Ivan Kadev

PhD student

Department of Management, Faculty of Management and Administration, University of National and World Economy (ÙNWE), Bulgaria

Corresponding author:

e-mail: ivan.kadev@unwe.bg

PUBLIC SECTOR COMMUNICATION MANAGEMENT UNDER THE STAKEHOLDER MODEL - STRATEGIES FOR IMPROVING EFFICIENCY IN PRB

ABSTRACT

Since the beginning of the century, there have been major changes in the relations of business and public sector representatives with individuals and society on a global scale. A number of surveys have found that senior executives in both the public and private sectors believe they are witnessing one of those turning points in history where the rules are changing in fundamental ways and accepted postulates, long-standing institutions and wildly successful enterprises are subject to quick redefinition. Therefore, it is safe to say that at this point the already known paradigms for communications are not valid. Contemporary concepts such as the triple bottom line, governance, sustainability, corporate citizenship, socially responsible behavior (social, environmental and economic), reputation, trust, legitimacy and ethics monopolize strategic conversations from the US to Europe to South Africa. These qualitatively new concepts have (or at least should have) relevance to the future practice of corporate communication.

KEYWORDS: Public sector, Management, PRB, Strategies

JEL: O0, M5, L0

INTRODUCTION

The concept of governance, known in the corporate world as well as in government and the non-profit sector, is receiving attention in all sectors of the economy and academia. Qualitatively new paradigms dictate that a fundamental change is needed in the way companies and institutions and their management operate and organize themselves. This is happening in part because of a series of scandals, both in the public and private sectors, that occurred in the early years of the 21st century and reinforced the idea that companies and institutions do not care much about ethics in their pursuit of profit. At the end of the first decade, the global financial crisis dealt a new blow to public trust in business and institutions. These crises reveal the need for managers and academics to rethink traditional ways of conceptualizing the responsibilities of organizations. A way to restore trust is to implement ideas and processes that demonstrate that organizations care about more than profit. The triple bottom line strategic management, stakeholder engagement, corporate governance and sustainability approaches currently followed by best practice organizations show that profit need not be incompatible

with caring for employees, communities, or the planet. Thus, private and public organizations must be rebuilt around a new set of principles and behaviors, one of which must include stakeholder inclusion, where the legitimate interests/expectations of stakeholders are considered the best interests of the organization. Another important principle is that governance, strategy and sustainability are inseparable.

1. THEORETICAL DIMENSIONS OF COMMUNICATION MANAGEMENT AND STAKEHOLDER THEORY

The modern dimensions of communications present a series of challenges for professionals in the field. According to the *European Communication Monitor*, the largest survey among practitioners and academics in the field of communications, several strategic issues are identified as critical for the next few years. Over 25% of respondents highlighted key issues, including "building and maintaining trust, dealing with the speed and volume of information flow, exploring new ways to create and distribute content, responding to the need to address more audiences and channels with limited resources, addressing digital evolution and the social network, using big data and/or communication algorithms, and strengthening the role of the communication function to support senior management decision-making" (European Communication Monitor, 2023).

Every academic and professional field faces challenges in its development, but communications appears to be a cornerstone right now. Modern professionals face the challenges caused by rapid technological advancements, including artificial intelligence, social network algorithms, and the faster flow of information. At the same time, they must establish a higher level of trust within organizations and beyond by reaching key audiences and combating the spread of fake news. As *Bennett and Manheim* (2006) argue, "The ability to effectively communicate with diverse audiences is central to navigating the challenges posed by new technologies and shifting public expectations." All of this must be achieved within pre-set budget constraints, often resulting in the need to strategically allocate resources to prioritized objectives. Thus, communications professionals today require "in-depth expertise across a broader range of fields than ever before" (Cutlip, Center & Broom, 2012), the ability to adapt in a dynamic environment, and a strong drive to continuously improve their skills.

Two main innovation objectives are frequently cited in the literature as key drivers of innovation adoption: improving service delivery to citizens and increasing job satisfaction among public sector employees. These goals are connected to both external (societal) and internal (organizational) factors in the innovation adoption process. As *De Vries et al.* (2016) point out, "public innovation is often driven by government organizations aiming to serve citizens, particularly by addressing societal needs such as aging or unemployment, or by improving the provision of services to citizens." This shows how innovation adoption is often shaped by the demands of increasingly empowered and personalized citizen services.

Differences in the perceptions of organizational actors have been a subject of study for at least 50 years, with seminal work by scholars such as *Cyert and March* (1963). They conceptualized organizations as "heterogeneous entities composed of functionally differentiated groups pursuing different goals and promoting different interests." Their research suggests that

organizations consist of individuals who negotiate to define the organization's overall goals, which often leads to organizational conflict. This perspective underscores the complexity of managing innovation in organizations, where differing goals and values can create tensions.

