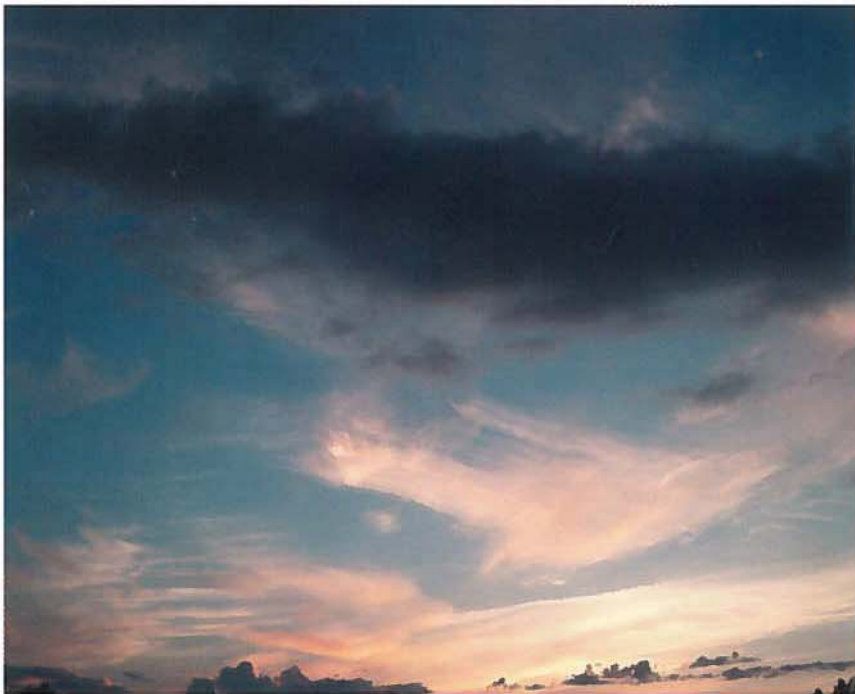Kaja Tampere

Public Relations in a Transition Society 1989–2002

Using a Stakeholder Approach in Organisational
Communications and Relations Analyses

JYVÄSKYLÄN YLIOPISTO

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ABSTRACT

The present study analyses public relations processes, using a stakeholder approach, in Estonia's transition society and the emergence of the 'western' public relations concept in this process. This study addresses the questions of how organisations managed their relations and communicated with different stakeholders in a communist and post-communist (transition) society, how they changed their stakeholder systems, how public relations emerged in a new social context, in a transition society which changed very rapidly and at a fundamental level, and how organisations built up their public relations functions in this situation.

Public relations processes are studied mostly in stable societies, under conditions where only one or two system components have changed. Transition society processes are not typical — in the situations dealt with in this study all possible 'things' changed, which made the situation chaotic. For this reason there is no special public relations definition of a transition society and in practice different definitions from different countries were used. The term 'public relations' has the traditional sense in the present study. The author focuses on relations building and communication management processes in the present study.

The theoretical perspective of the present study is the stakeholder theory of Freeman (Freeman 1984, Donaldson & Preston 1995). The organisations analysed in the present study changed their stakeholder systems due to social and organisational changes: this was a change from government relations to public relations, changes in organisational communication and action focus, and changes in the ideologies of stakeholder relations. In the present study, stakeholder theory is composed of the live organisations concept (Miller 1978) of systems theory and processes of systems changes in a historical context. In general all analysed processes in the present study deal with the change from totalitarianism to democracy, from a planned to a market economy.

Two case studies in the present research are specific examples from post-communist Estonia. Both organisations, the Estonian Telephone Company (ET) and Estonian Energy Company (EE) were strategically important and secret enterprises in the communist period and both were reoriented along with changes in society.

The findings of the present study may be relevant in a wider context as an analysis of communication and organisation relations in a post-communist transition society in general. It will be shown how theoretical approaches and models, which had proven themselves in 'old democracies', have been modified in Estonia, in a way characteristic of a transitional society. Several fundamental truths of the 'old democracies' have gained a new meaning in the new social context.

Keywords: public relations, government relations, communication, change, stakeholders, worldview, (organisational) culture, ideology

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PREFACE

When the Estonian tricolour was again hoisted to the top of the tower of Tall Hermann in Tallinn in 1989, not many people in Estonia really believed in the total decomposition of the Soviet Union — so deeply had the regime been rooted in the thoughts and feelings of people that even the most dramatic steps to achieve independence seemed unreal. Communist society influenced people very strongly. The communists tried to control, develop and change people's behaviour, thinking and feelings. The system shaped its population, terrorised, and threatened every unacceptable word or deed. The main aim of the communist ideology was to keep people as uninformed as possible. People's communications were even restricted physically — the lack of phone lines itself limited the possibility of communication; correspondence was hindered; TV and radio usage was regulated by the fact that TV and radio sets were not available. In addition, strict control over the possibilities of communication were enforced with the help of the KGB. The official ideological concept was that people were happy in 'their country of workers and peasants', and capitalists produce material goods to dupe people in order to hide actual oppression.

The communist period was also rather important to me: I was born at the time Brezhnev seized power and when he died I was just graduating from high school. Our family's situation was typical in the Estonian communist era and the circumstances dictated that my conception of the world and understanding of life and people differed from what I was allowed to express. Therefore, communist-style communication and so called "double speech" became clear to me even at home. This public lie that accompanied us in our everyday life was also supplemented by personal lies necessary for survival. This conflict in my personal experience and the unique changes in the world in general have provided the key motivation for my undertaking this study on communication processes of the communist society and on its successor, the transition society.

The present work has developed in stages and various people at different times have supported me in writing the present paper. I am especially grateful to Professors Marju Lauristin and Peter Vihalemm of Tartu University and to Professor Jaakko Lehtonen of Jyväskylä University. Also I am very grateful to all those who have assisted with translation, correction and other technical work connected with the final preparation of this work. I'm very grateful to my colleagues who supported me by providing the opportunity to work on my thesis. And finally my sincere gratitude to my family, which suffered through the turmoil of this thesis without complaint.

This thesis is dedicated to my parents, who unfortunately will never be able to read my doctoral thesis. Their most beautiful, active and 'best time of life' remained in the communist society: I'm proud of them for sacrificing their intellectual freedom and physical comfort, and for their efforts to keep up appearances in the truly crazy situation which existed in the Soviet Union.

Tallinn, 2003   Kaja Tampere

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1 INTRODUCTION

The aim of the present study is to analyse public relations processes, using a stakeholder approach, in Estonia's transition society and the emergence of the 'Western' public relations concept in this process. This study addresses the questions of how organisations managed their relations and communicated with different stakeholders in a communist and post-communist (transition) society, how they changed their stakeholder systems, how public relations emerged in a new social context, in a transition society which changed very rapidly and at a fundamental level, and how organisations built up their public relations functions in this situation.

1.1 Definition of the concepts

Public relations theories are process theories and therefore they lack an explanation of who is the object of the public relations process and why certain steps are taken. Stakeholder theory is a theory of actors that explains the relations between actors. It provides answers to the questions: for whom, what and why? Stakeholder theory is not explicit theory but rather a loose collection of theories and models, which aim to define the role of stakeholders in the organisation's performance. Jawahar and McLaughlin have presented a descriptive stakeholder theory, which represents the changes in the relation-ships between organisations and various stakeholders during the life cycles of the organisations (Jawahar & McLaughlin 2001). In the present study the different life cycles of context organisations are different societies and changes in life cycles are therefore changes in society. Naturally there are many possible ways to classify the different life cycles of organisations, but most are not used in the present research. What are needed are explicit classifications and models that show how stakeholder relations can be managed under different conditions. Stakeholder theory is the best candidate to describe and outline an organisation's complex network of dependencies (Lehtonen 2002). The different life cycles of an organisation, in the context of the present study, are communist and post-communist societies and different layers of these societies.

