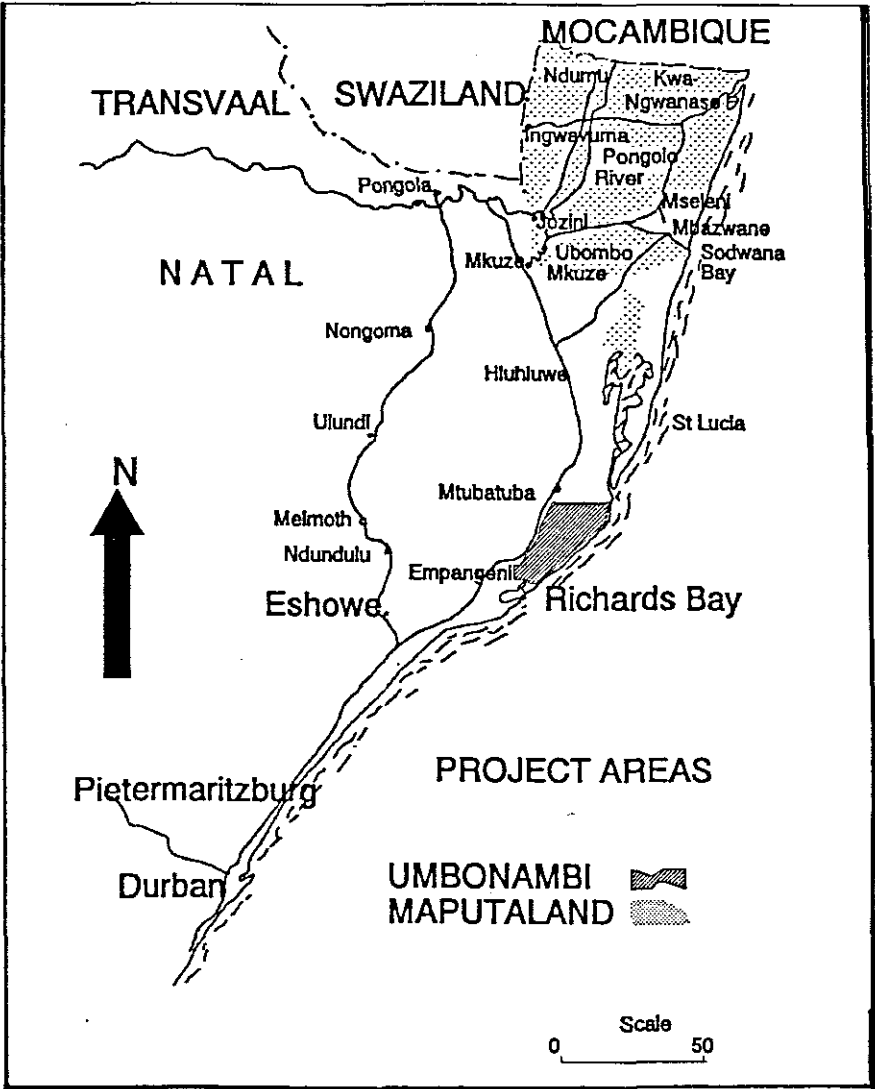
6.5 THE MBONAMBI RURAL COMMUNITY DEVELOPMENT PROGRAMME

6.5.1 Introduction and Historical Overview

The Mbonambi Rural Community Development Programme is a project based in the

Maputuland area of northern Zululand (see figure 14). It was instituted by Richards Bay Minerals (RBM) and coordinated on its behalf by the Institute of Natural Resources (INR), University of Natal.

FIGURE 14: THE MAPUTULAND COORDINATOR GROUP REGION



Source: Institute of Natural Resources, University of Natal, Annual Report (1992:16)

Figure 14 shows the north-eastern KwaZulu-Natal area, showing the three projects that make up this coordination group, viz. the KwaNgwanase Water Project, the Siyazisiza Trust Maputoland Integrated Rural Development Programme and the Mbonambi Community Development Project. The latter forms the basis of this case study analysis.

Mbonambi lies between Richards Bay to the south, the coastal dunes (currently being mined for heavy metals) to the east, commercial forestry interests to the west and the Sokhulu area of KwaZulu to the north.

The principal aim of the project, according to the INR, is "to achieve sustainable regional development in partnership with communities, community-based organisations (CBOs) and non-government organisations (NGOs)" (INR Report, 1992:16).

The INR's role is seen as a facilitator of development and in particular to bridge the gap between the top-down and bottom-up approaches to community development, so that state agencies can fulfil their roles effectively and communities can grow in their capacity to direct and implement solutions to the problems they encounter.

The components of the programme address various matters such as training, urban development centres or nodes, economic development, optimal land utilisation and the establishment of income-generating projects.

The long term vision is to move each of the projects (where this is appropriate) towards fulfilling more of

the elements in the conceptual framework, as steps are taken toward greater integration, coordination and diversification of the regional patchwork quilt until the "whole is greater than the sum of the parts" and a regional momentum of its own begins to develop and a coherent picture comes into view. (INR Report, 1992:16)

In 1980, Mbonambi was a typical poverty-stricken rural area. Crops were sparse, streams were the only source of water, sanitary toilets were practically non-existent, schools were dilapidated and over-crowded and there were no medical facilities. Disease and poverty were a way of life.

When Richards Bay Minerals began mining in the area adjacent to Mbonambi in the early 1980s, as part of its community development programme, it conducted a research survey to establish what the community of Mbonambi wanted. By adopting a bottom-up rather than a top-down approach it not only found what the community wanted but it allowed them to prioritise their needs.

6.5.2 Project Concept and Development

Education topped the list of the community's priorities so, after discussion with school principals, RBM 'adopted' Mbonambi's seven schools - ranging from pre-primary to high schools - and initiated joint education projects. Existing classrooms were upgraded and equipped, new classrooms were erected, and toilets and water wells were installed. It soon became necessary to sponsor the salaries of additional teachers, and sometimes to train them until the KwaZulu authorities were in a

position to absorb the costs.

As the number of children attending the schools grew, transport was identified as another problem and so the company introduced a free bus service.

Clinics were also erected at five of the schools, providing a comprehensive primary health care service for pupils and the community at large. RBM sponsored the salaries of staff until the KwaZulu government was able to take over the responsibility, as well as covering the fees for all pupils seen at these clinics. The ripple effect of these developments resulted in improved health standards in the area, reduced transport costs and improved school attendance (RBM, 1991).

Initially, this exploratory stage led to greater understanding in a communication context between the local communities and RBM resulting in excellent feedback and cooperation. Building on this foundation, new initiatives were developed by RBM and the University of Zululand's Centre for Social Research and Documentation was commissioned in 1988 to identify how the best interests of the community could be served. The Centre proposed a non-formal education process starting with agriculture. Facilitators from the university trained the community in basic skills and gradually extended the process to other fields, with the intention of establishing self-sustaining programmes. The broad objectives were simply to help residents improve their quality of life by offering guidance and removing any obstacles in their path.

Because of the growing complexity and diversity of the scheme, RBM approached the Institute of Natural Resources in 1991 to take over the running of the Mbonambi Rural Community Development Programme (MRCDP).

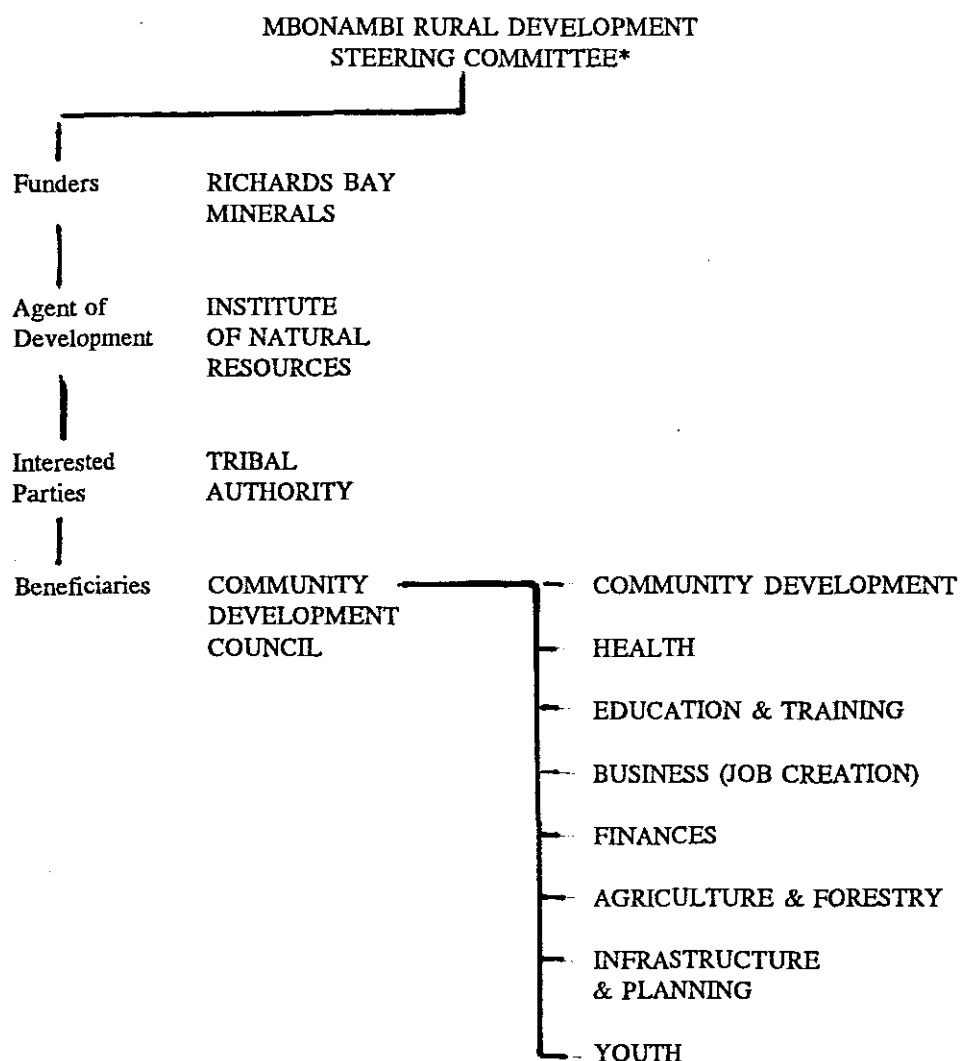
In its latest Annual Report (1993) the INR notes that as well as funding most of this programme, RBM is engaged in school, creche, health and small business development. The INR for its part has focused on community development, agriculture, water and sanitation.

As Figure 15 indicates, the whole programme is now driven by a Community Development Council which is made up of representatives from specialist sub-committees or portfolio groups and the tribal authority, who meet regularly to discuss progress and future plans. Members of these committees also form part of the Rural Development Steering Committee which coordinates the community development programme and on which RBM, INR and other interested parties serve in an advisory capacity.

Achievements of the programme include:

- A major creche development with funding from the Independent Development Trust. Two of six planned creches are nearing completion;
- Creation of embryo cooperative to provide small farmers with their requisites as well as facilitating the supply of materials and manufacture of blocks for building projects;
- Creation of 18 communal gardens;

FIGURE 15: ORGANISATIONAL STRUCTURE OF THE MBONAMBI RURAL DEVELOPMENT PROGRAMME



Notes: ^a 1. Steering Committee meets once a month.
2. Recently MONDI was invited to attend.