Regarding the specific role of top managers, *Damanpour and Schneider* (2006) argue that top management plays a crucial role in the adoption of innovations. They explain that "top management influences the adoption of innovations by controlling resources and influencing strategic decisions." Due to their central position, top managers are often powerful advocates or opponents of innovation, especially in cases where decision-making power is concentrated in their hands. This insight is critical in understanding the differences in perceptions about innovation between senior managers and other members of the organization. As *Henderson and Clark* (1990) note, the views of top managers "can significantly influence the pace and direction of innovation within organizations."

2. METHODOLOGY FOR INCREASING THE EFFECTIVENESS OF COMMUNICATIONS IN PRB ACCORDING TO THE STAKEHOLDER MODEL

Public sector communications have clearly not been a priority in recent decades. As Schweitzer (2021) argues, "When institutions fail to engage with their publics effectively, citizens' trust in these institutions deteriorates, often reaching levels below the critical minimum necessary for a functional democracy." As a result, citizens' trust in institutions is "even below the critical minimum, leading to a sense of doom and/or impunity" (Schweitzer, 2021). This erosion of trust has significant social consequences: "violations and crimes are increasing," and when people are victims of injustice or witness it, they often don't know where to turn for help—who the competent institution is, what procedures are in place, or whether they even have a legal right to seek assistance. As Miller (2019) points out, "The lack of transparency in public communication systems fosters confusion and apathy, leaving citizens disillusioned and unaware of their rights and resources".

The management of communications in the public sector, according to the stakeholder model, offers a real chance to include the most important stakeholder—the citizens—in the functioning of public institutions. As Freeman (1984) explains, "The stakeholder theory posits that organizations must address the concerns of all those who affect or are affected by their operations, and in the case of the public sector, citizens are the primary stakeholders." The absence of a strong civil society is largely due to poorly maintained communications. The application of the stakeholder model can help address this foundational issue and the multiple challenges arising from it.

Key to overcoming these challenges are the dimensions of the reality in which we live—"an increasingly digital world, both in personal and professional life" (Castells, 2010). The digitalization of the public sector, however, "lags far behind the digital transformation that is happening in the parallel reality inhabited by citizens" (Bélanger, 2018). This technological gap not only deepens distrust in the state but also poses risks for public order and the well-being of citizens in general. As Norris (2001) notes, "When public institutions fail to embrace digital

technologies, they alienate citizens, creating a disconnect that threatens the social contract." This digital divide deepens the mistrust and creates dangers for social cohesion.

Therefore, it is crucial to introduce more efficient communication management within the public sector as quickly as possible, using appropriate methods and models. Linders (2012) emphasizes, "Digital communication tools, when applied properly, can significantly enhance the efficiency and effectiveness of public sector engagement." The focus should be on advancing the digitalization of communication systems and approaching citizens through the stakeholder model, which considers their needs and actively involves them in the decision-making process.

3. THE RELATIONSHIP BETWEEN THE EFFECTIVENESS OF PRB COMMUNICATIONS AND CITIZENS' TRUST IN SECURITY INSTITUTIONS AND THE JUDICIAL SYSTEM

The problems with the image of institutions in Bulgaria date back more than three decades. Hirschman (1982) suggests that "the decline of trust in public institutions often becomes a self-reinforcing cycle, where citizens' lack of faith leads to disengagement, which in turn deepens the distrust." This is particularly true in the context of Bulgaria, where mistrust and cynicism toward the public sector are deeply rooted. The distrust is not without cause; "especially with regard to institutions in the field of security and the judicial system, the lack of trust and respect can contribute to increased crime, both domestic and cross-border" (Kramer, 2004). Given Bulgaria's participation in various supranational associations, this eroded trust poses not only national but also international risks, as weak institutions become vulnerable to criminal networks operating across borders.

Distrust in institutions, and more specifically in the judicial system, has several serious causes. One major issue is the "lack of coordination between public organizations, which leads to procedural inefficiencies and the inability to effectively pursue cases" (Sullivan & McGinnis, 2010). This disconnect results in criminals, often well-known to the public, walking free, reinforcing public skepticism. Baker and Day (2007) note that "when institutions fail to present a united front, they undermine their legitimacy and further perpetuate negative public perceptions." As a result, phrases like "we catch them, they let them go" have become commonplace, circulating as a shorthand for the perceived inefficiencies in the Bulgarian legal system. Such "catchphrases" can be damaging to public sector organizations with crucial responsibilities, such as the prosecution service, as they create a skewed image of incompetence and impunity.

The Prosecutor General of the Republic is one of the key figures upon whom public trust in the entire judicial system depends. As Lippmann (1922) argues, "The media plays a pivotal role in shaping the public's perception of leadership, and the image of key figures like the Prosecutor General significantly influences the legitimacy of the institution they represent." This means that not only the organizational structure but also the personal media image of the Prosecutor General must be carefully crafted, ideally well before they even take up the position. A positive and transparent media presence can help restore faith in the institution, whereas neglecting this aspect risks further erosion of public trust.