The theoretical perspective of the present study is the stakeholder theory of Freeman (Freeman 1984, Donaldson & Preston 1995). The organisations analysed in the present study changed their stakeholder systems due to social and organisational changes: this was a change from government relations to public relations, changes in organisational communication and action focus, and changes in the ideologies of stakeholder relations. In the present study, stakeholder theory is composed of the live organisations concept (Miller 1978) of systems theory and processes of systems changes in a historical context. In general all analysed processes in the present study deal with the change from totalitarianism to democracy, from a planned to a market economy.

The present study grows out of the European school of public relations and communication management studies: the author used 'The Bled Manifesto' (Van Ruler & Verčič 2002) concept as an important approach from the public relations theoretical field. Public relations can play an integrative role in building bridges between transition societies and Western Europe. Such societies may contribute valuable aspects to the school of European public relations. The author also drew on the Grunig and American school public relations approaches to describe aspects of worldview and to analyse communication and public relations models (Grunig & Hunt 1984).

Public relations is regarded as belonging to the communication sciences, though its representatives stress its independent nature (Lehtonen 1998: 119). Dozier defines public relations as follows: '*Public relations is an applied social science, a branch of organisational sociology which derives substantial conceptual contributions from system theory, organisational theory, communication, psychology, social psychology, game theory, and other areas of social inquiry*' (Dozier 1993: 227).

Public relations processes are studied mostly in stable societies, under conditions where only one or two system components have changed. Transition society processes are not typical — in the situations dealt with in this study all possible 'things' changed, which made the situation in some ways chaotic and unpremeditated. For this reason there is no special public relations definition of a transition society and in practice different definitions from different countries were used, predominantly from the American school. The term 'public relations' has the traditional sense in the present study. The author focuses on relations building and communication management processes in the present study. According to the authors of the Bled Manifesto: 'it is no use making a distinction between communication and relationship. /…/it is obvious that — at least in Europe — even public relations researchers cannot make any clear difference between communication and relationship' (Van Ruler & Vercic 2002). Of the multitude of different public relations definitions, the author finds that the most applicable for the present study is the following: '*Public relations is that specific operating philosophy by which management sets up policies designed to serve both the company's and the public's interest. A long–range, carefully nurtured effort to develop and maintain a strong, resilient and positive consensus from all of the publics upon whom the activities of the institution impinge*' (Steinberg 1958, cited in Baskin & Ardnoff 1992). Considering this definition, the philosophical aspect is particularly important. In the author's opinion it is important that public rela-

tions practice always be anchored in a philosophic-strategic worldview, even to solve technical-tactical questions. On this level it is possible to define differences between communication management in different types of societies. The term public relations was unknown in the Soviet Union. But communication, communication management and propaganda existed. The present author, with long personal experience in a communist society, can say that in some ways public relations is ideological action. And to speculate a bit more — persons who are public relations professionals in democratic societies could, if fate sent them to live in a totalitarian society, effortlessly assume a Communist Party organiser's job. The differences are political and ideological, existing on a worldview level (communist or democratic worldview, symmetric or asymmetric worldview, etc) but at a technical-tactical level, the jobs are very similar.

In stakeholder thinking, the public relations concept is also possible to define: it is communication process management used to build up good relationships between different stakeholders in an organisation's different life cycles. Communication is activity, process. Relations with stakeholders are the results of these activities and processes. Communication can occur in different forms: words, pictures, semiotics, nonverbally, musically, etc. The same is true of relationships. Relationship building, according to stakeholder thinking, is always based on stakeholders' and organisations' freedom to think, speak and act in ways they would like, as long as they do so in an honest and non-manipulative manner. And of course organisations are dependent on stakeholders.

1.2   Research objects

Two case studies in the present research are specific examples from post-communist Estonia. Both organisations, the Estonian Telephone Company (ET) and Estonian Energy Company (EE) were strategically important and secret enterprises in the communist period and both were reoriented along with changes in society. Due to their experience under a communist regime, they had first-hand knowledge of the techniques of communist government ideology. The worker's perspective and ideological attitude in both organisations were well controlled by the KGB. In the communist era both of them were totally closed secret organisations. Both of them started to change together with society and encountered a lot of communication and relations field problems in the process. This was not only an economic and organisational development from a planned economy to a market economy — it was a complex and emotional effort mixed with different crises, changes in fundamental beliefs, values, culture, ideology, relations, worldview etc. Both of them are still in the Estonian business arena today; now each has a new face — they are big monopolies, innovative and modern organisations, business successes but with poor images.

The two case study organisations were compared with other Estonian state-owned companies in the present study. The present study also deals with background research on transition societies' organisational communications and public relations.

1.3   Research problem

Changes in society had quite clear goals, while the goals of organisations were not as clear at the beginning of the change process. Organisations lost their old stakeholders and they did not know who would be the new stakeholders and what the stakeholders' expectations would be. For this reason the present author observed the process of changing stakeholders on a larger scale and in different aspects (communication, culture, ideology, worldview), not just the changes from one stakeholder system to another. The present author tried to determine and describe important influences and factors of the environment (communist society influences and transition society peculiarities) in this process, which played important roles and which determined the final results. Some of the key aspects connected with stakeholder system changes in the present study are:

- openness and inclusion of organisations which were based on different political and cultural ideologies
- the role of communication in relationship building processes
- conflicts between the communist worldview and democratic worldview in a transition society
- changes in the thinking of organisations' members and leaders at a personal and collective level
- stress arising from total changes in society in general, in working collectives and in peoples' personal lives

The main research questions in the present study are:

- What kinds of problems did organisations encounter during the period of fundamental changes in society?
- In what way did organisations change their stakeholder systems due to the influence of social changes?
- What role did communication play in the stakeholder system change process?
- What differences exist in public relations and communication management in different types of societies (communist, post-communist/transition and democratic society)?
- How was the public relations function born in the post-communist situation?

- How is it possible to use public relations and communication models and theories developed in a market economy situation in a post-communist society?
- How do the stakeholder theory and public relations concepts 'work together' in a transition society?

The findings of the present study may be relevant in a wider context as an analysis of communication and organisation relations in a post-communist transition society in general. It will be shown how theoretical approaches and models, which had proven themselves in 'old democracies', have been modified in Estonia, in a way characteristic of a transitional society. Several fundamental truths of the 'old democracies' have gained a new meaning in the new social context.

