

**IMPACT OF PUBLIC RELATIONS ON PUBLIC TRUST BUILDING:  
A COMPARATIVE STUDY OF BANKING SECTOR**

*By*  
**Ghulam Akbar**



**NATIONAL UNIVERSITY OF MODERN LANGUAGES**

**ISLAMABAD**

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This thesis has been read by me and has been found to be satisfactory regarding content, English usage, format, citations, bibliographic style, and consistency, and thus fulfils the qualitative requirements of this study. It is ready for submission to the Department of Governance and Public Policy, Faculty of Management Sciences for internal and external evaluation.

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## CERTIFICATE

It is certified that the research work contained in this thesis title “**Impact of Public Relations on Public Trust Building: A Comparative Study of Banking Sector**” has been carried out and completed by **Ghulam Akbar** under my supervision during his **M. Phil.** in Governance and Public Policy at the Department of Governance and Public Policy, Faculty of Management Sciences, National University of Modern Languages, Islamabad.

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## **ABSTRACT**

The present study was conducted to explore the impact of public relations on public trust building in banking sector of Pakistan. The clients of the three commercial banks National Bank of Pakistan, Habib Bank Limited and Bank Al-Falah from Islamabad, Pakistan were selected for gathering data. Public relations plays vital role in the development of public trust on the banking industry, public relations play encouraging role towards restoring mutual confidence between the banks and their publics and as such justifies the view that the success of the banks is dependents of the trust of bank clients. Based on the above, organizations, especially the banking industry should as much as possible try to recognize and utilize most adequately appropriately, effective/efficiently public relations practices/activities as inevitable and indisputable weapon that determines to a great extent the success and excellence of the banking industry.

**Keywords:** Governance, Public Policy, Public Relations, Public Trust, Banking Sector in Pakistan.

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## **LIST OF ABBREVIATION**

|       |  |
|-------|--|
| ANOVA | Analysis of Variance                           |
| ATM   | Automated Teller Machine                       |
| AV    | Audio-Visual                                   |
| BAF   | Bank Al-falah                                  |
| CPEC  | China-Pakistan Economic Corridor               |
| GDP   | Gross Domestic Product                         |
| HBL   | Habib Bank Limited                             |
| HRM   | Human Resource Management                      |
| IFC   | International Finance Corporation              |
| IPR   | Institute of Public Relations                  |
| IPRA  | International Public Relations Association     |
| NBP   | National Bank of Pakistan                      |
| OB    | Organizational Behaviour                       |
| PR    | Public Relations                               |
| PRO   | Public Relations Officer                       |
| SBP   | State Bank of Pakistan                         |
| SECP  | Securities and Exchange Commission of Pakistan |
| SME   | Small and Medium Enterprise                    |

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## **DEDICATION**

*This Thesis is Dedicated to My Supervisor*

*Mr. Abdul Wahid*

# **CHAPTER 1**

## **INTRODUCTION**

The business of banking is a business premised on trust. Money, which is valued and cherished by most people, if not all, is the principal commodity on which the business of banking revolves. In like manner, for a customer to allow his bank the custody of his hard-earned money is an indication that the customer has confidence and trust in the bank. The success of a bank would therefore depend on how much trust the customer or the public have on the bank to perform banking functions well.

### **1.1 Background**

In this interdependent world, it has really become important for almost every kind of institutions to keep a long term and trustworthy relations with the community or public group in order to handle upcoming challenges and also maintain its survival and success. Therefore, it is not possible to do successful banking without public relations, since it is the banks PR to polish the bank's image in such a way as to invoke public trust and confidence.

The significance of public relations (PR) in any organization cannot be overemphasized. However, this may be supported by the reality that PR is the key to the success of organizations that provide assistance through building and sustaining the image of organization as a beneficial corporate entity. Public relations are important and beneficial for government and private institutions, whether, they are seeking profit or not. Public relations are observed in all companies and institutions either intentional or unintentional (Rensburg & Cant, 2003).

The banking sector is also among the one of most competitive industries, due to the reason, without public relations and use of attention seeking promotional tools, it is difficult to survive in this competitive world. It is obvious that all kind of businesses are aimed at making more and more profit by frequent utilization, appreciation and consumption of its products and services, for which organization must communicate with its present and potential users (Katuka, 2005).



The challenges in banking industry have moved their focus of intention towards the client trust so as to expand the number of clients and furthermore included existing clients. In this condition just those organizations can endure which offer the best products and services to their clients, such a large number of choices in a similar market place, it's extremely intense activity for banking sector. Since banking sector need to turn out to be more to customized the services and customer oriented to meet the essential needs of their clients and to attract them with respect to that one product in which those firms giving to them. Accomplishment of the financial organization begins from retention and trust of the clients (Haq, 2012).

Public relations is a good governance activity which assesses public attitudes, identifies the organization's policies and procedures with the public interest, identifies constituencies or audiences to be reached by the organization's communications, and establishes channels of communication with these groups of people (Shamsan & Otieno, 2015).

Public relations are one of the best tools to carry out effective and efficient business and in maintaining the trusted and cooperative environment (Katuka, 2005). PR is observed as one of the most complex and idiosyncratic discipline of management which is highly practiced in important areas of public trust building, management of reputation, communication of corporate, public affairs, media relations, marketing communication and corporate image and identity (White & Mazur, 1995).

## **1.2 Governance, Public Policy and Public Trust on Banks**

It has become very evident that what is an essential element of success and sustainable economic growth of banks is good governance (Himaj, 2014). Few public policy issues have moved from the wings to center stage as quickly and decisively as governance (Macey & O'Hara, 2003).

The significance of good governance is the distinctive element of the new economy. As economies are getting to be knowledge and technology based, the governance mechanisms elements are becoming fundamentals determinants of a firm's current and future performance as well as firm value and growth. One of the major developments within today's business practice is the increasing interest in good

governance. The improvement of good governance practices is widely recognized as one of the essential elements in strengthening the foundation for the long-term economic performance of countries and corporations (Manini & Abdillahi, 2015).

Public trust is the major area of governance, whereas, banks are seriously in need to improve the good governance practices and restore public trust regarding service delivery, mark-up and other charges. Public have the perception about banks for overcharging and hidden charges. The role of SBP and SECP is also important for taking certain steps in implementing good governance practices and executing the policy guidelines in the banks. Whereas, there are lengthy procedures in the banks for compliance checks. The SBP role is very essential for taking measures to put in place and enforce good governance practices to improve the internal controls and bring about a change in the organizational culture (Asghar, 2018).

### **1.3 The Importance of Public Relation Activity**

The upsurge of PR activity was due to environmental pressures on organizations to act and to be seen to act more responsibly (Moore & Kalupa, 1985). The fragmentation of audiences and the media in an information-saturated world and the advent of new communication technologies pressured organisations to look for alternatives to traditional communication tools. The environmental pressures required a move from management towards stakeholders (Dibb, Simkin, & Vancini, 1996) and towards recognizing the importance of managing ‘relationships’ with a wider variety of people.

Beyond the groups of people involved in the commercial interaction with the organisation traditionally managed by marketing (particularly consumers, suppliers and distributors), other publics such as environmental groups, legislators, local communities and employees became increasingly important. Managers became increasingly aware that PR has a much broader base and is significantly cheaper than advertising (Fill, 1995). In conjunction with the environmental factors, this change in the perceived ‘cost saving’ value of public relations in relation to advertising, rather than a full understanding of its potential, explain its high demand.

The existence and maintenance of any institution and its business is manifested by public relations. The purpose of making strong PR is to influence the thinking of people in a favourable manner about the institution and to decrease the communication gap between how an institute perceives itself and how people perceives it. PR require understanding and listening the population to understand their behaviour and attitude to promote industry in a better manner (Chege, 2014).

The goal of PR is to establish, protect and maintain the reputation of the institution, and to promote public trust on institute, to protect its status and maintain a positive image. It also helps in educating people about the things which are related to an institute, such as business, policies, products and reduction of prejudices and misconceptions regarding products. PR is the essence of an organization which helps in the performance of an organization to earn favourability to the organization and the society within which it operates.

The emergence and growth of the new role of PR as an operational management function is because of its recognition of power for influence of public opinion on the smooth running and good image of an establishment, institutions big or small seeking harmonious relationship, a symbolic one (each mutually benefiting from each other) and creating good atmosphere for service appreciation. PR is of great importance in human and business establishment because of its indispensability in creating goodwill, understanding the support needed between an institution and its publics (Chege, 2014).

Today PR remains a versatile tool utilized in all kind of institutions such as commercial, political, even by charity organizations or activist group (Smith & Ogbuoshi, 2016). It deals with the information management to create a constructive relationship. It usually works through the mass media, and that is why media relations, either in-house or in consultancies, represent the biggest part of the PR occupation. PR practitioners play an important social role by shaping messages and affecting perceptions of the world (Mickey, 1997). However, the impact of public relations activity has not yet been fully researched and understood (Holtzhausen, 2000). The evolution of the business world and the pressures of its complex environment are promoting the increasing use of PR. A better understanding of what PR stands for is thus of importance for society in general and the business world in particular.

The banking sector has irrefutably experienced rapid changes. As market become globalized, organizations have needed to develop public trust and make great image that can be competitive factor to extend locally and universally which guarantees diversity from competitors (Kwarteng, 2009).

It is a common knowledge that public sector banks have, over the years been facing a crisis of trust, a circumstance in which clients question the trustworthiness of the banking system in delivering the financial intermediation services. Under such conditions, public relations play an important role towards the restoration of mutual confidence between the operators in the financial system and the relevant publics. Thus, bank's most effective tool to monitor and manage the perception and opinion of the public is through extensive use of public relations activities.

#### **1.4 Banks Business Landscape**

Pakistan's financial sector comprises public banks, domestic private and foreign private banks competing in the same market. The main commercial operations are performed by these banks and customers obtain most of their regular banking services from these sectors. The Pakistan financial sector includes a sum of around thirty-one schedule commercial banking institutions of which five are state owned (public), twenty-two domestic private and four are foreign commercial banks (Michaels, 2017). While there are ten micro finance institutions, ten development financial institutions, thirteen nonbank financial companies, seven investment banks, twenty-one Modarba companies, and one investment fund (SBP, 2018).

There are six business banks, which are the biggest rivals in the economy and hold a noteworthy stake of the managing an account resources in Pakistan. To be more particular, these banks altogether make up in excess of 57 percent of deposits and 53 percent of advance in the economy (Michaels, 2017). These banks are:

- National Bank of Pakistan (NBP),
- Habib Bank Limited (HBL),
- United Bank Limited (UBL),
- MCB Bank Limited,
- Allied Bank Limited (ABL) and
- Bank Alfalah Limited

In the course of the most recent couple of years, the banking industry in Pakistan has kept on developing in resources, deposits, productivity and offering the products. In terms of by and large execution, the previous decade has regarded the managing an account industry, with the numbers exhibiting a positive picture as far as asset growth report for banks. All of positives have occurred in a period when the prudential control has been very choking for the banks contending in the business. Over the previous decade, the State Bank of Pakistan has needed to make it intense for the banks to work, given the macroeconomic environments (Michaels, 2017).

The development has been principally supported by right off the bat a wide branch organize extension strategy and furthermore, robotization of a substantial number of administrations and a move towards accentuation on the unpredictable client needs instead of conventional off-the-shelf saving money item.

These commercial banks offer similar products and services, for example, real time money transfers, standing order instructions, giving documentary credit to abroad exchange, giving credit data to clients, operation of safe deposits, acknowledgment of regular and fixed deposits, giving advances and loans, share brokerage services, that is, purchasing and offering of shares, issuance of credit and debit cards, foreign currency services, credit advice among other numerous services (SBPa, 2018).

## **1.5 Contribution of Service Sector in Economic Growth**

Services sector is largest and fastest growing sector in the world economy. In case of Pakistan, the shares of services are increasing in all sectors of economy over the period. In fact, the growth rate of services sector is higher than the growth rate of agriculture and industrial sector. The services sector is not only the one sector at all rather it is highly diversified. Services sector consists of four major sectors in Pakistan that is; distributive, producer, personal and social services. These sectors are further distributed in different subsectors. According to the classification of services sector in Pakistan at the producer services consist of financial sector, which not only facilitates the consumers; it also provides the capital for industrialist and business community (Ahmed & Ahsan, 2011).

Over the last few decades, the structure of Pakistan economy has experienced significant changes not only in terms of share in GDP but also in terms of its performance. The composition of Pakistan's GDP has undergone considerable change as the share of services sector in GDP has increased. The government remained committed in providing business friendly environment in order to attract foreign investment in the country, China-Pakistan Economic Corridor (CPEC) is a milestone in this regard. In 2017-18, services sector maintained the growth momentum by recording a growth of 6.43 percent. Thus, the share of the services sector in GDP reached 60.23 percent in FY 2018 (Pakistan Economic Survey, 2017-18).

Services sector has witnessed a growth of above 6 percent for last two consecutive years. The reason is that in Pakistan, services sector has still great potential to grow and the government is making best efforts to provide enabling environment to economic agents to tap its potential. Therefore, the performance of services sector remained broad based, as all component of services positively contributed (Pakistan Economic Survey, 2017-18).

In services sector, the improvement in wholesale & retail trade and general government services helped offset the deceleration in the finance & insurance and transport, storage & communication segments. Overall, the sector was able to keep its momentum intact and achieve the targeted growth (Malik, 2018).

On the finance & insurance side, the deceleration in growth of gross value addition of scheduled banks dragged down the subsector's growth from 10.8 percent last year to 6.1 percent during FY18. While low interest rates have continued to hurt the profitability margins of commercial banks, it was mainly a slower increase in deposits that affected the output of the sector (Malik, 2018). However, services sector contributes the major share in the economic activity of Pakistan.

## **1.6 Rationale of the Study**

Banking Sector is important for the economic development and prosperity of the country. Banking sector works as the backbone of the economy that controls the money supply. The Banks accept funding from surplus monetary units as deposits and give it to Business and Industries as advances. Banking is a very important sector

because the development of the finance, and particularly the banking system, promote economic growth. Banks are important for the economy and organizations in particular at the time of declines and money related crisis. Industrial, agricultural and commercial development of a country is not imaginable without an efficient banking system. Sometimes bank truly don't respond to the crisis, comparing the later past financial crisis 2007-09, it makes the condition more terrible for economic improvement. Therefore, it is significant to observe the public trust on the banks with public relations perspective (Ishaq, Karim, Ahmed, & Zaheer, 2016).

If there is one business that needs to gain trust of its customers more than all others, it is the banks. Banking has been one of the oldest business since people have started trading. Currency is nothing but a promissory note. Banks have to earn the trust of everyone to make them trust their promissory notes. No reason, why Banks would not need PR to win the trust of people and to maintain it.

Public relations play a vital role for optimum growth in banking as in any other business. Effective communication helps in demonstrating transparency and accountability. Prompt and proper flow of information is the key to reflect both (SBP-b, 2019). Some banks do not practice public relations and those that practice it hardly practice it well. This had affected their level of performance, level of social responsibility, level of commitment to the relevant publics and so on. Aside from the loss of trust in the minds of depositors and potential investor, another noticeable pattern is that the public relations activities by banks are not enough to upgrade their image.

There is an unfortunate tendency for the value of good public relations to be underestimated mainly because public relations is an intangible asset. This conception about public relations has really made banks with such conception to lose the patronage of their depositors and investors without the support of the intangible assets, the tangible assets e.g. depositors and investors cannot be restrained.

The technique and channels of communication influence the general view of public relations in banks. The inconsistency and inappropriate method of communicating by public sector banks to their various customers for example in the areas of keeping customers in the lime light of most recent development through

pamphlets, newsletters, bulletin and well-organized forum and so on has made predisposition and absence of trust in the clients (both present and prospective clients).

Comparatively, there is a big gap between the way the public sector banks and private sector (domestic and foreign) banks understand and apply public relations. The customers relations, financial relations and shareholder relations practices/ strategies of the public sector banks are weak compared to the private sector banks, that give customers patronage and innovativeness in product conceptualization and product/ service delivery, we should remember that it is the trust of the customers that keep the banks afloat.

Despite the importance of good governance practice and policies, little attention has been paid to the research of governance mechanisms in less developed economies. The commercial banking sector was deliberately chosen in this study for two reasons; firstly, even though information asymmetries exist in all sectors it is larger in banking industry since banks are generally more opaque than non-financial firms (Levine, 2003). This greater informational asymmetry between insiders (bank management) and outsiders (shareholders and depositors), and the opacity of their assets and activities in banking sector amplifies the agency problem. Thus, it requires giving special attention for banks governance mechanisms. Secondly, banks are corporations which activate different areas of business. Banks have a dominant position in developing economic financial systems, and are important engines of economic growth (Levine, 1997). Hence, banking failure would affect the entire financial system and economy.

## **1.7 Research Gap**

Much has been written about the PR phenomenon. PR is developing as an independent area of study and is considered by its scholars as an ‘emerging’ social science discipline (Hazleton & Botan, 1989). Its literature still lacks a paradigmatic and topic diversity (Pasadeos, Renfro, & Hanily, 1999). The central problem in the gradually developing body of knowledge is the lack of consensus as to what constitutes PR (Hallahan, 1993) a lack which stems from PR’s constant adaptation to society’s evolutionary change and from the diversity of PR practice itself (Harlow, 1976).



The PR occupation is subjectively understood and practiced by each practitioner in a particular way. The lack of clarity about PR has an impact on organizations, either as clients in the case of external PR consultancies or as employees in the case of in-house PR (Lages C. C., 2001).

There has been extended focus on effective role of PR in the banking industry and use of public relations practices to help in building the soft image of the banking industry before public (Anyi, 2007). Another area of focus has been examining the PR strategies, need for PR in creation of service product, awareness, role of PR in product and service awareness and the effects of effective PR in an organization (Fenah, 2012).

The studies on the organizational trust were recognised by presenting the concept of influence, vulnerability and mutual control (Zand, 1972). In 1990s, intense emphasis was given to the importance and application of trust in business management and organizational behaviour (OB) (Rawlins, 2007).

Another focus of researchers has been the public trust on banking sectors. Trust in banks is considered essential for an effective financial system. The focus has been on the determinants of trust in banks, which are religious, political, and economic values which affect the trust in banks (Fungacova, Hasan, & Weil, 2019) (Lebedyev, 2011). Another study was conducted on the customer satisfaction in public and private banks of Pakistan, which indicates that customers of private banks were more satisfied because they are well reputed in market, they have good service environment and they are using latest technology systems. All these facilities are less in public banks (Jahanzaib, Aslam, & Ahmad, 2015).

In another study, findings showed that, when it comes to the banking industry, the banking services which are being provided to the consumers are highly similar among all banking sectors, which increased the difficulty of choosing and comparing banks for costumers. Therefore, the bank customers are much concerned regarding the quality of services due to increased awareness. They continue to deal with their current bank only if they feel satisfied; otherwise they feel no hesitation to switch to other banks (Ahmad, Malik, & Humayoun, 2010). Another area of research was to investigate a comparison between public, private and foreign banks efficiencies (Rehman & Raouf, 2010). It has also been examined the relevance of public relations in the banking

environment (Chinweoke, 2015). Still it is grey area to develop a sense, how public trust can be created in competitive environment.

In consideration with the value of public relations in banking, existing literature lack evidences about the description of PR and its aspects used by banking sectors to build trust. The present study aimed at highlighting the impact of public relations of banks. Some public relation activities in financial sector, have been studied globally but no indigenous research was conducted to explore trust building through public relations in Pakistani banking industry.

The current study on public trust on an organization through PR activities relates mostly to the public / customer perspective in the banking sector. The focal point of the current study is to measure linkage between public relations and public trust in the banking sector.

## **1.8 Problem Statement**

It is generally proclaimed in public speaking that public sector services are not enough effective and efficient to satisfy end users as compare to private sector and foreign organizations. Statements conveying a persistently negative image of public organizations have been heard for many years. Various scholars have identified traditional model of public administration and old dated methods of public relation activities as major facilitators of negative image. Meanwhile, many private-sector organizations focused on PR management and trust building and facilitated their organizations in a better way than public organizations. One more objection about the common perception is that public organizations are unreliable, time wasting, slow processing, inefficient, lack transparency and corrupt.

The stiff environment of banking sector of the Pakistan's economy demands a collection of plan implementation which was already implemented by private sectors and other competitors and being adopted by the competitors towards attracting new clients and maintaining old ones. In this era of 'distress and liquidation' in the industry, public relations job is full blown now a days. Mostly people lost confidence in sectors and at an edge of diminishing support from the one they are already perusing, in order to regain confidence of customers, PR is only tool to effectively erase doubt and re-

establish trust in the system. Public relation is the reason many banks are working successfully by identifying what people want, how they want it, and providing it the way they want it.

Therefore, the problem this study investigated is the commercial banks' application of public relations strategies for public trust building in the banking sector.

## **1.9 Research Objectives**

Since it's obvious that basic aim of every business sector is to make profit and to advertise its products and provide its services to customers with best of their personal interest. For this purpose, an effective promotional tool is PR, which is best in projecting image and status as compare to competitors.

The objective of the current study includes:

- i. To find the relationship between public relations (control mutuality, commitment, satisfaction, communal relations and exchange relations) and public trust (competence, integrity and dependability) scores among bank clients.
- ii. To compare scores of public relations and public trust with respect to bank groups (NBP, HBL and BAF).

## **1.10 Research Questions**

To address the research's objectives, the following research questions guided the study:

- i. What's the relationship between public relations and public trust?
- ii. What are the major differences among banks with respect to public relations and public trust?

## **1.11 Significance of the Study**

It is considered that the research is potentially of considerable importance. The essence of a good promotional tool for the organization can't underestimate for survival

and growth of its business. Present research has a vast help for organizations, because good PR has become an essential condition for business progress and profitability.

One of the main aims of business is to communicate and create wakefulness on the benefits of their products, and to set a targeted population and utilize them.

It is hoped that the knowledge gained from this study will lead to proper understanding of those factors responsive to governance policy. The result of this study will contribute to commercial banking firms by identifying relevant governance mechanisms (public relations) and how these governance mechanisms affect public trust. The result of this study will contribute to the existing literature by providing evidence on the relation between public relations and public trust for good governance practices. The empirical results would also be the general indicators of governance mechanisms useful for regulators, policy makers, managers and business people in making policies and decisions. It can serve as a stepping stone for future researchers who want to conduct study on related topic.

