The role of media and new communication technologies in the process of globalization

Ass.-Prof. Dr. Friederike Schultz

VU University Amsterdam

vrije Universiteit amsterdam

1. Perspectives on Corporations & Globalization
Traditional, functionalist perspectives vs.
broader political perspectives

2. Role of Media & Communication
Changes of economical production and
dynamics between corporations, media, stakeholders

3. Insights from empirical studies
Findings from crisis research (e.g., BP crisis)

4. Summary

1. Perspectives on Corporations & Globalization

Traditional, functionalist perspectives focus on organization itself.

- Focus on organizational goals (financial performance)

- *f. ex.:* "CSR improves brand awareness, reputation, purchases, loyalty, financial performance"

  Fombrun & Shanley, 2001; William & Barrett, 2000; Jahdi & Acikdilli, 2009; Brown & Dacin, 1997, Webb & Mohr, 1998; Sen & Bhattacharya, 2001; Chattananon et al., 2007

- *f. ex.:* "Using Social Media improves brand awareness, reputation, purchases, loyalty, financial performance. Social Media is interactive, dialogic, and improve reputation

  Taylor & Kent, 1998; Kelleher & Miller, 2006; Searl & Weinberger, 2000, O´Riley, 2006, Fieseler et al., 2010

"business case"

1. Perspectives on Corporations & Globalization

In contrast to that, political perspectives take a broader look at organizational environments.
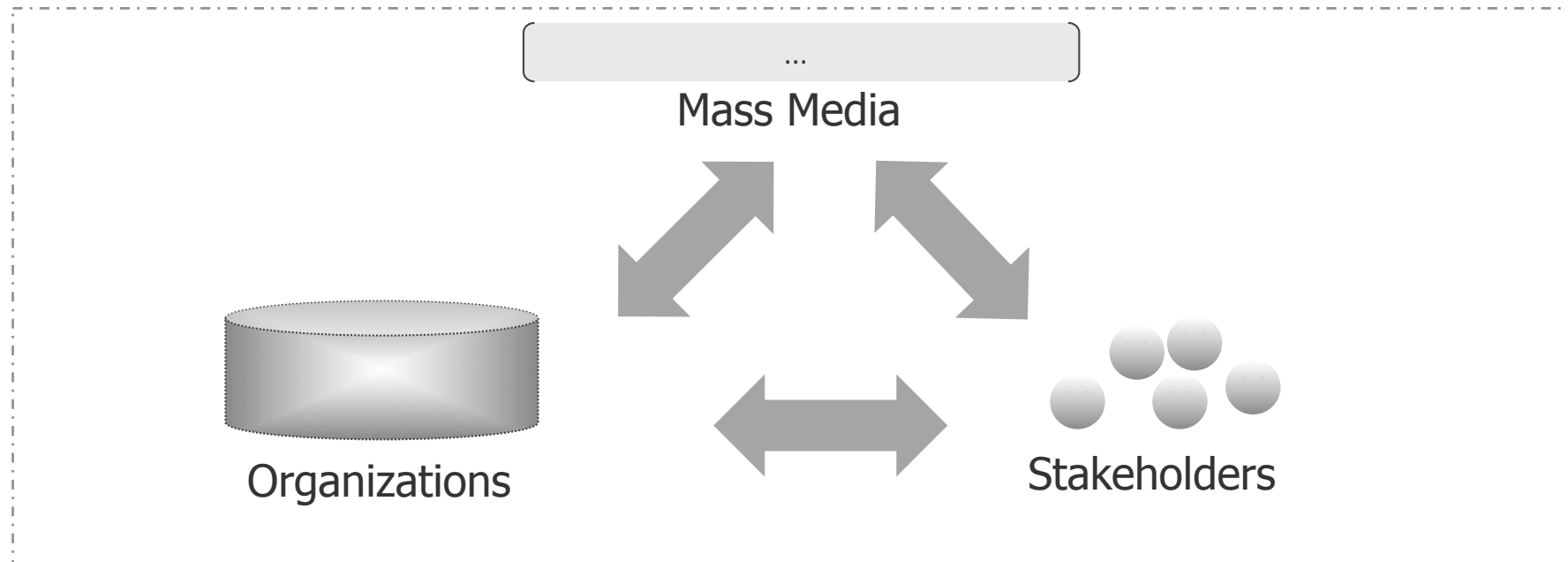
- Discuss also societal goals (power relations, democracy, legitimacy) and processes (globalization)

- *f. ex.:* Corporations take political role as norm-setters. CSR improves "moral legitimacy".

  Scherer & Palazzo, 2011; Palazzo & Scherer, 2006

- *f. ex.:* Social Media enable dialogue & participation in post national constellation towards deliberative democracy. They equalize power relations.

  e.g. Morsing & Schultz, 2006; Huang, 2001; Unerman & Bernnett, 2004

"legitimacy case"

Main Question for this lecture:

What is the importance & impact of
traditional and new media in the process of globalization?

1. How do new media change societies, corporations, economies?
2. What are dynamics between traditional media, new media, corporations, their stakeholders and legitimacy?

1. Perspectives on Corporation & Globalization
Traditional, functionalist perspectives vs.
broader political perspectives

2. Role of Media & Communication
Changes of economical production and
dynamics between corporations, media, stakeholders

3. Insights from empirical studies
Findings from crisis research (e.g., BP crisis)

4. Summary

1. We live in a "symbolic universe"

- We are "animal symbolicum": we live in plurality of meanings & symbols (Cassirer, 1944, Schultz 2011)

- Communication *organizes* reality: Reality exists *in* communication
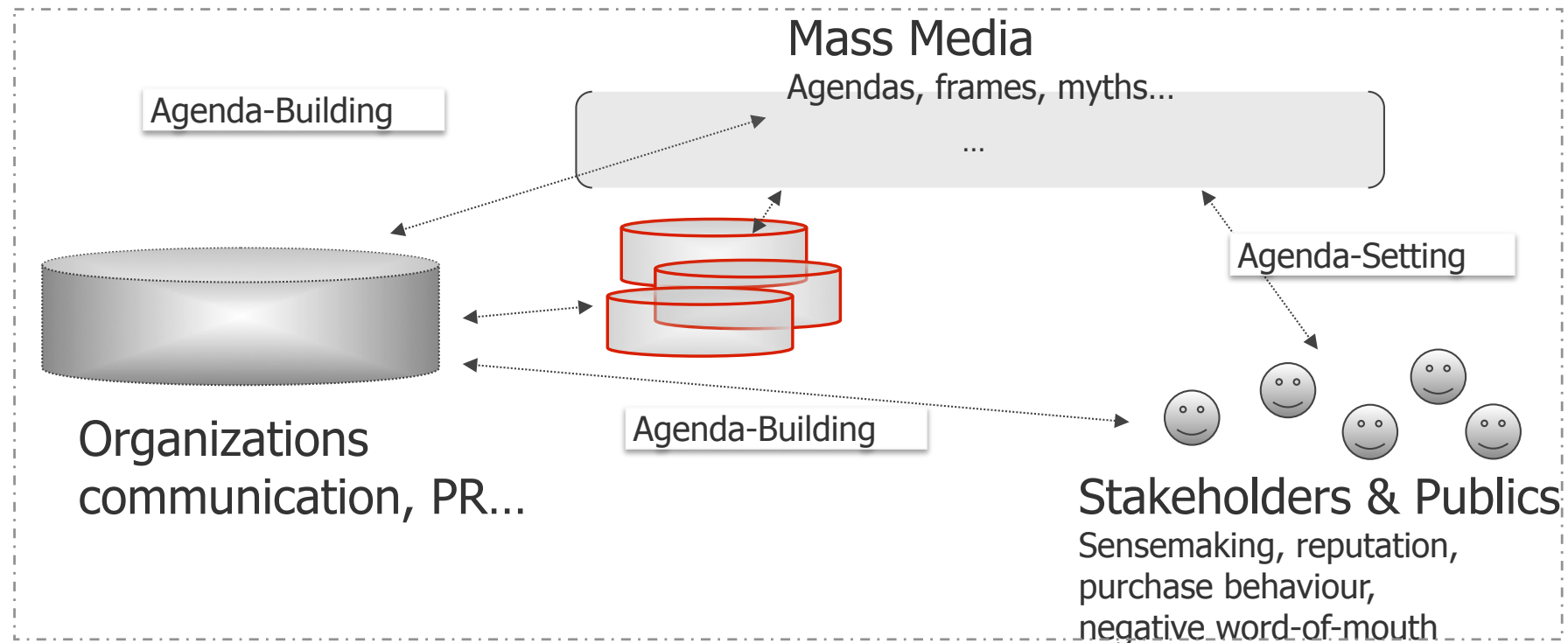
2. Organizations constitute in communication