1.4   Presentation of environment

To understand changes in society from totalitarianism to transition it is necessary to present the peculiarities of a totalitarian society. Sartori (1987) determined six important conditions of a totalitarian society:
- official ideology
- only one mass party controlled by an oligarchy
- a government's monopolistic control over the army (armed forces)
- a government's monopolistic control over the mass media
- a terrorist police system (militia)
- a centrally managed economy

Colin Sparks (1998), in his book *Communism, Capitalism and the Mass Media*, remarks on the essence of the communist system and suggests the word 'totalitarian' be used while speaking of communist regimes. According to Sparks, it is the relationship of society to the mass media that characterises the difference between a communist society and a democratic capitalist society. Furthermore, in a democratic society the economy and politics are separated; the economic side is usually represented by private interests, and politicians concentrate their efforts on the public interest and on the public well-being. Control and power are divided between social groups in a democratic society. Sparks defines totalitarianism as follows: *A totalitarian system is a system in which the centralised elite leadership has a wide range of technologically advanced instruments to implicate political power in order to implicate, on the basis of arbitrary ideological grounds set by the leaders, social revolution, also to work on people physiologically in an atmosphere of unanimity that has been forced upon all.* (Sparks 1998: 25)

Societies changing from totalitarian to democratic are called transition societies. Transition is not a one-way process of change from one hegemonic system to another. Rather, transition constitutes a complex reworking of old social relations in the light of processes distinctive of one of the boldest projects

in contemporary history — the attempt to construct a form of capitalism on and with the ruins of the communist system. (Stark 1996; Smith 1997)

Mainstream transition theory has, then, largely been written in terms of the discourses and practices of liberalisation. (ed. Pickles, Smith 1998) Theories of transition attempt to move the ground away from such perspectives by directly engaging the criticisms of communist society. Liberalisation can thus be thought of in terms of what Michel Foucault has called the 'technologies of the social body': as a series of techniques of transformation involving marketisation of economic relationism, privatisation of property, and the democratisation of political life (Foucault cited Pickles, Smith 1998). Each seeks to de-monopolise the power of the state and separate the state from the economy and civil society. Marketisation seeks to free up the economy. Privatisation aims to break up economic monopolies in the sphere of production, purchasing and distribution. Democratisation and de-communisation aim to break the hold of the Communist Party in political life and to enable a rejuvenated civil society to emerge. Each technique of transformation, along with its specific instruments and policies, brings about a fundamental reorientation in the position of post-communist states in the global economy (ed. Pickles, Smith, 1998: 2–4)

After the revolutionary changes in the eastern part of Europe in 1989, the concept 'societies in transition' has become a common phrase referring to the countries of Eastern Europe and the former Soviet Union. In each of them, one may speak of systemic changes at all levels of society as a whole, which would result in the emergence of a new kind of society. The word 'transition' implies some evaluative teleological content: one may ask about the objectives of transition, and try to forecast its positive final state (e.g., democracy) as well as describe its initial point of departure in negative terms (e.g. totalitarianism, apartheid). Societal, social and individual levels of change in every post-communist country are integrated into the systemic whole by common cultural characteristics, partly rooted in national culture, but at the same time strongly influenced by the all-European cultural environment and by global processes. (Lauristin & al. 1997: 26) The year 1989 was not a political shift from autocratic, mono-party regimes toward parliamentary, multiparty systems — the ultimate victory of democracy; nor was it an economic break from a socialist, planned, command economy, to a basically free, capitalist market — the second birth of capitalism. It was not a radical transformation of institutions, nor the restitution of some earlier social order — 'the return' to Europe, to the West, to 'normality'. Rather, it started the reconstruction of a new social order from a strange mixture of components of varied origin. It was a major cultural and civilisation break, a beginning of the reconstruction of the deepest cultural tissue as well as the civilised surface of society, the slow emergence of a new post-communist culture and civilisation. (Sztompka, 1996: 120) Analysing Estonia's transition as an example of transformation processes in the post-communist countries of Europe, we assume that these processes cannot be properly understood as the sum of 'positive changes', inspired and evaluated from the West. Transition as a type of societal change is full of inner contradictions. On the most general level,

these contradictions could be described as a permanent tension between structures and agencies: changing structures create new agencies exercising new pressure upon the structures.

One of the most important lessons to be learned from the story of the collapse of communism is the importance of the role of cultural factors. In order to understand the role of cultural resistance to the Soviet system, one should also take into account the nature of the Soviet Empire as an attempt to create a new kind of global civilisation. (Lauristin & al. 1997: 29) Soviet communism was a dangerous mix of traditional ideas of European Enlightenment in their Marxist version, expressed in a language similar to the language of the French revolution and classical German philosophy, combined with the Byzantine and even Asian practices of traditional authoritarian societies, denying autonomy of the individual 'self', not recognising individual rights and freedoms, and not allowing any opportunity for free personal choice or honest self-expression. Soviet culture was a strange mixture of collectivist values of Marxist philosophy with traditions and rituals of especially Russian (or Orthodox) origin. Official communist ideology employed the concepts of freedom and equality that were familiar in Western rhetoric, but implemented them in a reversed and absurd way. (Lauristin & al. 1997: 31)

Estonia provides an excellent case study of the connectivity between political and economic processes for at least three main reasons. Firstly, it has followed one of the most determined paths towards capitalist modernisation of all the states of the former Soviet Union and Eastern Europe (Lugus and Hachey 1995). The social, political and economic effects of this strategy, and the way that they have led to increasing social and spatial differentiation, are already becoming starkly apparent. Secondly, Estonia provides a good and well-studied example of the ways in which a specific new national identity is being created (Lieven 1994, Pickles, Smith 1998). With its substantial minority population of Russian speakers, the methods through which the Estonian government has sought to introduce a specific kind of democracy to the country are particularly interesting (Pickles, Smith 1998). Thirdly, Estonian politicians have sought to move as rapidly as possible towards integration with the European Union for both political and economic reasons. The implications of such a policy for local social and economic change within Estonia have been of considerable significance in shaping the lives of people in different parts of the country. (Unwin, 1998)

The Estonian example has important ramifications for the theoretical debates surrounding transition. The emergence of a new national identity in Estonia owes much to the global character and rhetoric of so-called liberal democracy and the free market. The historical Estonian national identity, which found its expression in the First Republic of the inter-war years, and which was derived from the country's national awakening in the 19th century, briefly re-emerged in the early 1990s. However, this has rapidly been swamped by a new identity, based on the rhetoric of the free market and a liberal democracy. (Unwin, 1998)

1.5   Paradigm of change

Relation processes and strategic communication management in the transition society of Estonia take place in the paradigm of fundamental changes: society, organisations, people's thinking, worldviews, culture, ideology etc. changed during the years from 1989 to today. And most organisations changed their stakeholders. Public relations case studies demonstrate that environment is one of the most influential factors in communication processes. The environment of an organisation can be called a 'home' for organisations' stakeholders, influencing their ideas, decisions, opinions, and attitudes. Environment is a space for education and discussions, conflicts and consensus etc. Changes in environment (in the type of society considered in the present study) are dominant factors in organisations' stakeholder analyses.

The changes are related to planned or unplanned responses to inner or outer pressure. People feel stability exists when a situation is predictive and reliable, without sudden changes and instability. People wish to be cautious in the change process, because it might cause resistance by other groups. For example, on an individual level the process is influenced by fear of innovation, personal interests, or attitudes that hinder the understanding of changes, etc. These influences prevailed in 1989, a time when a very wide area of Europe was involved in a process of change. These changes affected nearly all parts of society, from individual to organisation, culture, values, symbols, language, thinking, understanding and behaviour.

The preliminary euphoria that followed the end of communist society might have turned into fear because people found themselves in a new, unknown situation. The same applies to organisations.

One way to ease the fears of the members of a society is clear, understandable and fair communication. But this is problematic because the communication customs of a totalitarian society are totally different from what people usually assume and expect, and what are accepted by democratic societies. Fears resulted from changes, and poor communication by the state with its public can be illustrated by the low rating of the Estonian government, the misunderstanding of various organisations (also the 'heroes' of the present survey, Estonian Energy and Estonian Telephone Company, faced the same problem) etc.