The findings of this study can raise the awareness among policy-makers on the importance of public relations activities in their departments. Thereby it enables the public to make wise investment decisions.

In addition, this study will help organizations about building public trust to get favourable outcome of their products and services and acceptable mutual communication between organization and its customers.

## **1.12 Scope of the Study**

The current study is aimed at examining impact of public relations on public trust building with special reference to banks in Pakistan. The study used both primary and secondary data in its investigation.

PR is commonly observed in all public organizations, either profit or non-profit seeking. Since all of such organizations cannot be enclosed in academic practices in this way, the scope of the study is limited to PR practices of three public, domestic private and foreign commercial banks.

Further, since it was observed that the earlier studies have only explored the use of public relations in the banking sector or public trust on the banking sector, the scope of the present study was extended to identify the impact of public relations on public trust building for good governance practices. The study will contribute in the good governance practices and public policy formulation in the banking sector.

### **1.13 Limitations of the Study**

The constraints that faced the researcher in the course of this research project included;

- i. **Time:** the time set for the completion of this work could be said not to be long enough to achieve a more comprehensive and detailed work, but even at this, the researcher has enormous constraints of time having to share his time between this study and other survival endeavours. If the researcher had all his times devoted to this study more libraries would have been visited and more search for relevant materials conducted for richer information or facts.
- ii. **Finance:** lack of adequate finance poised a great constraint to this study. More libraries even where time was spared could not be reached because of inadequate funds and sometimes, relevant materials could not be photocopied for a detailed study, due to the inadequacy of funds.
- iii. **In-adequate Availability of Materials:** the absence of adequate relevant materials due to the limited time and insufficient funds coupled with the novelty of the topic and uncooperative attitude of respondents and bank officials, contributed a lot to the limitations of this study.
- iv. **Scope:** if there were much time and funds the scope of this work would have covered all the banks in Pakistan and not just three banks (NBP, HBL& BAF) branches in Islamabad Capital Territory of Pakistan.

## **CHAPTER 2**

### **LITERATURE REVIEW**

This chapter looks at the literature review, specifically it reviews the literature on concepts of public relations, public trust and use of public relations strategies in the banking sector. All studies, including the present study, must need a theoretical base and critical review of available literature including books, articles, blogs, and other texts or material of relevance of topic under study.

Over the years, public relations have become an important tool in business management, especially in marketing and organizational governance as it sustains the utilization of their services favourable as well as they succeeded in establishing new one.

Well descript PR action and plans always resulted in favourable work strategies which help in the betterment of an organization and in developing good image of organization in the target public. PR strategies are the result of strategic thoughtful processing by senior public relations manager which helps in the betterment of strategic management and to build public trust. The PR which is strategic, facilitates with top most management to be close to the population of interest and its stakeholders (Shamsan & Otieno, 2015).

Before this is carried out however, the researcher will attempt to carry out a conceptual overview of public relations, and its historical survey. This will enable us to understand the real meanings of PR, before analysing its strategies and practices in industry.

#### **2.1 Defining the Concept of Public**

The concept of public rooted back to Latin word, ‘populous’ or ‘poplicus’ which literal meaning is ‘People’ (Price, 1992). Public is also defined as a group of people with common problem and divided solution to the concerned problems, which organizes them in order to solve and discuss the problem (Grunig & Hunt, 1984). Public is termed for the people who more actively communicate with an organization than the stakeholder’s problem (Grunig, Fred, & Repper, 1992). Sometime public refers to some

active stakeholders who deal the problems with their active communication strategies regarding certain situations and problems (Grunig & Hunt, 1995). The term public is a situational compilation of people who emerge and organize as the problem arises. To describe in more detail, public is a gathering of individuals who are stood up to by a problem, are isolated in their thoughts with respect to how to resolve the problems and take part in debate over the problem (Grunig & Hunt, 1984).

A grouping of individuals facing a common problem, acknowledging the existence of problem, and gather to solve the problems is referred as public (Dewey, 1938).

Public composed of individual who perceive and acknowledge same problem, plan and try to solve problem with similarly executed behaviour (Grunig & Hunt, 1995). The formation of public is the result of organizational problems, which later on leads the organizations to the PR problems as a result of public.

Individuals become stakeholders due to interrelationship with an organization. People are the central link in the problems with the organization as well as they want solution by the organization (Grunig & Hunt, 1995). Public actively communicate to solve the problems with industries or organizations (Grunig, Grunig, & Dozier, 2002).

Every public relations activity has some targeted population with some special focus point. The targeted group is defined as public. PR has an active public, which change actively with the change of goal of an organization.

Public refers to the individuals or group of people to which PR message is directed. Publics are targeted population, attention of whom is required for PR situations. 'Public' constitutes the owners of public opinion whose opinions and observations are acknowledged as imperative by any organization (Katuka, 2005).

## **2.2 Defining Public Relations**

It's one of the hardest to define concept. The reason for the complication regarding this concept is not farfetched. This is because it is considered that it's easy to understand and yet quite hard to define in practical terms. Furthermore, a number of

individuals along with the practitioner of PR believed that they come up with numerous different definitions (Nwosu, 1996).

The researcher shall at this point offer definitions of public relations including those that emphasize on good governance, management orientation or organizational performance, research and communication.

The oldest definition of PR was given by Edward Bernays, a PR expert. He describes, PR is a function of management, involving in tabulating the attitudes of people, establishing and implementing policies, methods, and executing the interest of organization along with the implementation of action program in order to successfully understand the public and its acceptance (Bernays, 1945).

PR is defined as managing the communication between organization and publics. Long term strategic plans and management are usually made by the organizations by setting goals in accordance with environment to maximize the opportunities and minimizing the potential danger and risks (Grunig & Hunt, 1984).

Moore & Kalupa (1985) defined the public relations as the management activity for analysing the attitude of people, introducing methods and policies in accordance with public interest, execution of action program to earn public trust and understanding regarding products and services of an organization.

PR refers to the premeditated, designed and continued attempt to develop and sustain mutual consideration between the organization and public (Ibekwe, 1984).

The Institute of Public Relations (IPR) stated that PR practice is considered as a continued attempt and planned effort to create and sustain goodwill and common understanding and perception between publics and an organization. While, International PR Association (IPRA) defined PR in a totally opposite way, PR is social science as well as an art of analysing trends, making predictions about the results, providing counselling to the leadership, and implementation of considered plans of actions to serve the interest of public and organization (Anyi, 2007).

Offonri (1985) describes PR as the business of developing and sustaining the understanding of public and supporting public through effective communication. This



definition is premised on the fact that lack of understanding and information bring about the downfall of government, organizations, business and individuals while essential information and proper interpretation of plans and programme can result in public acceptance and goodwill.

Harlow, a PR practitioner from San Francisco, evaluated four hundred and seventy two different definitions of PR, came out with working definition as PR is a distinct management strategy to develop shared lines of communication, cooperation, acceptance and understanding among institutions and its publics, includes management responsiveness and informed attitude towards the opinions of publics, defines and put emphasis on responsibility to serve the interest of public, helps in keeping management shoulder to shoulder, with one another to work efficiently, change system as per trends, use research, ethical communication techniques and its principle tools (Black, 1989).

PR serve a wide range of establishments in the public eye, for example, business, exchange associations, government offices, voluntary organizations, institutions, hospital and instructive and religious organizations. To accomplish their objectives, these establishments must create successful relationship with a wide range of gatherings of people or publics, for example, workers, individuals, clients, nearby networks, investors and different foundations and the general public at large (Anyi, 2007).

The administrations of establishments need to comprehend the dispositions and value of their publics with the end goal to accomplish institutional objectives. The objectives themselves are moulded by the outer condition. The PR expert, perform as an advisor and facilitator to administration, interpreting strategy and activity (Anyi, 2007).

Careful study of the PR enables that PR is deliberate, planed, performance, public interest, two-way correspondence and administration work (Wilcox, Ault, & Agee, 2018).

Therefore, it can be concluded from these definitions that public relations is not a chance activity. It involves a thoughtful and intelligent planning. It is mutual-involving a two-way communication. It is aimed at establishing goodwill and

understanding and sustaining them over an extensive stretch of time, usually indefinitely.

The definitions reveal that PR requires careful analysis of the situation, taking a look at the present, projecting into the future before advising on what action(s) should or should not be taken.

The most essential quality of public relations, however, is 'bridge building' between an organization and the people, organization seeks to make contact with or to influence. The aim is to promote the efficient operation of the organization to ensure conducive, continued and justified existence.

### **2.3 Defining Public Trust**

Several definitions are available to describe trust and most of them defined trust as a positive state, belief or expectation. Public's belief about the competency, public policy, honesty, reliability, and identification of common values, norms and goals as well as willingness to establish relationship and making transactions is termed as public trust (Gills, 2003).

If you ask someone, either he/she trust someone they can easily detect and answer you. But if you ask someone to define what he/she meant by trust, it's quite difficult for one to define it. In business literature, the concept of trust is one of the hot topics.

Trust is a phenomenon difficult to define and easy to sense. Trust is a most discussing concept in organizational and business setup. For prospers of an organization, trust is the most fundamental element, to achieve the important bottom line goals. It is the most imperative factor between the authorities, employees and all the public relations dealings (Rawlins, 2007).

In context of human relations, trust is the most delicate phenomena in its nature. It's a common conception; human beings expect that they should be treated in supportive and in a good manner as they are always treated in one sector or other when they got interacted in a social sector or in a set of connections of supportive people. Social cohesion also take trust in its manifestation, as it is an eminence which gather

the individuals and other entities on an ordinary platform, ignoring the factors which keeps them segregate. It always nourishes the collective culture in a society. Trust is the endowment which is offered by communal relations message receivers; not by the practitioners of public relations (Moloney, 2005).

Consequently, practitioners of public relations cannot stipulate or persist for it. In the public sectors and relations, trust is always claimed as a substantial behaviour, not a representation. In the conflicting situations, settlements are always brought forward between the individuals on the observed trust-based behaviours, tolerance and understanding of that behaviour, other than the communal messages of the public relations message sender.

## **2.4 Public Relations Concepts**

PR is a technique of communication or as a sort of advertisement or a way of publicizing activities (Angoff, 1973). The World Book Encyclopaedia (2002) described PR as an action intended to enhance communication and understanding among organization and individual or group of consumers. This book further elaborated that PR composed two major acts, at first, communication and research, and at second, research method used to explore public opinions and gather data.

The practice of PR stems back to early 1900s along with the extended public opinion in United States of America. It is considered that concept of public relation come in to light in 20th century, some authors Cutlip (1997), Chase, (1994) mentioned that pioneer of public relation was Phineas Taylor Barnum (1810-1891). The two classical reviews of the history of PR were by Cutlip (1995). There were many other attempts, one of them is of Hutton (1999), who reviewed the history of modern PR and also proposed definition of PR by his own. On the other hand, Miller (2000) analysed collective literature of PR, its history and critically evaluated different historical frame of reference instead of discussing business paradigm for the understanding of PR.

Onward from 1900s, the presidents of United States of America, Woodrow Wilson and Roosevelt used PR as a part of their campaigns to persuade public behaviours. Different PR tools were purposefully planned to realize the central government's vision (Cutlip, Center, & Broom, 2000). In 1920s, PR was highly used

for political reforms. The father of PR, Edward Bernays, published his first book on public relations named as 'Crystallizing Public Opinion' in which he coined the term PR counsel in legal professions (Harrison, 1995), (Ewen, 1996).

Number of authors Nessman (2003), Zawawi (2004) made attempts, which were significantly focused on the history of PR and many other factors such as history of public relations between nations includes the PR history of Australia, Great Britain, Austria and Germany, and role of gender in PR. These attempts lead toward the development of PR theory which further leads to four models of PR (Grunig J. E., 1989).

Until recently, public relations knowledge was mostly derived from its practitioners' accumulated experiences and intuition, but since the mid-1970s scholars have been increasingly interested in studying PR. As an interdisciplinary area, the building of public relations has been developed from various academic perspectives from social sciences including sociology and psychological theories to mass media studies, and management. Drawing on the more established areas, public relations is making an effort to create its own distinctive body of knowledge in corporate governance (Lages C. C., 2001).

From 1990s, there is a sudden increase in the importance and practice of trust in administrative conduct and business administration. The concepts of influence, mutual control and vulnerability were established by Zand (1972) which help in establishing public trust.

In response to this development of public relation in industries, the skill and profession of PR become the necessity and high rated demand. Public relations practitioner works in two fields: either in in-house communication such as banks, telecommunication industry, electronics industry, hospitals, and educational institution or PR practitioners may work in public relation firms which serves different institutes and industries as their clientele (Anyi, 2007).

Public relations is the task of goodwill creation directed in building harmony between an organization and its environment through shared understanding dependent on truth and full information. PR is described as the group of communication techniques

that helps in maintaining reliable and favourable relations between the organization and the community (Jefklins, 1988). PR is also defined as a set of communication that promotes institutes advertising essentials. PR have the sturdy similarities with advertising component, on the other hand it also has an obvious difference. Advertising communicates the general meaning and purpose of the organization and builds visibility, at the same time PR make it more reliable and trustworthy (Beavers-Moss, 2001). Marketing makes the brand and PR builds the awareness about it. Both of these phenomena are the two sides of same coin but sometimes are troubled in managing and cooperating with one another. Commonly, if individuals are enquired to indicate five current competitors in market in the same business and your company is missing in that list, then definitely competitor are using more effective public relation strategies than yours (Lynn, 1999).

PR is debatably having the effective strategies and better communication plans which deliver the message more corporately in the marketing field about the brand. Public relations is developed by a path which initiates from the selling of products to the corporative advisory domain. Consequently, PR activities can be defined as most reliable and authentic building blocks for an organization (Barnes & Schultz, 1999).

Over the last decade, corporative strategies have been modified and considered as the fundamental element for the communication with audiences within an organization (Dolphin, 2004). Impressive public relations with the stakeholders, distributors and customers are the major concern of all the companies. Other than this, there are some factors like chambers of commerce, trade and professional associations which a company wishes to influence. Good public relations are not just limited to the audiences and shareholders, but companies also have effective relations with the journalists, publishers and other media persons. PR is one of the components which is practiced by all the organizations like companies of public sectors, private sectors, non-profit organizations, unions, politics and sports sector. The major goal of all the companies and organizations is to build positive relationship to manage the good reputation and positive picture of an establishment. The external components of the public relations are customers, media sector, investors of a community and government whereas internals factors are recruits and shareholders (Wells & Moriarty, 2003).

For setting up and keeping up the common comprehension between the firm and its public PR is the most deliberated way. PR aim at winning the cooperation of whom it may concern. For an organization to win people's understanding and cooperation, it has to evolve and actualize programs of action that will observe both public interest and firm interest.

Accordingly, the job of PR is to nurture and strengthen the behaviour of mutual understanding and healthy growth of a company. Haywood (1994), Offonry (1985), and Nwosu (1996), share the view that public relations encourages pursuance of positive steps to achieve goodwill, that is, implementation of positive steps that could guarantee a convivial business and social relationship with the public. Public relations encourage the trust building among the organization and its public.

## **2.5 Theoretical Basis for Public Relations**

Theories envisage the way of happening of the things. They give us a way to better understand and communicate between the actions and reactions. Theories also give a trademark for the decision making and implementation of different strategies. Not a single theory can explain and explore a phenomenon, same as public relations cannot be described by a single theory, therefore there are numerous theories followed by the practitioners of the public relations.

A theory is a prophecy about the relationship of actions and events. Public relation practitioners follow the several theories for the understanding and planning strategies for the public relations.

### **2.5.1 Systems Theory**

Systems theory emphasized on the understanding of nature of relationship between publics and system. Commonly, this theory deals with the adaptation, adjustment and changes of the economic, political and environmental state in which the organization work. Companies have the limitations, within which the PR arrangements can guide the component of organization to achieve its objectives and goals. These internal components are made and maintained by the leaders of the organization. Grunig (2013) describes, the systems viewpoint emphasis that both internal and external

components of the organizations have the interdependence among organization and its environment.

System perspective stressed that organizations rely on resources from the population and environment includes clients/customers and employees to provide and receive services. Customers require organization and the organization require customer for buying and selling the products. Organizations with 'open systems' utilize PR practitioners to know about how productive relationships are with customers, stakeholders, consumers, and clients. But organizations with 'closed systems' do not pursue new information. These are unable to bring back the productive relationship between the organizations and public, these are usually operated in the light of previous experiences or on personal likings (Grunig, Grunig, & Dozier, 2002).

An organization is a small part of an environment which is consisted of numerous systems. Most of the groups can be seen in that environment like management, community, consumers/customers/clients, media, financial institutes and the government. These groups are termed as stakeholders because these groups are the reason of profit or loss for one another (Grunig, Fred, & Repper, 1992).

System theory is used not only to understand and explore the relationship between different external stakeholders but also to analyse the internal function and stakeholders of the establishment. The structure of organizations is elaborated with role of employee as per job and performance. There are number of departments includes an organization such as account department, legal considerations, public relations and management establishment. The organization always consists of new and old employees to create a balance to the experience and new updating of the trends. Marketing is made up of salesmen. All of these employees with different job descriptions depends on one another.

One of the main roles of PR is to manage relationship and monitor then. System theory suggests that PR experts have a boundary spanning role between internal and external publics of an establishment. PR experts are the middle man between an organization and the concerned population (David, Grunig, & Grunig, 1995).

Strong PR dominates the relationship between organization and environment and leads the organization toward more successful implementation of business plan (David, Grunig, & Grunig, 1995). The decisions regarding the problems and opportunities from the environment can help in decision making for change.

This theory showed that there is a need for relationship and reputation management as a critical tool of public relations. Thus, it is vital exploration of relation between internal and external stake holders (Fenah, 2012).

### **2.5.2 Situational Theory**

Stakeholders are the good explanation when it comes to define and explain the relationship (Grunig J. E., 2013). But it is also concluded that all stakeholders did not communicate at an equal level when it comes to the communication with organization. PR practitioners could be more successful in providing communication opportunity to the stakeholders, inside and outside of an organization. It also helps in improving communication between more or less active subgroups of stakeholders. Active voters in the wider group of all registered electorates is an example of active stakeholders. It is also very helpful for the contestants for political office during the election to concentrate their communication efforts on those individuals who can cast their votes on election day (Grunig & Hunt, 1995). Situational theory about publics provides more precise information when it comes to communication needs.

The public ranges from actively seeking and processing of information regarding an organization or about their interests and issues, to those who are passive to receive the information. There are three predictors of public's seeking and processing information about their problems and issues, includes problem recognition, constraint recognition and level of involvement, as the publics are situational (Grunig & Hunt, 1995). Therefore, within the change in attitude, priority, situation or problem public changes automatically.

#### **a. Problem Recognition**

It's very necessary to acknowledge and recognize the potential harm of problem they are facing. As an example, parents of children which are getting their education



should be aware of low standard facilities of school than those who are taxpayer without children.

### **b. Constraint Recognition**

The constraint recognition explained how public perceive the hurdles in the way of solutions. On the off chance that they trust they have a genuine shot at impacting an issue, they will tend to look for and process information on that issue. Reconsider guardians with school-age youngsters. They have more contact with school decision makers since they have more interaction with school principals, educators, and heads than do citizens without kids.

### **c. Level of Involvement**

Level of involvement defines by how much individual focus and care about a problem or issue. People who are concerned about a certain problem, participate in the communication to solve the problem are in active involvement as compare to those who are less concerned. For example, parents with children are more concerned about the standards of school and education as compare to non-parent public (Grunig & Hunt, 1995).

While considering these above mentioned three variables there are four responding outcomes from high to low. For instance, those people who have high issue acknowledgement and low constraint acknowledgement, and high inclusion in an issue are substantially more liable to effectively take part in correspondence about it.

Situational theory additionally clarifies why a few gatherings are active on a solitary issue, others are active on numerous issues, and others are consistently aloof. The particular relationship is dictated by the sort of gathering (active, passive) and how an establishment is connected with the issue. PR experts can design their correspondence procedures considerably more precisely on the off chance that they know how effectively publics will look for information from the firm. Situational theory keeps us concentrated on the sorts of information that publics need instead of the firm's decision of information to circulate. It likewise expects that publics will focus and search out information that is to their greatest advantage.

PR individuals endeavour to influence groups of audience to acquire new information, to act in positive ways and to change feelings. The utilization of correspondence trying to shape, change, or potentially fortify discernment, influences (sentiments), perception (considering) or potentially conduct. At a minimum, an effective powerful persuasion creates some kind of cognitive, full of feeling, or social adjustment in the objective (Kenneth, 2007).

There are many factors which can be influential for the persuasion of public relations, its messages and behaviours. The basis of the public relation is the messenger and the source of message and individuals who more reliably accept the message because of its source. There are some characteristics which define the effectiveness of the message by the qualities like quality and quantity of the evidence, the intensity of the language and messenger. The other factors which can influence the effectiveness of the message are personality traits, gender, and the personality type of the receiver (Michael & Timothy, 1996).

This theory is applicable in this study by explicitly showing the tenet public information and that of cause related PR. The use of good communication strategies and effectiveness in communication delivers the public with information and comprehension of the products and services of a firm or bank. The extent to which the members of the public are informed affect the decisions of the consumers. The theory also documents the use of persuasion in the market. This theory thus has been used to indicate the importance of persuasion in product and services awareness creation.

### **2.5.3 Rhetorical Theory**

Heath (2001) has taken a noteworthy activity to endeavour to make rhetorical theory the essential viewpoint through which public relation ought to be comprehended. Heath clarifies his perspective of the rhetorical procedure in his Handbook of Public Relations (Heath, 2001). Rhetoric, similar to PR, has usually negative meanings. Nonetheless, the term started as the most likely extremely welcome method of influential talk that went with the coming of putative majority rule government. It was a vital part of the way unpredictable, antiquated Greek society administered itself through open discussion and influence, rather like our present court and parliamentary procedures, decreasing the requirement for abuse and viciousness (slaves, ladies and

numerous others in old Greece obviously did not partake in this vote-based system). For Heath, the PR expert and the clients whom they speak to are involved, rather like antiquated rhetors, in a wrangle in the market place. Proficient communicator shares a noteworthy voice in the market place of thoughts, the discourse for the benefit of different self-interests (Heath, 2001).