Sources: Richards Bay Minerals. Discussion with Jabu Kubheka, Director, Community Affairs

Institute of Natural Resources. Discussions with Mr D A'Bear, Senior Consultant and Mr C Louw, Field Manager

- Installation of hygienic toilets in over 300 homesteads;
- Development of 36 water wells and 15 boreholes to provide the community with potable water.

(INR Annual Report, 1993:52)

6.5.3 Communication Dynamics

Because of the time span of the project, straddling as it does the pre- and post-apartheid eras in South Africa, interesting changes in both style and approaches to community development are illustrated. In the 80s RBM took the initiative, and both directed and dictated the pace of development. Although communities were consulted, there was no integrated policy of consultation and involvement at grassroot level. With the advent of the Institute of Natural Resources (INR) in 1991 as a facilitator on behalf of RBM, all this has changed.

In discussions with field workers at Mbonambi (Louw and A'Bear, 1994), ownership by the community of the various projects has developed as of paramount importance. This was not the case earlier on. The process has been actively encouraged through "a series of workshops involving the representative community structures and our partners in vision building and strategic planning" (INR Report, 1993:52). Eight induna wards have been identified and representatives from each one have been encouraged to participate in the various portfolios which fall under the Community Development Council. The INR has compensated for any lack of skills and experience among community representatives by providing professional

inputs themselves when required. The major impact has been the increase in the time taken to brief individuals and groups, but in the long run this has been beneficial in gaining acceptance for the programme. The INR Report (1993:52) comments that the Community Development Council has experienced strong leadership and growth under the chairmanship of Reverend Mhotshwa. Thus the dynamism of one man as a respected leader has crystallised the hopes and ambitions of a community in transition.

6.5.4 Analysis According to Marchant's Model

Since the inception of the project in 1980, Richards Bay Minerals (RBM) have not conceptualised communication in a limited way as the transmission of information from sender to receiver. They have always placed emphasis on rapport with and an understanding of the user groups. With the advent of the Institute of Natural Resources (INR) as project managers of the Mbonambi Rural Development Programme in November 1991, this trend was further confirmed in a policy whose aim was "to achieve sustainable regional development in partnership with communities, CBOs and NGOs" (INR Report, 1992:16). This, they state, will be achieved by "empowering the community and enabling the state to serve the community to whom it should be accountable." The project, therefore, engages both 'bottom-up' and 'top-down' processes to achieve integration and coordination between local and regional levels. This approach totally supports Marchant's view that communication must be seen as the relationship between participants in an exchange of information.

The participants in the communication exchange are thus seen as co-managers of communication rather than senders and receivers. Marchant believes that in development situations change agents need to appreciate that their effectiveness is dependent on their concern and on their gaining trust and respect. In the early phases of this project, therefore, RBM had to learn to see local problems in terms of the community's culture. Their first priority, therefore, was to identify with the community and forge personal links with community spokesmen. Marchant further argues that field experience is more valuable in making an individual aware of this personality factor than any training course. For effective development, he believes communication must be approached within a purposeful and interactional framework.

RBM achieved a 'shared' culture, one in which a whole new creative process emerged based on situational awareness. The components of the plan therefore address various matters such as training, urban development centres or nodes, economic development and optional land utilisation, and the establishment of income-generating projects. These can be seen as triggers for action resulting in the formulation of new ideas.

With regard to 'external' perceptual fields involving both the nature and the transmission of the message, the Mbonambi experience illustrates the importance of understanding the environment in which one is operating as well as the level of education and sophistication of the audience(s) being addressed.

In Marchant's model, the environment refers specifically to the ecological dimensions - situation, conditions and time. In 1980 Mbonambi was a typical poverty-stricken area. In adopting a 'bottom-up' rather than a 'top-down' approach, RBM first established what the community wanted. It was found, for example, that education topped the list of priorities, so RBM 'adopted' Mbonambi's seven schools and began joint education projects. The programme has continued to be 'needs' driven in response to the community's wishes.

With regard to transmission problems - channel selection and noise factors - RBM and latterly INR have been at pains to consult all involved parties at all stages. The Mbonambi Rural Development Steering Committee has been created as a more formal overall development body, but the real work is still conducted through the individual associations/sub-committees of the Community Development Council. Regular meetings, discussion groups, and face to face communications encourage and foster participation in individual projects. The Steering Committee, as one of its key responsibilities, provides regular feedback to key role players in the area.

The developments taking place within the Mbonambi region, therefore, emphasise the dynamic rather than the static nature of communication. The process, as well as the components of the programme, are ongoing and in a continual state of flux.

6.5.5 Analysis According to Merham's Model

The Mbonambi programme meets Merham's criteria that the organisation actively

monitors messages from a given community or stakeholder group. From the inception of the project, RBM responded to messages initiated from the community reversing the conventional C-M-R model. At a later stage, too, the INR shifted from being a development agent to being an agent of development. This follows the creation of a formal structure placing emphasis on the grassroots participation of the community at every stage of development of the programme.

Mersham stresses the central position of the message in the communication triptych. In the circumstances in which the community found itself, RBM's message was like a beacon - sustainable regional development in partnership with communities. Extensive and detailed dialogue took place with members of the community to identify the greatest areas of need. Flowing from this, individual components and priorities were drawn up.

Mersham's view, therefore, that the communicator should first 'prompt' the community to initiate the messages about their development needs was in fact carried out by RBM and INR in their respective communication strategies.

The facilitative role of the developers was enhanced by the creation of more formal structures such as the Mbonambi Rural Development Steering Committee of which the Community Development Council was an integral part. This unique body served the interests of the community, responding to their needs, mirroring their expectations and expanding as different needs were identified, viz. the formation of forestry and electrification interest groups in the most recent phase.

The media used in the different phases of development reflect the shift in the degree of structure and formality that was found to be necessary to run the project. The more personal, one to one contact in the field had to be supported with a more formal approach at committee level. Here, minutes were taken, reports presented and findings discussed. Thus the key stakeholders introduced a First World component to an otherwise Third World communication mix of interpersonal contact and informal debate.

The ability to reach broad consensus is fundamental to the success of the venture, based as it is on an understanding of a common purpose, a regional identity coupled with national and international acceptance. It is interesting to note that RBM's somewhat controversial position vis-a-vis the mining of the dunes at St Lucia has not had a detrimental effect on its relations with the Mbonambi community. In fact it seems to have spurred the company to redouble its efforts in CSI work so as to be seen as a concerned and caring company. This is part of what Mersham identifies as a need for RBM to establish its *bona fides* with all the groups with which it comes into contact.

6.5.6 Conclusions to be Drawn from the Case Study

Community upliftment through corporate social investment is fast becoming a necessity in bridging the gap between rich and poor, undoubtedly one of the greatest challenges facing the new South Africa.

Yet many corporate programmes, with the best of intentions, fail because they do not offer the

community sufficient opportunity to participate in the planning and implementation. A top-down approach and superficial attempts to consult with the community are the most common causes of failure (Kubheka, 1992:38).

Jabu Kubheka, Director, Community Affairs, Richards Bay Minerals (RBM), argues that corporate social investment in Mbonambi could be viewed as a model for private sector companies and institutions seeking to initiate meaningful development in under-privileged areas of South Africa.

In communication terms, this example of an Integrated Rural Development programme demonstrates the value of a broad, symmetrical world view approach to public relations. Furthermore, it demonstrates the effectiveness of the communication models developed for a First/Third World scenario discussed earlier in this chapter, which provide the receiver - in this case the Mbonambi Community - with the means of influencing the various messages that are formulated.

The community development programme is now a way of life in Mbonambi. Though the drought has adversely affected crops and recession still continues to impact on the region, as it does elsewhere in the country, the quality of life of residents has markedly improved over the years. What is more important and perhaps is the key to the success of the venture is that structures are now in place for the people of Mbonambi to take advantage of every opportunity to improve their lot further. Kubheka (1992:40) suggests the salient points of the project are:

- It developed at the pace dictated by the community, growing from small to large and from simple to complex; and it started with a few activities before diversifying into new areas, progressing from basic to advanced technology with the overall aim of moving from dependency to self-sufficiency.
- There are no short cuts; all involved parties must be consulted at every stage.
- When seeking solutions to basic problems such as sanitation and water supply, the use of appropriate technology is essential.
- It is possible to counter the macro-problems of poverty and privation on a micro-scale.

Networking and efforts to lobby other companies to get involved in social upliftment have already paid dividends. The Umgeni Water Board, for example, is using the skills and methods of building rural toilets learnt from the Mbonambi experience to good effect in their own area of operations. RBM has also offered advice to two other major companies, C G Smith and Unilever, in the planning and implementation of their corporate social investment programmes.

Perhaps what RBM and other companies will have to come to terms with is the lengthened time frame that changed circumstances are now imposing on the consultative process for CSI projects. What used to take months is now taking years

as more in-depth discussions take place with all the role players at grassroot level. This is not a negative, since community involvement will dictate what and how projects should be executed. This in turn will lead to greater emphasis on capacity building and empowerment of communities.

CHAPTER SEVEN

CONCLUSIONS AND RECOMMENDATIONS

Chapter One explored the broad nature and scope of the study, with reference to public relations' 'gate-keeping role' in a new communication order, its philosophical and theoretical framework and its adaptation, in a South African context, to changing First World/Third World conditions.

In Chapter Two, it was found that public relations as field of practice still suffers from a poor professional image in some instances. This has resulted from its past associations, continued misunderstanding of its nature, and terminological problems. However, there is a healthy self-realisation of these problems in the profession itself, and strong efforts have been made to redress the situation through active programmes of education and training and the establishment of national and international professional bodies. This is particularly important in South Africa as the country assumes a new national identity and takes on added regional and international responsibilities.

Also identified was the problem of being able to distinguish between the 'visible

techniques' and 'hidden activities' of public relations. Two core concepts were identified as central to effective practice: the need for authentic, two-way communication; and the recognition of public relations as a management function. The differences in approach of proactive and reactive public relations were examined, with the conclusion that the former is much more suitable in the context of rapid social change.

Chapter Three examined public relations from a conceptual and theoretical point of view. It was argued that public relations is fundamentally a communication activity and that its theoretical base belongs squarely within communication theory. It was pointed out that public relations tends to be lacking in a basic, underlying philosophy. Communication theory provides a moral, ethical and humanist outlook indispensable to a public relations philosophy

A brief overview of the development of communication theories was presented, and the commonly assumed view of communication as 'all powerful' was rejected. Grunig's four models of public relations practice and the various views of the communication process they advocate were discussed. It was argued that it was necessary to establish Grunig's 'two-way symmetrical world view' as opposed to the asymmetrical approach currently adopted by many organisations. The social role of public relations was examined according to Grunig's typology of symmetric versus asymmetric models and the norm of reciprocity and open and closed systems was discussed. Organisations employing open systems public relations were found to be more flexible and better prepared for managing change.

Chapter Four examined the communication and public relations functions in the First World/Third World duality of South Africa. It was suggested that the whole approach to public relations in South Africa was likely to change with the increasing emphasis on the needs of various communities. The role of public relations practitioners as facilitative 'change agents' in the developmental aspects of social investment was outlined. The role of various communication/public relations models in promoting more effective communication was also discussed. It became apparent that there was a need for greater understanding and reliance on recipients in the communication process.

Chapter Five examined the question of social responsibility and its implications in the South African context. It was argued that the traditional role of business - to simply 'make profit for shareholders' - no longer holds sway in the face of increasing socio-political developments in this country. This was reflected in a very noticeable change in commitment to CSI by companies in the post-apartheid period in contrast to the positions they espoused in the so-called 'enlightened self-interest' phase prior to 1990. What was further revealed was the diverging priority of needs between the corporate sector and the communities they serve. It is thus argued that public relations practitioners have a key role to play in analysing, interpreting and implementing planned social investment programmes to meet communities' expectations and companies' ability and willingness to make a meaningful contribution to social empowerment.