- Corporations are socially constructed in discourses between actors like *corporations, stakeholders, media, public*

- Organizations are, emerge & consist in communication.
  (Luhmann, 1995; Taylor & van Every, 2000)

3. We live in a "media society"

- Reality is media-reality: media pre-select topics
  (Luhmann, CCO-Perspective, Non-Dualist-Perspective)

Mass Media
Agendas, frames, myths…
…

Agenda-Building

Agenda-Setting

Agenda-Building

Organizations
communication, PR…

Stakeholders & Publics
Sensemaking, reputation,
purchase behaviour,
negative word-of-mouth

3. We live in a "media society"

- Reality is media-reality: media pre-select topics
  (Luhmann, CCO-Perspective, Non-Dualist-Perspective)

- Media influence & *reflect* public's reality (Carroll & McCombs, 2003)
- Media logic supports moralized communication (Luhmann 1999; Schultz 2011)
  - Increasing attention and negative reporting on CSR (Lee & Carroll, 2011)
  - Delegitimization & Negativity Bias (e.g., Schultz & Wehmeier, 2010; Sen & Bhattacharya, 2001)
  - Media drive institutionalization of CSR (Schultz & Wehmeier, 2010; Aerts & Cormier, 2009)

(EXPLANATION)

Agenda-Building vs Agenda Setting

Agenda-Setting: Influence of News on Public

Agenda-Building: Macroscopic mechanisms of message constructions; influence of communication sources (organizations, PR) on news

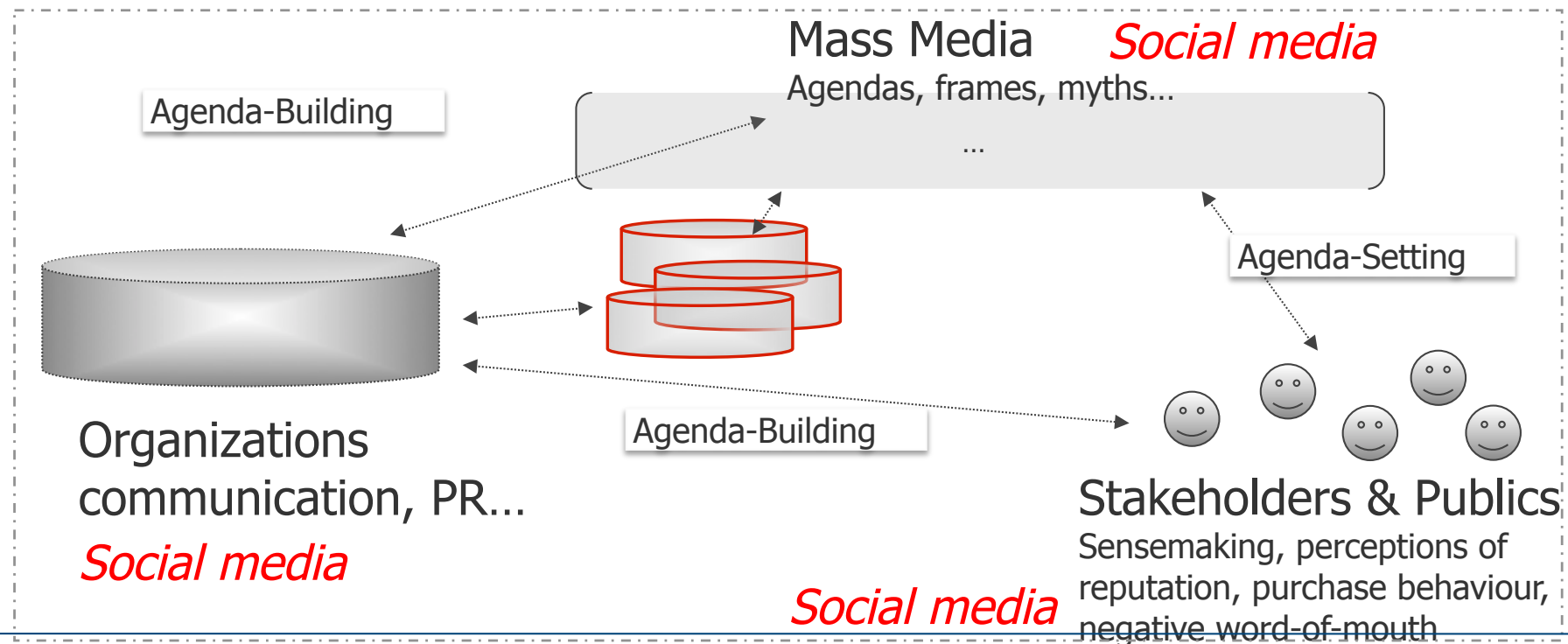*First- and Second Level* refer to Issues or actors; Attributions

Framing

Framing as cognitive structure building *(e.g., Entman, 1993; Gamson & Modigliani, 1989)* that organizes experiences and aims at mobilizing adherents and demobilizing antagonists *(Snow & Benford, 1988).*

Framing as process "to select some aspects of a perceived reality and make them more salient in a communicating text, in such a way as to promote a particular problem definition, causal interpretation, moral evaluation, and/or treatment recommendation". (Entman, 1993, p. 52)

3.   We live in a "*new* media society"

- New communication technologies, uses and more complex communication environments influence the social and communicative character of actors (Krotz 2007)
- New media play a crucial role for the *(de)*construction of reputation

Mass Media   *Social media*
Agendas, frames, myths...

...

Agenda-Building

Agenda-Setting

Organizations
communication, PR...
Social media

Agenda-Building

Stakeholders & Publics
Sensemaking, perceptions of reputation, purchase behaviour, negative word-of-mouth

Social media

intuitive

heuristic

spontan use

smaller willingness to read long texts

selection medium, not reception medium

repitition of reception

reversibility of decisions

low cost situation

3. We live in a "*new* media society"

- Stronger integration of medial areas of action (Krotz, 2007).

- Internet offers other modi of communication
  - *social dimension:* one-to-one, one-to-few, one-to-many, many-to-one, many-to-many
  - *time dimension:* synchron, asynchron
  - information requests (websites), discourses (Web 2.0), interpersonal (Email, Chat).

But:
- Media do not determine effects and interpretations
- Internet as *technical institution* does not determine how data is decoded in systems of signs and used, which information people derive from it, and how it is organized and institutionalized (Krotz, 2007).

4. We live in a "*networked* society"

New communication technologies change societies, drive "globalization" and change business responsibility.

From simple relations to "networks"

- Organizations are embedded in multiple, fluid social, communicative networks

From industrial to "networked economy"

- Increased role of "non-marked" production, knowledge, social networks *(Benkler, 2006)*

vrije Universiteit *amsterdam*

4. We live in a "*networked* society"

New communication technologies change societies, drive "globalization" and change business responsibility.

From publics to "networked publics"

- open, reflexive, self-organized, fluid public sphere

- Network activism challenges role of rational elites and institutions *(Friedland et al., 2006)*

- Decreasing role of journalists as gatekeepers *(Friedland et al., 2006)*
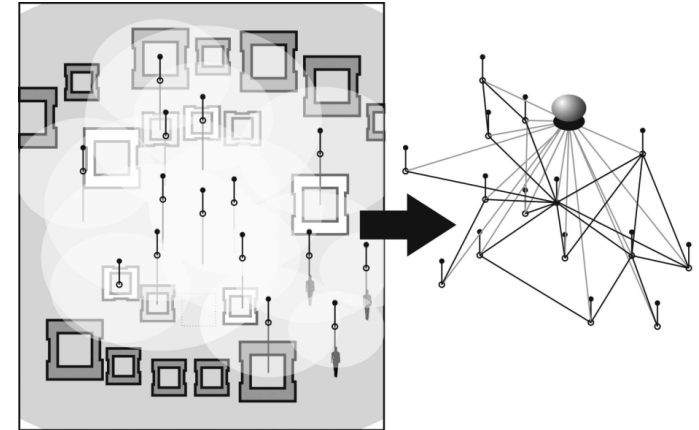
Nicole Nominates Stephan for Boss of the Year

Dallas, TX – Nicole Brown is quick to praise her manager, Stephan Gordon for making her working environment so positive. The feeling is mutual as Stephan takes time out from his round-the-clock rush during inventory to sing her praises as well, here in the Montfort Drive Wal-Mart Supercenter.