1.6   Structure of the study

The empirical aspect of the present study is based on an historical axis (Figure 1.1)

FIGURE 1.1   Historical axis of present study

Y: 1989–1992	1997	1998–1999	2000–2002
Beginning of changes in Estonian Telephone Company (ET), break down of old stakeholders system	ET dialogue with the public, new stakeholders system building	Change process in Estonian Energy Company (EE)	Communication analysis of Estonian state owned companies

The establishment of Estonian PR as a profession, Estonian organisations analysis in general

This study is composed of eight chapters. The introductory chapter includes the statement of the research problem and presents environmental particularities. Chapter 2 includes theoretical explanations in the context of the present study — stakeholder thinking in public relations and communication management processes. Chapter 3 presents research settings: methodology and data collection, research questions and hypotheses. Chapters 4, 5, 6, and 7 report the findings of the study. Chapter 8 includes a summary of the findings, conclusions and discussion.

2   STAKEHOLDER THINKING

Stakeholder theory is a theory of organisation. The concept of stakeholder management was introduced in the strategic management literature by Freeman (1984). Recently, Donaldson and Preston (1995) presented a taxonomy of stakeholder theory types — normative, instrumental and descriptive/ empirical — and used the taxonomy to guide their discussion of stakeholder literature. Wood and Jones (1995) propose that stakeholder theory is the key to understanding the structure and dimensions of a firm's societal relationships.

In the present study, two types of relational systems are explained via stakeholder theory: organisational and societal relations in different periods of history. An important aspect of this analysis is that both systems underwent fundamental changes in this historical process. Another important fact is that the historical change process brought along new meanings and notions that were unknown in the previous period, e.g. emergence of the notion of social responsibility. These changes are brought out via communication and information exchange; messages and relations between the organisation and stakeholders can be considered as key to the understanding of the essence and behaviour of the system.

Much of the literature in stakeholder management derives from the normative realm, which concerns the way in which managers should deal with corporate stakeholders. One of the central tenets of normative stakeholder theory is that organisations should attend to all the interests of their stakeholders — not just to the stakeholders themselves. A common theme among these scholars is that organisations should treat stakeholders as 'ends' (Boatright, 1994; Clarkson, 1995; Evan & Freeman, 1983; Goodpaster, 1991). In general, scholars with normative perspectives prescribe how all stakeholders should be treated on the basis of some underlying moral or philosophical principles. The implication is that moral principles should drive stakeholder relations — an implication not supported by empirical research (Berman, Wicks, Kotha & Jones, 1999).

Instrumental theory links 'means' and 'ends' and contains such statements as 'certain outcomes (corporate performance) are more likely if organisations/ managers behave in certain ways (strategically manage stakeholders).' A fundamental assumption is that the ultimate objective of corporate

decisions is marketplace success, and stakeholder management is a means to that end. Synthesising ethics and economics, Jones (1995) provided the most well-articulated instrumental theory. He makes the case for a general proposition that if organisations contract (through their managers) with their stakeholders on the basis of mutual trust and co-operation, they will have a competitive advantage over organisations that do not. In general, instrumental stakeholder theorists stop short of exploring specific links between cause (stakeholder management) and effect (corporate performance) in detail, but such linkage is certainly implicit (Donaldson & Preston, 1995).

In contrast to the normative and instrumental perspectives, very little descriptive theory, which describes how organisations interact with stake-holders, exists in the extant stakeholder management literature (Berman et al., 1999). Brenner and Cochran (1991) were the first to propose a descriptive stakeholder theory of an organisation. According to them, 'The stakeholder theory of the organisation posits that the nature of an organisation's stake-holders, their values, their relative influence on decisions and the nature of the situation are all relevant information for predicting organisational behaviour' (1991: 462; sited Jones & Wicks, 1999:208). Although Benner and Cochran argue that 'values which are highly weighted should be favoured in actual choice situations' (1991: 462), they stop short of both substantive prediction and description of the mechanisms through which the predicted behaviour might occur (cited Jones & Wicks, 1999: 208). In another attempt at descriptive theory, Jones proposes that 'managers behave as if stakeholders mattered because of the intrinsic justice of their stakeholders' claims on the organisation' (Jones, 1994: 100). Researchers have investigated claims of this type and found some support for them (e.g., Clarkson, 1995) As Jones and Wicks note, 'claims of this type do not fully exploit the possibilities for stakeholder-based descriptive theory' (1999: 208). Recently, Mitchell et al. (1997) attempted to develop a descriptive stakeholder theory. Their propositions about stakeholder identifi-cation and stakeholders' salience to corporate managers are based upon the moral legitimacy of a stakeholder's claim, the stakeholder's power to influence the firm, and the urgency of the stakeholder issue. The central thesis of their theory is that stakeholder salience will be positively related to the cumulative number of stakeholder attributes of power, legitimacy, and urgency. Jawahar & McLaughlin (2001) offer a new and more comprehensive stakeholder theory in which they describe which stakeholders will be important (or salient), when they will be important, and how organisations will deal with stakeholders who vary in terms of importance. Additionally, and in contrast to the (implicit) focus of much of the organisational literature on mature organisations, their pro-posed theory addresses the aforementioned concerns within the context of each stage of the organisational life cycle.

Present research applies stakeholder theory in a descriptive paradigm. This means describing the organisation and its stakeholder systems in different life cycles and analysing the communications and relations of each system. The life cycles of Eesti Telefon (ET) and Eesti Energia (EE) can be divided into three

periods: the communist period, the transition period and the stock company period. Since life cycles change, stakeholders and organisations themselves also change, which also means changing relations and communication between organisations and stakeholders (Table 2.1)

TABLE 2.1 Relations and communication in different changing organisations' life cycles in a situation where changes were due to fundamental changes in society

Organisation life-cycle	Stakeholder network	Relations with stakeholders	Communication with stakeholders
Communist period	Stable	Based on control, powerful relationship with government leaders (government relations), business and political stakeholders were mixed	Propaganda, which followed communist ideology, most information was confidential, most messages were secret, truth was not essential, texts were technocratic and specialists saw clients as stupid, clients were outside the stakeholder system
Early transition period	Confounded	Chaos: on one hand they tried to find partners and new relationships but on the other, their behaviour was still in the Soviet style; first steps to separate business and political stakeholders	Ungovernable (chaotic) model, communication with society was not important, communication style was similar to Communist period
Early stock company period	Unbalanced	First steps to build up customer relations, crises with old customers about prices and service quality, unclear stakeholder system, problematic relations with new society leaders who were not communists	First steps to planned communication and openness, no rules, eclectic style, technocratic rhetoric, communication with stakeholders via media: concept to inform not fixed and not segmented; anonymous 'public'
Stock company in stock exchange	Stable	Relations are complicated because stakeholders have memories of past and dreams about democracy, client service is not at a good level because employees strongly influenced by Soviet period	Communication follows stock exchange rules

This study interprets the relations and roles of an organisation in terms of communication. Relations are built with the help of communication: if commu-

nication on the organisation's part is honest, clear and oriented toward dialogue, stakeholders are more interested in remaining stakeholders. Good and effective communication is a necessity of good relations.