Chapter Six provided evidence of the efficacy of proposed public relations

communication models which have been developed to take cognisance of Third World conditons.

Sunflower Projects demonstrated the importance of taking a holistic approach in which literacy, numeracy and manual skills are taught concurrently and therefore help to reinforce each other. It also demonstrated the importance of establishing strategic alliances with organisations that could assist in various ways from providing additional technical and training skills to facilitating better community liaison.

The experience of Sundumbili Plaza was how important it is to identify communities and stakeholders not simply as objects to be manipulated but as equal participants in the communication process. Furthermore, both the mass media and interpersonal channels used need to be coordinated in any integrated development effort. The increasing exposure of members of rural societies to the instruments and philosophies which lead to economic empowerment should be actively encouraged.

Mbonambi demonstrated what can be achieved by motivating and mobilising communities to form community councils to coordinate development programmes. Ownership by the community of various projects is seen as of paramount importance for their success. Though this extended the time frame, the proposals are likely to enjoy wholehearted support of those that the projects have been designed to help.

Recommendations

At this time in South Africa's history, more than ever before, the need for experienced, sensitised communicators will be required. The study has focused on public relation's new gate-keeping role, its facilitative qualities in a communication context and its grasp of social issues. These qualities give the profession a decisive edge in the unfolding debate on reconstruction and development.

The issues, however, are going to be more novel and complex than those anyone has previously encountered. To be effective, to add value and to excel, public relations practitioners will need to study these issues in greater depth and with more understanding than ever before. Long-term goals will need to be more clearly defined and a proactive, innovative mode will have to be adopted.

The Reconstruction and Development Programme (RDP) being developed in South Africa provides the public relations profession not only with a unique opportunity to promote a national consensus, but also the opportunity to make a valuable contribution towards building a high level of public involvement and trust in the plan. Its success or otherwise will impact on the profession's own image, too, and could go a long way to dispel many of the negative perceptions that the public still hold of the profession.

Further research could, therefore, address the question of whether the public relations profession measures up to this challenge. Does it, for example, have the

necessary background, resources and experienced practitioners to undertake such a mission? What reorganisation needs to be undertaken within the profession, its national body (PRISA) and in the communication industry at large to make that contribution both meaningful and effective?

With regard to the RDP itself, further study could examine what would be the likely impact of the programme on the private sector's continual contribution to social investment. Will the rate of corporate social investment increase or decrease, and will priorities change? Such a study could also explore the feasibility of a more holistic approach to corporate social investment which would meet the needs, as far as possible, of all stakeholders, from government and trade union bodies to non-governmental organisations and communities themselves.

The First World/Third World communication climate that exists in South Africa thus provides many scenarios and issues to be examined.

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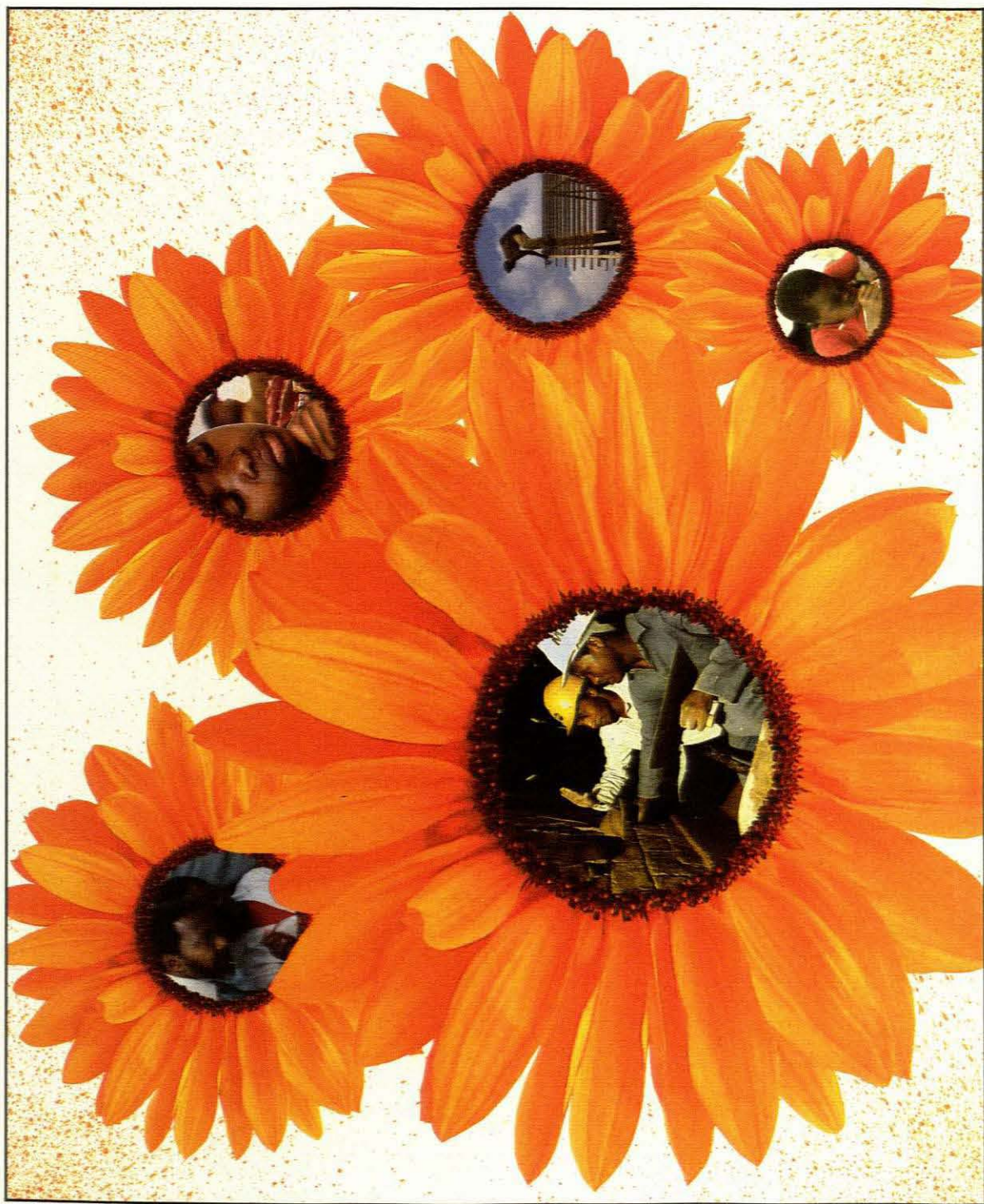
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APPENDIX 1



SUNFLOWER PROJECTS



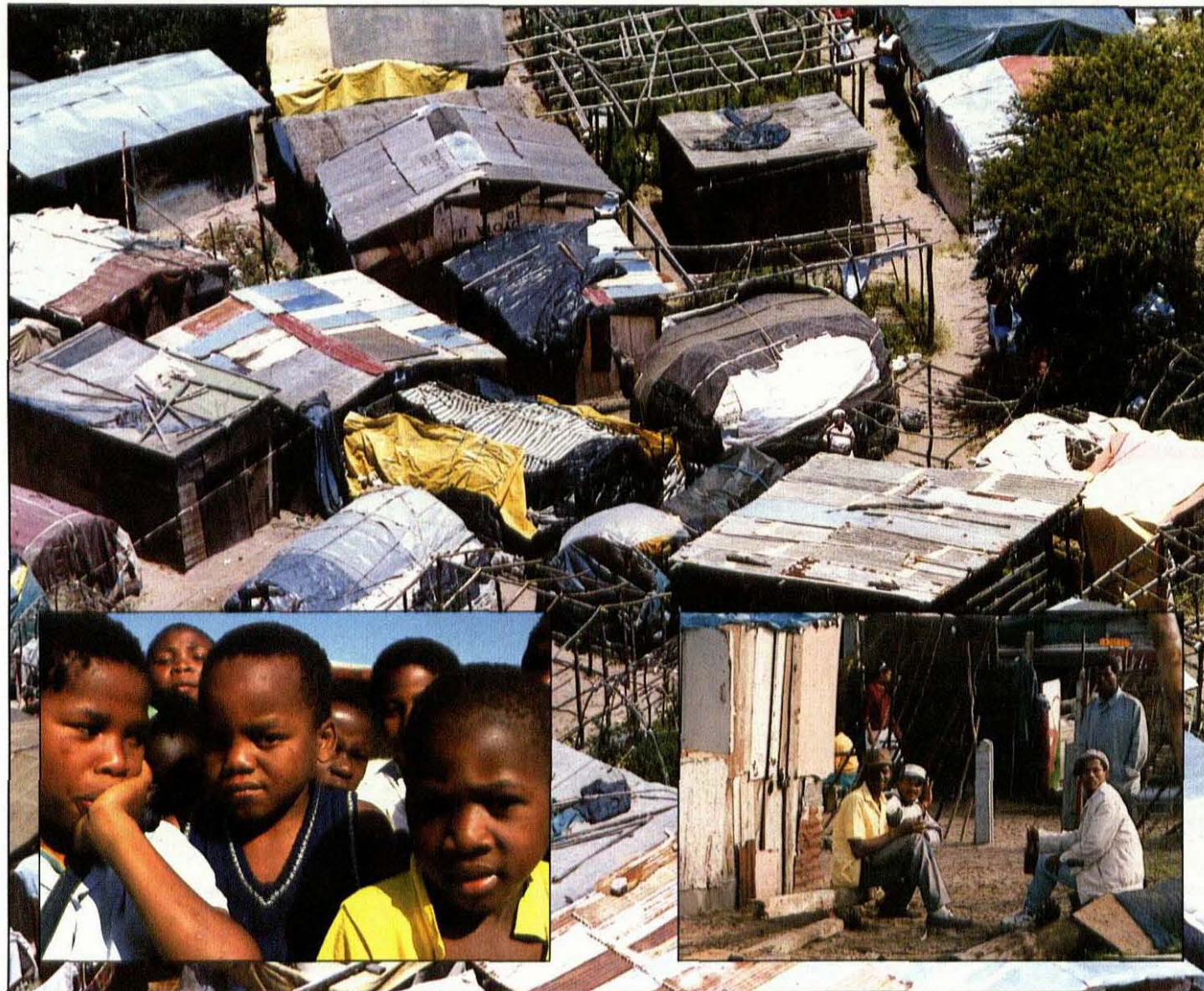
PEACE, PRODUCTIVITY & PERSONAL COMMITMENT

These are the cornerstones of the Sunflower philosophy.

The essence of Sunflower Projects is community commitment and participation; empowerment through skills enhancement, literacy and adult education; entrepreneurial development and job creation. The concept has been enthusiastically received without reservation by everyone to whom it has been presented. It is non-sexist, non-racial and non-political, designed to enable the community to uplift itself through a progression of nine phases.

This is a story of hope and real progress on the ground. Beyond the words and pictures in this brochure is a vision of those who have dedicated themselves to a positive way of thinking, to sharing and caring. Above all, the Sunflower concept proves that a truly new South Africa can become a reality.