POSTED BY JIM ON OCTOBER 3, 2006, AT 3:41 AM

4.   We live in a "*networked* society"

**New communication technologies change
societies, drive "globalization"
and change business responsibility.**

From publics to "networked publics"
*   Network Activism, Social Movements, fragmented
    audiences

*   Increased demand for transparency, but
    increased „intransparency" - dysfunctional effects?

    *   *„Fake"-Blogs („flogs") (Wal-Mart, Sony Playstation)*
    *   *„Fakebook": identity construction (Leyendecker
        2008)*

Nicole Nominates Stephan for Boss of the Year

Dallas, TX — Nicole Brown is quick to praise her manager, Stephan Gordon for making her working environment so positive. The feeling is mutual as Stephan takes time out from his round-the-clock rush during inventory to sing her praises as well, here in the Montfort Drive Wal-Mart Supercenter.

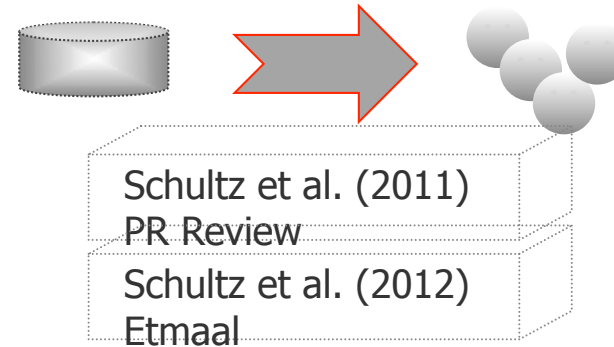POSTED BY JIM ON OCTOBER 3, 2006, AT 3:41 AM

But what do empirical studies say about the influence of traditional & new media on organizations & publics?

- Social Media influences traditional media, but it shows also that:

- Power relations are partially reproduced in new media

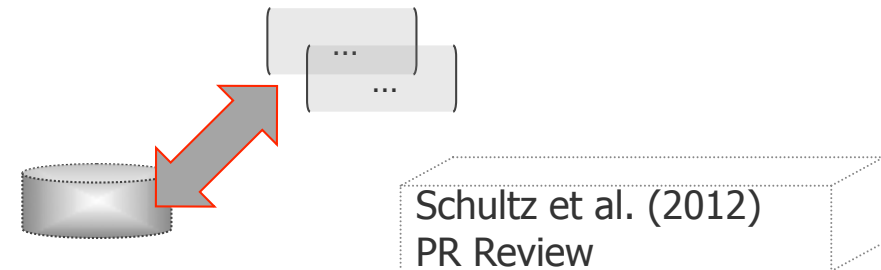- Social media content is taken over from traditional media (Eisenegger & Schranz, 2011)

1. Perspectives on Corporation & Globalization
Traditional, functionalist perspectives vs.
broader political perspectives

2. Role of Media & Communication
Changes of economical production and
dynamics between corporations, media, stakeholders

3. Insights from empirical studies
Findings from crisis research (e.g., BP crisis)

4. Summary

But what do empirical studies say about the influence of traditional & new media on organizations & publics?

- Social Media influences traditional media, but it shows also that:
- Power relations are partially reproduced in new media
- Social media content is taken over from traditional media (Eisenegger & Schranz, 2011)

...

Mass Media

Organizations

Stakeholders

Social media

CHALLENGE

Critical information spreads faster (forwarding, negative word-of-mouth etc.)

CHANCE
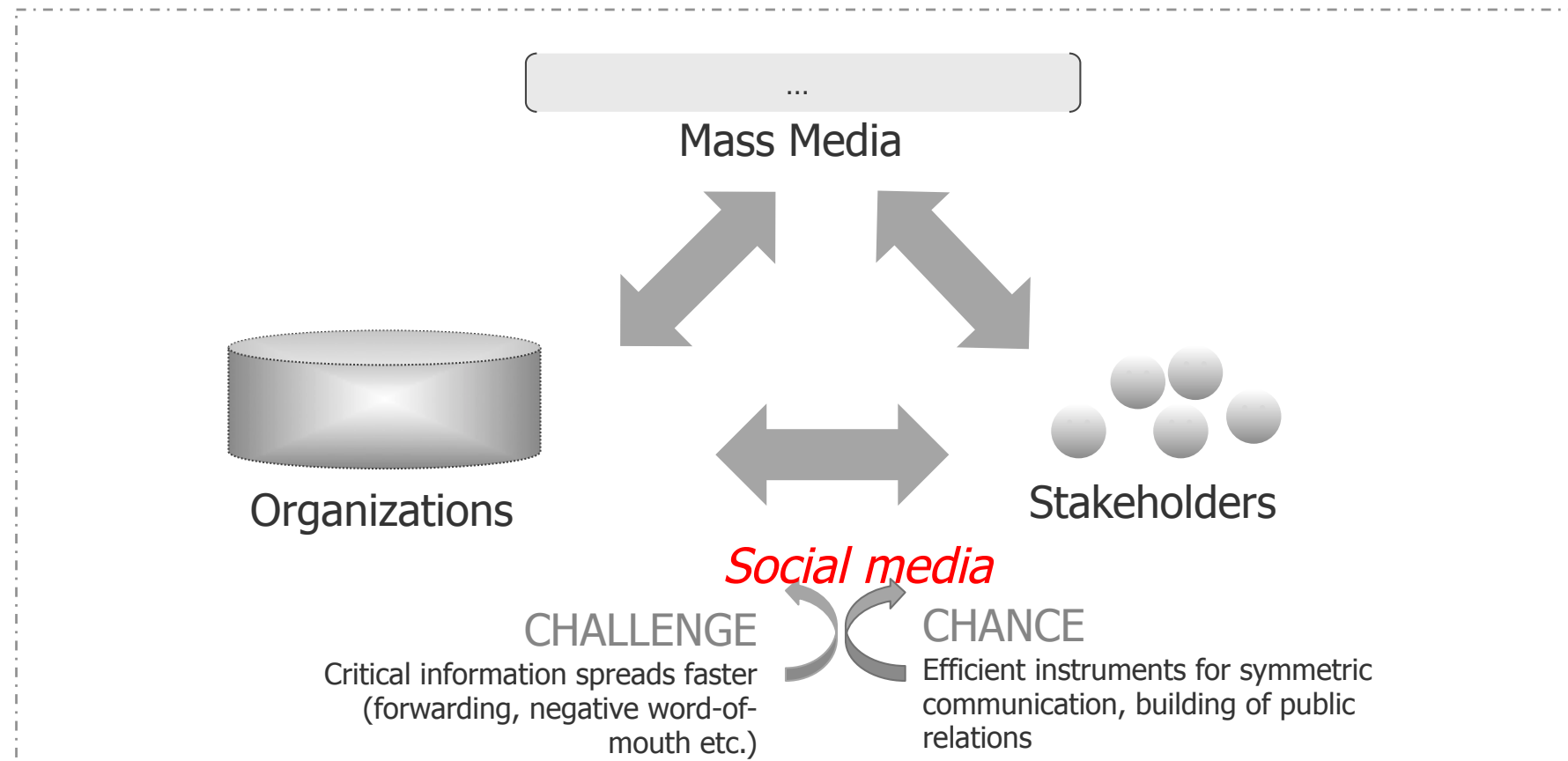
Efficient instruments for symmetric communication, building of public relations

1.

Impact of Corporate Communication via media on stakeholders

Schultz et al. (2011)
PR Review

Schultz et al. (2012)
Etmaal

2.

Communications between corporations and news

Schultz et al. (2012)
PR Review

3.