The empirical material of the present study proves that an organisation develops certain stakeholder systems in different life-cycles and that each system has its own content, e.g. in the communist period the stakeholder system of organisations was based on control, but in the early transition period on partnership and technological achievements. The stock company period was characterised by an artificial or theoretical stakeholder system, where priority was attributed to clients and potential clients. In reality, this system started to work only after a few years. A conflict arose between the organisation and its new stakeholders that blemished the image of the organisation. This was caused by mutual misunderstanding and inadequate communication. The reason for conflict was poor communication and a closed style of behaviour on the part of the organisation.

Based on the empirical material from the present study, it can be said that organisations are capable of changing their stakeholder systems quite rapidly and, in certain conditions where organisations do not have 100% control over situations, stakeholders continue to exist independently, being capable of emerging and disappearing. Stakeholder systems do not always have to be managed; they are capable of continuing on their own, out of routine.

Obviously it is more beneficial to the organisation if it is capable of consciously creating its own stakeholder systems, and managing relations with them. But there do occur situations where management is temporarily impossible. For example, in this study the total systemic change that affected the organisation, its environment and stakeholder systems can be considered such a situation.

The stakeholder systems of the communist period of the objects of this study can be characterised by the fact that business and political stakeholders were mixed. This is a characteristic feature of a totalitarian society in which politics controls the economy.

The life cycle of a transition period is characterised by a sharp increase in the activity of the so-called stakeholder community. The end of the totalitarian society gave rise to a certain illusion of possibilities in democracy and community members started to realise these immediately. Organisations were much 'clumsier' and the community stakeholders' intentions did not receive any response. Community stakeholders were also active in the stock company life cycle, contributing to the deeper gap. Descriptions of the organisation and its stakeholder systems are based on Freeman's stakeholder map (Freeman 1984) and on the fully linked stakeholder map (Key 1999). Freeman's stakeholder map provided a way for organisations to strategically assess these effects via stakeholder identification. Freeman (1984: 46) defined a stakeholder as 'any group or individual who can affect or is affected by the achievement of an organisation's objectives'. Freeman suggested that organisations should identify their direct and indirect stakeholders, but he drew the line at business's

obligations to external social actors. The basis of managing stakeholder relationships once identified and analysed for 'fit' is utilitarianism. That is, an organisation must make trade-offs between its goals and the goals of its stakeholders (Key 1999). Freeman's work does not sufficiently address the dynamics, which link the firm to the stakeholders that are identified. His categorisation involving power and stake, or interest, laid the groundwork for a method of achieving this. This is a suitable approach for the purposes of this study, because the ideology in different life cycles of an organisation was based on power, often egoistic in nature, in the organisation. This tendency was less vital in the communist period, where certain stakeholders held power, but more vital in the transition and stock company periods, where the organisation held power and became more self-centred.

Stakeholder theory inaccurately assesses the environment as static. Because the system and the processes that underlie the system are not fully addressed, the picture of the organisation at any given time is fixed. Thus the element of change that occurs over time is not explained using Freeman's model. In the present research, the paradigm of change is an important aspect in explaining the communication processes and systems of social relationships.

2.1   System approach

An organisation as a system in a paradigm of change is important in explaining the stakeholder systems in this present study. The system is an interactive unit that has certain limits, reacting and adjusting according to the pressure of the changing environment, in order to achieve and present the final state. (Cutlip 1985: 184). The interactive unit in the context of public relations covers organisations and their stakeholders that, now or in the future, interact within a certain period of time — they either influence each other in some way, or have some connections. It is also possible to define an organisation as a set of units of mutual influence. In this respect we can consider the organisation a system. As organisations exist in dynamic social environments, in response to changing environments they have to change their inner processes and rearrange themselves. If that kind of a correction and adaptation is missing, the organisations will be left behind the rest of the world. The organisation and the system of stakeholders within the surrounding world can be one part of a bigger unit comprised of sets of mutual influence, and we can view it as a component of a social system (Cutlip, 1985: 185–188).

Unlike physical and biological systems, the definition of a social system does not depend on physical relationships within the system. The system is defined here rather on the basis of clarifying the organisation and its stakeholders. The system of an organisation and its stakeholders consists of an organisation and the stakeholders that the organisation influences, or the stakeholders that influence the organisation. In democratic societies,

organisations constantly correct their relations with the wider public, as well as with more specific stakeholders, and react to changes in the environment. There are only a few important stakeholders in a totalitarian society, and, according to those stakeholders, changes will take place — this stakeholder group is the governing mass party and its representatives (KGB, etc). Stagnation, which is characteristic of that society, is revealed especially well in system theory. Organisational behaviour was corrected on the basis of the input of its stakeholders, but the correction was only superficial, causing the so-called symptom of 'exhibit' typical of communist society, which in some aspects is similar to the 'Potemkin village' presented in the history of public relations. Organisations should be able to adjust their aims and relations to the changing environment and to their stakeholders, in order to manage the pressure (Cutlip 1985: 186). This is very important, especially in the context of a transition society, which deals with very fast changes. Organisations, on the other hand, were rather static because their organisational culture was established during the communist stagnation, and so these organisations were not ready for quick changes and reactions. The above-mentioned also explains the fact that the environment (society) developed more quickly than organisations and this caused conflicts between organisations and the environment (Tampere, 1999: 31)

The system theorist Miller states that this kind of counter-effect between organisations and their societies is very important for survival. Miller's concept of higher rank systems, which was used in defining the system environment, states that the system should have a counter-effect with its environment, and with the other parts of the super-system in order to survive, and it should make corrections according to them. These processes change both the system and the environment. Live systems adjust to their environments and also form them. As a result of counter-effect, each becomes a reflection of the other (Miller, 1978: 29–30).

The ability of an organisation to correct its activity under new conditions, and the ability to adjust to these conditions is greatly dependent on how sensitive the organisation is to its environment, how capable it is of receiving signals from its environment and of sending out signals to its environment (Wilensky 1967:10)

2.2   Changing stakeholder systems

Organisations analysed in this paper have had different life cycles and, according to stakeholder theory, we can define the different stakeholder systems at different stages. Depending on life cycles and stakeholder systems, organisations have different cultures — values, ideologies and communication modes — at every stage of change, and different ways of understanding organisations' roles in society and their responsibilities to society. In every new stakeholder system, organisations build up new cultural relations and com-

munication systems, but every new system and life cycle is influenced by the past. That means that at every stage an organisation changes values, ideologies and communication, but it can't erase collective memory. Changes are possible at a macro level (organisational changes in structure, mission statement, leadership, etc,) but at the micro level (people's opinions and memories) it is not possible to make changes as quickly or from above. The cases in this study show that the relations system changes from that of government relations to that of public relations, along with a society's change from communism to democracy and this can be considered a macro level change. This study shows that the relations and communication system of an organisation have the biggest influence on organisational behaviour and identity, and on their attention to their roles and responsibilities in society. But the role of memory is essential, and in individual opinions we cannot see the magnitude of changes evident in formal and organised society in general. Perhaps this is one reason corporate image is still poor and organisations sometimes behave in a style typical of the stakeholder system of 'the Soviet time' presented in Figure 2.1.

We can examine the stakeholder systems of organisations in the present study according to the different life cycles of an organisation. And we can see how stakeholder systems change in the course of an organisation's life cycles and how they depend on environmental influences. This involves a change from governmental relations to public relations. As presented in Figures 2.1, 2.2, and 2.3, it is clear that a certain set of stakeholders is outside the stakeholder system in different periods. The communist stage and early transformation stage involved poor communications and poor relations with clients, with local decision makers and with opinion leaders. Figure 2.3 shows how these stakeholder groups, who were important in the communist period, are ostracized during the stock company stage.