Heath rebounds J. Grunig's 'symmetry' when he states that this wrangle must be driven dependent on a level playing field with the ultimate objective for it to contain moral PR practice; an illustrative view presumes that, to the extent their privilege to talk, all social occasions are symmetrical. Ideally, people have what they require and have no reason behind discussion talk or PR. Thusly, PR as a discipline request endeavours to impel business focus and public policy discourse by looking for relational excellence in exercises (legitimate commitment) and talk that incite the co-creation, co-organization, or co-importance of criticalness (zones of significance) that oblige strains and antagonism and support regularly accommodating relationship (Heath, 2001).

Heath recommends that rhetoric is symmetrical in light of the fact that each idea set in the market place or public policy field stays without any other person merits (Heath, 2001). For savants, in any case, it isn't clear how what Heath calls, 'rhetorical enactment rationale' makes PR more good or satisfactory, except if those possessed with testing their points of view are comparably resourced. This clearly, as in the Nielson and Leitch critique of J. Grunig above, is consistently an unimaginable condition. It is concluded that, as symmetrical PR, rhetorical enactment rationale is another flawless category of PR, a theoretical form against which the ethicality and suitability of PR activities in a law-based society can be likened (Fenah, 2012).

For Skerlep (2001), there is use in the rhetorical theoretical technique towards PR in that it grants promoting people to increment distinctive perspectives on conditions in a way that problematizes the prospect of 'Truth'. 'Truth' is as often as possible a much-tested scene when interest groups are with no attempt at being subtle confrontation. Skerlep prescribes, the straightforward trust in truth, objectivity and fairness as the managing criteria of authenticity of PR discourse that is confirmed by PR course books does not represent on the verbose estimation of polemical experiences.

The positivistic thought of truth has ended up being questionable with the move of postmodern relativism (Skerlep, 2001).

Skerlep underline, Aristotle's affirmation that rhetorical argumentation, the open public contest of thoughts as bolstered by Heath, does not bring forward to absolute truth. However, this does not infer that the rhetor is allowed to talk lies or to control the all-inclusive community either. Or maybe, in the condition of open clash on a debatable issue the speaker can simply marshal the best opinions for his or her case. The truth must come through arguments that reveals which of the taking an intrigue parties has better point of view (Skerlep, 2001). This is apparently an approach that various common and human welfare lobbyist would expel. Such social affairs would point to exploratory examinations to fight that there is a 'truth' to do with environmental protection or general prosperity (Fenah, 2012).

This theory contributes to the study in showing the significance of persuasion and advocacy in establishing public trust, good image and brand name outside an organization. It also points out the need for healthy interpersonal relationship among the employees and the top management of a firm.

## **2.6 Utilization of Public Relations in an Organization**

There are two theoretical basics which elucidates the extent of PR in an establishment which are research roles of PR and models of PR. Both of these theoretical practicalities help to explain and legitimize the job and implementation of public relations.

### **2.6.1 Role of Public Relations**

There is significant evidence that the practice of PR in an establishment plays a vital role in enhancing the public trust, identity, reputation and image of a company. Good public relations practices are important assistance for the enrolment and maintenance, predominantly within the spirited progressing market. PR also helps to build a 'feel good' atmosphere in an institution. Thus, from this it can be deduced that PR builds public trust, institutional identity, reputation and image.

Administering risk factors is the most important part of an organization's plans. Corruption scandals are one of the factors that can damage the reputation of a company and the public trust. Such incidents can also bring so many problems faced by the legal department, government and media sector. Thus, edifying a legitimate culture of 'doing the right thing' for a community through effectiveness in public relations can offset these risks and build on companies' identity and reputation (Chege, 2014).

The practice of public relations is a license to operate. Through effective public relations practices, institutions are enthusiastic to stay away from interference of external regulations and taxation. Thus, by captivating proper public relation practices, institutions can persuade the public that they are making strategies and enchanting their performances by working on the current issues like security, multiplicity sincerely and so steer clear of interference. The foremost institutions which have prevailing reputational issue because of their main business exercises may take part in prominent public relations programs to draw consideration far from their perceived negative impacts.

Public trust builds when people perceive that their institute are working well, and these perceptions matter a lot for the employees of an organization. In this regard, it can be said that institutions that are investing in developing better public relations improve both employee perceptions of the organization and public perceptions.

Despite criticism on the nature of demonstration of PR at organizational level, generally, it is understood that public relations components are intangible in nature and that's the reason that it is difficult to measure. Furthermore, the task of PR is considered to be a source of decreasing expenditures rather than as a source of creating institutional incomes (Grunig, Grunig, & Dozier, 2002).

### **2.6.2 Public Relations Practitioner Roles**

Dozier (1992) suggested that the role of practitioners is essential to understanding the purpose of PR and organizational communication. He said that the role describes the daily activities of practitioners of public relations and stressed that if the department does not have a practicing communications manager, it cannot make the establishment more productive.

Investigation of the job of PR is well developed and has a long history (Hogg & Doolan, 1999). Investigation of the job of PR expert was launched in 1979 by Broome and Smith. Broome interpreted PR expert as consultants to senior management and the role that they play, are considered to be services provided by or under the influence of the process (Dozier, 1992). Hogg and Doolan (1999) called attention to that the job of research in PR is to determine the job of practitioners of PR in an organization. The role of PR should be viewed as factors influencing the role of the practitioner, this includes training, background, identity, control and hierarchical culture, and the atmosphere. PR specialist who comprehend the causes and outcome of various jobs can create strategies to manage with different circumstances and perspectives of others on their role (Cutlip, Center, & Broom, 2000). Broome and Smith (1978) has identified four functions that define the role of PR practitioner.

#### **2.6.2.1     *Communication Technician***

As such, communications technicians are contracted to compose and alter workers bulletins, compose press releases and messages, create website content, and manage media contacts. Experts in this job are not involved in decisions of policy making (Cutlip, Center, & Broom, 2000).

#### **2.6.2.2     *Expert Prescriber***

Practitioners working as expert prescriber, characterize the issue, build up the program and assume full obligation for its application (Cutlip, Center, & Broom, 2000). Dozier (1992) pointed out that practitioners are considered public relations experts, knowledgeable about public relations and best placed to answer PR related questions. In this case, however, this may lead to dissatisfaction with the practitioners, as they are solely responsible for the results of the program, even though they had little or no control over the critical practicalities of the situation and the factors that have led to PR problems (Cutlip, Center, & Broom, 2000). Baker and Schaffer (1969) found that the solutions supported by the experts did not leave the management enthusiastic about the results shared in key decisions and unable to generate commitment.

### **2.6.2.3 *Communication Facilitator***

Practitioners in this role serve primarily as mediators between the firm and its different audiences. They evaluate collaboration, create discourse plans, outline and restate points of view, call for activity, and help members set up a communication relationship (Cutlip, Center, & Broom, 2000). Dozier (1992) found that this job affected the quality and amount of the stream of information among management and the public. Their main task is therefore to promote mutual interaction, through which the communication channels remain open.

### **2.6.2.4 *Problem-Solving Process Facilitator***

At the point, when practitioners assume the job of problem-solving facilitator, they work together with different member of management team to characterize and tackle issues, which means they are part of the strategic planning team (Cutlip, Center, & Broom, 2000). Dozier (1992) argued that, problem solving process facilitators are opposite to expert prescriber. While the role of expert prescriber leads to passive involvement of management, the facilitator of the problem-solving process works with management to solve problems.

## **2.6.3 Public Relations Models**

Grunig and Hunt (1984) were the first to describe four typical types of PR in which PR is practiced when reviewing public relations work. Over the course of history, four different models of PR have developed and are practiced today. These four models describe the importance, goals and behaviour of organizations in the conduct of public relations work (Grunig, Huang, Lyra, & Sriramesh, 1995).

Dozier (1992) noted that these models explain the values and patterns (practices) of behaviour used by communication departments to deal with community. The four models have two independent dimensions; asymmetric vs. symmetric and one-way vs. two-way (Grunig & Hunt, 1984). The contrast among the two lies in a way the communication is conveyed (Carpenter, 2005). Each model differs in purpose and type of communication.

### **2.6.3.1 Press Agency / Publicity**

Organizations that utilize publicity with advertising or promotions typically use the press agency model. The goal of the press agency model is to make an organization known and popular in every possible way. The main task of practitioners in these organizations is to draw media attention to their organizations (Grunig & Hunt, 1984).

### **2.6.3.2 Public Information**

The public information model is today the most used model. Motivation behind this model is the disseminating the information. Practitioners of this model act as a journalist responsible for providing objective information about the organization. They also produce a variety of fact sheets, magazines, user guides, pamphlets, films and videos which are all designed to inform the public about the establishment (Grunig & Hunt, 1984).

### **2.6.3.3 Two-way Asymmetric**

The idea of asymmetry suggests that PR just looks to change dispositions and practices of people in general instead of changing the organization as per their mentalities and practices (Childers, 1989). The two-way asymmetric model includes collecting information from target audiences to regulate the communications condition and influence changes in public perception, mentalities, or practices (Carpenter, 2005). Therefore, in the asymmetric models, PR influence the environment as compared to being influenced by the environment. The two-way asymmetrical model uses research to create messages that can convince strategic audiences to behave the way the organization desires (Lin, 2007). Therefore, communication within this model is considered influential and manipulative.

### **2.6.3.4 Two-way Symmetric**

In the symmetrical two-way model, the general population can significantly impact the organizational decisions. Therefore, the symmetric two-way model aims to create 'win-win' solutions to maintain a strategic distance from clashes among organization and public (Carpenter, 2005). Furthermore, the two-way symmetric model



emphasizes the public relations work, which is based on research, to use communication to overcome conflicts with the strategic target public (Lin, 2007). In short, the symmetric two-way model aims to establish mutually satisfying relationships between an organization and its target population.

#### **2.6.4 Relationship between Roles and Models of Public Relations**

PR has been characterized as the administration of communication between an institution and its publics. Therefore, PR theory has concentrated on the public relations models practiced by establishments and classifies the different jobs that PR experts play in each model.

As per Dozier (1992), research on the role of PR works as a level of smaller scale (expert) of analysis. However, the four public relations models suggested by Grunig and Hunt (1984) attempt to investigate PR at the greater (organizational) level. Grunig (1992) found that PR services had more prospective when they were led by a senior departmental authority rather than a technician. Grunig (1989) also argued that the greater the potential of the PR office, the more likely it was that the senior departmental official would be part of the dominant coalition, and the more likely it would be for the organization to exercise two-way symmetrical model.

Dozier's (1992) study found clear empirical connections between the practitioners' roles and the four models of PR, which corresponded to theoretical desires. Moreover, establishments whose PR experts act as managers tend to use two-way, open system models of PR (Grunig J. E., 1989). In addition, practitioners in public relations organizations exercising public information and press agency model of public relations will implement couple of exercises that characterize the role of PR managers (Dozier, 1992). Furthermore, Dozier (1992) likewise found a positive and significant correlation between the job of public information model and press agency.

### **2.7 Value of Public Relations**

The query regarding the value of PR is the best of interest of researchers, PR practitioners and professionals, as the observation between communicator and stakeholders, that public relations are insubstantial management activities as compare

to the function whose value can be evaluated, defined and measured through research (Cutlip, Center, & Broom, 2000).

This insubstantial management of PR has frequently resulted in crises at the time of presenting budget and during fiscal crunches as there is no method to reveal its worth. As a result, PR practitioners and researchers always strive to find the ways to demonstrate PR effect and to advance the measure of the conception. More precisely, the idea of relationship assumes an essential job in measuring the worth and value of PR at the organizational level (Cutlip, Center, & Broom, 2000).

Greater part of substances looks for controlled publicity that helps advance their central goal and endeavour to maintain a strategic distance from traded off or countervailing exposure. Associations not just discharge information routinely as news and highlight stories yet additionally arrange pseudo occasions (Boorstin, 1962), exhibitions (Debord, 1995), (Spencer, 2000), and stunts that have no other reason than to produce consideration and seek attention. Elements fixated on picking up presentation are alluded to as publicity hounds. A few associations intentionally disregard publicity. Genuine purposes behind exposure shirking include:

- a. the unintentional or premature revelation of business strategies,
- b. the exposure of patented data (such as a trade secret), and
- c. safety concerns regarding misconducts against seniors and colleagues.

Other reasons comprise:

- d. managerial nervousness or anxiety,
- e. disbelief or disdain for the mass media,
- f. worries about misrepresentation,
- g. absence of employees with publicity skills, and
- h. uncertainties about repercussions consequential from publicity left away (Doorley & Garcia, 2007)

PR functions as a planned management tool in at minimum five ways:

To begin with, it can be used to indicate a unit's prearranged events to the marketplace. Preannouncements about upcoming exercises give certain insights (and

frequently express guidelines) for how merchants, colleagues, wholesalers, suppliers, clients, contenders, financial specialists, public authorities, or workers ought to envision entity's imminent activities (e.g., equip creation or concede buys).

Second, it enables entities to express their qualities and objectives openly. In this manner, it serves an instructive capacity for workers and different stakeholders and can clarify the entity's objectives and exercises. PR in this way additionally sets a standard against which execution can be later judged. Vitaly, stakeholders evaluate the credibility of publicity by contrasting entity's arguments with their own experience.

Third, public relations enable an entity to satisfy its main goal by motivating stakeholder behaviours that play role to income or other execution objectives. Stakeholders' activities can incorporate purchasing, contributing, giving, working, voting, embracing otherworldly convictions, participating in genius social exercises, and staying away from hazard. In marketing, PR often offers complements or serves an option (without sufficient spending plan) for advertising, direct trade, or sales promotion. While at first opposed by advertising experts, publicity today assumes a basic job in coordinated marketing communication (Chege, 2014).

Fourth, PR is an instrument that can be utilized for impression administration or to improve an entity's reputation. Individuals like to relate to and be partnered with entities with great reputation (Doorley & Garcia, 2007). Constructive repute on the other hand can be estimated concerning apparent goodwill and brand value. Reputation works as an experiential that empowers individuals to make judgments around an entity without having top to bottom learning of or an association with the entity.

Fifth, PR signifies a publicly accessible historic record of an entity's events. Print media cuttings, digital records, worker magazines, and other PR records serve as artefacts that chronicle an entity's development.

The value of relationships can be defined and elaborated as below:

- Relationships and their product reputation deliver a framework for conduct by customers, stockholders, personnel, administration, the public, the media, and other planned electorates, however, they do not control this conduct alone. The

conduct of these public distresses economic accomplishment; however numerous different angles, for example, business rivalry and the financial setting, likewise influence that accomplishment.

- Relationships set aside extra money by avoiding pricey issues, disasters, control, lawsuit, and terrible advertising. It isn't conceivable, be that as it may, to decide the expense of something that did not occur or even to recognize that the undesirable occasion would have occurred in the lack of outstanding PR.
- The yield on relations is overdue. Administrations devote finances on firms for years to avoid measures or conducts such as disasters, shuns, or court case that happen numerous years not far off.
- The yield on relationships generally is clumpy. Respectable relationships with few populace such as customers may harvest an ongoing stream of profits, however, for the maximum part the yield comes at the same time e.g., when disasters, strikes, embargoes, regulation, court case, or depraved PR kept away from or alleviated. In the same way, relationships with possible contributors must be refined for considerable length of time before a contributor makes a most important gift. Subsequently, it is tough to customize the overdue yield on PR to the obligations put resources into the function every year (Grunig, Grunig, & Dozier, 2002).

The difficulty of determining the value of PR to an institution has been a challenge that continues to exercise the concentrations of both PR researchers and professionals. Scholars at work on the supposed excellence study (Grunig, Grunig, & Dozier, 2002) have vetoed attempts to guesstimate value of public relations purely in terms of a financial calculate. Rather they claim the case for a total notion of value embracing the PR impact to both the organizations and general public.

This total notion of value embraces the idea of concentrating on the efficiency of administrative relationships as maybe the most pertinent measure of public relations achievement and value added (Broom, Casey, & Ritchey, 1997). It has been documented that measurement requires to emphasis on the long-standing value of organization public relationships, including measures of such variables as trust, obligation, fulfilment, shared benefit, etc. variables which fundamentally contain softer qualitative measures of achievement. Regardless of such advances in recognizing the

essentials of value resulting from structuring and upholding long-term organization-stakeholder relations, comparatively diminutive consideration has been paid to examining how senior experts attempt to really succeed the procedures of relationship construction and by this means help to generate value for the organization. Undeniably, relatively little is acknowledged about administration progressions in public relations and communications sections.

Alongside this relationship approach to appreciating the influence of public relations to an organization, a distinct, corresponding school of scholarship has developed, concentrating on the economic value of organizational reputation and goodwill (Fombrun, 1996). Debatably, this emphasis on reputation and reputational measures such as status lists or 'reputational quotients' can bid, at least an unintended indicator of the value of the communal relations in that public relations is documented as a key component in the communications blend that assists to shape and maintain those organizational relationships on which the long term standing of an organization depends.

What these relationship and reputational perceptions fail to clarify visibly however, is who should be accountable within organizations for dealing relationship and reputational tactics. More precisely, it is distant from clear how important a role of PR / communications practitioners performs in emerging, handling, upholding and evaluating organizational relationships or reputational management policies.

In the latter case, reputational scholars (Van Riel & Balmer, 1997) have recognized that repute organization includes decisions about more than just an organization's internal and external communication plans but holds all features of the way organizations present and interact themselves to their numerous stakeholder groups. In this sense, reputation administration debatably cannot be thought exclusively the jurisdiction of the communication / public relations function. There is minute experiential indication to illustrate whether or not PR practitioners themselves view or attempt to measure their key influence or value to their organizations in standings of relationship or reputational consequences (Cutlip, Center, & Broom, 2000).

Considerable amount of the on-going argument regarding public relations assessment seems to recommend a continual preoccupation with process-related events

of media relations action (extent of reporting, content analysis, etc.) rather than efforts to measure real program consequences in terms of relationship or reputational effects. Moreover, it seems that in many institutions, the top PR correspondent is not included in the senior management team, and as such, may have restricted power to effect either which relationships the organization selects to progress, or verdicts that are likely to affect relationship / reputational consequences (Grunig, Grunig, & Dozier, 2002).

The position of the PR plays role within the structure of organization, or maybe more precisely, whether or not senior PR experts are treated as associates of the topmost management team, or at least are capable to pay to organization decision-making will unavoidably regulate the mark to which the drive is able to influence institutional policies and henceforth, contribute to worth producing outcome.

Studies of the institutional role of PR have recurrently recommended that this sort of organizational placing for public relations is possibly more the exclusion than the rule. Certainly, the sign of a growing brook of research into expert role performing within institutions proposes that the image as far as practitioner participation as share of the leading alliance in organizations is concerned remains fairly diverse. Though there is slight doubt that the importance of public relations has been progressively known within both public and private segment institutions over the previous few decades, it still seems to be the circumstance that for many public organizations, public relations lasts to be seen mainly as a strategic movement, accountable for simply broadcasting material both internally and externally, and / or acting as publicity assistant. Though such strategic work certainly does have a convinced usefulness to the organization, it would be impractical to try to propose that this type of strategic part can be demanded to be of tactical rank to organizations, or is probable to add noteworthy longstanding worth to the institution (Chege, 2014).

## **2.8 Aspects of Public Relations**

Public Relations is the procedure of handling an establishment's communication with stakeholders. This plays a role in the standing, amenability, marketing, crises and risk management of a firm. There are many aspects of public relations, dependent on the size, mission, aims and functions of the institution. The subsequent are common aspects of public relations.

### **2.8.1 Media Relations**

Emphases on emerging a connection with media and discover who may be concerned in the administrations story. The expression ‘public relations’ is by maximum individuals related with publicity, which specifies the position and significance of this mass media work. The firm pledges publicity and offers suitable data to mass media. An effective relationship among a PR person and mass media persons is constructed on a PR person’s status for goodness, precision and competence. If this repute is discoloured or mislaid, the PR individual cannot play his / her role efficiently as a link between a corporation and the media (Wells & Moriarty, 2003).

A good deal of media relations work is done attempting to gain favourable publicity and news coverage for the organization. Organizations depend most on the media to reach their desired audience. Cordial media relations is an asset after a crises. Understanding editorial rules, media ethics, media practices and being able to feat them to attain positive exposure is a significant condition for effective public relations (Anyi, 2007).

The method to increase the co-operation of media persons is to offer them with motivating appropriate stories, documents, videos and pictures that they want, when they want then, and in the arrangement in which they can gladly use them. The media person wants news that is well-timed, that is interesting and noteworthy to person who reads or watch in respect of their private matters or their relations to the general public. If an organization develops the most effective programme of media communication, nothing stops the organization from actualizing its desired objective.

### **2.8.2 Employee Relations**

This is similarly mentioned to as worker communication or internal public relations. It is a strategic and constant communication activity of a firm with the goal of guaranteeing lasting peace and congruence between the business and representative. Staffs are a standout amongst the most significant capitals a firm owns, and real communication is expected to make them know their firm and contribute carefully to the accomplishment of its objectives.

Employee relation plans communicate information to workers. The purpose of employee relations have its place both to PR and HRM. These sorts of programs are commonly termed as internal marketing (Wells & Moriarty, 2003).

Employee relations is aimed at creating mutual understanding and support between management and employees. Communication between management and employee can be difficult and complicated due to the heterogeneous nature of the employees. The employees are varied, and many groups exist due to differences in attitudes, beliefs, perceptions and expectations.

Black (1989), observes that employee relations hold nearly everything other than salary, which inspires staffs to make supreme commitment to the achievement of the firm's goal line. Employee relations primarily has to do with all about communication among the owner and worker.

Employee relations are all about running the organizations effectively. It is all about ensuring that people recognize what requirements to be done, understanding why it is essential, feel dedicated to accomplishing it and have an opportunity to use their own knowledge and skills to do best if possible (Anyi, 2007).

The objectives of maintaining shared understanding between an organization and its employee may comprise the following amongst others: -

- To generate amongst all hands a consciousness of the administration's best processes, difficulties and objectives.
- To keep all arrows informed on important progresses that touch the organization and the employees.
- To grow effectiveness of all hands as representatives of the job.
- To ask and encourage employee's contribution for refining procedures.
- To please employee needs to be kept knowledgeable and to contribute in the organization.