Dynamics between corporations, news, social media and stakeholders

Kleinnijenhuis et al. (2011)
under review (r&r)

Schultz et al. (2011)
PR Review

Schultz et al. (2012)
Etmaal
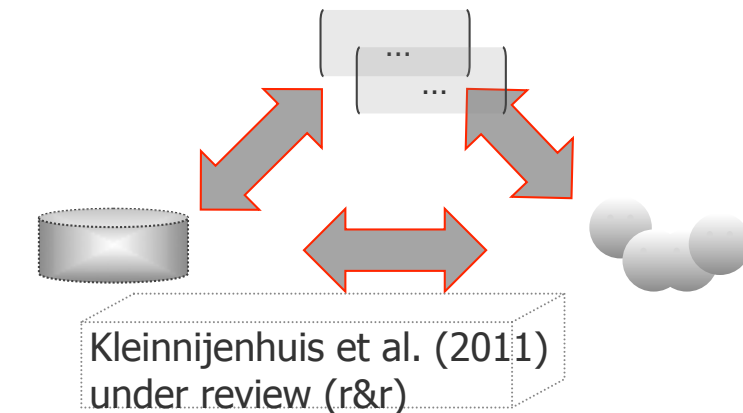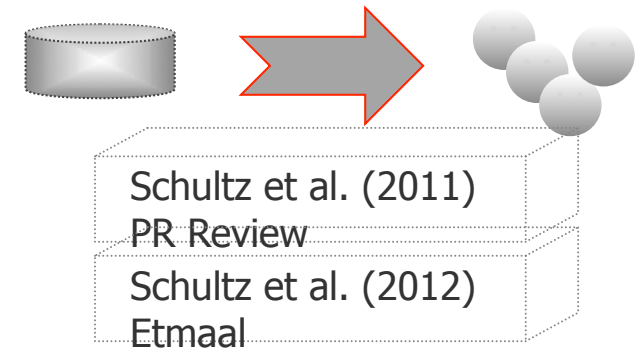
What are the effects of
Corporate Communications
via old and new media on
stakeholders?

Twitter

Mercedes-Benz online

Wir übernehmen Verantwortung: Brennende
Autos wegen fehlerhafter Zündkerzen
http://bit.ly/73bHRN (kh)
about 10 minutes ago via web
Retweeted by 4 people   Reply   Retweet

Reputation

The stronger the attribution of responsibility (e.g. in crises), the higher the reputational threat.

Event cause ➤ **Responsibility** ➤ **Reputation**

Secondary Reaction

Boycott
Negative word-of-mouth

Secondary Communi-cation

Willingness to show or forward message, to tell friends about corporation, to leave a message.

3. Study 1 - Effects of Corporate Responses on Publics

Findings

- Legitimacy is highest, when corporations use social media like facebook or twitter.

Findings

• Legitimacy is highest, when corporations use social media like facebook or twitter.

• Critical reactions (boycott etc.) are lowest, when corporations use social media.
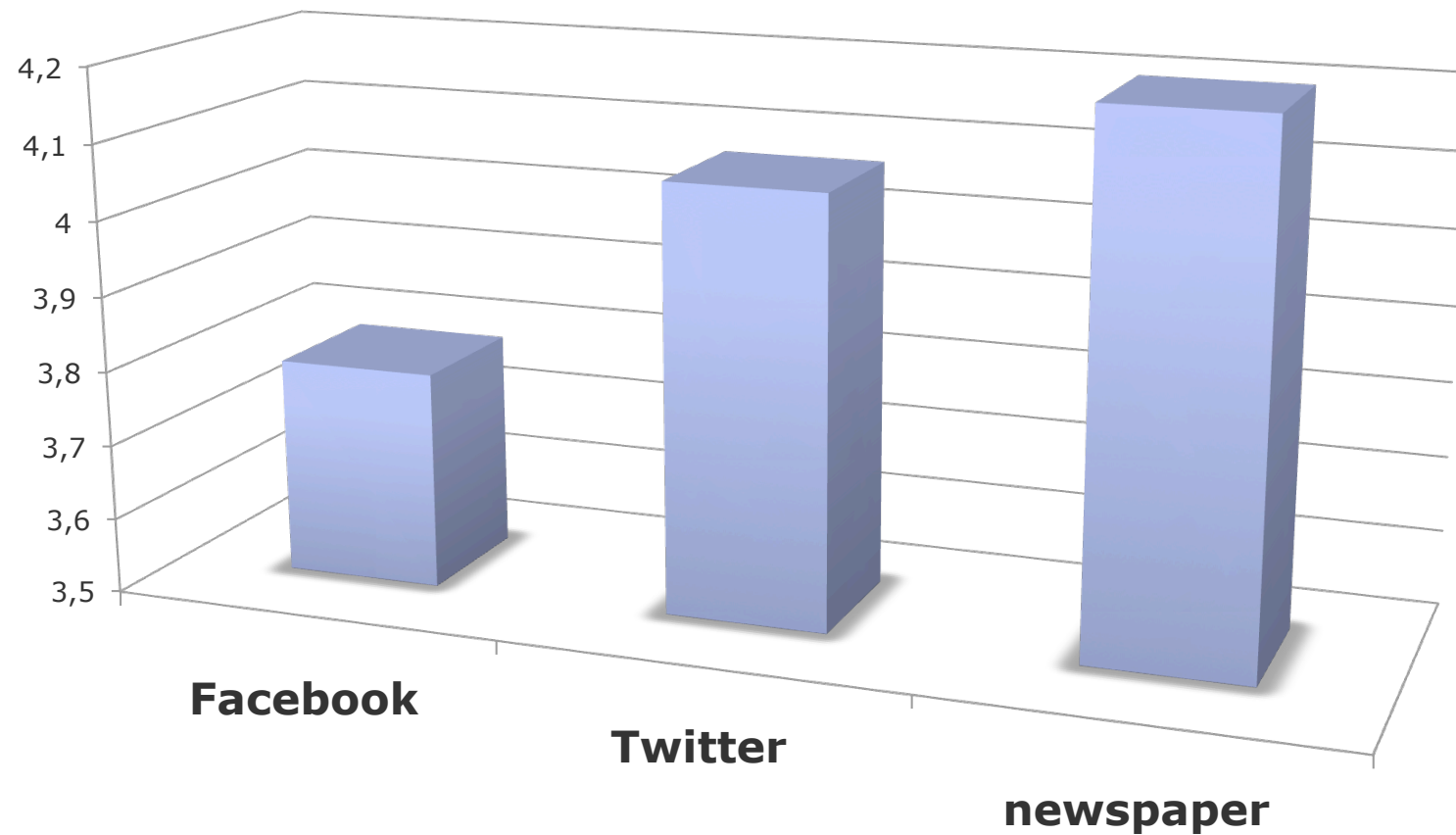
Findings

- Legitimacy is highest, when corporations use social media like facebook or twitter.
- Critical reactions (boycott etc.) are lowest, when corporations use social media.
- Stakeholder Communication is highest, when information is received via newspaper.