FIGURE 2.1 Secret system life cycle (communist period to 1989) stakeholder system 1
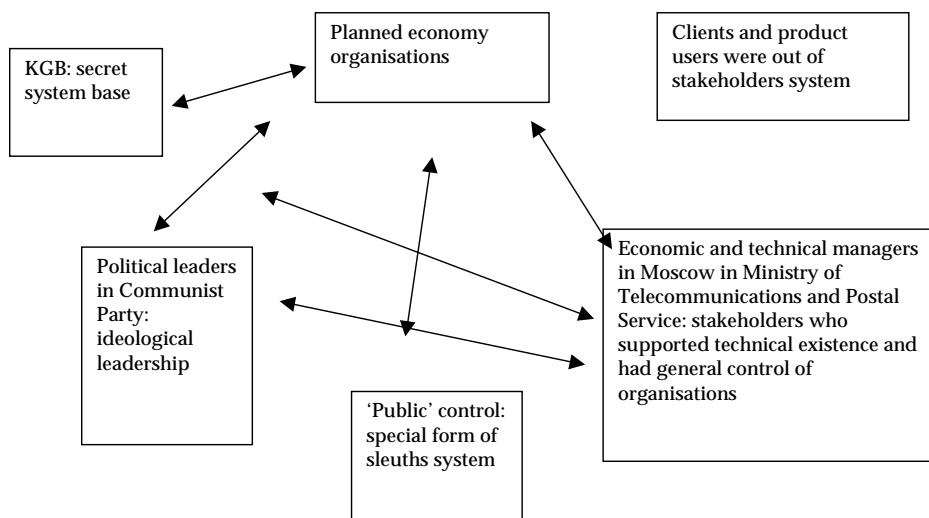
In Figure 2.1 the stakeholder system is a bit different from the others. In order to describe this life cycle's relation system, a fully-linked stakeholder map model (Key 1999) was used. This is a better way to describe the character of relations in the Soviet time: KGB, public control and Communist Party functionaries had strong relations, too. For example, if the public found some ideological mistakes in a company, they informed the KGB or party functionaries and asked them to make more extensive inspections of the company. It is characteristic of the relations system in the communist period that this system was built up in the framework of a total control system. All important stakeholders were in controlling roles and informing was synonymous with reporting. In this situation corporate social responsibility did not exist, with organisations being responsible only to the Communist Party and its functionaries.

FIGURE 2.2 Early change life cycle (acclimatisation with 'Western' partners 1989–1992) stakeholder system 2
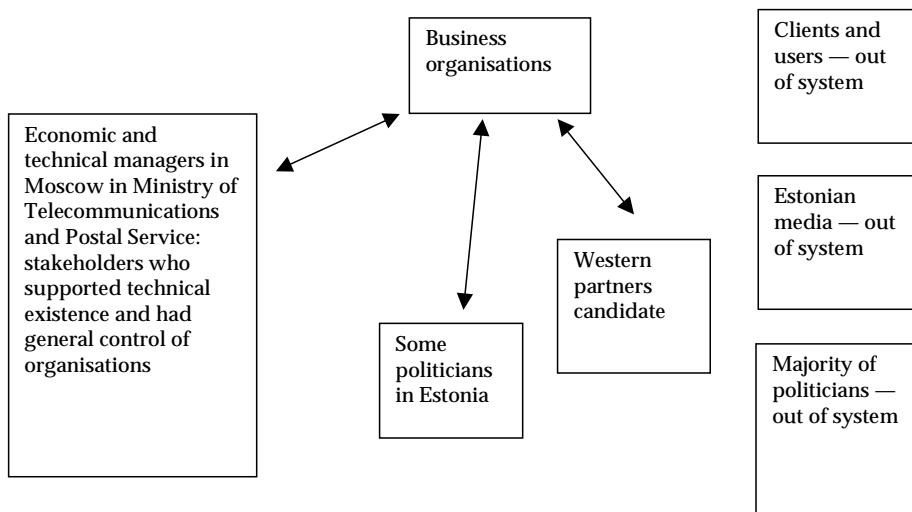
In Figure 2.2 and 2.3 a Freeman stakeholder map (Freeman 1984) is used and we can see that the relations system in the early change life cycle of organisations was more primitive than in the communist period. The most important stakeholder groups (KGB and other control systems) had dropped out. Only one stakeholder group, which supported the studied organisations technically, originated in the past. In comparing Figures 2.1 and 2.2 we can see that, in the early change stage, organisations lost their old relations system and its communication activity was more passive than in the Soviet time. As we see in the interviews, organisations' activities were focused on total technological change. In the author's opinion, the organisations made a mistake in the early

change period that tainted their image for many years: they did not start to build up a new relations system and lost the old one. They focused on only a very narrow special technical aspect at that time, and accomplished the most revolutionary changes in their history. We can deduce from the present cases that complex change management will be rewarding for organisational change processes. It was important to enfold all organisational aspects and to continue systematic and planned work with different stakeholders during the change period. In the present author's opinion, the studied organisations' communication style in the early change period was close to chaos (Aula 1999) in relation to public stakeholders, and organisations followed an unmanaged (chaotic) communication model (Tampere 1999).

FIGURE 2.3 Stock company life cycle (from 1993), stakeholder system 3
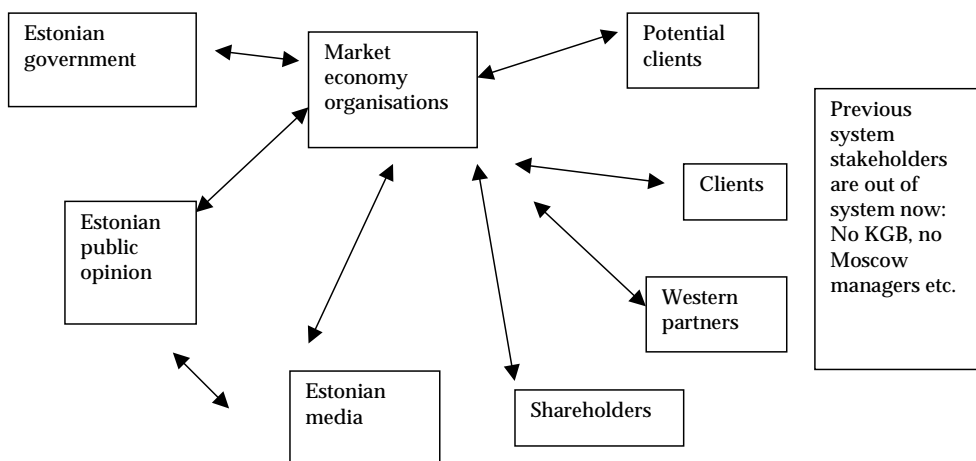
Here we have a third stock company life cycle stakeholder system according to the Freeman model. Because this kind of organisation's birth processes make organisations egoistic after such revolutionary changes, the company's self-cognition gave rise to strong discourses and workers were happy that they had accomplished these technical changes so successfully. This enhanced past influences and organisations still did not think about their role and relations with society. The stakeholder system presented in Figure 2.3 was, in 1993, close to ideal and organisations started to discover their new stakeholders. For example, clients in stakeholder roles were added quite artificially — Western partners introduced the orientation to clients, and workers with a communist past did not understand this. Another complication existed at the beginning of the stock company life cycle: some big infrastructure companies received monopolistic rights and this made organisations even more egoistic and made it possible to continue in the 'Soviet era' style in some respects. Acclimatisation to capitalism and democracy was, as a result, more complicated.