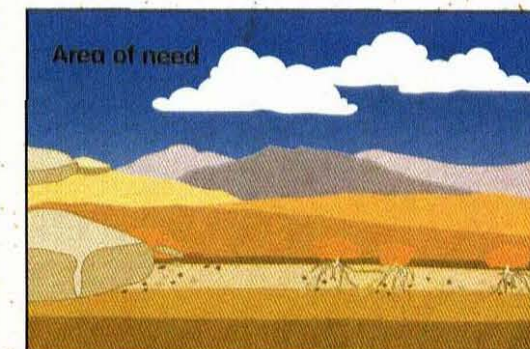


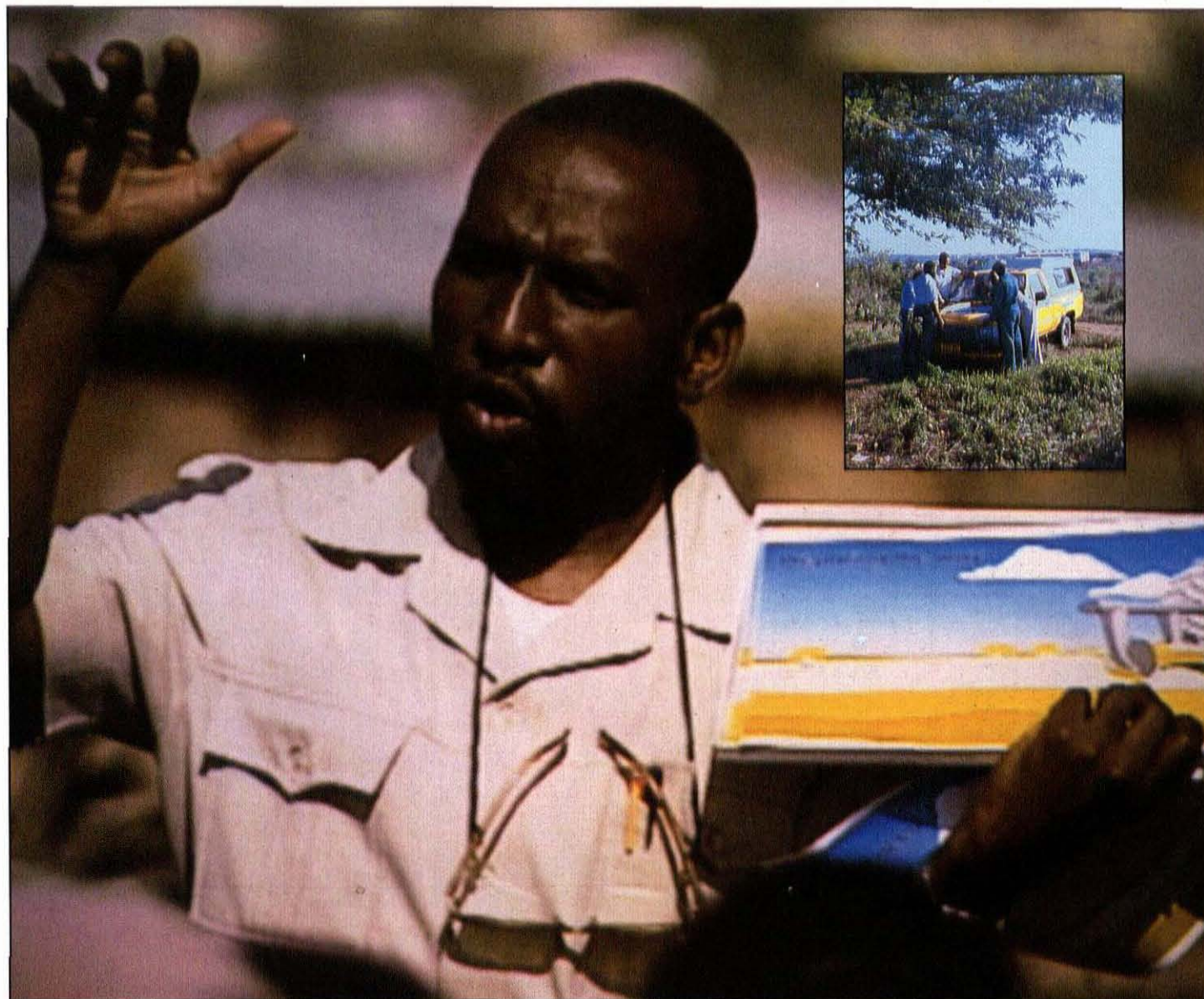
THE LANDSCAPE OF OPPORTUNITY

This is where we begin – with a barren landscape, where the need for development is enormous.

Rural people, desperate to find employment in the cities of South Africa, daily flock to the outskirts of existing shacklands. Unhygienic living conditions, due to the absence of basic services, cause the spread of contagious diseases. The social fabric of these communities has been torn apart by violence and exacerbated by grinding poverty. People are unable to take charge of their lives, hampered by illiteracy and lacking basic skills. These are communities in crisis – people living without hope for the future.

What is to be done to alleviate this pervading misery?





HELP US HELP OURSELVES

Development isn't something you can do to people or even for people — you have to do it with them. Aid is often equated with handouts of cash and material goods, but the old days of charitable concern and paternalism are over. The Sunflower concept demands a much deeper involvement if community advancement is to take place.

Our community liaison people are skilled in identifying the greatest areas of need. Their job is to look, probe and listen. It could be a clinic... a community centre... a home for street children... a school... an informal market. Sometimes we can help the community clarify its own priorities.

During this early negotiation phase, understanding cultural differences and mutual respect is essential for establishing trust and a good working relationship. Sunflower Projects depends entirely on direct involvement with and commitment from participating communities — from the design stage to completion of a scheme.

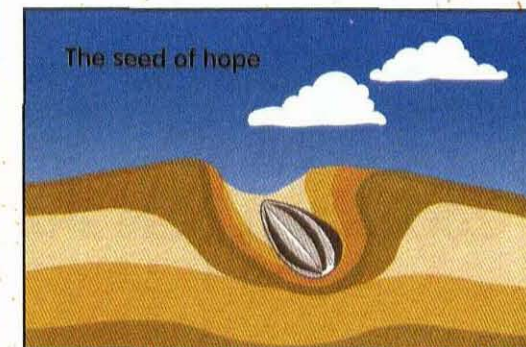


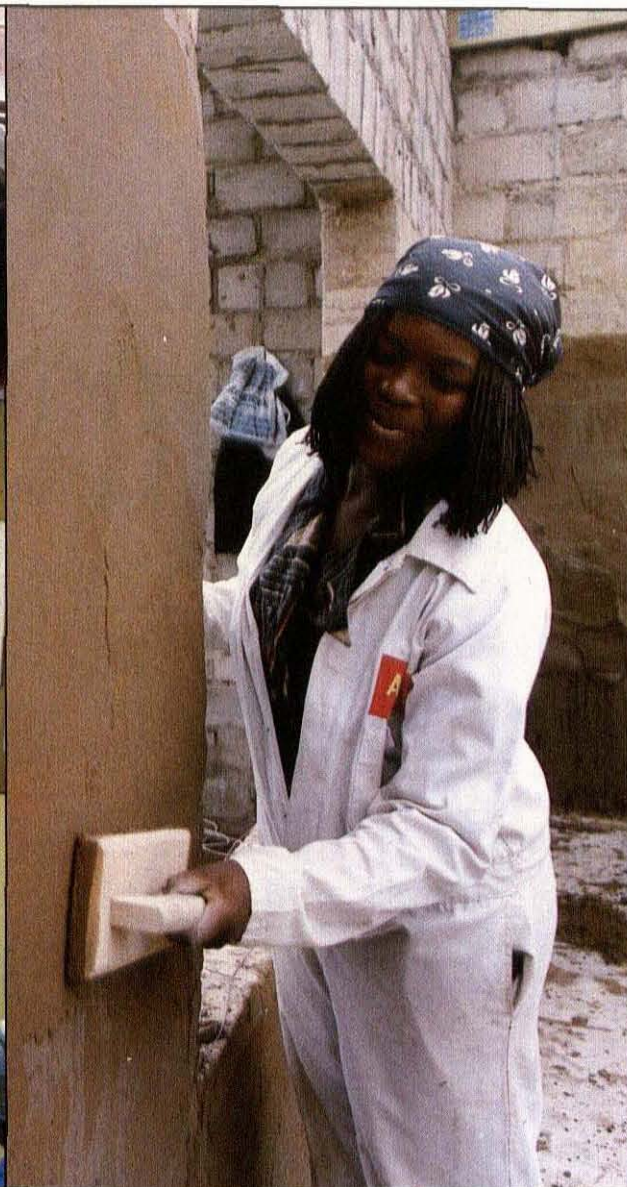


SOWING THE SEED OF HOPE

Next a management committee is set up, comprising both local formal and informal community leaders as well as representatives from any existing local authority or organisation involved in the development of a particular region. Sunflower also encourages the involvement of local business enterprises. This ensures that a joint decision-making forum exists to promote the interests and objectives of the local people.

Through dialogue and discussion, proper communication ensures that each member of the community is kept fully informed. Commitment from the whole community is thus obtained and the type of project, buildings required and the nature of the facilities to be provided are agreed.