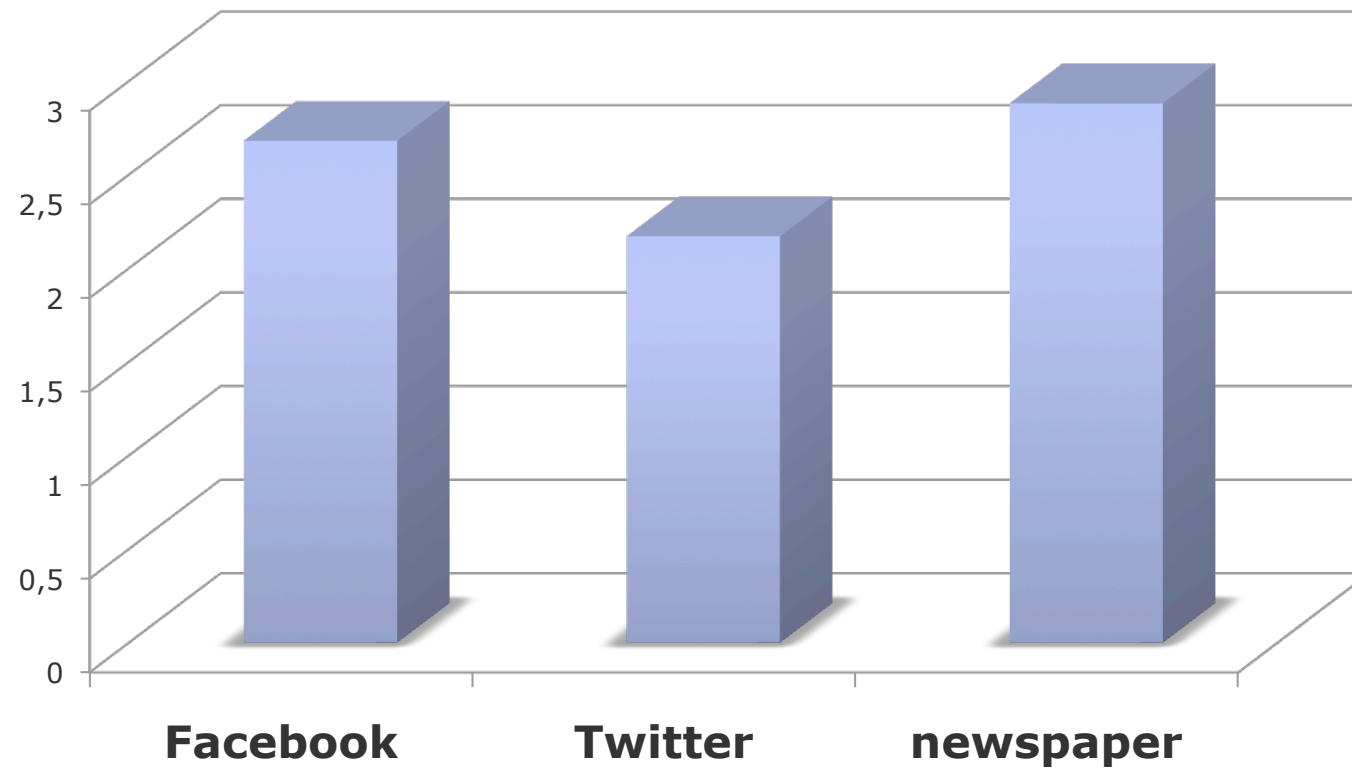# 3. Study 1 - Effects of Corporate Responses on Publics

Findings

- Legitimacy is highest, when corporations use social media like facebook or twitter.

- Critical reactions (boycott etc.) are lowest, when corporations use social media.

- Stakeholder Communication is highest, when information is received via newspaper

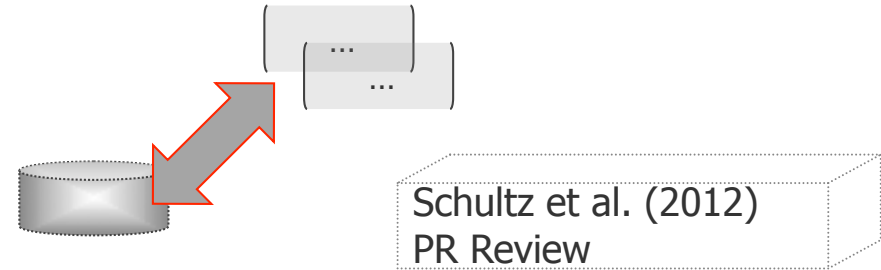- Media use matters: Social Media users are more „talkative"

- Media credibility (traditional media) increases secondary crisis
  communication and reactions

Schultz et al. (2012)
PR Review

What are the
Communications between
Corporations and newsmedia?

bp

Contact us   Reports and publications   BP worldwide   Home

Search   Go

About BP | Products and services | Environment and society | Investors | Press | Careers | Gulf of Mexico response

You are here: BP Global   ▶   Gulf of Mexico response

Making it right - highlights

Response in pictures

Response in video

Response maps

Contacts

Claims

Supporting materials

Gulf of Mexico response

Gulf of Mexico response

BP is doing everything we can to make this right. We continue to seal the Macondo well permanently, clean up the environment, and make sure that people are compensated for legitimate claims.

Sealing the well

Technical up

Kent Wells briefing of Mexico inciden

▶ Kent Wells bri

▶ See how we're tackling the leak at its source

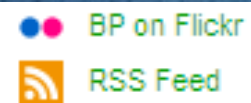Follow us on:

BP on Twitter

Here
on w

bp

Contact us   Reports and publications   BP worldwide   Home

Search: Go

About BP | Products and services | Environment and society | Investors | Press | Careers | Gulf of Mexico response

You are here: BP Global   ▶   Press   ▶   Speeches

Press releases

Speeches

Features

BP is in the Gulf to Stay

Speaker: Bob Dudley
Speech date: 29 August 2010
Venue: Southern Governors' Association, Birmingham Alabama

Related downloads

wnload the full speech (pdf, 63KB)

Seeds of Recovery - 27 August 2010

00:12 | 06:49

ultz

THE „BP" CRISIS

BP on Flickr

RSS Feed

20th of april: Crisis start

27th of May: Obama announces six-month moratorium

15h of July: stop oil pouring into Gulf

3rd of May: Obama flies to Louisana

15h of June: Obama in first speech from Oval Office

29h of June: lowest point and turning point in share movement

27th of July: CEO Hayward will be replaced by Bob Dudley.