It is only a fine up-to-date and contented employee that will indorse his firm's items or services to his networks and neighbours. He likewise, aids as a public relations tool for portraying a decent image of his firm and clearing up why some verdicts are



taken. In any case, an uninformed or displeased worker is a burden and liability to the firm.

Any functioning employee relations program basically take into explanation the way that employees' public is made up of sub-divisions with numerous benefits, motivations and difficulties.

The usefulness of any employee relations programme is dependent upon the following basics, documented by Nolte, (1974):

- employers' disposition to interrelate and listen
- formation of methods
- policy declaration on relations with employees, and
- complete data regarding the two parties (employers and employees)

The employees might be estranged into sub-publics, for example, organization staff and heads of sectors, office workforces, sales staff, easy-going workforce / low maintenance staff. Other general sub-divisions comprise, senior staff, middle team staff, junior staff, old staff, new staff, inexpert staff, skilled and uninformed staff. Methods for employee relations include, staff manuals, staff session, award ceremonial, modified letters and house journals.

### **2.8.3 Financial Relations**

This is a particular part of PR, and it is quickly gaining acceptance and recognition. It might be labelled as the tactical, arranged and continuous communication with all the economic publics which are significant to the financial accomplishment of a firm. It includes the distribution and explanation of realities about an organization's economic situation to the public, and procedure of assessing the opinion and attitude of the financial publics.

The main target of financial public relations is to interconnect a comprehension of a firm's processes, difficulties and forecasts, as a method for developing shareholders' interest, and of emerging an advantageous climate for new stakeholders and capital (Katuka, 2005).

Financial relations comprise all communication endeavours expected at the financial communal, for example media releases sent to commercial publications, sessions with stockholders and forecasters, and yearly reports which the administration expect of public held corporations (Sandin & Simolin, 2006).

Financial relations involves managing relations with the investment community. In the case of non-commercial organization, it involves showing a transparent account correctly as how the money was spent to those who sponsored or gave you grant with which you carry out your work. It involves an understanding of the means of communication with the key targets of financial public relations (Anyi, 2007).

The financial peoples are the diverse groups of persons with whom outlines of communication should be recognized and upheld by the association. These communities are shareholders, possible stakeholders, administration team, employees, economic reporters, banks and insurance corporations, economic and safety forecasters and stock exchange administrators, etc. The methods to be utilized comprise of annual reports, and provisional reports, investors manuals, special fact books, annual general conferences and literatures (welcome and regret letters), and so on.

#### **2.8.4 Corporate Relations**

Corporate public relations is organizing the reputation of a firm. Company standing is imitated in image and corporate identity. Every item of data, every opinioned aired, every article published about an organization adds to reputation. A better image and repute is difficult, taking many years to build, however once established, the duty of the public relations practitioner is to improve and guard it.

Enhancing and defending the organizational repute includes managing the issues of the organization, as the process of recognizing issues, examining those issues, setting priorities, choosing program of action communicating and assessing the efficiency. It is a business retort to change in rotational surroundings (Anyi, 2007).

Corporate relation program emphases on administration's repute and image. The objective is to encourage the pubic to observe the business in an optimistic light. Conferring to Wells and Moriarty (2003) the PR expert Fraser Seitel has specified that

it takes a prodigious arrangement of period to shape a satisfactory image for a company however, just a single slipup to generate an undesirable public imprint. The objective line of managing reputations of an organization in a business relations program is to reinforce the belief and trust that shareholders have in a firm. Since firm reputation is a perception, it is received through performances, not made by publicity (Fenah, 2012).

### **2.8.5 Government Relations**

This can be labelled as an administration's communication programme related to government interventions for the persistence of common comprehension. All administrations are influenced or controlled by government. To guarantee promising government activities towards a firm, the firm should frequently screen political and monetary surroundings, and deliver administration offices and representatives with consistent information about the firm. It will allow government to recognize the firm's objective, difficulties and prospects (Katuka, 2005).

It courtesies on business communication with governments and people in general on matters related to government agencies and regulatory departments. Issue management is another terminology for this role. Notwithstanding government relations, public affair programs additionally screen public belief about problems dominant to the firm's interest and initiate plans for communications to, and with the populace about these problems (Sandin & Simolin, 2006).

Practitioners in government have the responsibility of maintaining communication lines between government and the citizenry. Practitioners who serve government agencies, legislative bodies and government parastatals have the responsibilities of making their views known and heard (Anyi, 2007).

The procedures for endorsing government relations comprise advocacy publicity, courteousness calls and especially arranged lunches and dinners.

### **2.8.6 Community Relations**

A firm comprises of individuals and firms in the region of the firm, with which great relationship and correspondence ought to be made and kept up.

The firm has an obligation to guarantee that individuals from the network comprehend it, the firm, what it does, its qualities, goals, approaches and so on. PR ought to be utilized to acquire the regard, endorsement and certainty of the network by guaranteeing that the organization's job as a decent employer of workforce, benevolent neighbour and supporter of nearby causes, is valued. At the end of the day, the public must be persuaded that the organization is inclined to the prosperity of the community. Despite the fact that, the public can be made favourable for the organization, as it will be believed to be social, touchy and liable.

The community relations involves orchestrating interactions with the community. Each organization discovers its balance inside a nuclear family. Abraham Lincoln once said that with populace sentimentality, nothing can fall flat, without it, nothing can succeed. A people group is a little of the national population. This is the place where national feelings are conceived. Judgment communicated as the voice of the public anticipates the perspectives and enthusiasm of the national publics.

The procedures for community relations incorporate local media relations, sponsorships and gifts, public days, secondments, authorization to utilize organization offices and so forth.

### **2.8.7 Customer Relations**

Customer relations program is an arranged and persistent correspondence action intended to guarantee heartfelt connection between an association and its clients. The real target of customer relations is to hold old customer and draw new ones. The customer come in different structures and shapes (Anyi, 2007).

The objectives of customer relations as per Cutlip, Center and Broom (2000), is to provide assistance for the sale of items and services with innovative and news making ventures, yet with more consideration regarding trust, truth and precision of claims and setting out types of simple review for settlement of complaint by private mediation.

The customer-public, can in this way be partitioned into corporate customer, independent customer, walk in customer, clients, purchasers, specifiers, and so forth.

As the foundation of each organization, customer must be kept frequently educated. Customer don't just purchase from a specific organization since costs are sensible, they likewise mull over elements, for example, favourable condition, open comforts given, reaction to their complaints, data administrations, state of mind of staff, and different variables that verge on the image of the firm. The strategies for advancing customer relations incorporate paid media programs, client settings, formula handouts / booklets, and so forth.

### **2.8.8 Dealer/Distributor Relations**

Dealers are the channels through which products of the manufactures get to the last buyers. Dealer relations is the correspondence program of an organization intended to set up and keep up common comprehension between the organization and its distributor or dealer.

Numerous last customers / end users once in a while have contact with the makers of the items they expend, yet they have the best number of contacts with the dealers. Consequently, organizations need to continually speak with distributor or dealer, so they can have vital data about the items they offer for their sake.

As the fundamental crimp among consumer and manufacturer, the distributor or dealer is the representative of manufacturer and must have the capacity to answer client questions legitimately, and convincingly manage their grievances. They can just do this successfully if the organizations teach them deliberately about their items.

Data required by dealers are to accomplish the role of guiding clients viably, which will incorporate item description, advantages, method to use or application, worth surveys, sale promotions, item modification, new publicity campaigns and expos. The furnishing of this data can emphatically impact dealers' alternatives and state of mind towards an item and influence dealer to prescribe and vouch for an item. Absence of essential data and compatibility may moreover make distributor show lack of care around an organization's items.

The method for distributor relations incorporate distributor booklets / handbooks, invitation to trade expos and lunches, external house journals, trainings, sales seminars supported with films and site visits, and so on.

### **2.8.9 Supplier Relations**

Most establishments give a lesser consideration to this sub-capacity of PR, trusting that if an establishment has the cash to spend; it can simply acquire from the supplier, whatever it needs. However, they are incorrect; in light of the fact that viable correspondence with suppliers will no doubt consequence in productive and satisfactory supply of establishments' requirement (products and services).

Data on development plans, product modification, alteration, improvement designs, activity techniques, new agreements and organizations' monetary status made accessible to supplier through gatherings, external house journals, and other media, will enable the institution to get its suppliers comprehend its requirements and issues, assuming any. Additionally, it is important for the institution to comprehend the arrangements and functioning techniques for its suppliers. Relations with suppliers are in this manner a two- way correspondence program to guarantee shared comprehension between an organization and its suppliers.

The significance of supplier relations is better valued during scarcity, since that is when supplier will need to guarantee that their great clients, dependable and trustworthy organizations are not disillusioned, while a few organizations are left wide open to the harsh elements at this horrendous spell by supplier, because of their pitiable liaison with them. Supplier's services can be partitioned into the accompanying gatherings:

- ***Suppliers of expert services:*** bookkeeping, advertising, showcasing, legitimate and so forth.
- ***Suppliers of utilities:*** water, telephone, internet, postal and power administrations, and so on.
- ***Suppliers of materials:*** the individuals who supply crude materials and parts required by the organization.

The strategies and PR media for supplier relations incorporate, site / plant visit, yearly reports, and gatherings, outside house journals and narrative movies.

### **2.8.10 International Public Relations**

PR have a similar objective inside and outside the nation. Its foundation and support of shared comprehension in an organization's nation of origin is imperative, doing likewise outside the nation is more essential. This is on the grounds that, if the outfit isn't known, no one will be prepared to work with it. Indeed, even government needs to direct worldwide PR with the end goal to pitch itself to the outside world and win altruism and support (Katuka, 2005).

In this connection, Smith (1965), sees that many government corporations and different interests have turned out to be mindful of the need to make and keep up comprehension and an air of agreeableness all through the world. When an establishment is prepared to showcase its items and services globally, PR must likewise go universal. This is classified as export PR.

Mostly, it is not an informal job to advance only an organization or association all alone, the image of the nation of origin of the firm should likewise be publicized. This is on the grounds that the image of a nation will most likely rub off an association's image whether it is positive or negative.

## **2.9 Characteristics and Tools of Public Relations**

PR can be described and categorized as either proactive or reactive. Proactive PR is concerning the organization's advertising goals. It is aggressive, chance pursuing and a strategy to impart product qualities normally utilized in mix with other publicity tools. Reactive PR is utilized because of outside impacts. It is involved because of outside challenges and pressures brought by for instance aggressive activities, move in customer states of mind or changes in government strategies. With reactive PR an organization normally manages deviations that have bad results, for instance attempting to restoration a harmed reputе or recover missing deals (Shimp, 2000).

Albeit PR still catches just a little segment of the general marketing spending of most organizations, however, PR is an undeniably imperative brand building

instrument. Research has discovered that advertising does not make brands, but rather PR does (Kotler, Wong, Saunders, & Armstrong, 2005). The specialist of PR has numerous tools that can be separated into two classifications; controlled media and uncontrolled media. Controlled media incorporate different exercises, for example, talks, in-house distributions, corporate advertising, and visual introductions that make item and organization publicity. The mass media is paid by the sponsoring firms, and consequently, the firm takes control over the media that in what way and at what time the message is conveyed. Uncontrolled media incorporate official statements, public interviews, and media visits (Fenah, 2012).

These are the essential channels to convey PR communications to different mass media. Firms regulate the theme and content of media visits and material and content of media handouts and news announcements. In any case, it is the media which choose what to present and how to do it. What the public watches or reads lastly, is not essential what is indicated by the firm. The latest electronic media is classified as semi controlled. Corporate sites are handled by the organization; however other social media web sites like forums and chat rooms set up by analysts are uncontrolled. Special sponsorships, brandings, and special occasions are started by the organizations, yet interest by the press and other essential populace isn't under control of the financing organization. Another critical semi-controlled media is informal communication and conversation, where the underlying message frequently can be planned by the firm (Wells & Moriarty, 2003).

Similarly, as with other marketing instruments and promotion exercises, objective must be set, messages and mass media tools must be chosen, and execution of the public relation strategy with a subsequent assessment of the exercises must be done (Kotler, Wong, Saunders, & Armstrong, 2005). To pick up an upper hand, a capability to screen and assess the exercises turn into more critical for most PR experts (Phillips, 2001). Following of the yields; what number of press releases led to media and press story, and result, disposition or conduct modification, is important to demonstrate the adequacy of the public relation program to have the capacity to learn and calibrate future battles (Wells & Moriarty, 2003). The instruments through which PR specialists access the different publics with correspondence are various, they incorporate the accompanying:



### **2.9.1 Public Opinion**

Public Opinions are the significant spark of PR exercises. The target of PR is the advancement of positive public opinion for an establishment's goods or services. Impacting a person's state of mind is a prime assignment of PR. People groups' state of mind in the firm as reflected in the people groups' esteem framework and identity, and the procedure which brings change of disposition must be comprehended in light of the fact that they are the fundamental in knowing public opinion (Katuka, 2005).

### **2.9.2 Advertising**

Advertising is also used for PR to a very great extent. It is utilized to make ideal image of a firm and to serve general public welfare. Advertising likewise, conveys to people, exercises and occasions with respect to goods or services of the institution. The maxim which says, in the event that you don't state here I am, no one will state there you are, is moored on the significance of advertising to PR (Katuka, 2005).

### **2.9.3 Periodicals**

Periodicals also called as the magazines or house journals are utilized by an organization in correspondence with representatives and different publics. Periodicals are telling individuals your identity, and what you are doing. It is stating your own story without anyone else. Its intermittent nature empowers current circumstances and occasions to be exposed.

### **2.9.4 Corporate Identity Media**

Generally, an organization's material obtains separate looks, which causes disarray and passes up on a chance to make and fortify a corporate identity. In an over imparted society, organizations strive for consideration of the publics. They ought to at any rate attempt to make a visual identity that the general population instantly perceives. The typical identity is conveyed by the organization's lasting media; logos, stationary, pamphlets, business cards, business forms, science, uniformity of the building and rolling stock. The business identity media turns into a marketing control when they are appealing, unmistakable, distinctive and critical. The organization should choose a decent visual computerization team who will inspire administration to

distinguish the embodiment of the organization and after that transform it into an idea backed by solid visual images (Kotler, 1988).

### **2.9.5 Written Materials**

Organizations depend comprehensively and widely on written materials to reach and effect their target markets. These integrate annual reports, leaflets, articles and firm's pamphlets and magazines. Handouts can assume an essential job in advising target clients about what an item is and how it functions, and how it is prepared for usage. Keen articles composed by organization administrators can attract thoughtfulness regarding the organization and its goods or services. Organization pamphlets and magazines can enable develop to organization's image and pass on vital news to target areas. They ought to have an appearance and substance that is steady and strong of the organization's image (Katuka, 2005).

### **2.9.6 Special Events**

Special events are things you arrange additionally, to unite individuals for an uncommon reason, these events are component of PR programs. The goal of such type of occasions is to update people in general of objectives, policies and activities of a firm, and to pick up goodwill of the media, government, populace and different stakeholders.

Organizations can attract regarding the launch of new product, or their organization's activities by masterminding unique occasions. These incorporate news gatherings, workshops, trips, shows, visit, commemorations, etc. that will achieve the objective publics (Kotler, 1988).

Displays and exchange fairs are valuable for both PR correspondence and sales promotions. They support prominence and give an opportunity for gathering and networking and passing information to people in general through exhibition, discussions, handbills, leaflets, and so on (Ibekwe, 1984).

### **2.9.7 News**

One of the significant assignments of an organization is to discover or make great news about the organization or its goods or individuals. At times, news stories are intrinsic in the circumstance, and sometimes the PR people can recommend occasions that would make news. News making requires ability in building up a story idea and looking into it broadly, much as a correspondent does. In any case, the PR individual's aptitude must go beyond planning news, getting the media to acknowledge media release and go to media briefing for showcasing and relational abilities (Kotler, 1988).

### **2.9.8 Press Release**

This is an elegantly composed news story implied particularly to extend the great picture of an organization. The press release must be timely, custom fitted to suit a specific medium and with or without headline as per requirement of the story (Katuka, 2005).

### **2.9.9 Audio-Visual Materials**

Electronic media materials, for example, movies and sounds, and audio-visual (AV) products are coming into expanding use as specialized devices for communication. The expense of AV materials is generally more prominent than the expense of pieces of printed literature, as is the effect. They can give high-affect product demo and are probably going to get solid consideration. In all cases, they ought to be edited with consideration, in the event that they are done gravely, they can inspire the group of viewers contrarily as opposed to decidedly (Kotler, 1988).

Movies are valuable for influencing and impacting theatrical gathering of people (audiences of cinema). While the non-theatrical audience incorporate schools, social clubs, clinics, railway stations, passengers waiting areas, youth centres, amusement clubs and individuals from the overall population are welcomed to watch in open fields, and public places.

Radio and TV have a wide inclusion and give an intense coverage and medium for PR communications. Talk shows, feature programs, special shows, discussion

programs, extraordinary public awareness shows, and news inputs have colossal effect on general society.

#### **2.9.10 Public Service Activities**

Organizations can enhance a good repute by contributing cash and time to great purposes for public welfare. Firms likewise urge its representatives to take an interest in nearby projects, as both mentors and board individuals.

#### **2.9.11 Telephone Information Services**

Through a phone number, clients can acquire information and improved services from an organization.

#### **2.9.12 Speeches**

Speeches are another apparatus for making goods and firm's exposure. Organization's officials must handle inquiries from the media or give talks at trade associations or trade meeting, and these can shape or distort the firm's image. A few firms specifically pick capable spokespersons and furthermore, utilizing speech specialists and mentors to help enhance their communication delivery (Kotler, 1988).

### **2.10 Public Relations for Creating Product/ Service Awareness**

It is critical to recognize the organizations vital publics. Each bank ought to attempt watchful assessment of the audiences it must transact with in order of significance. In numerous monetary organizations for instance the clients frequently hold this position. Exactly to know that to whom target initially implies that use of fund can be founded on significance. Moss (2001) express that subsequent to distinguishing the different populace of a bank, relationship ought to be built up as per each group's requirements and desires.

Organizations must build up current communications with the general population network in entire rather than the relationship with particular public ought to be focused. In the wake of choosing if the firms' public are characterized wide or thin, organizations can use conventional division bases, for example, geo-graphics, psycho-

graphics and demo-graphics. Different instruments can likewise be utilized, for example, covert power segmentation that includes recognizing people inside a network who apply impact on an assortment of decisions and issues (Fenah, 2012).

### **2.10.1 Persuasion**

Persuasion incorporates the methods of insight of PR that are proactive and arranged toward inducing publics to consider or act in the manner that advantage the firm. Public relations projects or campaigns that emphasis on publicity or to make assent fall in this classification, recognized from one another essentially by their key selection of strategies instead of their fundamental reason. For instance, a publicity campaign which uses media promotion may utilize an agenda setting way of persuasion by endeavouring to put the customer firm's item on purchasers' psychological plans, with the objective of expanding mindfulness and trade of the item (Hutton, 1999).

### **2.10.2 Advocacy**

This class is alike persuasion in its aim, inducing gatherings of people to think or act in manners that advantage the firm, yet extraordinary in its level of activity and in the way that it emerges out of discussion or dynamic resistance. The function is to assist the job of protecting the firm in the court of general conclusion, as opposed to an official courtroom. The nearness of contention or dynamic resistance more often than not manages the sort of procedure and strategies utilized, and the responsive idea of advocacy PR implies that a PR insight or capacity may not exist until activated by an emergency or other impetus. Notwithstanding that, the focal point of backing is frequently on influencing applicable groups of people to consider or act in positive ways (Shimp, 2000).

### **2.10.3 Public Information**

Public information alludes to the style of public relations in which an establishment functions fundamentally as a mentor and information provider. Industry, services providing firms and members of trade associations, alongside some public administration offices that accomplish similar jobs are the examples of public information (Sandin & Simolin, 2006).

#### **2.10.4 Cause related Public Relations**

Cause related public relations is like persuasion in its goal, to convince the gathering of people to consider or act in particular means. It is similar in its level of activity, normally proactive. It is alike advocacy, in the manner in which it might be responsive and non-existent till activated by an occasion. In different ways, it is the supplement of advocacy, as extensive as it tends to function a more extensive public interest instead of particular vested interest group or person. Cause related public relations is frequently recognized by its requirement to feature solid but sloppy publics and media by utilization of publicity and lobbying. Associations or groups that utilize cause related public relations incorporate for instance the Red Cross organization (Hilal e Ahmer in Pakistan) (Hutton, 1999).

#### **2.10.5 Image/Reputation Management**

This job centres on the repute and image of the association, as estimated by its prevalence or incentive as a supplier, purchaser, lender, accomplice, manager, citizen or investment. Reputation / image administration looks principally to spin control and publicity and the creation and control of symbols as its essential strategies. It has developed in significance as of late and has profound roots in the acts of early PR pioneers. There is also intensity difference between the image and the reputation of an organization, as reputation is less intense affect than image. Image usually has a maintenance of reputable behaviour provides basis for the overall reputation of the organizations (Hutton, Goodman, Alexander, & Genest, 2001).

#### **2.10.6 Relationship Management**

Relationship management emphasized on the common goals, interests, values and benefits of client and organization as well as with the interests of publics. The PR practitioner always acts on the behalf of the client, which produce a sense of trust and responsible attitude of organizations towards the client. Acting in line with the interests, values and goals of the client help PR practitioner to achieve a long-term relationship. Relationship management focuses trust between client and organization, compromising behaviour and mutual cooperation between the organization and its publics (Hutton, 1999).

## **2.11 Public Relations for Trust Building**

PR is practiced in almost every setting, most commonly it is observed from in house public affair, government concern role to corporate communication job in profit and non-profit institutions. With their planning and management of communication, PR practitioners develop and increase the repute of an organization as well as it helps them in maintaining long term relationship and achieving their goals (Grunig J. E., 2013).

There is a need for public relations for every organization to compete the rivals. Public relations is a higher management task for organization planning, positioning of organizations, monitoring natural patterns and anticipating their results (Okereke, 1993).

The aim for PR by any institution or association is to have decent relations with its interior and outside publics. One method for characterizing PR has been just to reverse the term so it moves toward becoming relations with publics (Hendrix, Hayes, & Kumar, 2012). Public relations enable organizations, whether it is a state owned or private organization, to accomplish hierarchical destinations and enable required change. Public relations is a governance and administration job that accomplishes authoritative goals and enable organizational change (Lattimore, Baskin, Heiman, & Tooth, 2004).