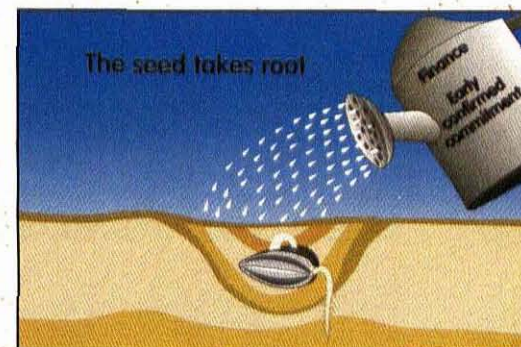


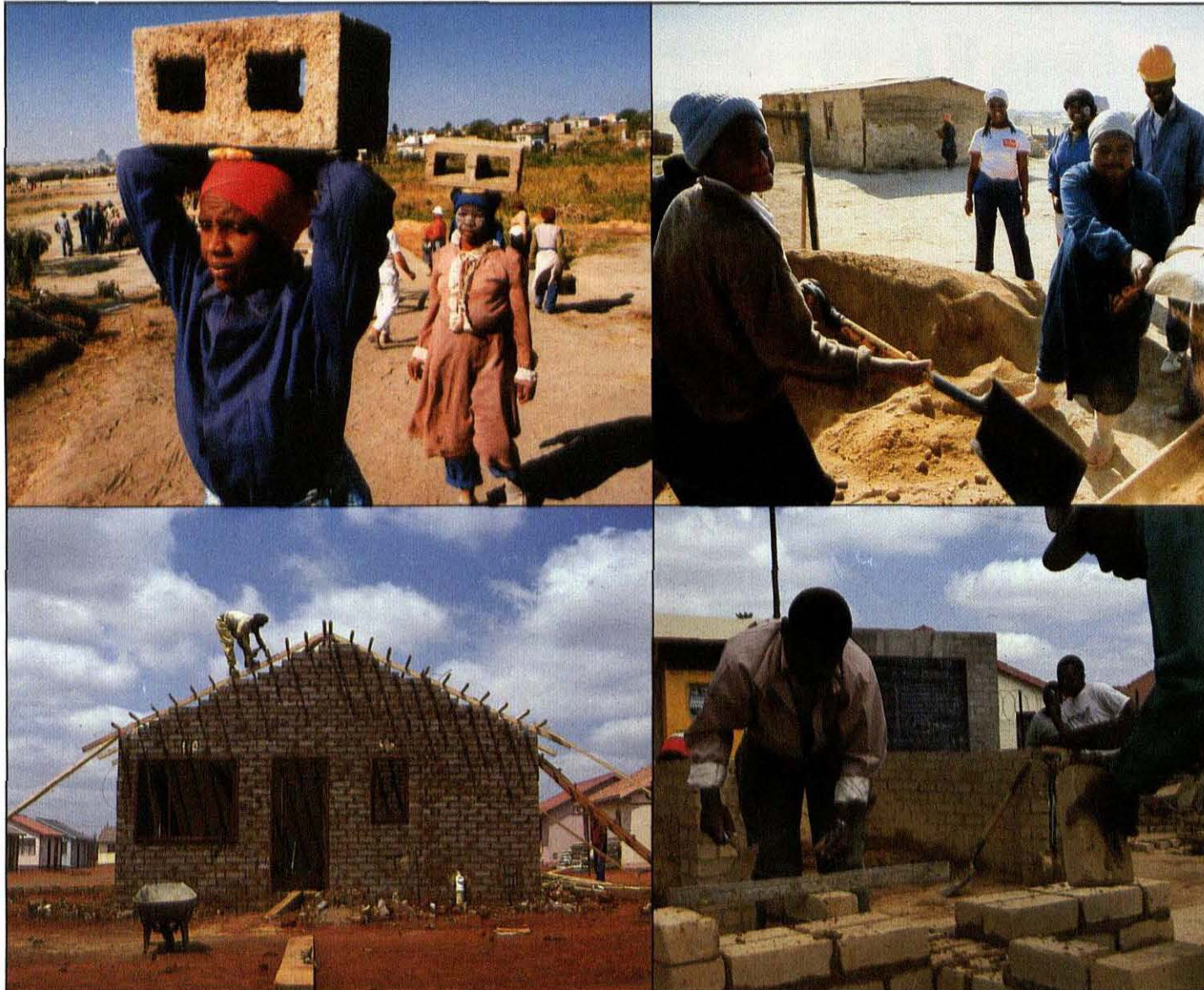
THE SEED TAKES ROOT

Detailed plans, together with costs, are now prepared for approval by the management committee.

A proposal is then submitted to potential funders for the allocation of funds. Early commitment from financial backers is as critical to the success of a project as the commitment from the community. This is often the most difficult part of the process!

Another Sunflower project is now under way and training can begin. For that's what it's all about — not an army of professionals descending on the site with a fleet of earthmoving equipment, but training the local people. They will build their own facility under the guidance of Sunflower's competent instructors.



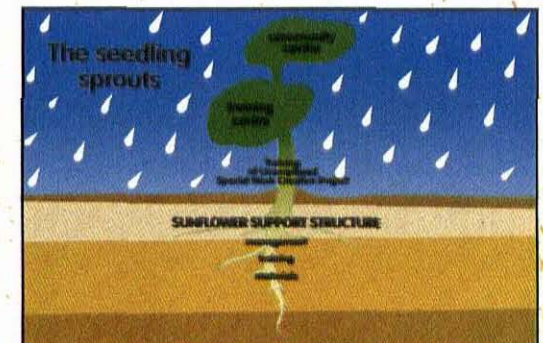


THE SEEDLING SPROUTS

Unemployed people of the community are invited to join free courses in blockmaking, bricklaying, plastering, painting, carpentry and other building skills.

At Sunflower's on site training centres, trainees re-shape their own destinies during intensive, hands-on courses that will equip them with the basic skills of their chosen trades. Then, when they have achieved a certain minimal level of skill, they're set to work on the building project itself – still under the close scrutiny of their instructors.

At first productivity is low but, with practice, they grow more assured.





REACHING FOR THE SUN

The sunflower bud is about to burst open and reward the community with benefits from their dedicated labour.

The graphic shows leaves representing a training centre, schools, colleges, houses, a clinic, cottage industries, sporting and social facilities. Each "leaf" stands for an additional growth phase, requiring new plans and proposals that will form a new part of the total project.

It is now that the community begins to see the concept working. Skills, learned and practised in the previous phase, are put to good use in constructing other buildings. Additional education and skills can be acquired from the training school.

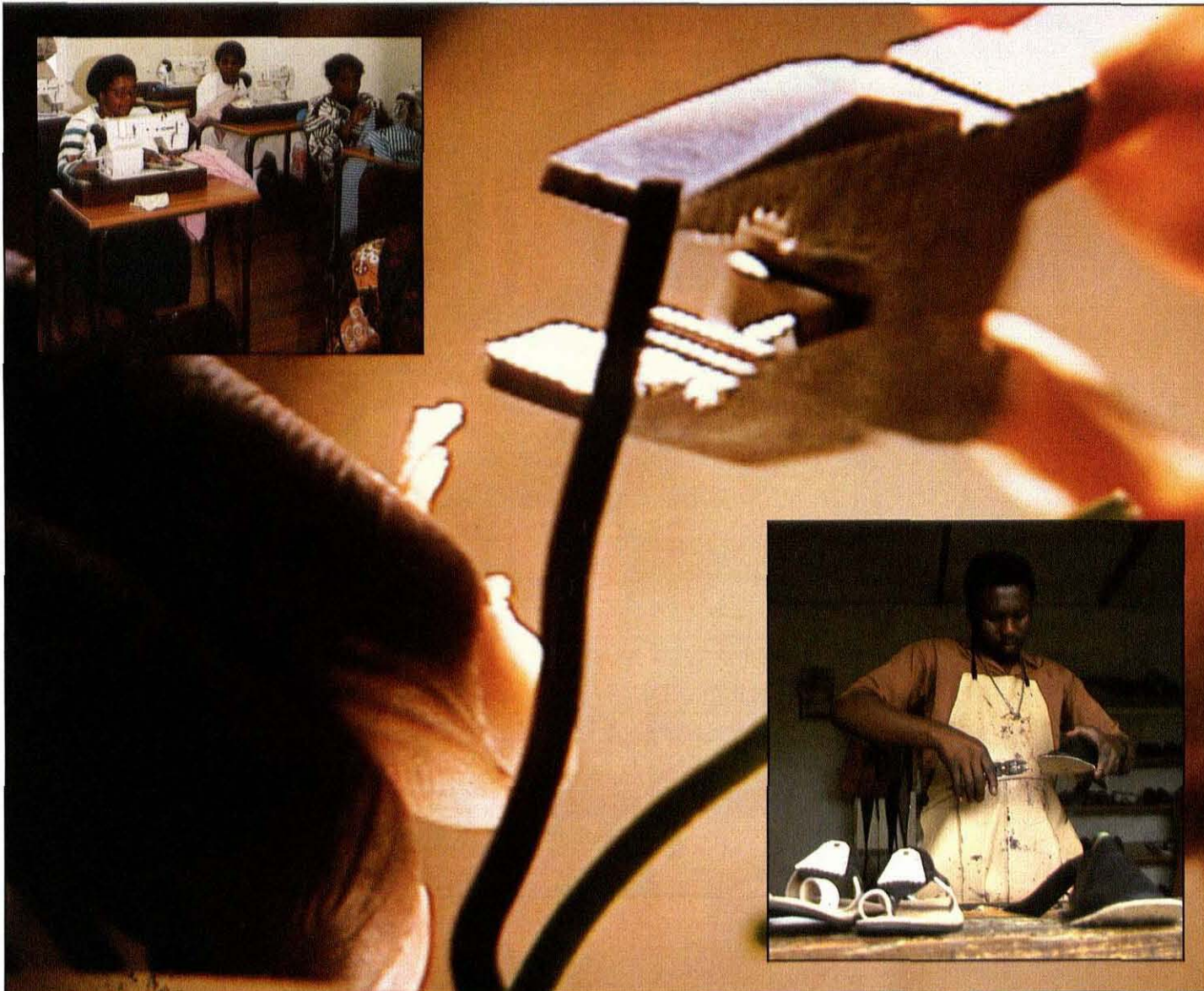


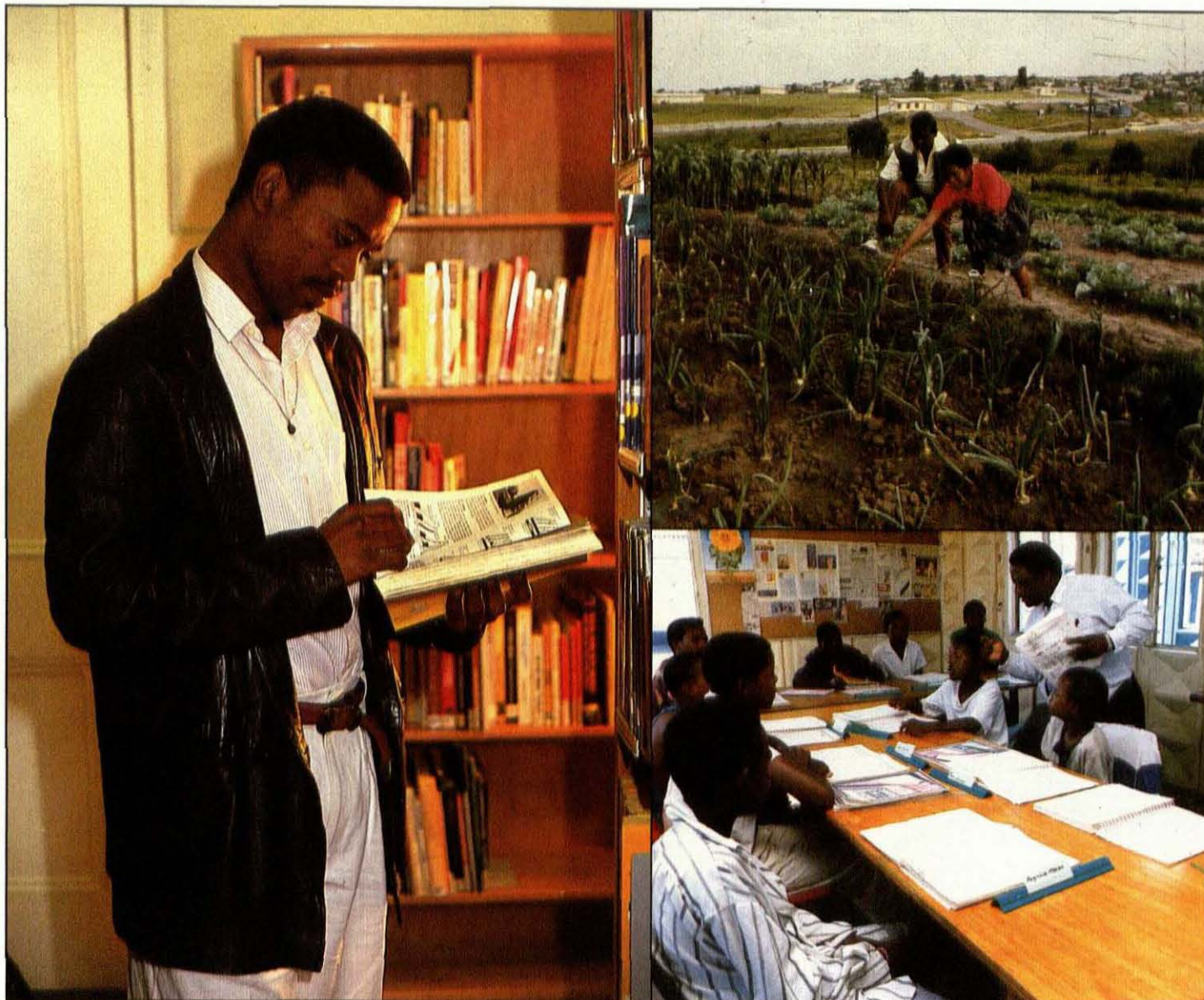
THE SUNFLOWER BLOOMS

Now we have a community project totally active in the process of social upliftment. The sunflower, while complete in its cycle, also protectively holds within its blossom the seeds for future projects.