Phase 1:
Politisation & Mediatisation
20th of April – 10th of May

Phase 2:
Phase Institutionalization &
Legislation
11th of May – 3rd of July

Phase 3:
Normalization
4th of July – 15th of August

Number of Articles

40
35
30
25
20
15
10
5
0

2010-04-22 2010-04-29 2010-05-06 2010-05-13 2010-05-20 2010-05-27 2010-06-03 2010-06-10 2010-06-17 2010-06-24 2010-07-01 2010-07-08 2010-07-15 2010-07-22 2010-07-29 2010-08-05 2010-08-12 2010-08-19 2010-08-26
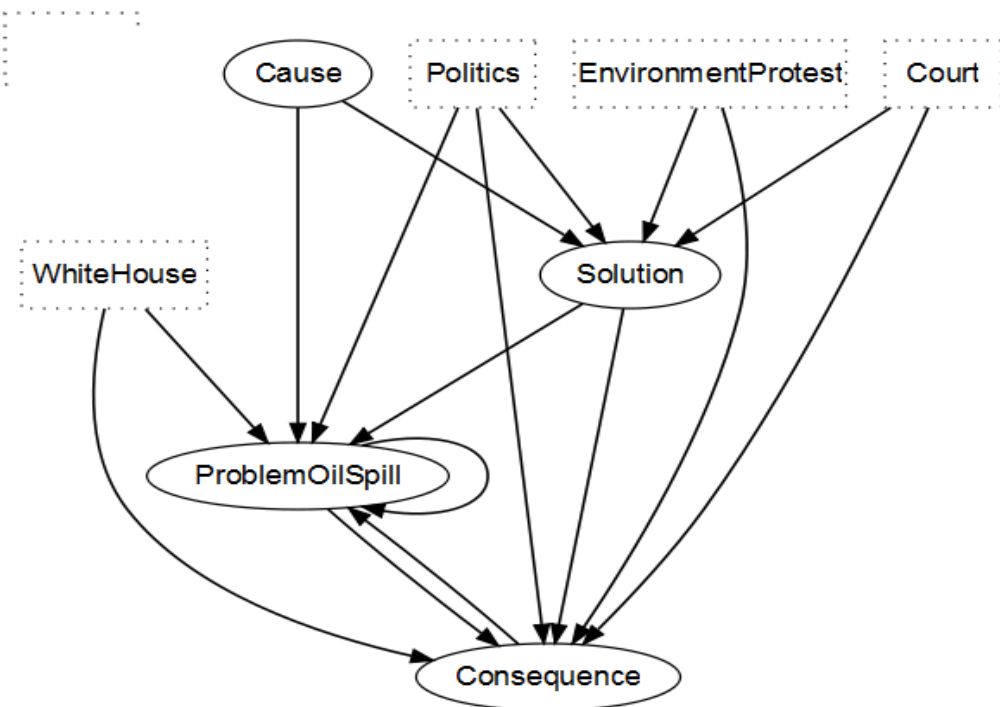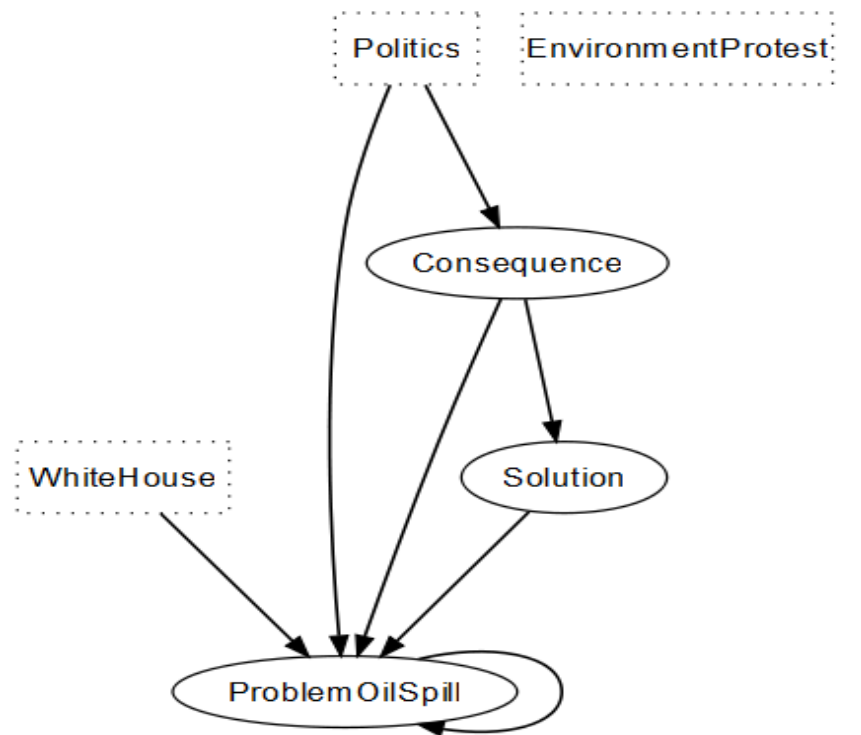
bp
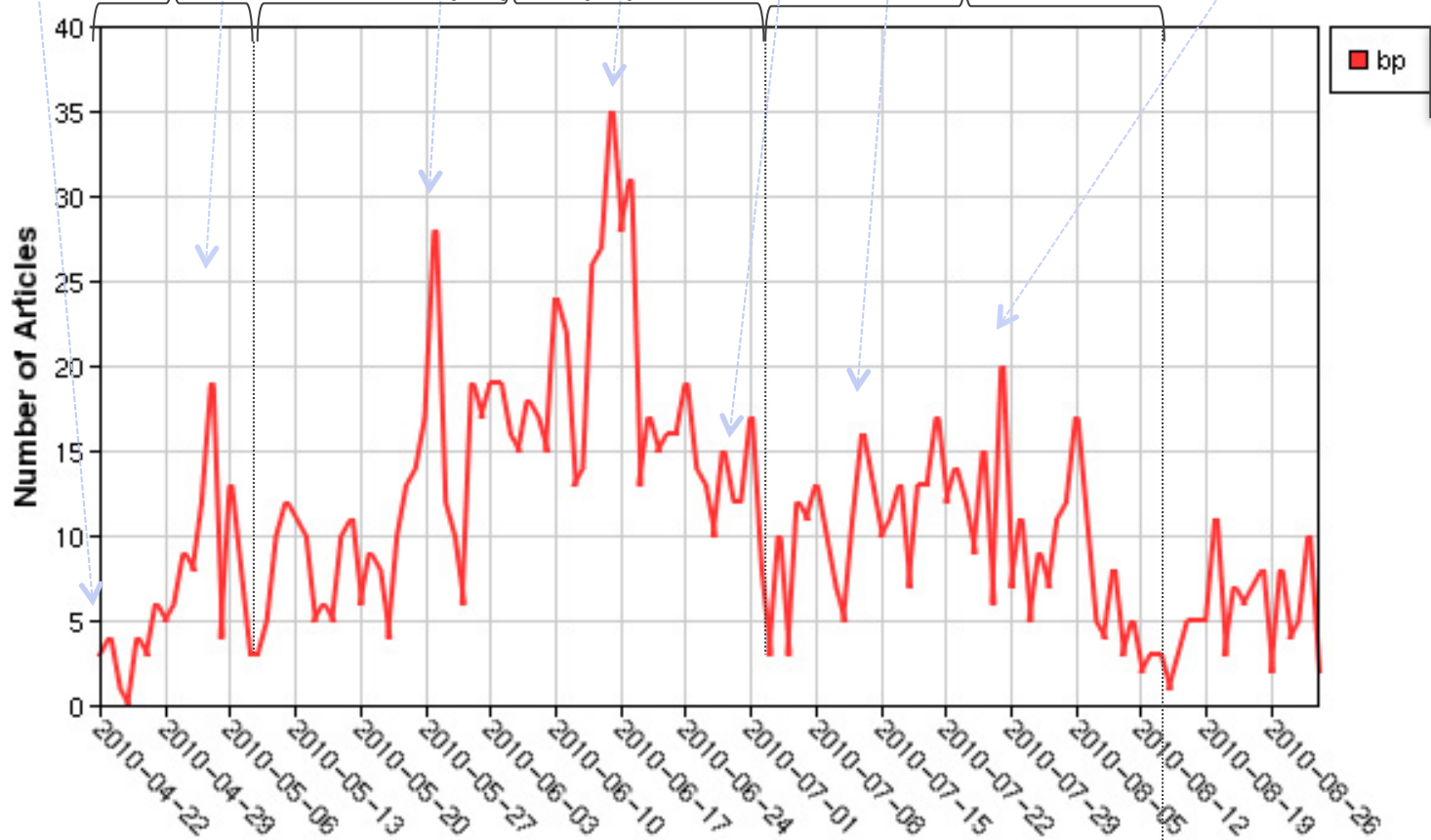
Figure: Timeline of the BP crisis

BP

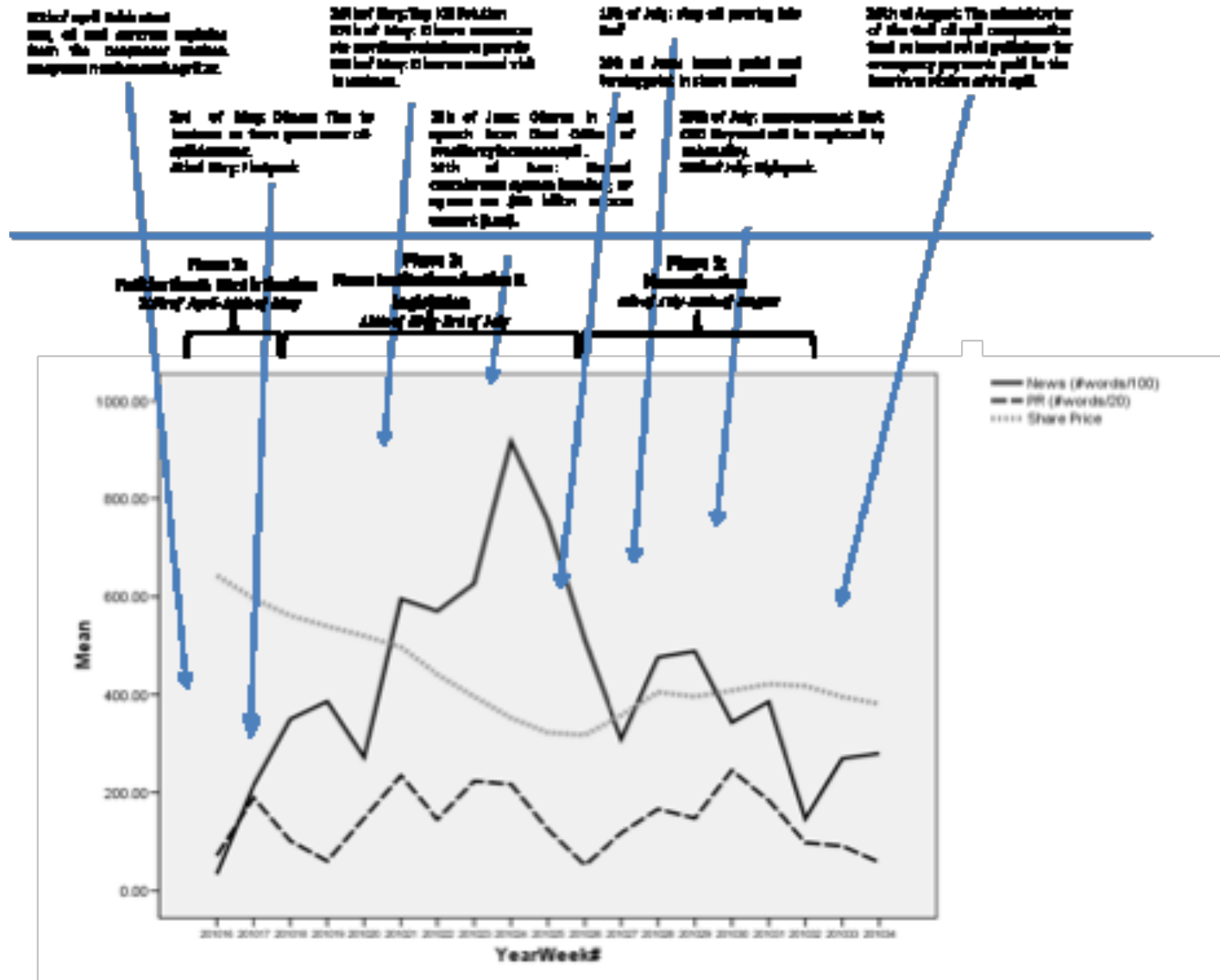US News

3. Study 2 - Results

Findings

- BP's "decoupling strategy": BP presents itself as being not responsible for the crisis, but helping to solve the crisis.