A successful PR effects the public opinion, hold towards an organization, its services and products in a better way. PR is the intended exertion to impact the opinion through showing better character and responsible performance based upon mutual satisfactory two-way communication (Grunig & Hunt, 1984).

As a deliberate methodology, the public relations plan gives the correct bearing and accentuation firm's communication with its customers, to assemble warm, and intuitive associations with its key accomplices (Shamsan & Otieno, 2015).

In all actuality, the trickiest relationship at the focal point of PR is the connection between the practice on PR and trust. It is proclaimed, 'trust' and 'PR' are two much 'manhandled words' in an estranged relationship (Moloney, 2005). The case

is especially evident when we see that individuals outside of the PR discipline don't promptly perceive any association among trust and PR.

It is the reasoning and rationale behind the PR function's activities figuring out what ought to be conveyed instead of how it ought to be imparted. It is along these lines not the equivalent as communication designs but rather gives the structure to the communication designs important to do the strategy (Grunig J. E., 2013).

The PR plays an enormous role in public service institutions (Mathew & Ogedebe, 2012). The true hierarchical authority and straightforward authoritative communication and public relations are viable drivers for a good notoriety and trust building according to public (Men, 2014).

The time has come when professional public relations are made to play its proper role towards promoting the public trust which the organization needs. This can be achieved, if the public relations professionals are allowed to influence the policies at the stage of initiation, analysis and preparation of programs. PR must be set high in the organization progressive system and must be practiced purposefully to make it more effective and more viable and, along these lines, to be astounding (Grunig J. E., 2013). In the meantime, in many existing organizations the jobs of public relations experts in building up people in general trust on the organization are underestimated, disregarded and even credited to different offices inside the organization. It ought to likewise be noticed that, public relation's jobs have turned into the subject of broad research by public relations, communication and public administration researchers. Jobs characterize ordinary exercises of the public relations professionals and experts' jobs are keys to understanding the elements of public relations in building the trust of an organization to the general population. Experts' jobs are at the nexus of a system of ideas influencing proficient accomplishment of professionals (Grunig J. E., 2013). Public relations experts neglect to understand their maximum capacity in light of how their jobs are seen inside organizations and whether public relations professionals are permitted by administration to satisfy their potential, different jobs played in organization are considered, alongside consequence of the profession (Kitchen, 2006).

The requirement for trust in the act of public relations is basically on two levels. Initially, to fulfil the job of being flag-bearers for organization, PR professionals must



have believability and acceptability. Second, trust is very important and vital for the basic role of setting up and keeping up a better relationship with key partners on whom the achievement of the organization relies. Trust is a the basic tool and pointer that can enhance more than the money related status of an organization, however it requires long stretches of predictable activities (Rawlins, 2007).

Public trust is a vital objective of any organization. It gives authenticity to hierarchical decision making and tasks. Organization that endeavours to pick up trust may receive critical rewards as far as fortified authenticity and enhanced eagerness by the masses to support institution (Misztal, 2001).

The objective of public relations activities is to control the effect that a crunch can have on the clients, partners and organizations (Coombs, 2014) and influential communication is at the core of PR (Flynn, 2015) while in these days the social media studies in public relations has been portrayed as interdisciplinary, incorporating new media into conventional PR research (Wang, 2015).

In a few organizations, the PR office is otherwise called the department of corporate communication. Corporate communication deals a structure and vocabulary for the compelling coordination of all methods for communication with the general motivation behind building up and keeping up ideal trust with populace whereupon the organization is reliant (Cornelissen, 2004).

The degree of which an organization as the wellspring of messages is seen as dependable and reliable, is one vital viewpoint to decide organization's survival (Jamal & Bakar, 2017). It is additionally included that morals and ethics is an indispensable piece of public relations. It conveys the validity to organization. It sets up steadfast relationship among organization and the general population. Achievement of any organization relies upon individuals' trust and certainty picked up by moral practices in public relations (Haque & Ahmad, 2017).

Inside an organization, exercises, for example, telephone calls, bulletins, public letters incorporating its day to day experience with its public, to name just few, frame an observation, an image and trust in its public's regarding the organization. Various images come into the public minds based on how the organization has identified itself

to the public. The jobs of PR experts are along these lines essential and urgent in building the trust of the general population in their organizations. These jobs of public relations experts add to the improvement, the manageability and a decent working of the organization. PR experts' jobs likewise add to recognizing, building up and broadening the organizations' authoritative reach. The specialist's jobs help in observing, controlling and building up its corporate image and corporate identity (Lukusa, 2009).

The trust building function of PR is essentially counselling based on the comprehension of human conduct. By dissecting patterns and foreseeing their outcomes, through research of general assessment, dispositions and prompting an important activity, public relations sets up and keeps up two-way communication dependent on truth and factual positions. This is to state that PR are concerned about keeping up public trust for prominent associations, projects, or people (Seitel, 2017). Building the public trust of an organization is not a simple assignment that can be accomplished in multi day inside an organization by a public relations professional. A few ventures, financial institutes, hospital, etc. experience the ill effects of a genuine public trust problem, they are viewed as exploiters, wasteful, having big-wig managers, and so on (Varey, 2002).

Public relations is the job of goodwill creation between an association and publics through shared understanding dependent on truth. Industries or organizations, specifically banking sector must recognize and acknowledge greatly the efficacy of public relations which includes amongst other things, the enhancement of public trust, both the image and reputation of the banking industry, the enhancement of the growth and development of the banking industry, the building of mutual understanding, confidence and sustenance of good and long-lasting relationship between the banks and their publics.

Therefore, PR is considered by a developing number of administration professionals and researchers to be an intangible asset that empowers the sanctioning of relationship among the organization and their publics.

## **2.12 The Profile of Banks**

Financial sector assumes a critical job in the monetary improvement of a nation. State Bank of Pakistan is a national bank and controller of the managing a financial framework in Pakistan. The banks established in Pakistan and their capital and shares organized by the Government units is alluded to public sector banks. The banks incorporated in Pakistan and organized by the private segment are named as domestic private banks while bank offices with head offices and controlled outside Pakistan are called foreign banks (SBPa, 2018).

### **2.12.1 National Bank of Pakistan**

National Bank of Pakistan is one of the biggest business banks working in Pakistan having head office in Karachi. It has reclassified its job and has progressed from a public sector bank into a cutting-edge commercial bank. The Bank's products and services are accessible to people, corporate elements and government. It has an online system of 1499 local branches. While it keeps on going about as trustee of public assets and as the operator to the State Bank of Pakistan (in spots where SBP does not have nearness). It has expanded its business portfolio and is today a noteworthy lead player in the debt equity market, corporate venture keeping money, retail and customer banking, agrarian financing, treasury benefits and is demonstrating developing enthusiasm for advancing and building up the nation's small and medium endeavours and in the meantime satisfying its social duties, as a corporate native (NBP, 2018).

- **Vision**

*To be a Leading Bank for Partnering in Financial Growth through Innovation and Service*

- **Mission**

*To Be A Catalyst For Economic Growth, Serving the Nation Through Diversified Product Offering, Innovation, Superior Service Quality, Universal Banking Capabilities, Multiple Delivery Channels, Investment in People And Processes and Work Towards Sustainable Higher Returns for Stake Holders*

Although, NBP is the first bank in Pakistan to maintain the deposits of Rs. 2 trillion in 2018. Being a public sector bank, it maintained an account of the government and its various institutions and its employees that caused mobilization of the huge deposit's value. Despite the fact, the NBP is not a first choice of the customer due to the observations that; a. Employees attitude is rude, b. Operating system is outdated, c. Customer feedback is late, d. process is delayed, and SOPs are complicated / more systematic instead of facilitation (Yasir, 2019).

### **2.12.2 Habib Bank Limited**

HBL was the main business bank to be built up in Pakistan in 1947. Throughout the years, HBL has developed its branch network and kept up its situation as the biggest private sector commercial bank with more than 1,700 branches and 2,000 ATMs universally and a client base surpassing ten million connections (HBL, 2018).

- **Vision**

*Enabling people to advance with confidence and success.*

- **Mission**

*To make our customer prosper, our staff excel and to create value for our stakeholders.*

The significant territories of tasks include product offering and consumer and retail banking services. HBL likewise has the biggest corporate banking portfolio in the nation with a functioning investment banking arm. SME and Agriculture loaning projects and managing an account administration are offered in rural and urban areas.

### **2.12.3 Bank Al-falah**

Bank Al-falah is the fifth biggest private bank in Pakistan with a system of more than 600 branches in excess of 200 urban areas crosswise over Pakistan with a universal nearness in Afghanistan, Bangladesh, Bahrain and an agent office in the United Arab Emirates. The Bank is claimed and worked by the Abu Dhabi Group. The International Finance Corporation (IFC) of the World Bank banded together with the Bank in 2014 and holds a 15 percent stake in Bank Al-falah. Consolidated as a public limited company on 21st June 1992, under the Companies Ordinance, 1984, Bank Al-falah

started its operations and activities in Pakistan from first November 1997 (Al-falah, 2018).

- **Vision**

*To inspire and empower people to do things differently and shape their own path in life and business.*

- **Mission**

*We look at the market with fresh eyes to find new opportunities and seek new ways of enabling our customers to succeed and advance the world of finance.*

The Bank gives money related solution for consumers, organizations, foundations and governments through an expansive range of services and products, including corporate and venture managing an account, consumer banking and credit, securities financier, business, SME, agri-financing, Islamic and resource financing.

## **2.13 Public Relations, Public Trust and Banks**

A concern for public relations is a pre-requisite of optimum growth in banking as in any other business. Specifically, the general role of PR in a bank may be summarized as follows: -

- Promotion of the service/products of the bank
- Protection of a good image for the bank
- Establishing mutual understanding between the bank and its present and prospective customer
- Identifying and executing activities/projects that would, in general, enhance the bank's good business citizenship
- To function as a tool of a two-way communication channel between the bank and the relevant public with the aim of public interests that impinge on the banks processes are fully monitored
- Predicting and analysing public opinion trends and hence advise management from time to time on their public relations agenda for public trust building

Public Relations agenda may be analysed from four point of view; infrastructural, organizational, operational and social. In term of infrastructural coordination, the concern of PR activity is directed at examining the effects of bank's premises and workplace buildings at vital areas around community trade centres. A suitable location should have good access roads to both pedestrians and motorists and of course free from traffic obstruction. A bank premises with parking space for customers and banks workforce will prove an advantage. The sign board of the bank should be conspicuous and create a good graphic appeal. Implanting of flowers and placement of flowerpots in designated places will introduce a desirable aesthetic natural environmental beauty to the credit of the bank. An internal conducive atmosphere, fully air-conditioner, will not only appeal to customers but will also enable the workforce to concentrate on their jobs. Banks are well-known for a lot of paper work and therefore an embracement if any member of staff is made to work below a fan and has to be chasing pieces of paper blown off the table by an electric fan (Anyi, 2007).

Accordingly, to constitute its board of directors, a bank has to satisfy itself that the people at the helm of affairs are capable, reliable and seasoned personalities. If the board on the other hand is made up of dubious and unreliable characters, the trust on the bank must, of necessary, wane in the eyes of the public and public relations would have too little to do to patch up the situation. To appeal to the publics and attract requisite patronage, a bank should invigorate its organizational arrangement and have to ensure that no square pegs are in round holes from top to bottom.

Operational effectiveness in bank service delivery will upgrade client support and accumulate a comparable portion of public trust. To stay significant, a bank must guarantee that its services and products are custom fitted to public desire and rendered productively. Every effort should be made to minimize unwarranted delays. Speed and accuracy are public expectations in bank service delivery. A good service but poorly rendered deflates public relations and does some damage to a bank. The harm is that the bank is furtively grouped in people in general as a wasteful monetary institute. In like manner, a poorly conceived and rendered service does nothing better for the bank.

To create a public trust, a bank should set up operational standards which all and sundry are committed to maintaining. Staff must be disciplined and courteous to customer. Healthy PR demands that a bank operates within the standard banking ethics.

Customers' transactions must be handled with diligence, speed and accuracy. Workforce must be customer-friendly equally before and behind the counter. There should be no double standards. Arbitrary or discriminatory application will slaughter public relations hence, must be avoided (Anyi, 2007).

Banks are relied upon to be socially responsible on the ground that they are in no way independent of the society in which they operate. Banks should, for example, create job openings for the generality of public devoid of ethnic, religious or sex predisposition; support in social exercises for example arrangement of debacle alleviation, instructive stipends, scholarship awards, donations to handicap caring institutions and encouragement of sports and so forth.

Prior research demonstrates that PR is a standout amongst the most vital parts while considering the advancement blend in the financial sector. The idea of the business with a need of higher level of trust, clarifies the significance of public opinion to be fruitful. The bank's best instrument to screen and deal with this feeling is through broad utilization of public relation exercises. Recent studies likewise demonstrate that the financial sector has been gotten in a negative pattern in regard to notoriety, which could have been maintained a strategic distance from through public relations exercises (Fenah, 2012).

This has caused a considerable measure of dynamism in the managing a banking sector. To survive, banks need to separate themselves principally by being as near the client as could be expected under the circumstances. This has prompted an over accentuation in the field of service marketing to empower marketing professionals in creating service techniques to react to the market (Anyi, 2007). Service promoting ideas and methodologies have created in light of the enormous development of administration businesses bringing about their expanded significance to world economies. This is in connection to job creation, GDP and business openings. As innovative progression has evened out most production methods, one of only a handful few outstanding techniques that can separate one organization from others is client services (Balmer, 2017).

Players in this segment have encountered expanded rivalry throughout the most recent couple of years coming about because of expanded developments like availability of information readily through the internet, mobile and internet banking and

new entrants into the market. As a result, consumers are exposed to more information and they have become very demanding and dynamic. The service environment on the other hand has evolved due to several factors for instance; varying arrangements of government regulation, mechanical developments, the service quality movement, stresses to enhance efficiency, internationalization and globalization (Fenah, 2012).

Finally, while public relations department of some banks would be struggling to foster the good image of the bank, clerks and others might be busy creating bad image for the banks, by way of poor manner of approaches, bad depositors, rude statements, cheerless, care free attitude. These affect the banks methods and channels of communication which makes the public perception of public relations in banks negative (Anyi, 2007).

## **2.14 Strategies of Financial PR to Restore Public Trust in the Banking System**

The following technical channels of communication are available for financial public relations management. Financial media, media participation and public dialogue, image advertising and financial literature, examples of which are publication of House Journals, Corporate Letter and Annual Report.

### **2.14.1 Financial Media**

The press is that branch of media involved in printed communication. Various financial publication abounds today in Pakistan including Business Recorder, The Financial Daily International, and a host of other daily and weekly papers which devote a considerable space to report on business and economic activities. In dealing with the press, care should be exercised to consider four cardinal requirements of brevity, objectivity, timeliness and accuracy.

Public relations officers of banks should utilize the ample opportunity provided by the financial press to present the true picture of their respective financial institutions concerning the distress situation. Where a particular newspaper has a business, economic or finance editor, this is advisable to deal with such designated editor directly. This approach reduces protocol and enhances better analysis of news (Monu, 1987).



### **2.14.2 Media Participation and Trust Building**

Members of the board and senior management have an option to utilizing funded air time or broadcast media conference to present their financial institute to the public by a view to promote public trust and strengthen the business image of the institute. The advantage to utilize this type of funded publicity is that it affords a company the opportunity to unfolding details as much as possible. On the other hand, where a media space or air time is not paid for, there is no way the bank may compel an editor to report its story. Therefore many companies patronize advertorials of several pages as a special focus on their trade. This type of advertorials amounts to image advertising in so far as the purpose is to promote public awareness, enhance public trust in business performance and woo customer friendliness.

### **2.14.3 Annual Report and House Journal Publication**

Under the heading of information, there are such diverse activities as the publication of bank's house journals and their annual reports and statements of accounts. Annual report of a bank is one of the strongest corporate references point. It is the report card of trade and comprises the basis of a company's financial literature. An effective annual report aimed at combating banking system distress and its stigmatizing effects should have the following characteristics:

- A distinctive cover to attract and reflect creditable corporate image;
- A table of content;
- A summary or table of highlight;
- An identification of members of the board and corporate service chief (that is, members of senior management) by functions;
- A statement from the chief executive and/or chairman, summarizing the year's events and emphasizing developments that bear on the bank's continuing ability to meet its mandate to all and sundry;
- Operating financial statement and balance asset with detailed notes to provide additional information on financial aggregates;
- A summary of financial aggregates highlighting operational results for the preceding five years;
- Auditors statement;

- A generous display of financial graphics using histograms, pie charts, bar charts and graphs.

House journals circulated among staff, shareholders, and subscribing members of the public is an important element of public relations. House journals have gone to become a recognized segment of financial periods literature varying considerably among themselves in content and approach, some of them produced partly or wholly in the research department of banks, other relying almost entirely on professional writing, but all doing very good unobtrusive public relations work (Anyi, 2007).

#### **2.14.4 Shareholders Briefs, Position Papers and Topical Commentaries**

Like any business letter, shareholders brief is a special communication from the company to investors to keep them informed periodically of development in the company. Shareholders briefs are additional measure beyond the annual reports and statement of accounts and intended to advance the organization investors relations. Likewise, there is concern of communication exchange among the company and investor. A few investors submit suggestions, queries about products, sales processes, research and sometimes very minor issues which some executives may consider unnecessary. In any case, regardless of how negligible the issues are believed to be, investors enquiries ought to be treated with most extreme consideration (Monu, 1987). Position papers and relevant commentaries are important as source through which an organization may express its situation on specific industrial or domestic problems with a view to promoting public trust in the business of the bank as well as bolster its image as a socially responsible organization.

### **2.15 Achieving and Managing Good Public Relations**

Corporate managers at all level must continue to improve and refine their technology in order to ensure higher levels of consumptions and satisfaction for the society. This should also include recognition of the society's impact on all corporate activities. Such recognition must look ahead and think through which all of its activities are likely to become social problems. It is the duty of managers to try to prevent the undesirable results of failure to anticipate society's needs and desires and satisfy them profitability (Anyi, 2007).

There are three requirements that are essential for securing any lasting and substantial success to this effort. The first of these is integrity and truth. Unless integrity is established, nothing else can be made credible. The second is the reliability of policy decisions and acts, viewed in the light of public importance. The third requirement is the utilization of particulars that are comprehensible, credible, conceivable, reasonable, exhibited to the public with creative ability. The end product of effective public relations is not just the attention that it creates but also people in general dispositions coming about because of the correspondence of data, details of facts and figure and administration's perspective (Anyi, 2007).

The good employee-relation policy is to provide regular employment. Good consumer relation policy involves producing good product at reasonable prices with adequate services for consumers, and contributing to the cultural, social, economic welfare of the public in which the organization, operates. Good community relation is achieved not simply by helping support good causes, but by securing the support of other citizens for worthy causes. Good public relations cannot be achieved by the delegation of action to a public relation manager and his staff of specialist, rather, a function of every operating dearest head as well as line and staff executives. Also, that a poorly managed organization will find it fruitless to attempt to gain a favourable reputation through a public relations programme. The expenditure of large sum of money for entertaining can never successfully substitute for sound practice.

From the foregoing, it is clear that it is not job of public relations officer to make excuses for organizations faults or production problem. Jefklins (1988) arrived at a conclusion that the public relations officer is not an apologist for irresponsible management, bad design, deficient packaging, and poor manufacturing rendering. It is the duty of PRO to advice that these things be put right, and to proclaim the good news when that advice has been taken.

## **2.16 Evaluating Public Relations**

Evaluating public relations activities is a necessity because it will help to determine whether the activities are achieving their purpose, and to justify the time and money invested in these activities. There are a number of measurements, which can lead to meaningful evaluation of public relations activities. Legitimately done and

appropriately evaluated they can create statistical data points, which will fulfil administration that its public relation spending plan is a beneficial investment.

Public relations deals with intangibles, it is not easy to measure its accomplishment. A production manager can count the number of items he produces. A sales manager can record sales in precise figures. The public relations director or counsellor does not have this advantage. Nevertheless, he must come up with specific statements regarding results and this can lead to error (Anyi, 2007).

The principal things, which can be estimated, are the products, supply, reach, interests, comprehension and opinion. Of these, just the latter is a genuine estimation of achievement. The other five are only advances driving towards a definitive appraisal. Public relations activities are carried on for one reason only, to affect public opinion.

When public is favourably affected in a measurable way there is definite evidence of success. The other items cannot prove success, but they can aid in determining how much was made, how much it cost, where the time was spent, and sometimes why things happened (Anyi, 2007).

Public relations deals with changeable attitudes and opinions, therefore, it is exceedingly difficult to evaluate. Public relations results can be measured broadly and generally, not precisely (Moore & Canfield, 1977).

## **2.17 Problems and Weakness of Public Relations**

In spite of its fast advancement, public relation is gone up against with difficult problems and weaknesses. Professionals and administration much of the time differ as to its objectives and functions. In numerous organizations, public relations is to a great extent a result of advertising, publicity and communication. In others, it covers a huge number of various activities, for example, engaging guests, adding to philanthropy, running representatives' get-togethers and arranging commemoration celebrations. Some corporate administration has faith that PR activities are concerned about making and developing public trust. PR professionals grumble that administration don't keep them educated on imperative issues or counsel them on plans, decisions and policies with noteworthy public perspective. Administration then again, battles that numerous

PR professionals know minimal about corporate identity and reputation, corporate activities or issues and have an overstated feeling of significance of PR. It is in this way worth to take note of that there is a requirement for development in the ethical standards and practices of some members of the profession (Anyi, 2007).

The quick development of public relations has pulled in man un-practiced, unscrupulous specialists who have made a bogus image of the activities and diminished the legitimate endeavours of the incredible lion's share of equipped, principled and capable PR individuals, spurious publicity stunts, false organization fronts, suppression of negative fact, influence peddling, deceptive publicity, and similar unethical practices have aroused criticism (Moore & Canfield, 1977).

The greatest weakness of public relations today is that management is less well informed than it should be about public relations, which to a degree is the fault of consultants who adopt unnecessarily protective quasi professional restrictions on selling their services (Jefklins, 1988).