Jobless people have been given the ability to earn a living, to build a weatherproof home and some education. Many trainees find their increased skills make them far more marketable to employers. Others stay on the project, preferring to rent an entrepreneurial workshop from which they can establish a micro business, utilising their newly acquired skills. Some manufacture products whilst others offer services.

And throughout Sunflower Projects has nurtured, guided and supported them in establishing self-sufficiency.



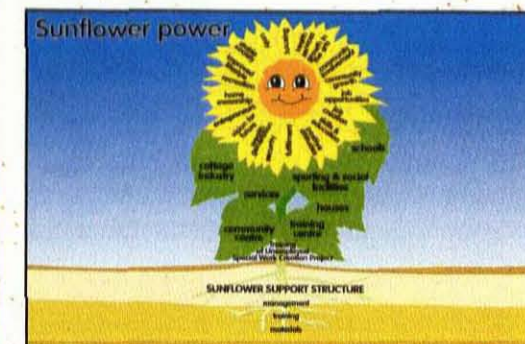


SUNFLOWER POWER

The enduring gift that Sunflower Projects bequeaths to the communities that call on its expertise is education, skills and the confidence that these communities are going to meet all their growing needs themselves. Sunflower's legacy therefore embraces not only tangible facilities but independence, fresh meaning and financial self-sufficiency.

Although the concept began with transferring building skills, Sunflower now has a complete adult education arm – starting with basic literacy and numeracy, progressing through to technical and academic vocational qualifications – an essential part of developing a culture of learning. Furthermore, in meeting ever emerging community needs, training in agriculture is also provided.

And so Sunflower's mission of uplifting needy communities by providing education and training is turned into reality.

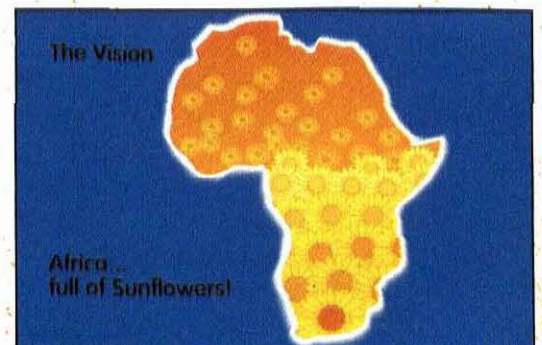
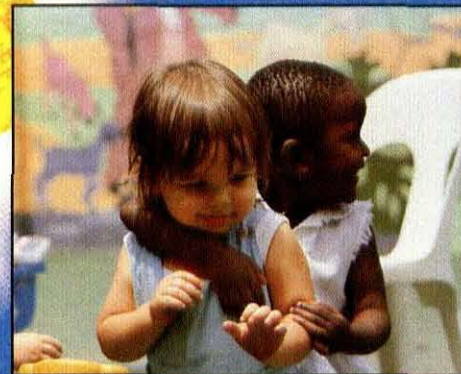


SUNFLOWERS FOR AFRICA

The heart of what Sunflower Projects is all about – the reason it grows, sends up shoots and ultimately turns its face towards the sun – is the realisation of dreams. The dreams of men and women who, lacking basic education, skills and jobs, believe in themselves and their capabilities.

What communities need above all else is skilled and confident people. People who can read and write, who are capable of building not just a community centre or a rural health clinic, but also a future for themselves and their children. People who have pride, dignity and a reason for living.

Our vision is to see the Sunflower concept spreading throughout Africa, in a never-ending cycle of renewal. Help us make it happen!



“Sunflower Projects is dedicated to the upliftment of communities through the provision of education and training related to the world of work. Our success lies in the ability to provide an effective delivery mechanism for sustainable upliftment through committed partnership with individual communities.”

Sunflower Projects

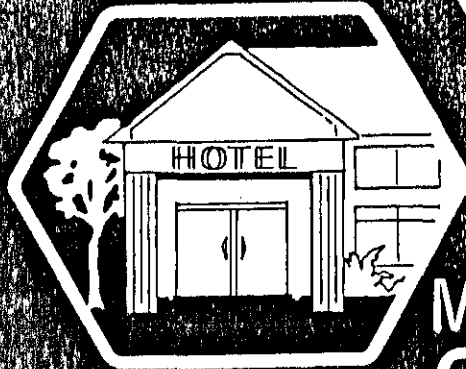
A MURRAY & ROBERTS COMPANY
Construction through the medium of training.
Literacy/numeracy and adult education.

Charles House, The Avenue East, Prospecton,
Isipingo 4110.
P.O. Box 26076, Isipingo Beach 4115, Natal,
South Africa.

Telephone (031) 902-9222
Telefax (031) 902-4309



APPENDIX 2



GUIDE TO MULTI-PARTNER SHARE INVESTMENT

This guide to share investment has been compiled to provide you with some of the information necessary to make a decision on whether to buy shares in one or more of the multi-partner companies operating in KwaZulu.

WHAT IS A MULTI-PARTNER COMPANY?

A multi-partner company is a company in which shareholding is divided between a major private-sector company, black investors and, in some cases, the KFC as well.

The multi-partner company is initially established, either by the private-sector company alone, or as a joint venture between the KFC and the private-sector company.

Shares are then sold to interested black share investors by the KFC and/or the multi-partner company, over an agreed period of time. The sale and transfer of these shares is administered by the KFC, which generally acts as the

multi-partner company's share transfer secretary.

The multi-partner concept was introduced to KwaZulu by the KFC with the following objectives:

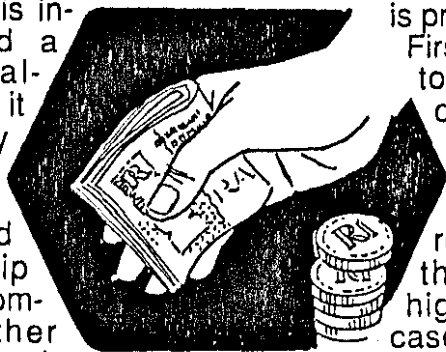
- to attract the investment of major private-sector companies in KwaZulu;
- to allow black investors to share in the profitability of such enterprises by purchasing shares in these companies;
- to provide more job and career opportunities for black people in the region; and
- to bring the supply of commodities closer to the people.

All multi-partner companies are registered under and governed by the provisions of the South African Companies Act (Act 61 of 1973). The concept of multi-partner companies was approved by the KwaZulu Cabinet, in terms of Cabinet Resolution No 375 of 1986.



WHAT IS A SHARE?

Shares came about as a method by which a group of people interested in establishing or investing money in a particular firm or operation, could pool their financial contributions, in return for an interest in a company. This interest is called a SHARE, and although intangible, it is represented by a share certificate. A share may be regarded as part ownership in a company. A company, on the other hand, is the legal entity owning the assets of the business.



HOW DOES SHARE INVESTMENT DIFFER FROM OTHER FORMS OF INVESTMENT?

People invest for a number of reasons. These could include:

- providing for their retirement and insuring against premature death;
- obtaining supplementary income; or

- putting money aside for future needs.

Investing in shares may be tailored to the needs of the investor. While the return and risk vary with each type of share, the return from share investment where the company

is profitable, is twofold:

Firstly, there is a right to receive declared dividends; and, secondly, there is capital profit from re-selling the shares at some time in the future, at a higher price. In the case of well-performing shares, investments

are not subject to erosion or inflation. For example, R100 invested in shares in 1940 would probably still be able to buy R100 worth of goods in today's money, due to capital appreciation. The converse would apply in the case where the company is not profitable.

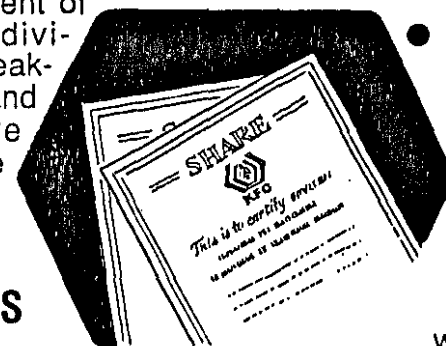
Investing in deposits with banks, building societies and other deposit-receiving institutions is relatively risk-free, often yielding a better interest rate. However, the capital (sum invested) is subject to erosion

by inflation. In other words, R100 invested in 1940 would probably only buy R10 worth of goods today.

Assurance, on the other hand, is designed to ensure that there are adequate funds to provide for dependants, on the death or retirement of an assured individual. Strictly speaking, assurance and investments are not the same thing.

TAX ADVANTAGES

When comparing investment in deposits in a bank and an equal investment in shares, the after-tax return from these two investments will be as follows:



DO SHAREHOLDERS HAVE ANY RIGHTS OR PROTECTION UNDER THE LAW?

Investing in shares entitles a shareholder to certain rights, for example:

- the right to receive declared dividends;
 - the right to attend and vote at Annual General Meetings (AGM's) either personally, or by way of proxy;
 - the right to receive notices and the Annual Report of the company.
- At every AGM, every public company is required to appoint

(for Individuals)	INVESTMENTS WITH SHARE INVESTMENTS	
	BANK (INTEREST)	(DIVIDENDS)
Income	100 ¹	100
Taxation (assuming 45%) ²	(45)	-
Net Income After Tax	55	100

* 1 Assuming income after first R2 000 tax-free interest.

* 2 Assumed marginal tax percentage

The illustration above indicates that investment in shares can have tax advantages.

an auditor, in terms of the Companies Act (Act 61 of 1973), who will examine the company's financial position, on behalf of the shareholders. The auditor is required to certify that the Annual Financial Statements fairly present the financial position of the company and the results of its operations.

Furthermore, unlike a partnership, a shareholder's liability for debts incurred by the company is limited to the amount invested.

A shareholder cannot be made to pay the debts of the company if it is insolvent – at most he will lose the funds he invested.

WHAT RISKS ARE THERE IN INVESTING IN SHARES?

There is no guarantee, when buying shares in a company, that the company will definitely make a profit, or that the shares will increase in value. If the company performs badly, the shares may be worth less than when they were bought and the company might not de-

clare and pay out any dividends. Investing in shares is, therefore, a calculated risk and you need to look carefully into the financial position of the company before making a decision to invest in the company's shares.

SHOULD YOU INVEST IN SHARES?



Because of certain risks inherent in share investment, before you invest in shares you need to consider the following key questions:

- have you provided enough food, shelter and clothing for your family and your dependants?
- are you and your family adequately insured in the event of your death?
- do you have sufficient cash to meet your emergency needs?
- have you made sufficient provision for a basic income for yourself and your family when you retire?

Only if you can honestly answer "YES" to all these questions, should you consider investing in shares.

HOW DO I BUY SHARES IN A MULTI-PARTNER COMPANY?

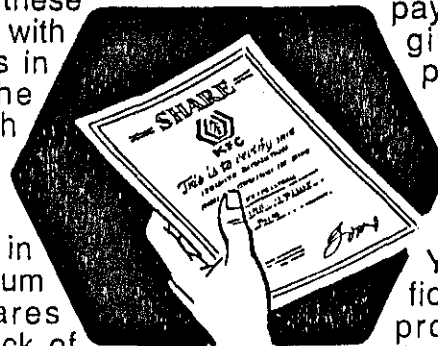
You may enquire from the KFC's Secretarial Services Section as to what shares are available for sale and the price being asked for these shares, together with other particulars in respect of the company in which shares are being offered.