In Bulgaria, however, the absence of targeted efforts to improve the image of public institutions is glaringly apparent. Mishler and Rose (2005) contend that "trust in institutions is largely shaped by the quality and consistency of their communication with the public." This lack of focused communication strategies—both internally with stakeholders and externally with the public—has contributed to widespread skepticism. Distrust in the work of these institutions is not just a result of failures in their performance but is also rooted in their inability to connect with and engage their stakeholders. To determine exactly which areas of communication need urgent reform, Grunig (1992) emphasizes the need for empirical research to diagnose "the communication gaps that exacerbate public dissatisfaction." Addressing these gaps is critical to restoring trust and ensuring that public institutions fulfill their roles effectively.

The term "stakeholder," as Freeman admits in a recent paper, shows a skewed perspective. Rather than defining the unit of analysis as 'interest groups' or 'constituencies', the term 'stakeholder' deliberately contrasts with 'shareholders' or 'constituencies'. Therefore, its proponents understand the stakeholder theory of the organization as an open challenge to the prevailing neoclassical economic theory of the private and, in recent years, the public sector. The tradition of stakeholder research began to develop after R. Edward Freeman's seminal book Strategic Management detailing the stakeholder approach, published in the mid-1980s. The monograph initiated a still ongoing academic discussion – it comprehensively explains that strategic management of private sector firms can lead to better outcomes if management efforts adequately address the concerns of various stakeholders. Or, in other words, shareholders win in the long run if other legitimate interests in the company are not sidelined.

Over the past decade and a half, two distinct strands of stakeholder research have developed. The field of "Instrumental" or social sciences and the field of "Business Ethics". Although both cover some common ground (such as the aforementioned bias), they differ dramatically in terms of the methods used and the results achieved. Social science is seen as part of organizational studies, partially overlapping with agency theory, network theory, and resource dependence theory, to name a few. Scientists from this field rely on methodological rigor. Stakeholder theory based on business ethics applies different means and reaches different ends. Each shareholder in the company is assumed to have inherent value, regardless of their actual power or legal authority. It seeks to formulate correct ethical norms for managerial behavior.

Although stakeholder theory is rooted in and relates to the organization of private sector companies, there is very strong interest in applying at least some of the findings to managerial decision making in public sector organizations. Although some proponents of stakeholder theory are extremely skeptical of this endeavour, inter- and intra-governmental decision-making processes can benefit from the application of stakeholder principles. That's what it looks like especially true of large-scale investments in information technology, where the risk of failure is particularly high.

Since the beginning of the 1980s and 1990s, there has been a significant change in the approach to public sector management theory in many European countries. The reason for this is the creation of a new concept based on managerialism. To adapt to new conditions, people usually try to adapt existing solutions first. The same is happening here. Models arising from the needs of corporate management, mainly based on marketing theory, have been used to describe the reality of the public sector.

Strategic planning and marketing techniques were to help 'sell' government policy to citizens. They are considered useful because researchers treat the relationship between the state and taxpayers as a regular market exchange - citizens pay for some products and services provided by the public sector directly (when in fact they should have purchased and paid a price under conditions similar to market reality). or indirectly (through taxes). Public institutions, inspired by this theoretical approach, begin to inform their stakeholders, but at first this is more self-promotion than communication. To date, their activity has become a significant support for the implementation of public policies.

The subject area of internal and external communication has been variously referred to as 'public administration communication', 'public agency communication', 'public sector communication', 'administrative communication'. In modern research, the field has been called "government publicity", "public relations in public administration", "promotion", "administrative public relations", "public relations", "external communication", "public relations management in government ", "external relations" or "relationship management". These days, time is returning to the term "government public relations" or "government communication".

CONCLUSION

Close cooperation between the public sector and the media is not new. There are many manuals and guidelines on how to communicate with journalists and inform the public through media relations. This relationship has evolved from competitive to co-existent to cooperative, but it is still far from perfect. Society perceives government communication as propaganda, and practically every public sector organization in Bulgaria believes that journalists are persistent in trying to uncover scandals, and this has not changed since the beginning of public relations in the 1920s. The first guidelines for managing communication in the public sector, which can be classified as a complete theoretical basis, were presented by Herbert at the beginning of the 1980s. Although called by the author "a model of the communication process of government", they are more like a set of advice than a theory. Walsh, more than 10 years later, points to the growing role of marketing in the public sector. The marketing short-term program is suitable for ad hoc promotional and informational needs of public organizations. The newly born awareness of communication needs in public administration structures is explained by him as a result of consumerism, which requires more sensitivity to the wishes of citizens and decentralization of public tasks. This requires public entities to expand the scope of their services and improve the redistribution system.

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