The value of PR emerges from the troubles in evaluating the aftereffects of PR activities and the unlucky deficiencies of reasonable measuring yardsticks by which these outcomes can be estimated. Indeed, even where there are substantial outcomes, as in press relations, the developments can be deluding. It does not pursue either that since something is printed that it is perused, or it is comprehended, or it is positively acknowledged (Bivins, 1987).

## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

This chapter deals with the research methodology and process involved in carrying out the research project, the theoretical framework, operationalization of model, hypothesis, research design, research instrument and tools used for statistical analysis.

#### **3.1 Theoretical Framework**

There is no single theory that explains all the practices of public relations. PR practitioners undergo a number of theories when it comes to promoting relationship and makes it successful between the organization and public. However, systems theory, which is being discussed earlier is most relevant to the objective of the study and particularly in addressing the organization-public relationship.

The present study is based on the systems theory and constructed on Open Systems Model of Public Relations. Recognizing the significance of publics and their actions, Cutlip, Centre and Broom (2000) have suggested an open systems theory of PR. Open systems are systems that take their environment into account and change their business undertakings consequently. On the other hand, the closed systems do not adjust to outer / external conditions.

Cutlip (2000) and his associates propose that PR should view itself as major aspect of an open system. It should assist the organization with monitoring significant natural impacts and adjust its exercises as needs be, and additionally promising changes in the outside condition that will encourage the organization. In the proposed model, not only two-way symmetric communications but also strategic monitoring of the external factors and environment are vital for better practices of public relations. According to Tench and Yeomans (2006), this methodology has distinctive focal points for practitioners:

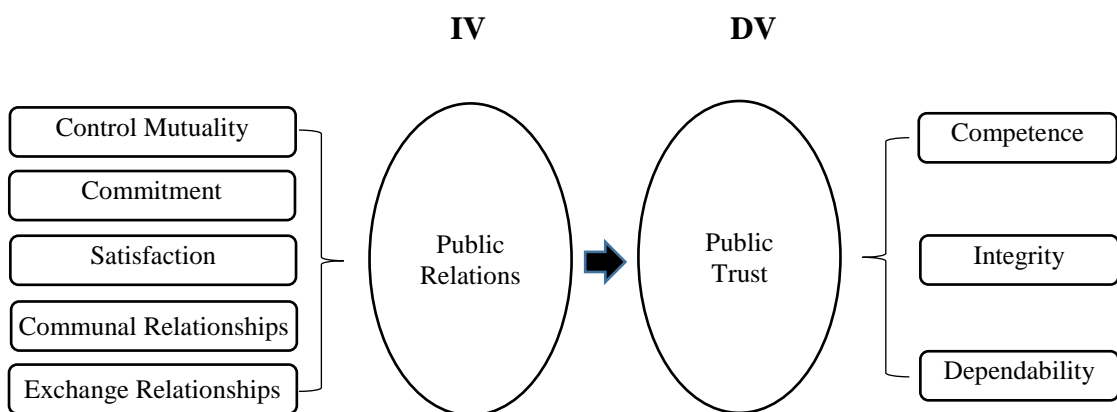
- It positions the PR practitioners as key counsels to the firm and in this way provides access to higher management and additional capability to impact firms' activities.

- It restricts the probability for crises, because environmental scanning permits the public relations practitioner to anticipate problems, so the early corrective action can be taken.
- It additionally guarantees that PR plays a noteworthy role in firm's effectiveness.

Theoretical concept, framing this study, included public relations and public trust building. In conceptualizing public relations and public trust previous work and guidelines of Hon & Grunig (1999) and Paine (2003) influenced the present study mostly. Specifically, such investigations guided relevant theories, operationalization, and measurement instruments of the public relations and public trust concept for the current study.

The model of the research is determined in figure 1. The model demonstrate that independent variable is public relations, the dependent variable is public trust.

If the PR plan is executed well, the consequence can be enhanced public trust in the organization among others.



**Figure 1:** Theoretical Framework Model

## **3.2 Operationalization of Model**

Nobody can truly quantify and measure the adequacy and value of public relations without first making sense of precisely about the objectives or destinations of the organization. Measurement is basically a comparative tool, and it generally require something to contrast results with whether it is trust over time, or an examination of results. It always requires benchmark and a context for the results.

### **3.2.1 Public Relations**

Public Relations refers to the management of communication between an organization and its publics (Grunig & Hunt, 1984).

#### **3.2.1.1 *Control Mutuality***

The degree to which organization and public agree mutually on who has the rightful control to influence one another (Hon & Grunig, 1999).

Albeit some inequity is regular, stable relations necessitate that associations and publics each have some command over the other.

#### **3.2.1.2 *Commitment***

The degree to which each party accepts and feels that the relationship is valuable to keep up and advance (Hon & Grunig, 1999).

Two dimensions of commitment are continuance commitment, which mentions to a specific line of action, and affective commitment, which is an emotional.

#### **3.2.1.3 *Satisfaction***

It refers to the degree to which each party feels favourably toward the other on the grounds that positive expectations regarding the relationship are fortified (Hon & Grunig, 1999).

A satisfying relationship is one in which the advantages exceed the expenses.



#### **3.2.1.4 Communal Relationships**

In a communal relationship, the two parties give advantages to the next, in light of the fact that they are concerned for the wellbeing of the other, notwithstanding when they don't receive anything consequently (Hon & Grunig, 1999).

For most of the activities of PR, creating communal relationships with important publics is considerably more vital to accomplish than would create exchange relationships.

#### **3.2.1.5 Exchange Relationships**

Exchange relationship refers with the mutual sharing of benefits. It usually includes the benefit of one at one time and other gets benefits either in past or future (Hon & Grunig, 1999).

### **3.2.2 Public Trust**

Public trust is a broader term which is determined by the kind of relationship between an organization and its public (Paine, 2003).

#### **3.2.2.1 Competence**

Competence of an organization is an ability to fulfil its promises (Paine, 2003).

The competence is necessary of the organization. It is associated with survival of an organization in the market place.

#### **3.2.2.2 Integrity**

Integrity of the organizations is associated with the public's perception regarding its fairness and just attitude (Paine, 2003).

#### **3.2.2.3 Dependability**

Dependability of an organization is the public belief upon the reliability and validity of their acts (Paine, 2003).

### **3.3 Hypothesis**

The hypothesis of the study is:

**H<sub>1</sub>:** There would be a significant correlation between public relations and public trust.

H<sub>1.1</sub>: Control mutuality would significantly predict the public trust.

H<sub>1.2</sub>: Commitment would significantly predict the public trust.

H<sub>1.3</sub>: Satisfaction would significantly predict the public trust.

H<sub>1.4</sub>: Communal relationship would significantly predict the public trust.

H<sub>1.5</sub>: Exchange relationships would significantly predict the public trust.

**H<sub>2</sub>:** There would be significant mean differences among bank groups (NBP, HBL and BAF) on the scores of public relations and trust among bank clients.

### **3.4 Research Design**

The research design of this study is hypothesized causal model. Similarly, the explanatory mixed method design was used. The design allowed the researcher to generate both quantitative and qualitative data for the study. To put simply, according to the Creswell (2002) the explanatory mixed method design consists of first collecting quantitative data and then collecting qualitative data to help explain or elaborate on the quantitative results. Based on the above, the researcher generated more of quantitative data and used a little of qualitative data to support the quantitative data in the discussion segment. Two research methods were used: survey and in-depth interview research methods. The survey questionnaire was used to generate quantitative data while the interview guide was deployed to generate qualitative data. Thus, emphasis was placed on eliciting clear and direct responses from the respondents in such areas as the connection between public relations practices of banks and public trust on banks. Determining the extent to which banks utilised public relations strategies for public trust building amongst the issues addressed in this study.

### 3.4.1 Population and Sampling

The population of this study covered the banks' customers who public relations strategies are majorly targeted and official of banks who are responsible for the conceptualization, design and execution of the these strategies. The population of these banks' customers and the officials of banks constituted the population of the study. The study focused on the corporate office of these banks because the policies, action plans and all conceptualised public relations strategies are formulated, executed and monitored closely from their various offices.

A sample is precisely a part of the population. In academic research samples are used in place of population, especially when the said population is large. This is because, when it is objectively done, a sample can represent the population and it goes a long way to sustain the validity of measurement findings.

*Table 1: Sampling Frame*

| <b>Public</b> | <b>Domestic Private</b> | <b>Foreign</b> |
|---------------|-------------------------|----------------|
| NBP           | HBL                     | Bank Al-falah  |

Sampling frame of the study is comprised of commercial banking sector in Pakistan. National Bank of Pakistan was selected as representative of public sector bank, Habib Banks Limited was selected as representative of domestic private sector bank and Bank Al-falah was selected as foreign bank.

Sampling unit is individual customers / clients and officials of the bank. This study employed convenience sampling methods to collect data at random from 390 individuals /clients and three banks officials' one from each banks from the target population. Most evaluation of relationships has focused on perceptions that one or both parties have of the relationship. Current study focussed to determine the customer's perception of the relationship, as banks services delivery and PR is related to the customers. Convenience sampling was used because the nature of the respondent is such that they come to the bank to transact business and leave and are not permanent. Therefore, customer who were interested and willing were asked to participate. This justifies the use of convenience sampling.

The customers have different background in terms of sex, level of education and occupation. It was however expected that because they go through similar process in transacting business with the banks there is an element of homogeneity. Therefore, for the purpose of convenience data collected from 130 individuals / clients from each organization and three corporate officials of the respective banks.

### 3.5 Research Instrument

In present study the primary data has been used. Data has been collected from the sampled respondents in the study area. A survey questionnaire (see Appendix A for the questionnaire) has been adopted of Hon & Grunig (1999), Paine (2003), Park (2012) and Chege (2014) to focus on the public relation and public trust in public organizations, domestic organizations and foreign organizations from public's / Customer perspective in the study area.

**Table 2:** Variable/ Dimension

| Sr.# | Variable/ Dimension  | Items | Source                             |
|------|--|-------|------------------------------------|
| 1    | <b>Public Relations</b> <ul style="list-style-type: none"> <li>• Control Mutuality</li> <li>• Commitment</li> <li>• Satisfaction</li> <li>• Communal Relationship</li> <li>• Exchange Relationships</li> </ul> | 28    | Hon & Grunig, 1999;<br>Chege, 2014 |
| 2    | <b>Public Trust</b> <ul style="list-style-type: none"> <li>• Competence</li> <li>• Integrity</li> <li>• Dependability</li> </ul>   | 11    | Paine, 2003;<br>Park, 2012         |

In regard to the measurement of the relationship of an organization with key factors, emphasized on the above-mentioned variables and its dimensions, administered tool, which is comprised a series of questions, the response of the statements ranges from agree to disagree. The value of agree to disagree ranged on a Likert type scale with values from 1 to 5.

After responding on this questionnaire, reverse scoring was done, outcome was averaged, and the central tendency of the data was evaluated.

### **3.6 Data Analysis Tools**

The quantitative data was analysed by effectively using a specific program designed for descriptive statistics known as the Statistical Package for Social Science (SPSS) and Analysis of Moment Structures (AMOS) and the qualitative data was analysed by using Clarke & Braun (2013) thematic analysis. The following tests were used to analyse and present the data:

#### **a. Descriptive Analysis**

Descriptive analysis is the analysis of data that aids describe, demonstrate or summarise data in an expressive way. It is very imperative because if we simply presented our raw data it would be hard to visualize what the data was showing, particularly if there was a great deal of it. Descriptive analysis in this manner empowers us to introduce the information in a more significant manner, which permits less complex interpretation of the data.

This description covers central tendency and variability of data. The central tendency covers mode, median and mean of obtained data and variability includes standard deviation and kurtosis.

#### **b. Cronbach Alpha**

Measuring reliability coefficient is also known as Cronbach's alpha, which is a complete measure about the wellness of items and their correlation with one another. Although there is no cut-off criterion for the acceptance of alpha coefficient, the wellness range of reliability coefficient is from .60 to .90+. It's usually observed that longer scales have higher reliabilities as compare to shorter versions.

#### **c. Pearson Correlation**

Pearson product correlation coefficient used to determine the relationship between variables and also termed as bivariate statistic, in which bi means two and

variate means variance or change. The relationship between different variables ranges from no relationship to very strong relationship indicated by 0 to +1 and from no relations to very negative relationship indicated with 0 to -1. The coefficient alpha represents the relationship between variables ranges from -1 to +1.

#### **d. Structural Equation Modelling (SEM)**

SEM refers to a multi-model analysis in statistics performed to evaluate structural relationship between all under study variables. SEM combines all the analysis in one command usually includes multiple regression and confirmatory factor analysis CFA, to analyse the relation between latent and observed variables.

#### **e. Analysis of variance (ANOVA)**

ANOVA refers to a compilation of statistical models along with their estimated parameters performed to evaluate the statically significant mean differences among three or more than three groups.

#### **f. Thematic Analysis**

The goal of a thematic analysis is to identify themes, i.e. patterns in the data that are important or interesting, and use these themes to address the research or say something about an issue. This is much more than simply summarising the data; a good thematic analysis interprets and makes sense of it.

## CHAPTER 4

### DATA ANALYSIS AND DISCUSSION

This chapter presents the data gathered, the results of the statistical analysis done and interpretation of findings. These are presented in tables and figures following the sequence of the specific research problem.

#### 4.1 Demographic Analysis

The questionnaire was distributed in respondent having different sex, age, qualification and occupation. The table 3-6 below summarizes the distribution of respondents in each classification.

Table 3 shows the summary of distribution of questionnaire by sex consideration, it was found that men (n = 217) were most frequent as compared to women (n = 173). However, the feedback with fair gender representation was positive.

**Table 3: Demographic Information of Gender**

|        | NBP | HBL | BAF | Total | Percentage |
|--------|-----|-----|-----|-------|------------|
| Male   | 74  | 63  | 80  | 217   | 55.64%     |
| Female | 56  | 67  | 50  | 173   | 44.36%     |
|        | 130 | 130 | 130 | 390   |            |

The age of the respondents is shown in table 4. Most of the respondents of this study were aged between 18-30 years (n=168), second highest were from age group of 31 to 40 (n=147). Some few respondents (n=23) were under the age bracket of between 50+ years. Thus, majority of the respondents were young and energetic of the age bracket 18-30 years.

**Table 4: Demographic Information of Age group**

|         | NBP | HBL | BAF | Total | Percentage |
|---------|-----|-----|-----|-------|------------|
| 18-30   | 52  | 75  | 41  | 168   | 43.08%     |
| 31-40   | 53  | 38  | 56  | 147   | 37.69%     |
| 41-50   | 16  | 12  | 24  | 52    | 13.33%     |
| 50 Plus | 9   | 5   | 9   | 23    | 5.90%      |
|         | 130 | 130 | 130 | 390   |            |

The respondents provided information about their levels of education. The findings were as shown in Table 5, which shows the education level of the respondents. From the findings shown, majority of the respondents were post graduate (n=294), second highest number of respondents were having graduate level education (n=78). The lowest number of respondents were taken from undergraduate qualification level (n=18). From these findings, it can be deduced that majority of the clients of banks are post graduate degree holders.

**Table 5:** Demographic Information about the respondents' level of education

|               | NBP | HBL | BAF | Total | Percentage |
|---------------|-----|-----|-----|-------|------------|
| Undergraduate | 7   | 2   | 9   | 18    | 4.62%      |
| Graduate      | 26  | 28  | 24  | 78    | 20.00%     |
| Post Graduate | 97  | 100 | 97  | 294   | 75.38%     |
|               | 130 | 130 | 130 | 390   |            |

The researcher requested the respondents to provide information about their occupation. Table 6 shows the occupation of respondents. From the findings, majority of the respondents (n=193) were employed, second highest number of respondents were students (n=101). From these findings, the study deduces that majority of the clients in the bank are employed.

**Table 6:** Demographic Information about the respondents' Occupation

|          | NBP | HBL | BAF | Total | Percentage |
|----------|-----|-----|-----|-------|------------|
| Student  | 35  | 51  | 15  | 101   | 25.90%     |
| Employed | 76  | 50  | 67  | 193   | 49.49%     |
| Business | 14  | 25  | 44  | 83    | 21.28%     |
| Other    | 5   | 4   | 4   | 13    | 3.33%      |
|          | 130 | 130 | 130 | 390   |            |



## 4.2 Descriptive Analysis

This description of analysis in descriptive way helps in establishing the norms of data which was collected through certain tool. Table 7 indicates that, the respondents were agree on 42 questions out of 46 asked by them. However, respondents showed their disagreement on the 4 questions. The respondents were not agreed when they were asked about banks dealing with public, organization succeeds by stepping on the others, gain dominance and gain advantages. The data is evidence which reflects that the overall respondents were agreed.

**Table 7: Descriptive Statistics**

|   | Min. | Max. | Mean | SD    | Skewness | Kurtosis |       |      |
|---|------|------|------|-------|----------|----------|-------|------|
| This Organization and people like me are attentive to what each other say.  | 1    | 5    | 3.47 | 1.103 | -.783    | .124     | -.136 | .247 |
| This organization believes the opinions of people like me are legitimate.   | 1    | 5    | 3.33 | 1.134 | -.410    | .124     | -.712 | .247 |
| In dealing with people like me, this organization has a tendency to throw its weight around.                                | 1    | 5    | 2.90 | 1.201 | .202     | .124     | -.948 | .247 |
| This organization really listens to what people like me have to say.  | 1    | 5    | 3.31 | 1.202 | -.514    | .124     | -.708 | .247 |
| The management of this organization gives people like me enough say in the decision-making process.                         | 1    | 5    | 3.24 | 1.140 | -.347    | .124     | -.681 | .247 |
| When I have an opportunity to interact with this organization, I feel that I have some sense of control over the situation. | 1    | 5    | 3.30 | 1.090 | -.515    | .124     | -.381 | .247 |
| This organization won't cooperate with people like me.  | 1    | 5    | 3.18 | 1.196 | -.336    | .124     | -.870 | .247 |
| I believe people like me have influence on the decision-makers of this organization.  | 1    | 5    | 3.10 | 1.219 | -.163    | .124     | -.988 | .247 |
| I feel that this organization is trying to maintain a long-term commitment to people like me.                               | 1    | 5    | 3.33 | 1.156 | -.615    | .124     | -.574 | .247 |
| I can see that this organization wants to maintain a relationship with people like me.                                      | 1    | 5    | 3.40 | 1.151 | -.546    | .124     | -.521 | .247 |
| There is a long-lasting bond between this organization and people like me.  | 1    | 5    | 3.40 | 1.182 | -.462    | .124     | -.666 | .247 |
| Compared to other organizations, I value my relationship with this organization more.                                       | 1    | 5    | 3.42 | 1.177 | -.500    | .124     | -.643 | .247 |
| I would rather work together with this organization than not.   | 1    | 5    | 3.27 | 1.123 | -.272    | .124     | -.668 | .247 |

|   |   |   |      |       |       |      |        |      |
|---|---|---|------|-------|-------|------|--------|------|
| I have no desire to have a relationship with this organization.   | 1 | 5 | 3.40 | 1.266 | -.353 | .124 | -.978  | .247 |
| I feel a sense of loyalty to this organization.   | 1 | 5 | 3.46 | 1.072 | -.554 | .124 | -.246  | .247 |
| I could not care less about this organization.  | 1 | 5 | 3.06 | 1.160 | -.036 | .124 | -.823  | .247 |
| I am happy with this organization.  | 1 | 5 | 3.39 | 1.236 | -.449 | .124 | -.791  | .247 |
| Both the organization and people like me benefit from the relationship.   | 1 | 5 | 3.33 | 1.244 | -.411 | .124 | -.894  | .247 |
| Most people like me are happy in their interactions with this organization.   | 1 | 5 | 3.27 | 1.180 | -.423 | .124 | -.719  | .247 |
| Generally speaking, I am pleased with the relationship this organization has established with people like me.   | 1 | 5 | 3.33 | 1.213 | -.459 | .124 | -.840  | .247 |
| Most people enjoy dealing with this organization  | 1 | 5 | 3.24 | 1.217 | -.372 | .124 | -.825  | .247 |
| The organization fails to satisfy the needs of people like me.  | 1 | 5 | 3.22 | 1.279 | -.199 | .124 | -1.103 | .247 |
| I feel people like me are important to this organization.   | 1 | 5 | 3.22 | 1.180 | -.500 | .124 | -.685  | .247 |
| In general, I believe that nothing of value has been accomplished between this organization and people like me.   | 1 | 5 | 3.08 | 1.265 | -.204 | .124 | -1.050 | .247 |
| This organization does not especially enjoy giving others aid.  | 1 | 5 | 3.05 | 1.237 | -.024 | .124 | -.985  | .247 |
| This organization is very concerned about the welfare of people like me.  | 1 | 5 | 3.21 | 1.127 | -.394 | .124 | -.752  | .247 |
| I feel that this organization takes advantage of people who are vulnerable.   | 1 | 5 | 3.05 | 1.210 | -.063 | .124 | -.996  | .247 |
| I think that this organization succeeds by stepping on other people.  | 1 | 5 | 2.98 | 1.260 | -.010 | .124 | -1.057 | .247 |
| This organization helps people like me without expecting anything in return.  | 1 | 5 | 3.21 | 1.140 | -.236 | .124 | -.802  | .247 |
| I don't consider this to be a particularly helpful organization.  | 1 | 5 | 3.14 | 1.169 | -.233 | .124 | -.855  | .247 |
| I feel that this organization tries to get the upper hand.  | 1 | 5 | 2.95 | 1.202 | .077  | .124 | -.981  | .247 |
| Whenever this organization gives or offers something to people like me, it generally expects something in return.   | 1 | 5 | 3.44 | 1.073 | -.768 | .124 | -.213  | .247 |
| Even though people like me have had a relationship with this organization for a long time, it still expects something in return whenever it offers us a favour. | 1 | 5 | 3.51 | 1.126 | -.672 | .124 | -.296  | .247 |
| This organization will compromise with people like me when it knows that it will gain something.  | 1 | 5 | 3.45 | 1.116 | -.624 | .124 | -.382  | .247 |

|  |   |   |      |       |       |      |        |      |
|--|---|---|------|-------|-------|------|--------|------|
| This organization takes care of people who are likely to reward the organization.                                | 1 | 5 | 3.57 | 1.183 | -.686 | .124 | -.391  | .247 |
| I feel very confident about this organization's skills.  | 1 | 5 | 3.30 | 1.182 | -.383 | .124 | -.764  | .247 |
| This organization has the ability to accomplish what it says it will do.   | 1 | 5 | 3.35 | 1.139 | -.383 | .124 | -.758  | .247 |
| This organization is known to be successful at the things it tries to do.  | 1 | 5 | 3.26 | 1.157 | -.432 | .124 | -.671  | .247 |
| This organization treats people like me fairly and justly.   | 1 | 5 | 3.27 | 1.210 | -.350 | .124 | -.896  | .247 |
| Whenever this organization makes an important decision, I know it will be concerned about people like me.        | 1 | 5 | 3.26 | 1.156 | -.378 | .124 | -.774  | .247 |
| Sound principles seem to guide this organization's behaviour.  | 1 | 5 | 3.31 | 1.139 | -.483 | .124 | -.634  | .247 |
| This organization does not mislead people like me.   | 1 | 5 | 3.38 | 1.167 | -.330 | .124 | -.844  | .247 |
| This organization can be relied on to keep its promises.   | 1 | 5 | 3.35 | 1.072 | -.585 | .124 | -.321  | .247 |
| I believe that this organization takes the opinions of people like me into account when making decisions.        | 1 | 5 | 3.22 | 1.155 | -.408 | .124 | -.788  | .247 |
| I am very willing to let this organization make decisions for people like me.                                    | 1 | 5 | 3.27 | 1.085 | -.303 | .124 | -.599  | .247 |
| I think it is important to watch this organization closely so that it does not take advantage of people like me. | 1 | 5 | 2.69 | 1.344 | .302  | .124 | -1.147 | .247 |
| Valid N (listwise)   |   |   |      |       |       |      |        |      |

### 4.3 Reliability of Variables

Cronbach's alpha simply provides an overall reliability coefficient for a set of variables (questions). Table 8 shows the following mentioned properties of scale; mean, standard deviation, alpha coefficient and skewness. The present research showed that instruments used are highly reliable. Least reliability was shown at .83 of dependability, however, the values of alpha coefficients ranges from .83 to .91. Therefore, it was found that the scales have acceptable reliability and skewness range.