Shares are sold in "blocks" (a minimum number of shares comprises a block of shares, for example 25, 50, 100, etc.). Payment is required on transfer and no credit will be advanced for the purchase of shares.

Once you have decided which shares to buy, you must complete and sign a Security Transfer Form. This form specifies the number and price of the shares you intend buying. The KFC, as the share transfer secretaries, will then transfer the shares into your name and provide you with a share certificate to prove ownership.

The Security Transfer Form is a legal document and must have the appropriate value of revenue stamps placed on it. You will be asked to bear the cost of this stamp duty.

You must pay for your shares in cash or by cheque. If you pay cash, you will be given a receipt to prove that you have paid. Please retain your proof of payment. Cash payments should not be sent by post. Your share certificate, which is your proof of ownership of the shares, is an important document and should always be kept in a safe place.



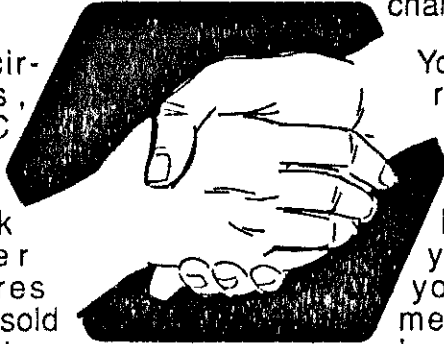
HOW DO I SELL MY MULTI-PARTNER COMPANY SHARES?

The first step is to decide how much you want for your shares. The KFC Secretarial Services staff can provide you with information which will assist you in determining a realistic price for your shares, but the decision is essentially yours.

You must then find a buyer or buyers for your shares, who are willing to pay your asking price. Please remember that no person may hold less than a stipulated block of shares (minimum number of shares) in a multi-partner company at any one time and buyers must be black investors.

Under normal circumstances, neither the KFC nor private sector companies may buy back multi-partner company shares which have been sold to private investors.

These shares must be sold to other private investors.



When you have found a buyer for your shares, you should contact the KFC Secretarial Services staff. They will provide you and the purchaser with the necessary forms to transfer the shares from your name into the purchaser's name. For this service a small commission is charged.

You will be entitled to receive the full purchase price for the sale of your shares. When selling your shares you should make your own arrangements with the purchaser as to how and when such payment is to be made.

WHERE CAN I OBTAIN MORE INFORMATION ABOUT MULTI-PARTNER SHARE OWNERSHIP?

If you would like more information, please contact our Secretarial Services Share Administration staff, at:

KFC Corporate Services Centre,

Site V1317, Umlazi

Telephone (031) 9071055,

or write to:

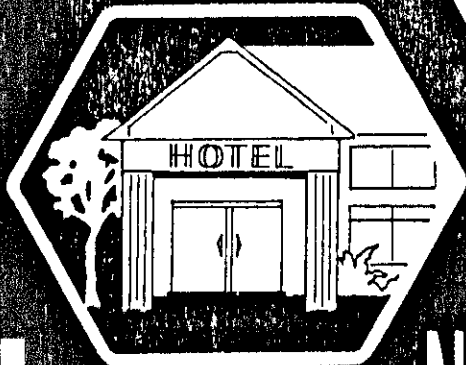
Secretarial Services,

Kwazulu Finance and Investment Corporation Limited,

P.O. Box 2801, Durban 4000

Please do not send money, cheques or postal orders

with your enquiry.



**INCAZELO
NGAMASHEYA**

INKAMPA NI YAKWA ZULU

Lencazelo ngamasheya yenze-
lwe ukukunika ulwazi oludi-
ngekayo ekuthatheni isinqumo
maqondana nokuthengwa kwa-
masheya ezinkampanini ezise-
benza KwaZulu.

IYINI YONA INKAMPANI YAKWAZULU?

Inkampani yaKwa-
Zulu inkampani
enabaninima-
sheya abahluka-
niseke ngokuba
kubekwezinkam-
pani zikazwelo-
nke, nomphakathi
omnyama, futhi kwe-
sinye isikhathi naba-
kwa KFC.



Uhlelo lwalezizinkampani lale-
thwa abakwa KFC KwaZulu nga-
lezizinhloso.

- Ukuheha osomabhizinisi
bazwelonke ukuzotshala
izimali Kwa-Zulu.
- Ukwenzela umphakathi ukwa-
zi ukuhlephula enzuzweni
nasemnothweni ngo-
kuthenga amasheya.
- Ukuvulela umpha-
kathi wendawo
amathuba emse-
benzi.
- Ukusondeza
izimpahla ezida-
yisayo eduze no-
mphakathi.

NGABE LIYINI LONA ISHEYA?

Inkampani lena isungulwa, ku-
ngaba inkampani kazwelonke
iyodwa, noma ngokubambi-
sana phakathi kuka KFC nayo
inkampani kazwelonke. Ama-
sheya wona adayiselwa aba-
mnyama ngu KFC nenkampani
kazwelonke noma inkampani
kazwelonke iyodwa, ngesi-
khathi ekovunyelwana ngaso.

Ukudayiswa kwalamasheya
kwengamelwe uKFC, okuwu-
yena osebenza njengonobhala
wamasheya azo zonke lezi-
zinkampani.

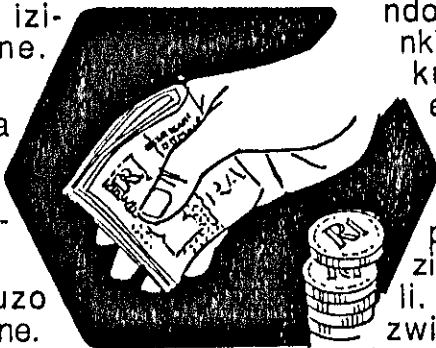
Uhlelo lwamasheya indlela
yokuthi uma iqembu elithile
linothando lokusungula noma
lokufaka imali emsebenzini
othile, lihlenganise izimali zalo
ukuze lizuze okuthile enkampani
ngokwenzenjalo. Lonke lo-
luhlelo lokufaka okuthile libizwa
ngokuthi ukuthenga AMA-
SHEYA. Uma usuwathengile
uthola isitifiketi samasheya.
Ngamafuphi singathi isheya
UBUNIKAZI BENGXENYE
ETHILE enkampanini. Kuwu-
kuthi inkampani iyona engu-

mnikazi osemthethweni wayo yonke impahla ebhizinisini.

KUHLUKE KANJANI UKULONDOLOZA NGAMASHEYA KOKUNYE UKULONDOLOZA

Abantu bongela izi-
zathu ezahlukeni.
Kungaba:

- Ukubekela umhlalaphansi noma umshwalense oqondene nokufa.
- Ukuthola inzuzo kancane, kancane.
- Ukubekela ingomuso.



Ukulondoloza ngamasheya kungahlelwa ukuze kuhambisane nezidingo zalowo olondolozayo. Nakuba inzuzo nokulahlekelwa kuhluka ngezinhlobo ezahlukeni zamasheya, inzuzo, enkampanini esebenza kahle, yona iba kabili kanje: Okokuqala ukuhlomulo inzalo (dividends), kuthi okwesibili ukuthola inzuzo ekudayiseni isheya ngentengo ephezulu. Uma sithatha amasheya ase-nkampanini esebenza kahle, ukulondoloza kwakho akudliwa ukwehla kwezinga lamandla

emali. Njengokuthi uR100 olondolozwe ngo 1940 unga-thenga impahla ka R100 namhlanje. Kanjalo ngokuphendukisiwe enkampanini engasebenzi kahle.

Ukulondoloza ebhange, e-Building Society kanye nakwezinye izindawo zokulondoloza akunazo izinkinga eziningi, futhi kukhiqiza inzalo engconywa. Kunjalo, kodwake isamba (esilondolozwe) singancipha ngokwehla kwezinga lamandla emali. Ngamanye amazwi, uR100 olondolozwe ngo 1940 unga-thenga izimpahla zika R100 kuphela namhlanje.

Umshwalense, kolunye uhlangathi uhlelelwe ukuthi abangaphansi kwakho bamelane nezidingo uma sewushonile noma usuthathe umhlalaphansi. Ngokwempela umshwalense nokulondoloza izinto ezahlukeni.

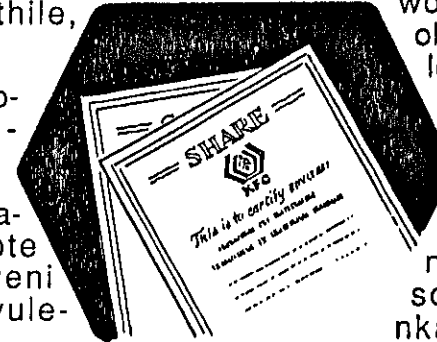
UBUHLE NGAKWEZENTELA

Ake siqhathanise inzuzo yemali elondolozwe ebhange nemali elinganayo elondolozwe ngokuthenga amasheya. Inzuzo sekususwe intela ingaba kanje: (Bheka ekhasini elingaphesheya *

BAVUMELEKE UKWENZANI FUTHI BAVIKELEKE KANJANI NGOKOMTHETHO ABANAMASHEYA?

Ukulondoloza ngamasheya kuvumela umnini sheya amalungelo athile, njengokuthi;

- ilungelo lomhlomulo okhishiwe;
- ilungelo lokubakhona avote emhlanganweni wonyaka ovulelekile;
- ilungelo lokukhetha ummeli ukuba abekhona futhi avote esikhundleni sakho emhlanganweni wonyaka ovulelekile;



- ilungelo lesaziso kanye nezitatimende zezimali zonyaka zenkampani;

Ngoko Mthetho wezi Nkampani unombolo 61 ka 1973 zonke izinkampani kufanele zikhethe abacwaningi (auditors) benkampani njalo emhlanganweni wonyaka ovulelekile, okuyibona abazohlola abaninimasheya ukusebenza kwenkampani. Abacwaningi kufanele babheke izitatimende zezimali zonyaka ngokwesimo sokusebenza kwenkampani nemiphumela yensebenzo.

Phezu kwaloko, izikweletu zenkampani zikhokhwa inkampani hayi abanamasheya. Umnini sheya akazikhokhi izi-

(kumuntu mnye)	UKULONDOLOZA EBHANGE (INZALO)	UKULONDOLOZA NGAMASHEYA (UMHLOMULO)
Inzuzo ngaphambi kwentela	100*1	100
Intela (siyibeka ku 45%)*2	(45)	
Inzuzo ngemva kwentela	55	100

* 1 Lapha sithatha ngokuthi uR2 000 wokuqala ongahelelwa usu-khishiwe.
* 2 Lapha sithatha ingxenyekhulu eke lthelelwe.

Lokokuqhathanisa okungenhla kusibekela ngokusobala ukuthi ukonga ngokuthenga amasheya kunobuhle uma sibheka intela.)

kweletu zenkampani esihlu-
lekile ukukhokha – okwakhe
kungaba ukulahlekelwa imali
ayifakile ngokuthenga ama-
sheya kuphela.

NGOZINI ENGABAKHONA EKUTHENGENI AMASHEYA?

Asikho isiqiniseko
sokuthi uma uthe-
nga amasheya
enkampanini, inka-
mpani izokwenza
inzuzo nakanjani no-
ma amasheya azo-
khuphuka ngentengo. Uma
inkampani ingasebenzi kahle
inani lamasheya akhona
lingehla lize libe ngaphansi
kwalelo owawulithenge ngalo,
futhi inkampani yehluleke no-
kukhipha umhlomulo.