- BP's refers to the idea of "leadership" and environment

- BP`s communicative framing resonated in US news

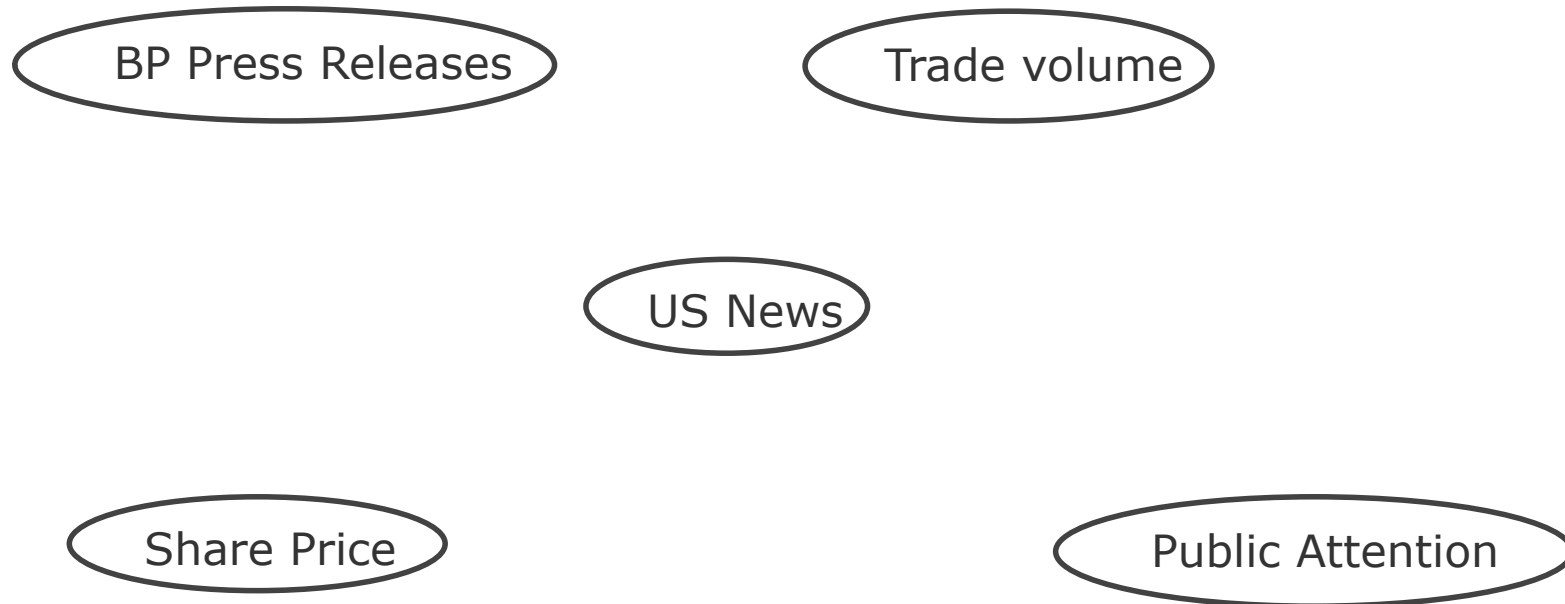- But: Political actors did not succeed in presenting themselves as responsible provider of the solution

Kleinnijenhuis et al. (2011)
under review (r&r)
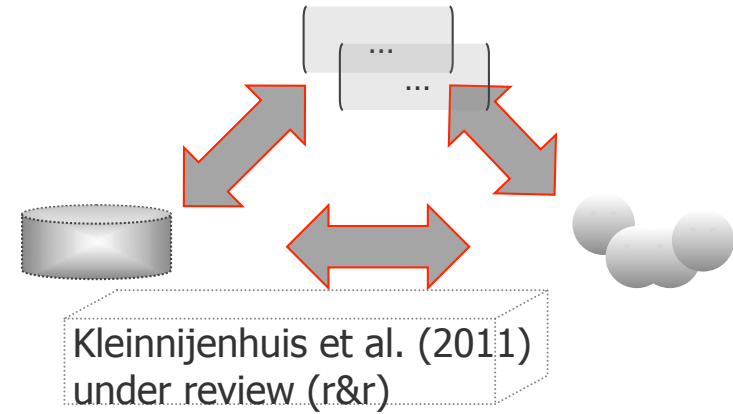
What are the

Dynamics between

Corporations, Media and Stakeholders?