2.2.1 Change from government relations to public relations

In the communist context, the object and aim of organisations was not the public, but rather different government-related stakeholders (the Communist Party, government agencies, KGB, etc). This focus was caused by the peculiarity of totalitarian culture, where the leaders of the system were the key public. This approach is characteristic of some developing countries as well as oriental cultures (India, for example), where the peculiarity of ethnic culture puts some people in a more important role than others and where the social rules differ greatly from the Western worldview and from those of democratic states. These tendencies have been summed up by Sriramesh (1992) in a 'model of personal influence' based on Grunig's and Hunt's (1984) four models of public relations: practitioners cultivating close relationships with the external public to minimise governmental regulation and secure positive media coverage.

In a communist society, the positive attitude of leaders towards an organisation or individual was important in all aspects, not only in the media, because existence within the system depended on it. In the present study an important role was played by the use of a personal influence model on the part of the leaders of Estonian Telephone to influence the Moscow decision-makers to receive a political 'green light' for the idea of co-operating with Western partners in developing Estonia's telecommunications field and proceeding without Moscow management. Use of the personal influence model was characteristic of the whole communist period and it was the dominant communication model in government relations in this system. The public relations function was carried out according to an asymmetrical model.

In many developing nations, personal influence is not simply the exercise of power by corrupt or selfish individuals, but rather a highly formalised social system based on ideas such as hierarchy, power distance, family name and ethnicity, and one's 'proper' place in society. In many developing countries, power distance and personal influence may affect the organisation-government relationship because government officials may be more powerful than public relations representatives in organisations. When this occurs, balanced communication regarding mutual needs, opportunities, and co-operation may be hindered. When government officials dominate the communication relationship with organisations, instances of bribery and patronage may occur. In many countries, government rather than consumers will emerge as the key public. Power distance and personal influence explain why this may occur.

The stakeholder theory applied in this study brings out the Soviet-era network of relations. Communication changed in this network along with changes in social order and culture, and with the emergence of new systems of relations in new circumstances, a change from governmental relations to public relations.

Together with changes in social order and the end of the totalitarian society, a principal change in organisational communication took place: governmental relations no longer worked, public awareness started to increase and ordinary people began to speak out. At first organisations did not know

how to manage their relations in the new, transition context. What followed can be described as a kind of chaos in relations and communication. Governmental relations no longer worked, the communist leadership was 'bad' and nobody wanted to deal with them any longer, because suddenly new values and worldviews had appeared on the scene. Public relations did not yet exist because this field did not exist in the communist past and the new social order had not been built yet.

2.2.2 Changes in relations typology

In analysing changes in stakeholder systems, the present author offers five relation types for different organisational life cycles and their changing processes (table 2.2). Changes in relations typology can describe the nature of relationships in different societies. The communist period was typically power oriented, and communication was especially asymmetrical (see also part 2.4 in the present study).

In the early and middle transition periods, organisations had internal problems with reforms, and their relations with public stakeholders were minimal. In the late transition period, at first organisations started to feel dependencies: their priorities were clients as stakeholders and their dependencies were connected with money. At that point, the market economy was in a dominant position in organisational ideology and Soviet planned-economy tendencies started to disappear. Beginning in the late transition period, organisations found a way to develop to the level of dialogue. This level required specialised knowledge and organisational competency. At this stage, organisations were oriented to market needs and their actions were influenced by their environments.

Table 2.3 shows dependencies between communication and relations in different organisational life cycles. In the communist period, relations were of a totally different nature — they were power oriented (government relations), and communication was severely asymmetrical, being mixed with powerful political propaganda. In the early transition period, organisations complained about stress and the result was a breakdown in relationships. Only those stakeholder groups who had inertia in relationships and who did not need special organisational attention were active. The same situation existed in the middle transition period, except at this stage some financial dependencies started to arise. Along with money-oriented relations, some conflicts in stakeholder systems (new stakeholder groups) arose. Their clients were unknown to business organisations and the market economy philosophy was foreign to them.

TABLE 2.2   Typology of dominant relations

Type of society (organisational life cycles, environment)	Relations type
Communist society	Power oriented relations
Early transition	Self-maintenance (egoistic) relations
Middle transition	Self-maintenance (egoistic) relations
Late transition	Dependency-oriented relations
Democratic society	Dialogical relations

TABLE 2.3   Communication and relations description in different organisational life cycles

Type of society (organisation life cycles, environment)	Communication style (culture)	Stakeholders map (system)	Relations character (ideology)	Public relations nature (process result)
Communist society	Propaganda, one-way asymmetric, 'double-speech'	Government institutions (communist leaders control institutions etc)	Oriented to power, government responsibility, active relationships	Government Relations, lobby
Early transition	Chaotic, silence, propaganda	Technical partners and potential new partners (with money), small number of politicians	Oriented to self-maintenance, minimum relationship	Media relations in propaganda aspect, silence
Middle transition	One-way asymmetric, propaganda, chaotic, technical	Economic and business partners, small number of politicians, in some aspects clients, media	Oriented to self-maintenance and money, passive relationship	Media relations, crisis communication
Late transition	Two-way asymmetric, propaganda, chaotic, syndromes of symmetry, some orientation to dialogue	Clients, politicians, partners, owners, media	Maintenance, money, relationships, power, social responsibility, passive relationships but making progress, learning and reconstruction	Media relations, power, public relations, lobby, silence, some developments in worker relations

Only in the late transition period did organisations start to work systematically and, through strategic programs, pay attention to their different stakeholder groups. This tendency we can define with the help of communication analyses — organisational communication in this stage was more active and the communications process was more focused on different stakeholder groups (client newspapers, product promotion, etc). The late transition situation was typically motley: practically all characteristics of other periods existed in the late transition period. The activation of market research processes was also a characteristic of this period. This was a sign of the development of dialogue elements in society as a whole and in organisational behaviour and philosophy. There was an orientation to a dialogical relationship with stakeholders at a new level in the post-communist worldview and this indicates an orientation to democracy in general.

2.3   Cultural and ideological influences in stakeholder systems

According to Hubert Ellingsworth: 'the term culture…is plagued with denotative ambiguity and diversity of meaning' (Ellingsworth 1977: 101, cited in Sriramesh and White 1992: 606). Sriramesh and White added that even 'the people of the culture themselves may not be able to verbalise some of their ideologies' (Sriramesh and White 1992: 606). Despite this ambiguity, scholars continue to investigate culture and its influence on interactions (Tayeb, 1988, cited in Wakefield 1996). Even though culture is a nebulous term, its influence on public relations is widely accepted (Verčič, Grunig & Grunig 1996). Hall points out: 'culture is communication and communication is culture' (Hall 1959: 191, cited in Sriramesh and White 1992: 609). Sriramesh and White explained that the 'linkages between culture and communication and culture and public relations are parallel because public relations is primarily a communication activity' (Sriramesh and White 1992: 609). They examined the potential relationship between cultural dimensions and the practice of excellent public relations (Sriramesh and White 1992).