**Table 8:** Descriptive Statistics and Psychometric Properties of the Study Scales (N = 390)

| Scale                  | K  | M(SD)     | A   | Skew |
|------------------------|----|-----------|-----|------|
| Control Mutuality      | 8  | 3.23(.89) | .90 | -.46 |
| Commitment             | 8  | 3.34(.88) | .89 | -.58 |
| Satisfaction           | 8  | 3.26(.96) | .91 | -.48 |
| Communal Relationships | 7  | 3.08(.92) | .88 | -.03 |
| Exchange Relationships | 4  | 3.49(.97) | .89 | -.92 |
| Competence             | 3  | 3.30(1.0) | .88 | -.41 |
| Integrity              | 4  | 3.30(1.0) | .90 | -.40 |
| Dependability          | 4  | 3.13(.95) | .83 | -.19 |
| Public Relations       | 35 | 3.28(.83) | .97 | -.50 |
| Public Trust           | 11 | 3.25(.96) | .95 | -.39 |

*Note.* k = no. of items.  $\alpha$  = Cronbach's alpha, SD = standard deviation, M= mean

#### 4.4 Correlation among Variables

Pearson correlation coefficient used to determine the relationship between variables. Table 9 indicated significant relationship among control mutuality and competence, integrity and dependability.

**Table 9: Correlations**

|                   | Control Mutuality | Competence | Integrity | Dependability |
|-------------------|-------------------|------------|-----------|---------------|
| Control Mutuality | 1                 |            |           |               |
| Competence        | .810**            | 1          |           |               |
| Integrity         | .821**            | .876**     | 1         |               |
| Dependability     | .848**            | .826**     | .854**    | 1             |

\*\**. Correlation is significant at the 0.01 level (2-tailed).*

Table 10 indicated that commitment was significantly correlated with competence, integrity and dependability.

**Table 10: Correlations**

|               | Commitment | Competence | Integrity | Dependability |
|---------------|------------|------------|-----------|---------------|
| Commitment    | 1          |            |           |               |
| Competence    | .794**     | 1          |           |               |
| Integrity     | .829**     | .876**     | 1         |               |
| Dependability | .835**     | .826**     | .854**    | 1             |

\*\**. Correlation is significant at the 0.01 level (2-tailed).*

Table 11 showed that satisfaction was significantly correlated with competence, integrity and dependability.

**Table 11: Correlations**

|               | Satisfaction | Competence | Integrity | Dependability |
|---------------|--------------|------------|-----------|---------------|
| Satisfaction  | 1            |            |           |               |
| Competence    | .828**       | 1          |           |               |
| Integrity     | .842**       | .876**     | 1         |               |
| Dependability | .836**       | .826**     | .854**    | 1             |

\*\**. Correlation is significant at the 0.01 level (2-tailed).*

Table 12 indicated that communal relationship was significantly correlated with competence, integrity and dependability.

**Table 12: Correlations**

|                       | Communal Relationship | Competence | Integrity | Dependability |
|-----------------------|-----------------------|------------|-----------|---------------|
| Communal Relationship | 1                     |            |           |               |
| Competence            | .715**                | 1          |           |               |
| Integrity             | .727**                | .876**     | 1         |               |
| Dependability         | .814**                | .826**     | .854**    | 1             |

\*\**. Correlation is significant at the 0.01 level (2-tailed).*

Table 13 showed that exchange relationship was significantly correlated with competence, integrity and dependability.

**Table 13: Correlations**

|                       | Exchange Relationship | Competence | Integrity | Dependability |
|-----------------------|-----------------------|------------|-----------|---------------|
| Exchange Relationship | 1                     |            |           |               |
| Competence            | .714**                | 1          |           |               |
| Integrity             | .707**                | .876**     | 1         |               |
| Dependability         | .708**                | .826**     | .854**    | 1             |

\*\**. Correlation is significant at the 0.01 level (2-tailed).*

Table 14 showed that there is significant relationship among control mutuality and competence ( $r = .81, p < .001$ ), integrity ( $r = .82, p < .001$ ) and dependability ( $r = .84, p < .001$ ). Commitment was significantly correlated with competence ( $r = .79, p < .001$ ), integrity ( $r = .82, p < .001$ ) and dependability ( $r = .83, p < .001$ ). There was significant correlation between satisfaction, competence ( $r = .82, p < .001$ ), integrity ( $r = .84, p < .001$ ) and dependability ( $r = .83, p < .001$ ). There was also significant correlation between communal relationship, competence ( $r = .71, p < .001$ ), integrity ( $r = .72, p < .001$ ) and dependability ( $r = .81, p < .001$ ). Exchange relationship was significantly correlated with competence ( $r = .71, p < .001$ ), integrity ( $r = .70, p < .001$ ) and dependability ( $r = .70, p < .001$ ). Moreover, all sub-scales of public relations and trust were significantly correlated with each other ( $p < .00$ ). This indicates that if the PR of the banks enhances then the public trust would be increased.

**Table 14:** Correlation among Sub-scales of Public Relations and Trust Scores ( $N = 390$ )

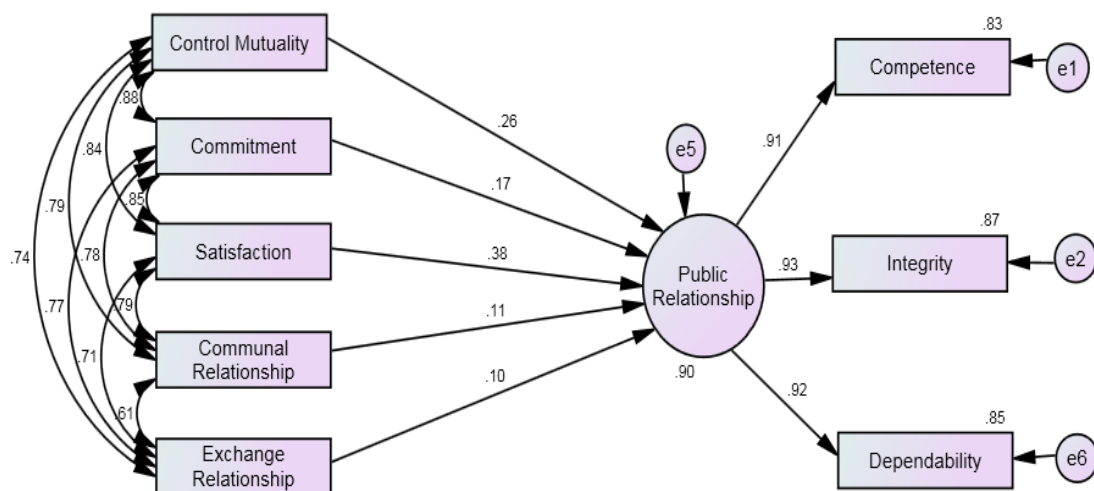
| Variable              | 1 | 2   | 3   | 4   | 5   | 6   | 7   | 8   |
|-----------------------|---|-----|-----|-----|-----|-----|-----|-----|
| 1. Control Mutuality  | — | .88 | .83 | .79 | .74 | .81 | .82 | .84 |
| 2. Commitment         |   | —   | .84 | .77 | .77 | .79 | .82 | .83 |
| 3. Satisfaction       |   |     | —   | .78 | .71 | .82 | .84 | .83 |
| 4. Communal Relations |   |     |     | —   | .61 | .71 | .72 | .81 |
| 5. Exchange Relations |   |     |     |     | —   | .71 | .70 | .70 |
| 6. Competence         |   |     |     |     |     | —   | .87 | .82 |
| 7. Integrity          |   |     |     |     |     |     | —   | .8  |
| 8. Dependability      |   |     |     |     |     |     |     | —   |

*Note.* All correlations are significant at  $p = .001$  (two-tailed)

## 4.5 Structural Equation Modelling

In present study, SEM was used as to explore the casual link imposed in proposed model. Standardized Regression Model Indicating public relations (control mutually, commitment, satisfaction, communal relations, exchange relations) as predictor of public trust (integrity, competence and dependability). All regression coefficients were significant at  $p = .00$ .

This indicates that the organizations which are customer centric and give value to PR, have enhanced public trust.



*Figure 2: Standardized Regression Model*



Table 15 shows the research model of the present study. It was found that PR have positive and high effect on integrity ( $\beta = .93$ ,  $p < .001$ ), dependability ( $\beta = .92$ ,  $p < .001$ ) and competence ( $\beta = .91$ ,  $p < .001$ ). The coefficient of determination (R- square) for competence (83%) integrity (87%), and dependability (85%) was satisfactory. The positive beta (standardized regression coefficient) indicated that increase in public relations increases integrity, dependability and competence. Moreover, this model also suggested that satisfaction, control mutuality and commitment contributed high regression weight in public relations. This model was also satisfactory as observed by CFI (.98) and Goodness of Fit Index (.95).

**Table 15: Public Relations as Predictor of Public Trust (Integrity, Dependability and Competence)**

| Predictor        | <u>Competence</u> |          | <u>Integrity</u> |          | <u>Dependability</u> |          |
|------------------|-------------------|----------|------------------|----------|----------------------|----------|
|                  | <i>B</i>          | <i>p</i> | <i>B</i>         | <i>P</i> | <i>B</i>             | <i>p</i> |
| Public Relations | .91               | .00      | .93              | .00      | .92                  | .00      |
| R <sup>2</sup>   | .83               |          | .87              |          | .85                  |          |

*Note.*  $\beta$  = standardized regression coefficient,  $p$  = significant value

## 4.6 Analysis of Variance (ANOVA)

ANOVA (between groups) was performed to evaluate the mean differences among different banking sectors (NBP, HBL, and Al-falah). It was found significant mean differences among bank groups with respect to scores of public relations,  $F(2,387) = 266.1, p < .001$  and public trust  $F(2, 387) = 173.6, p < .001$ . Moreover, post hoc with Least Significant Differences (LSD) test indicated that on public relations scores BAF ( $M = 4.03, SD = .46$ ) is better as compared to HBL ( $M = 3.33, SD = .47$ ) and NBP ( $M = 2.48, SD = .67$ ). Whereas on public trust domain BAF ( $M = 4.01, SD = .58$ ) obtained high scores as compared to HBL ( $M = 3.32, SD = .65$ ) and NBP ( $M = 2.40, SD = .83$ ) (see Table 16). This indicates that the foreign bank is more customer centric as compared to domestic private and public banks and have better PR as well as public trust than both banks.

**Table 16:** Analysis of Variance of Bank Groups on the Score of Public Relations and Trust ( $N = 390$ )

| Group | <u>NBP</u> |           | <u>HBL</u> |           | <u>Al-falah</u> |           | <i>df</i> | <i>F</i> | <i>MS</i> | <i>P</i> |
|-------|------------|-----------|------------|-----------|-----------------|-----------|-----------|----------|-----------|----------|
|       | <i>M</i>   | <i>SD</i> | <i>M</i>   | <i>SD</i> | <i>M</i>        | <i>SD</i> |           |          |           |          |
| PR    | 2.48       | .67       | 3.33       | .47       | 4.03            | .46       | 2         | 266.1    | 78.93     | <.00     |
| PT    | 2.40       | .83       | 3.32       | .65       | 4.01            | .58       | 2         | 173.6    | 84.81     | <.00     |

Note. PR= public relations, PT = public trust. *df* (Within) = 387, each group  $n=130$ .

### Post Hoc Tests

#### Multiple Comparisons

LSD

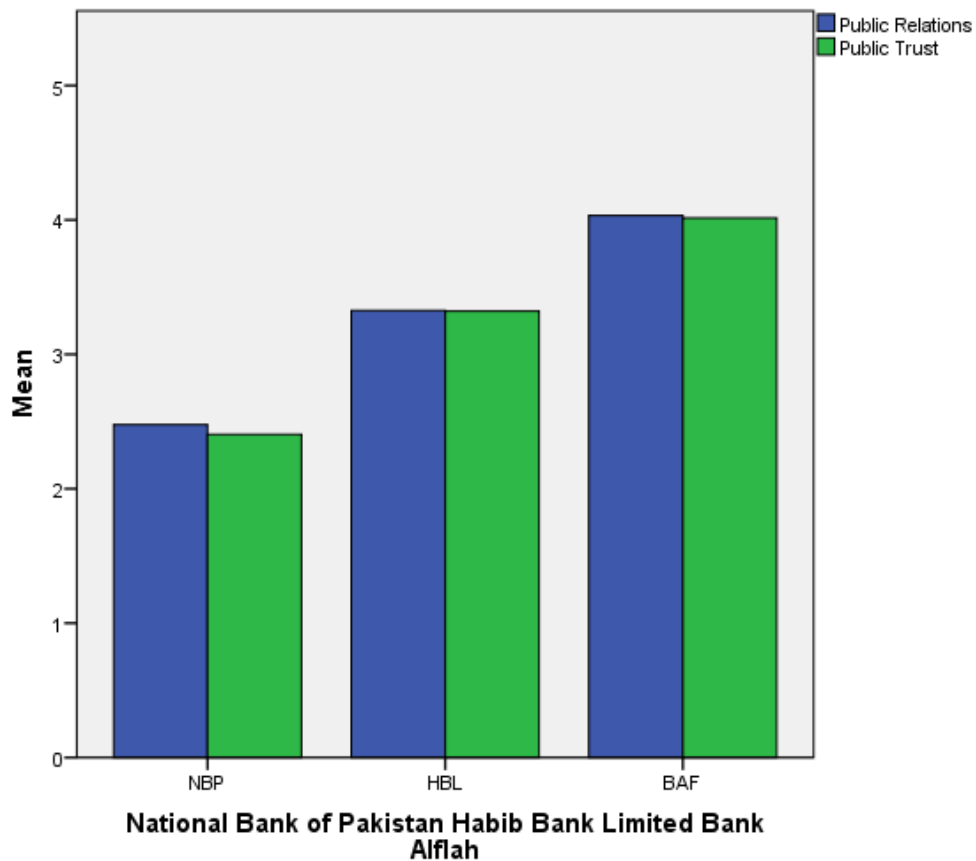
| Dependent Variable | (I) National Bank of Pakistan Habib Bank Limited Bank Alfiah | (J) National Bank of Pakistan Habib Bank Limited Bank Alfiah | Mean Difference (I-J) | Std. Error | Sig. | 95% Confidence Interval |             |
|--------------------|--|--|-----------------------|------------|------|-------------------------|-------------|
|                    |  |  |                       |            |      | Lower Bound             | Upper Bound |
| Public Relations   | NBP  | HBL  | -.850*                | .068       | .000 | -.98                    | -.72        |
|                    |  | BAF  | -1.556*               | .068       | .000 | -1.69                   | -1.42       |
|                    | HBL  | NBP  | .850*                 | .068       | .000 | .72                     | .98         |
|                    |  | BAF  | -.707*                | .068       | .000 | -.84                    | -.57        |
|                    | BAF  | NBP  | 1.556*                | .068       | .000 | 1.42                    | 1.69        |
|                    |  | HBL  | .707*                 | .068       | .000 | .57                     | .84         |
| Public Trust       | NBP  | HBL  | -.917*                | .087       | .000 | -1.09                   | -.75        |
|                    |  | BAF  | -1.610*               | .087       | .000 | -1.78                   | -1.44       |
|                    | HBL  | NBP  | .917*                 | .087       | .000 | .75                     | 1.09        |
|                    |  | BAF  | -.693*                | .087       | .000 | -.86                    | -.52        |
|                    | BAF  | NBP  | 1.610*                | .087       | .000 | 1.44                    | 1.78        |
|                    |  | HBL  | .693*                 | .087       | .000 | .52                     | .86         |

\*. The mean difference is significant at the 0.05 level.

**Figure 3:** Multiple Comparison

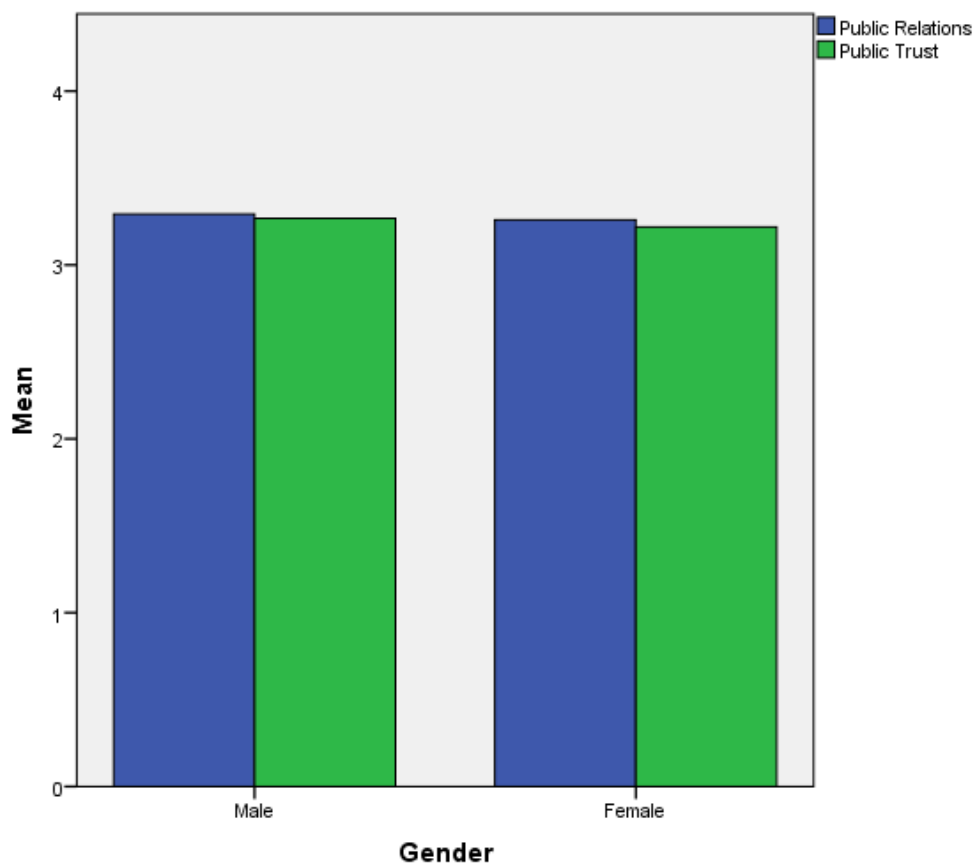
The result shows that public relations is a predictor of public trust in Figure 4. However, it could be observed that BAF had high mean scores as compared to other banks, which indicates that although respondents indicate trust for all three organizations, a higher degree of trust comes for bank Al-falah than the other banks. The National Bank of Pakistan have the lowest trust of respondents.

This difference may reflect that foreign bank i-e bank Al-falah work closely with its clients through its PR activities and build the trust of the public. While the HBL and NBP have the lesser PR activities hence result is lower public trust respectively on these organizations.



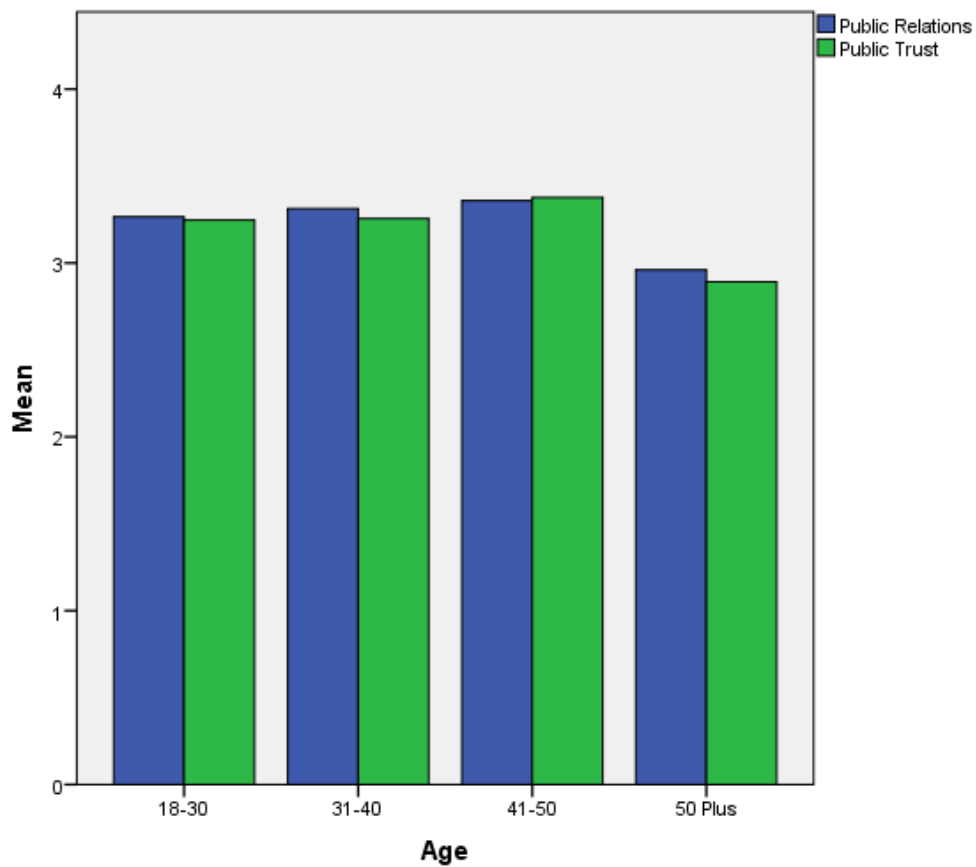
**Figure 4:** Multiple bar graph showing mean scores on public relationship and trust scale with respect to bank groups.