3. Study 3 – Shareprice
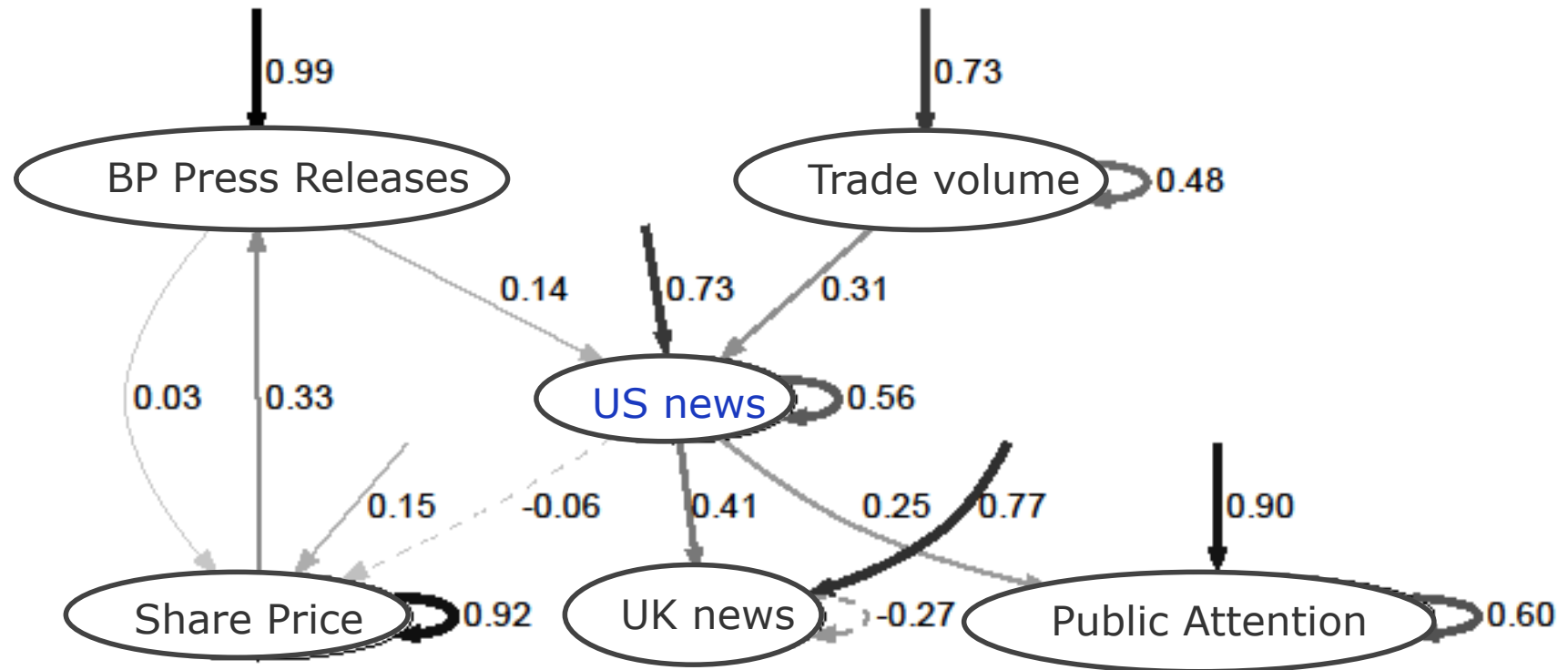
Example: BP Crisis

1. Corporate Communication influences News, but not directly publics & stakeholders

2. News influences publics (and marginally shareholders) and social media discourses

3. Social Media & Internet does not influence news

4. Stakholders influence Corporations, whereas corporations react in opportune moments
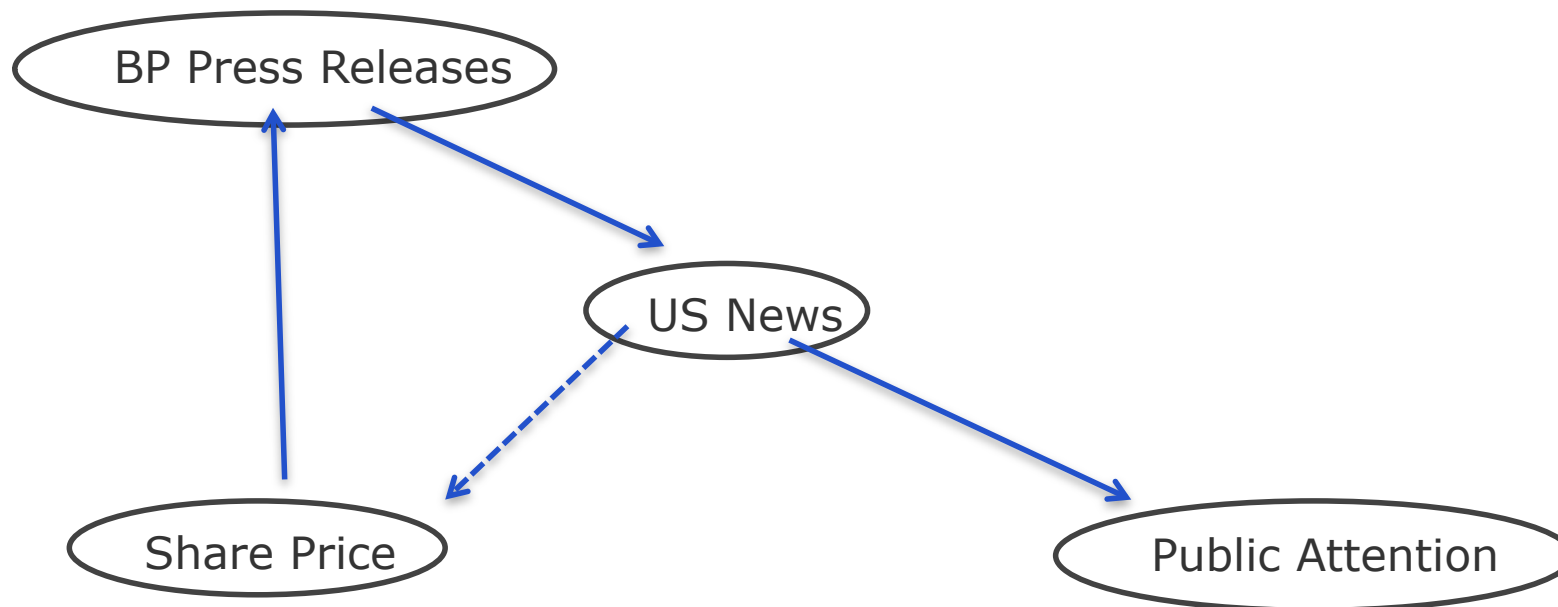
1. Perspectives on Corporation & Globalization
Traditional, functionalist perspectives vs.
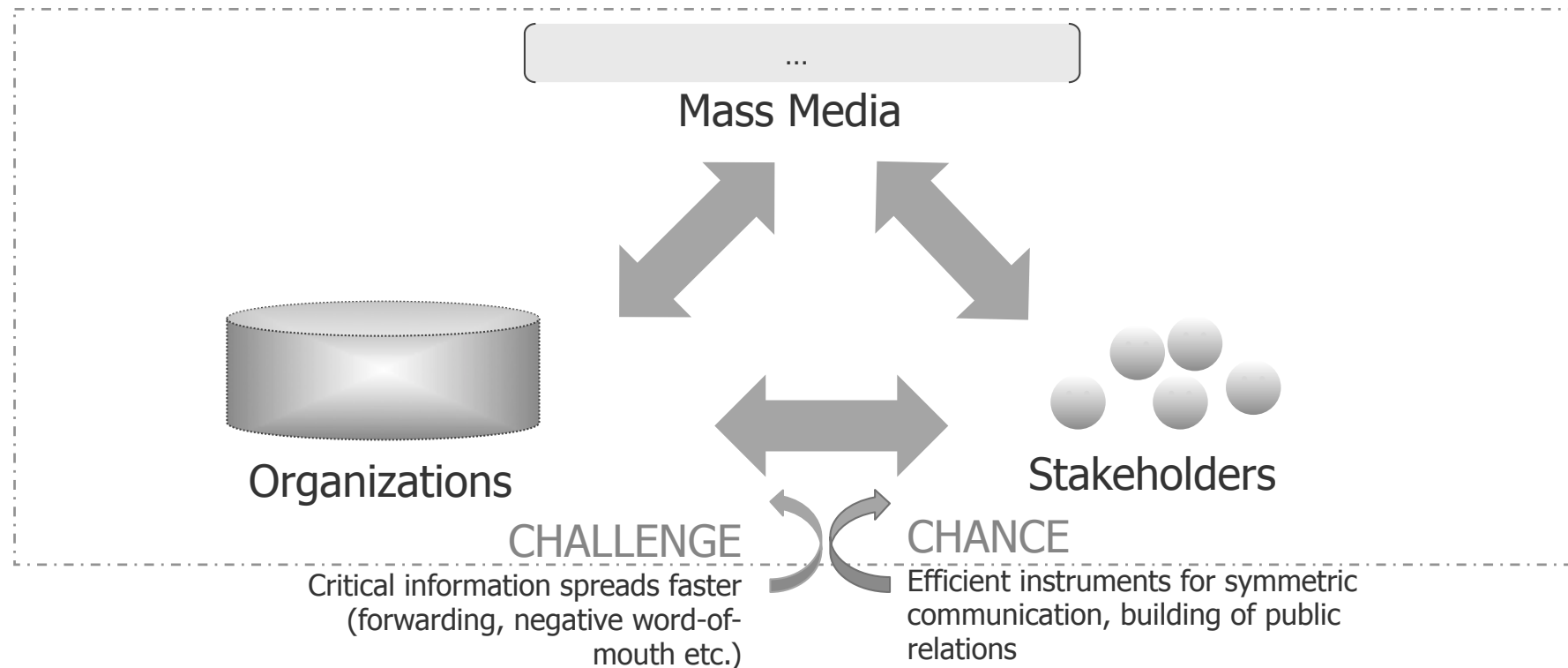broader political perspectives

2. Role of Media & Communication
Changes of economical production and
dynamics between corporations, media, stakeholders

3. Insights from empirical studies
Findings from crisis research (e.g., BP crisis)

4. Summary

Main Question for this lecture:

What is the importance & impact of
traditional and new media in the process of globalization?

1. How do new media change societies, corporations, economies?

2. What are dynamics between traditional media, new media,
   corporations, their stakeholders and legitimacy?

Communicative perspective in contrast to functionalist & political:
- Corporations are socially constructed in complex discourses
- Reality is media-reality: media prefer moral communication
  - *Danger of corporate deligitimization*

Conclusions on impact for corporations, economy, globalization:
- New media drive "globalization", change societies and business responsibility.
  - *From industrial to "networked economy"("non-marked" production)*
  - *From publics to "networked publics": increased Network Activism*

But: Empirical findings also show
- Although social media influences traditional media, traditional media still count:
  - only partially decreasing role of journalists as gatekeepers
  - Power relations are partially reproduced in new media
  - Only partially participation, partially danger

THANK YOU.