Ukulondoloza ngokuthenga
amasheya, kungathathwa nje-
ngendlela enezinkinga zakho-
na, ngakho-ke umuntu ofuna
ukuthenga amasheya kufa-
nele acubungule kahle isimo
sezimali zenkampani nga-
phambi kokuthenga amasheya
ayo.



KUFANELE YINI ULONDOLOZE NGAMASHEYA?

Ngenxa yezinkinga ezisekulo-
ndolozeni ngamasheya, nga-
phambi kokuthi wenze loku,
kufanele uzibuze lemibuzo
elandelayo:

- Usuzifezile yini
izindingo zo-
kudla, zoku-
hlala nezo-
kugqoka zakho
nomndeni wa-
kho na?
- Wena nomndeni
wakho nizokwazi ukuqhuba
impilo ngemfanelo uma
kungaba khona isifo na?
- Unayo yini imali eyanele
yokubhekela izindingo ezi-
phuthumayo na?
- Ukwazile yini ukubeka ece-
leni imali enokuniphilisa uma
sewuthathe umhlalaphansi
na?

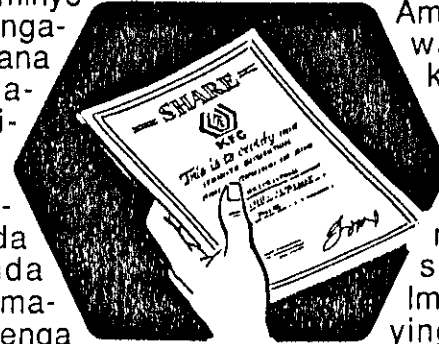
Uma izimpendulo zonke zakho
zingu "YEBO" ngokuthembeka
kulemibuzo engenhla, ungalo-
ndoloza-ke ngamasheya.

NGINGAWATHENGA KANJANI AMASHEYA KULEZIZINKAMPANI NA?

Ungabuza emnyangweni we
Secretarial Services wakwa
KFC, ukuthi imaphi amasheya
akhona adayisayo futhi abiza
malini, kanye neminye
imininingwane enga-
dingakala mayelana
nenkampani ena-
masheya adayi-
sayo.

Amasheya adayi-
swa ngezinyanda
(blocks) (inyanda
iba amasheya ama-
ncane ongawathenga
njengawu 25, 50, 100 nja-
lonjalo) futhi imali ikhokhwa
ngesikhathi uthenga. Awa-
thengiswa ngesikweletu ama-
sheya.

Uma usuzimisele ukuthenga
amasheya lawo ofuna uku-
wathenga, kufanele ugwalise
futhi usayine ifomu okuthiwa i
Security Transfer Form. Yiku-
lelifomu lapho ugwalisa khona
imininingwane ngawe kanye
nesamba samasheya ofuna
ukuwathenga. UKFC njengo-
nobhala wamasheya, uzo-
kugwalisisa yonke iminini-
ngwane bese bekunika isitifi-



keti njengesiqinisekiso sobu-
nikazi bamasheya onawo.

I Security Transfer Form incwa-
di yomthetho, ngakho-ke idinga
ukukhokhelwa imali yezitembu.
Umthengi wamasheya uyena
odingeke ukuba ayikhokhe
leyomali yezitembu.

Amasheya akho unga-
wakhokhela ngo-
kheshi noma nge-
sheke. Uma ukho-
kha ukheshi uzo-
nikwa irisidi (rec-
eipt), ulingcine
njalo njengesiqini-
seko sokukhokha.
Imali engukheshi ma-
yingathunyelwa nge-
posi. Isitifiketi sakho
samasheya siyisiqiniseko sa-
masheya onawo, ngakho-ke
kusemqoka ukuthi sibekwe
endaweni ephephile.

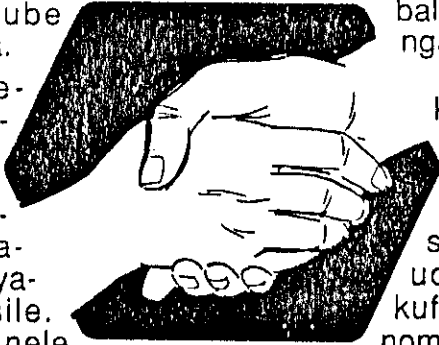
NGINGAWADAYISA KANJANI AMASHEYA AMI NA?

Okokuqala kufanele wazi uku-
thi ufuna malini ngamasheya
akho. Abase Secretarial Ser-
vices kwa KFC bangakubonisa
ngokukunika imininingwane
engakwenza ubeke intengo
egculisayo, kodwa yazi kahle

ukuthi inani lentengiso libekwa uweni.

Kufanele uzitholele umthengi noma abathengi bamasheya. Khumbula ukuthi akekho umuntu ovunyelwe ukuthenga ngaphansi kwesigaxa esiyinyanda yamasheya, futhi khumbula ukuthi umthengi kufanele kube umuntu omnyama.

Njengokujwayelelekile, akuvunyelwe ukuthi uKFC noma inkampani kazwelonke iwathenge emphakathini amasheya eyayikade iwadayisile. Lamasheya kufanele adayiselwe omunye umuntu.



Uma usumtholile umthengi wamasheya akho, kufanele nithintane nabakwa Secretarial Services kwa KFC. Bazonisiza wena mthengisi kanye nomthengi ngokudingekile ekugwaliseni amafomu, bashintshe igama lomdayisi bafake elomthengi. Kunobuchwabalala obukhokhwayo ngalomsebenzi.

Kuzofanele uyithole yonke njengoba injalo imali yakho yokudayisa amasheya akho. Uma udayisa amasheya kufanele nivumelane nomthengi ukuthi niyokhokhelana kanjani.

NGINGAYITHOLAPHI INCAZELO EGCWELE NGAMASHEYA?

Uma udinga incazelo kabanzi, thintana nabakwa Secretarial Services Share Administration staff kwa

KFC Corporate Services Centre

Site V1317, Umlazi,

Ucingo (031) 9071055

noma ubhalele lapha:

Secretarial Services Section

KwaZulu Finance and Investment Corporation Limited

P.O. Box 2801, Durban 4000

Siyacela ungathumeli imali noma iposoda (postal orders)

noma isheke. Uma usazibuzela ngemininingwane,

APPENDIX 3



Incorporated in the Republic of South Africa

P R O S P E C T U S

in respect of

the public offer to Black persons for subscription of 6 999 993 (six million, nine hundred and ninety nine thousand, nine hundred and ninety three) ordinary par value shares of R0,01 (one cent) each in **SUNDUMBILI PLAZA LIMITED** at a price of R1, 00 (one rand) each.

A copy, in English, of this prospectus was registered (accompanied by the documents referred to under the paragraph headed "Registration of Prospectus and supporting documents" – paragraph 2) by the Registrar of Companies, in terms of Section 155 of the Companies Act, 1973 (Act 61 of 1973) (as amended) on 25 April, 1991.

This Prospectus is only available in the English language.

SUNDUMBILI PLAZA LIMITED

(Registration No. 90/05861/06)
Incorporated in the Republic of South Africa

APPLICATION FORM FOR SHARES

In terms of a prospectus registered in terms of the Companies Act, 1973 (Act No. 61 of 1973), as amended ("the Act") on 25 April 1991.

Please refer to the instructions overleaf before completing this form

To:
The Directors
Sundumbili Plaza Limited

- 1. I/We, the undersigned, warrant that I/we have full legal capacity to contract, and hereby irrevocably apply for and request you to accept my/our application for the allotment and issue to me/us, subject to the memorandum and articles of association of the company, of the undermentioned number of shares at R1,00 per share or any lesser number that might, in your absolute discretion, be allocated to me/us in terms of the prospectus issued by the directors of the company and registered on 25 April 1991.
- 2. I/We annex hereto a cheque/postal order/banker's draft crossed "not negotiable" or "not transferable" in favour of "Sundumbili Plaza Limited Issue" for the amount stated below, or alternatively, proof that payment has been made by depositing in cash the required amount into the "Sundumbili Plaza Limited Issue" bank account.

For and on behalf of

Usual signature
if applicable assisted by me

or

Name

Identity Number

Capacity

Husband/Guardian

Total number of shares applied for (Note: Only in multiples of 25 (twenty five) shares. The company reserves the right to decline to allot more than 100 000 shares to any particular applicant. (figures) (words)
Amount of cheque/draft/postal order annexed hereto to cover the shares applied for herein at R1,00 per share, plus R0,015 (one comma five cents) for every share applied for	R..... (figures) R..... (words)
Surname of individual	Mr Mrs Miss Other title
First names (in full)	
Identity Number If not an individual, state name of applicant	
If not an individual, state name of authorised applicant on its behalf	Name Capacity Authority
If not an individual, Registration Number	
Postal (preferably P O Box no) to which share certificate and refund cheque (if any) will be sent	

INSTRUCTIONS ON HOW TO APPLY FOR SHARES

1. Please refer to the terms and conditions of the offer set out under the heading "Particulars of the Offer" and other conditions in the prospectus.

2. Payments

Payment in terms of this application may be made by depositing the appropriate amount into the Company's bank account (see paragraph 15 of the Prospectus), or alternatively by means of a crossed cheque, postal order or bank draft marked "not negotiable" or "not transferable" dated not later than 26 July 1991 in favour of "Sundumbili Plaza Limited Issue". The relevant cheque, postal orders or bank draft must be lodged together with the application form. Cash and telegraphic transfers will not be accepted.

3. Address Where Application Form must be Lodged.

The completed application form, together with the relevant cheque, postal orders or bank draft, must be mailed or delivered in an envelope marked "Sundumbili Plaza Limited Offer" to be received not later than 16h00 on Friday, 26 July 1991 at:

By hand

The Company Secretary
Sundumbili Plaza Ltd
c/o The KFC Corporate
Services Centre
Site V1317
Unit 19
UMLAZI
4066

By Post

The Company Secretary
Sundumbili Plaza Ltd
c/o The KFC Corporate
Services Centre
P O Box 2801
DURBAN
4000

4. Powers of Attorney and Documents

The company is entitled to request powers of attorney, resolutions or supporting documents in connection with applications from any applicant.

5. Applicants

Each application submitted must be in one name only and show only one address. At the discretion of the directors, an applicant shall be entitled to cede his entitlement in respect of the shares allocated to him in favour of his spouse or issue. A married woman or minor must be assisted in the signature of the application form by her husband or guardian, as the case may be, unless in the case of a married woman she can act unassisted by her husband in terms of laws of the Republic of South Africa.

6. Alterations

All alterations made on the application form (other than the deletion of alternatives) must be authenticated by a full signature or thumb print affixed in the presence of a Commissioner of Oaths.

7. Receipts

No receipts will issued for applications and/or cheques, postal orders or bank drafts. Applications will be regarded as complete only when the relevant cheque, postal orders or bank draft have been paid.

8. Address

The address furnished on this application form will be used for all correspondence, including share certificates and dividend cheques. Post office box numbers will be preferred, if furnished. All transmissions through the post will be at the risk of the applicant. Certificates in respect of shares will be posted by registered mail to each applicant, at the applicant's risk.

9. Right of Refusal

The company reserves the right to refuse any application in whole or in part, to accept some applications in full and others in part or to abate any or all applications on a basis to be determined by it.

10. Rejection of Applications

Applications may be rejected if the conditions contained in the prospectus, of which this form and these instructions are an integral part, are not complied with.