It could be observed in Figure 6 that there were no gender differences. The both genders showed approximately equal relationship of PR and public trust.



**Figure 5:** Multiple bar graph showing mean scores on public relationship and trust scale with respect to gender.

Figure 6 reflects the relationship of PR and Public trust with respect to different age group. The respondent of age group 41 to 50 showed the higher relationship of PR and public trust. While the age group of 50 plus reflected lowest relationship of the PR and public trust, which reflects their other expectations with the organizations.



**Figure 6:** Multiple bar graph showing mean scores on public relationship and trust scale with respect to age groups.

## **4.7 Thematic Analysis**

The qualitative phase of this study aimed at explaining the quantitative data collected from the quantitative questionnaire. This helped facilitate a better understanding of the impact of public relations on trust building.

The findings were corroborated by the three semi structured in-depth interviews conducted with the higher managements of the selected banks. . In order to protect their privacy, their names have been concealed and they are referred to in the thesis as management of NBP, HBL and BAF. The results of quantitative data were shared and their response/ answer were coded to conduct a thematic content analysis. The first step was to transcribe the audio content into textual documents. The texts were then coded into dominant themes, which were later compared amongst each other to create categories that included related themes. The wording of the items was adjusted slightly for managers to apply them to relationships. Putting both perspectives together would provide a more complete picture of a relationship. Each interview question comprises a key variable being studied under the qualitative analysis. The thematic analysis of each of these questions / variables is discussed in the sections following herewith. Five themes were identified from the quantitative sample and were presented for qualitative research to support and analyse the findings.

### **i. Control Mutuality**

The participants were first asked to state the ways in which they thought that the organization and public have control mutuality. This was asked to expand and validate the data collected in the survey. It was found that the answers of the interview participants were consistent with those gathered from the survey respondents. In regards to control mutuality, there was agreement between management of banks and public. BAF was scoring significantly higher on the control mutuality scale than HBL and NBP. While, NBP was at lowest on control mutuality, reasons stated by NBP were that being a public sector bank they have some limitation. Whereas, BAF and HBL argued that they have been trained to respect the opinion of the client and to facilitate them at maximum level. In case of cooperation and decision making process BAF was open to accept the public opinion while HBL was moderate but the NBP was not realistic.

In essence, BAF management argued that the relationship has a greater degree of control mutuality, HBL management claims that the relationship has a moderate degree of control mutuality and NBP management have the impressions that the relationship has a lower degree of control mutuality. And the management of these banks is also seems to be aware of this.

BAF management commented that public opinions and suggestions are valued by the organization, which are placed significant on listening. Comments of this nature also indicated that BAF believes that public opinions and suggestions would have some impact on their relationship with the bank.

## **ii. Commitment**

When looking at the dimension of commitment, there is an evidence that there is actually agreement between management and public in regards to the level of commitment in the relationship. However, NBP management wrongly perceives that public rates the relationship higher in terms of commitment. Regardless, NBP management should take action to not only increase the amount of actual commitment to the relationship, but also demonstrate to public that the two parties are actually in agreement on this issue.

HBL management is of the view that they try to make a long term commitment and cordial relations with public for a better relationship. This strengthen the view of public also. The management has strong belief that the HBL make possible efforts for long term relationship with its customers.

BAF management is very committed for establishing the long term relations with its public. They also value the relationship with high esteem. They use PR tool like sms, email for public interaction and share best wishes messaged for better relationship.

## **iii. Satisfaction**

The satisfaction dimension of the PR provides an example of a consensus, both sides agree on how satisfied they are with the relationship and they accurately

understand each other's viewpoint at BAF and HBL, whereas NBP management and public was not on the same page.

BAF management stated that we provide our customer an environment where they feel happy and enjoy dealing with the organization. As the customers enters, our representative welcome them and guide them, so they can feel comfortable in the premises, because our customer are very important for the organization.

HBL management was also having the opinion that they focus on the comfort and happiness of their customer. HBL customers feel happy while dealing or interacting with this organization. We provide an environment where customer feel pleased with the organization.

However, NBP management said that they make effort to please their customers, but we face some problem while interacting our customers. We have some interconnectivity issues, due to which link failure problems arise often. Customer do not wait, and start shouting, we face these type of problems. The reason behind this is insufficient fund for upgradation of the latest software's and making office environment comfortable.

#### **iv. Communal Relationship**

There was an agreement in regard to the dimension of communal relationship. The both parties in the relationship were agreed on having communal relationship.

BAF management said that they are very concerned for welfare of their customers. BAF always support their customers beyond their expectations. BAF never takes the advantage of the people who are vulnerable.

HBL management was of the view that the organization is always ready to support the customer and giving them aid without expecting in return. The organization is also concerned for the welfare of the customers.

NBP management argued that being a public sector bank, our customer dealing is average standard. Due to the bad image and perception of our services, our customer



do not feel a good relation with the bank. It's true that the bank take advantage of the customers who are vulnerable and the organization tries to get upper hand.

#### **v. Exchange Relationship**

There was a lack of agreement in regard to the dimension of trust, with organization scoring significantly higher than public. So, there appears to be a real disagreement between management and public in terms of the exchange relationship.

BAF, HBL and NBP management were agreed on the point that it is not necessary that our every offer is reciprocated with some returns or to gain some advantages from the customers. However, it is the fact that we give offers to raise our deposits. So they denied their earlier statement in the same time. It reflects that no organization takes care of its customers without getting any benefit in return.

It was found that the answers of the interview participants were consistent with those gathered from the survey respondents and some new insights were also revealed. These results also endorsed the reliability of quantitative data results.

In summary, BAF was categorical in its management's response that no sensible organization would ignore public relations in the competitive environment. BAF explained thoroughly that one core strategy was effectively used. That was the strategy of trust building. This was because we discovered that what both the customers and bank staff needed was trust that their bank will not fold. To this end all the necessary available PR tools were used to achieve this strategy. The tools include giving branded gifts to customers, using the mass media and text messages to communicate relevant reassuring messages to the publics, organising shareholders meetings, public service activities, telephone information services etc. Of course, because of the wide reach, the media and SMS were mostly used.

HBL was most explicit when it said that we used PR tools radio, television, newspapers, magazines, SMS, interpersonal means/focus group discussion etc. But the press release and the mass media were often used. Therefore, media relations and short messages were mostly during the whole year exercise.

NBP also said that they tried to improve their office environment, staff attitude service delivery and communication with customers as public relations strategy to gain public trust.

The qualitative data shows that inadequate funding was the major challenge of the public relations staff regarding the implementation of their public relations strategies. The qualitative data presented equally gave credence to this finding as virtually all the respondents said funding was a major challenge to the implementation of their public relations strategies. However, it was not funding only that constituted a big challenge to the banks. Like NBP said, the banks, honestly had some challenges regarding the implementation of our public relations strategies. Some of them are inadequate funding of our public relations programmes by the bank, inadequate staff, time constraint in planning and execution, and even pressures from high ups. But the issue of funding is very paramount. Due to the nature of competition, we desperately need enough fund to carefully plan and execute very convincing public relations programmes but it didn't come as required. So, even though funding is the number one challenge, there are other ones like staff that is not enough trained to match the amount of work needed to be done.

As the interviews show, all the banks employed public relations strategies, which indicates that the BAF took public relations seriously as compare to HBL and NBP while NBP has not applied public relations strategies properly therefore, NBP lost the public trust. As a matter of fact, the BAF and HBL, applied well planned public relations strategies respectively, to consistently maintain 'public and organization trust' because they couldn't have made the mistake of not efficiently utilizing public relations in such competitive environment.

This therefore implies that commercial banks mostly used the public relations strategies to reach out to the publics and gain trust. The qualitative data presented also gave credence to this finding as virtually all the interviewees indicated that the banks used more of the public relation strategies to reach their external publics. In the interview, while all the banks mentioned the need to restore trust in the sector among their customers and stakeholders. With the outcome like this, it shows Public Relations has a bright future in Pakistan's banking sector.

## 4.8 Discussion

The outcomes of preceding data analysis answered the first research question which examines the relationship between public relations and public trust. The overall results implied that public relations have significant impact on the public trust.

Similarly, the results of data analysis also answered the second research question which examines the major differences among banks with respect to public relations and public trust. The generated data indicated that the banks used public relations strategies to a large extent. The BAF applied public relations strategies in a better way therefore, public trust on BAF is highest than HBL and NBP. The NBP did not use public relations strategies in a proper way, therefore the public trust on NBP is the lowest.

Correspondingly, the findings of the hypotheses lend credence to the entire findings of the study so far. For instance, in hypothesis one, the researcher tried to find out whether there is a relationship between the public relations and public trust. To ascertain this, AMOS was used to test the hypothesis. The results from the test in the tables shows that public relations has a positive effect on public trust, this shows that there is very strong relationship between the PR and trust. From the analysis, the hypothesis was accepted. This therefore implies that there was a relationship between the public relations and public trust. This finding shows that the use of Public Relations strategies by commercial banks influenced the public trust.

Hypothesis two was also formulated to specifically ascertain whether there is a significant mean differences among bank groups (NBP, HBL and BAF) on the scores of public relations and trust among bank clients. The result from the test in the analysis indicates BAF has implemented highest public relations strategies therefore, public trust on BAF is also highest than HBL and NBP respectively. Based on the outcome of the test, the research hypotheses was upheld.

The present study therefore explored the impact of public relations on public trust and attempted to cover the research gap mentioned in Chapter 1 and provides a foundation for future researchers.

## **CHAPTER 5**

# **DISCUSSION, RECOMMENDATION AND CONCLUSION**

The various data gathered has been presented and analysed in chapter four. This chapter therefore will discuss issues generated from the analysis and make recommendations and conclusions accordingly.

### **5.1 Summary of Findings**

The researcher, in the course of the study found out the following:-

The public relations play an important role in bank-public relationship for building public trust. The discrepancy between expectations and perceptions as regards tangibles was greater in public banks than in private banks. In addition, public banks perform poorly in disseminating information regarding their services in the shape of pamphlets, leaflets and other promotional materials. As a result, bank customers are usually obliged to make personal inquiries to bank staff, who may not be in possession of the required knowledge to respond to every type of inquiry.

The data also revealed expectations and perceptions significantly differed in terms of public relations. Private Banks always have their customers' best interest at heart and pay special attention to their specific needs. They also adjust their operating hours so as to be convenient to all their customers. However, in the public bank situation, they are not customer-focused. Although there is a general tendency in public banks to modernize and renovate their branches, still the majority of bank branches have a low rating in their visual appeal.

Customers expect prompt service and will not put up with bank staff that appears to be too busy to respond. They also expect the bank to be sensitive to their needs and give the customers personalized attention. Customers have more trust with private banks than public banks, because, private banks have taken more customer-oriented measures and, as a result, been more successful in promoting customer trust. The public trust on private banks, lies in the investment they have made in staff training

and promotion of their staffs' understanding toward service culture. The training programs comprise two main factors of communication and customer care in order to meet customers' personal needs, which, in turn, resulted in an increase in public trust toward their respective banks.

Banks mostly used the public relations strategies to reach out to external publics for trust building. The banks' public relations activities, to a moderate extent influenced customers' trust on the banks. However, inadequate funding of public banks was the major challenge of the public relations regarding the implementation of their public relations strategies.

As per data analysis, PR in the above-mentioned bank includes efficient customer relationship, regular publications of printed materials, providing information and enlightenment of clients regarding new developments in the industry, launching new products and services which are beneficial for customers such as Money Transfer, ATM, On-line-real Time banking, insurance opportunities, suggestion request to customers and employees, providing and analysing boxes of suggestions. Because of assurance the customers regarding predictability of PR as an important strategy or tool which enhances the development and growth of banks, which leads to an opinion that banks success is dependant of the public trust on the banks; public relations make impact on the public trust building of the banking sectors in Pakistan and that public relations plays role towards mutual confidence between the banks and their publics.

The public trust on banks is dependent on the public relations of the banks. The PR of the NBP is very poor therefore the public trust on the NBP is very low, while public relations of HBL are more better than the NBP therefore the public trust on HBL is higher than the NBP. In comparison to NBP and HBL the PR of the BAF is very much higher level thus the public trust on BAF is higher than above mention both banks. It indicates that Bank Al-falah is more customer centric and easy to access and have reliable banking services than HBL and NBP.

## **5.2 Conclusion**

From the analysis of the data and findings, the researcher would like to conclude as follows: -

Non-acknowledgment and affirmation of public relations strategies/ tool are inevitable practice in the banking industry and it may jeopardize the dreams of the banks as it concerns the growth and development of the banking industry. Public relations inability to actualize / realize the organization's desired results indisputably may result from inappropriate and inadequate utilization of public relations strategies.

## **5.3 Recommendations**

After analysing data, the findings of the study were established and conclusion was made, which helps researcher to make following recommendations:

Banks should as much as possible utilize most appropriately, most adequately and most effectively/efficiently, public relations strategies in their banking practices so as to easily realize and actualize the banks desired goals and objectives.

Commercial banks must maximally harness the potentials of public relations to secure and consistently maintain a public trust. This implies that the banks should effectively deploy public relations to engender increased level of public trust.

Banks should ask for feedback on a regular basis, incorporate dialogue into strategies to show; the banks value opinions and suggestions by publics; implement suggestions on a regular basis; and, finally, provide decision-making opportunities.

Banks should also improve their services and behaviour for better organization-public relationship. In certain cases, the service of expert public relations consultants should be sought by banks in tackling / handling some public relations sensitive issues, which are the great determinants of the success of banks.

Finally, the banks must be seen to be fair and reasonable in all their dealings with their customers and be mindful of the environment within which they operate. To achieve good public trust, the following must be taken seriously:

- Good and efficient customer services,
- Advertising and publicizing the banks activities,
- Polite approach to customers from clerk to manager,
- Taking part in public activities,
- Satisfactory employees relations within the bank,
- Continuous dynamic improvement in the services of the bank,
- Regular training for all categories of staff in all aspects of customer relations.

It is therefore pertinent for the banks' PR to focus more on public trust building and remove communication barriers that are capable of shielding the banks activities.

This study also recommend that if the facilities in the branch infrastructure, decor, sitting facility, signage, etc. are adequate, it not only leads build customer trust on bank but overall improvement in working of the branch as well. Whether it is availability of latest products, strategic intent, and timely delivery of services. If all the signage are in place it will direct the customer to right desk without wasting their time which further helps the service officer in attending the customers in time and cater to their needs.

#### **5.4 Suggestions for Further Studies**

The study findings are limited to the period and data from the clients of NBP, HBL and BAF in Islamabad, Pakistan. This could be different in other banks and micro financial institutions. Thus, the present research recommend that more studies should be conducted among other financial and non-financial institutions on this subject to deduce if PR plays the same role of building public trust in those institutions.

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## APPENDIX A

### QUESTIONNAIRE

*The purpose of this questionnaire is to gather data about the Impact of Public Relations on Public Trust building. This is a comparative study of commercial banking sector in Pakistan. Any information provided by you will be dealt with confidentially. Individual indicate the degree to which he or she agrees or disagrees with each statement.*

|   |   |   |   |     |   |   |   |              |            |   |  |   |  |                |  |
|---|---|---|---|-----|---|---|---|--------------|------------|---|--|---|--|----------------|--|
| Date  | D | D | M | M   | Y | Y | Y | Y            | Gender     | M |  | F |  | Age (in Years) |  |
| Qualification                                 |   |   |   |     |   |   |   |              | Occupation |   |  |   |  |                |  |
| Customer/ Client of Organization (Select one) |   |   |   |     |   |   |   |              |            |   |  |   |  |                |  |
| NBP   |   |   |   | HBL |   |   |   | Bank Alfalah |            |   |  |   |  |                |  |

Please give your response on each statement by using the following scale

**SD = Strongly Disagree    DA = Disagree,    N = Neutral,    A = Agree,    SA = Strongly Agree**

| #                                 | Question  | SD<br>1 | DA<br>2 | N<br>3 | A<br>4 | SA<br>5 |
|-----------------------------------|---|---------|---------|--------|--------|---------|
| <b><u>PUBLIC RELATIONS</u></b>    |   |         |         |        |        |         |
| ➤ <b><i>Control Mutuality</i></b> |   |         |         |        |        |         |
| 1.                                | This Organization and people like me are attentive to what each other say.  |         |         |        |        |         |
| 2.                                | This organization believes the opinions of people like me are legitimate.   |         |         |        |        |         |
| 3.                                | In dealing with people like me, this organization has a tendency to throw its weight around.                                |         |         |        |        |         |
| 4.                                | This organization really listens to what people like me have to say.  |         |         |        |        |         |
| 5.                                | The management of this organization gives people like me enough say in the decision making process.                         |         |         |        |        |         |
| 6.                                | When I have an opportunity to interact with this organization, I feel that I have some sense of control over the situation. |         |         |        |        |         |
| 7.                                | This organization won't cooperate with people like me.  |         |         |        |        |         |
| 8.                                | I believe people like me have influence on the decision-makers of this organization.  |         |         |        |        |         |
| ➤ <b><i>Commitment</i></b>        |   |         |         |        |        |         |
| 9.                                | I feel that this organization is trying to maintain a long-term commitment to people like me.                               |         |         |        |        |         |
| 10.                               | I can see that this organization wants to maintain a relationship with people like me.                                      |         |         |        |        |         |
| 11.                               | There is a long-lasting bond between this organization and people like me.  |         |         |        |        |         |
| 12.                               | Compared to other organizations, I value my relationship with this organization more.                                       |         |         |        |        |         |
| 13.                               | I would rather work together with this organization than not.   |         |         |        |        |         |
| 14.                               | I have no desire to have a relationship with this organization.   |         |         |        |        |         |
| 15.                               | I feel a sense of loyalty to this organization.   |         |         |        |        |         |
| 16.                               | I could not care less about this organization.  |         |         |        |        |         |
| ➤ <b><i>Satisfaction</i></b>      |   |         |         |        |        |         |
| 17.                               | I am happy with this organization.  |         |         |        |        |         |
| 18.                               | Both the organization and people like me benefit from the relationship.   |         |         |        |        |         |
| 19.                               | Most people like me are happy in their interactions with this organization.   |         |         |        |        |         |
| 20.                               | Generally speaking, I am pleased with the relationship this organization has established with people like me.               |         |         |        |        |         |
| 21.                               | Most people enjoy dealing with this organization  |         |         |        |        |         |
| 22.                               | The organization fails to satisfy the needs of people like me.  |         |         |        |        |         |
| 23.                               | I feel people like me are important to this organization.   |         |         |        |        |         |
| 24.                               | In general, I believe that nothing of value has been accomplished between this organization and people like me.             |         |         |        |        |         |

|     |   |   |   |   |   |   |
|-----|---|---|---|---|---|---|
|     | ➤ <b>Communal Relationship</b>  | - | - | - | - | - |
| 25. | This organization does not especially enjoy giving others aid.  |   |   |   |   |   |
| 26. | This organization is very concerned about the welfare of people like me.  |   |   |   |   |   |
| 27. | I feel that this organization takes advantage of people who are vulnerable.   |   |   |   |   |   |
| 28. | I think that this organization succeeds by stepping on other people.  |   |   |   |   |   |
| 29. | This organization helps people like me without expecting anything in return.  |   |   |   |   |   |
| 30. | I don't consider this to be a particularly helpful organization.  |   |   |   |   |   |
| 31. | I feel that this organization tries to get the upper hand.  |   |   |   |   |   |
|     | ➤ <b>Exchange Relationship</b>  | - | - | - | - | - |
| 32. | Whenever this organization gives or offers something to people like me, it generally expects something in return.   |   |   |   |   |   |
| 33. | Even though people like me have had a relationship with this organization for a long time, it still expects something in return whenever it offers us a favour. |   |   |   |   |   |
| 34. | This organization will compromise with people like me when it knows that it will gain something.  |   |   |   |   |   |
| 35. | This organization takes care of people who are likely to reward the organization.   |   |   |   |   |   |
|     | <b>PUBLIC TRUST</b>   | - | - | - | - | - |
|     | ➤ <b>Competence</b>   |   |   |   |   |   |
| 36. | I feel very confident about this organization's skills.   |   |   |   |   |   |
| 37. | This organization has the ability to accomplish what it says it will do.  |   |   |   |   |   |
| 38. | This organization is known to be successful at the things it tries to do.   |   |   |   |   |   |
|     | ➤ <b>Integrity</b>  | - | - | - | - | - |
| 39. | This organization treats people like me fairly and justly.  |   |   |   |   |   |
| 40. | Whenever this organization makes an important decision, I know it will be concerned about people like me.   |   |   |   |   |   |
| 41. | Sound principles seem to guide this organization's behaviour.   |   |   |   |   |   |
| 42. | This organization does not mislead people like me.  |   |   |   |   |   |
|     | ➤ <b>Dependability</b>  | - | - | - | - | - |
| 43. | This organization can be relied on to keep its promises.  |   |   |   |   |   |
| 44. | I believe that this organization takes the opinions of people like me into account when making decisions.   |   |   |   |   |   |
| 45. | I am very willing to let this organization make decisions for people like me.   |   |   |   |   |   |
| 46. | I think it is important to watch this organization closely so that it does not take advantage of people like me.  |   |   |   |   |   |