A cultural and ideological approach is the philosophical core of the present survey. The changes in stakeholder systems analysed in the present study had strong cultural and ideological influences. Culture, values and ideology are important factors in relations building and in the communication process. As our transition society is rather young and still building up its own new culture and ideology, the cultural approach deserves special attention. Some key conflicts in the present study on organisational stakeholder systems were cultural and ideological conflicts: organisations' communication with the public was guided by one ideology, while stakeholders' expectations were guided by another ideology. Often problems also arose between organisations and their

stakeholders on a cultural level: how to understand messages, different languages etc. One special tendency noted in the present study was that organisations started to behave according to market economy rules, stakeholders still had lots of memories from the 'good communist era' and the result was conflict. For example, there was a conflict in 1994 when the Estonian Telephone Company started to bill clients, invalids, pensioners and other older stakeholders. They organised a picket against the phone company because in communist times telecommunication services were free, and now this new economic situation was not acceptable. In the author's opinion, in this situation the only way to maintain stability was to disseminate a great deal of information, and communicate it very well. In another situation in 1996, the Estonian Telephone Company made a profit for the first time and notified the public about this, saying that the profits would be reinvested in Estonia's telecommunications infrastructure. Afterwards business reporters talked about how 'these horrible capitalist owners were pocketing poverty-stricken Estonians' money and shipping this money to Finland and Sweden'. In this situation there was again a definite misunderstanding: young journalists had insufficient knowledge of the capitalist free market system, journalists acting as a public megaphone were using Soviet-era rhetoric (the meta-text being that enemies come from capitalism) and organisations who were insensitive to the expectations and education level of important key stakeholders were throwing around jargon without considering possible cultural and ideological diversity.

Historically, the cultural aspect of communist society was highly politicised: there was not much national culture (the national culture approach was used only in propaganda cases: for example in discourse about friendship between different nations, etc) — priority was given to the hegemonic Soviet culture, a collective worldview with collective cultural practices. Primary importance was attributed to the idea that the political approach predominated over other approaches to culture and in all aspects of Soviet everyday life. Culture was essentially political culture in communist society. With changes in the political life, fundamental changes took place in culture too, and these changes influenced all processes in Estonian society.

Raymond Williams (1962) defined culture as 'a particular way of life' shaped by values, traditions, beliefs, material objects, and territory. Culture is a complex and dynamic ecology of people, things, worldviews, activities, and settings that fundamentally endures, but is also changed in routine communication and social interaction. Culture is context. It's how we talk and dress, the food we eat and how we prepare and consume it, the gods we invent and the ways we worship them, how we divide up time and space, how we dance, the values to which we socialise our children, and all the other details that make up everyday life. This perspective on culture implies that no culture is inherently superior to any other and that cultural richness by no means derives from economic standing. Culture as everyday life is a steadfastly democratic idea. (Lull, 1995: 66) The hierarchical relationship between social structure and culture has been well recognised in classical Marxist theory. The crux of the

typical Marxist argument is that because 'culture is determined by forces outside itself, it does not have autonomy in the causal sense' (Alexander and Seidman, 1990: 2). From Daniel Bell to Jürgen Habermas, culture has historically been subverted to social structure in the writings of many critical theorists (Arcer, 1990). Culture is indeed structured in various ways, some of them owing to differences in social class, but it certainly is not determined by material relations or social class positions. Nor is culture of secondary importance. Such a view doesn't take into account the variety and scope of culture, including its brazen contradictions. Any theory of culture as determined by outside forces fails to recognise the vital, creative ways people produce culture in the routine undertakings of their everyday lives. Culture, therefore, should not be considered something 'simply derived from class, as if it were a crude form of ideology' (Rowe and Shelling, 1991: 9). As Martín-Barbero observes, 'an impatience to explain away cultural differences as class differences prevented Marxism from analysing the specificity of the conflicts that articulate a culture and the modes of struggle that produce a given culture' (Martín-Barbero 1993: 20). Certainly the most systematic and sophisticated effort to come to grips theoretically with the problematic relationship between cultural taste and social structure is the research and writing of Pierre Bourdieu (1984; 1990a; 1990b; 1993). Bourdieu resurrected and reworked the idea of habitus to signify a system of socially learned cultural predispositions and activities that differentiate people by their lifestyle. Habitus encompasses the whole gamut of cultural activity — the production, perception, and evaluation of everyday practices (Bourdieu 1990a: 131). While habitus is claimed to account for taste, it is not simply a cold system of aesthetics detached from the sensate world; habitus pervades our bodies as well as our minds. According to Bourdieu, cultural comfort zones and characteristic ways of acting are learned through social experience.

New social experience erased people's Soviet-era security zones in the transition society, and the formation of new security zones is a long and time-consuming process. Therefore, we can say that there are many so-called security holes that influence the thoughts, acts and decisions of people, and there are also factors influencing relations and communication. This also applies to major systems of interaction (individual-organisation, organisation-organisation, etc).

While people may 'internalise their position in social space' (Bourdieu 1990a: 110), these experiences are not determined by and do not perfectly reflect one's slot in a socio-economic scale. Social space is created through social practice, and practice is not determined by social structure. What a person learns culturally is influenced by, but not limited to, the tastes and everyday activities of people who occupy the same social class. Furthermore, social experience is not straightforward learning. We don't acquire cultural orientations and competencies by merely imitating our environments. Bourdieu describes the subtle process of socio-cultural learning with a well-known metaphor from the world of sports. He believes habitus develops in a manner similar to the way athletes acquire knowledge and strategies in sport by means

of their 'feel for the game'. The feel for the cultural game develops from motivated, strategic, repeated, practical experience. In this way habitus becomes 'a system of acquired dispositions' and an 'organising principle of action' (Bourdieu 1990a: 13). Habitus is a logic of taste following from a logic of practice in social interaction, according to Bourdieu, but such activity involves much more than simply carrying out or obeying social rules. The system of dispositions that makes up the habitus has a generative quality in much the same way that language does. (Chomsky, 1972). Cultural orientations, like languages, are open systems whose particular forms, styles, and meanings are constantly created, reinforced, and transcended in actual use. The generative nature of habitus underscores several key theoretical assertions offered by Bourdieu: social actors are purposive, active agents who do not blindly reproduce culture; modes of behaviour making up the habitus are patterned but not finely regular or lawful; and part of the system of dispositions and practical logic of habitus is 'vagueness', which assures that spontaneity and improvisation will characterise people's 'ordinary relations to the world' (Bourdieu 1990a: 78). The indeterminate, generative, and vague qualities of habitus reflect its contingent nature. Habitus is not a person's or a group's unified cultural style that applies uniformly in all situations, but is instead acquired and exercised uniquely in relation to different cultural territories, domains, or 'fields' (Bourdieu, 1993).

Special attention should be paid to organisations moving from a communist society to a transition society. In order to gain a wider view of social and cultural aspects, we should mention one characteristic feature of communist society — state interruption of the activities of business organisations, or in other words, a centrally managed economy (Sartori, 1987). Another characteristic feature of the Soviet Union was that a certain group of business organisations helped to spread the ideology and to control the public, and in return these organisations received crucial privileges from the state that helped to establish their position, and gave rise to a specific organisational culture. Such organisations favoured by the Communist Party became very arrogant, their inner rules and ideology copied the state, and they became secret systems inside the state. The Estonian Telephone Company and Estonian Energy Company were a part of this trend toward secret systems, following the above-mentioned style of behaviour and communication, as well as the way of thinking of the people involved in the organisations.

The question of ideology in post-communist societies is very important, but at the same time also rather painful, because communism relied on its powerful ideological influence on people, and clearly people released from a communist society were fed up with ideology in general.

Ideology is a system of ideals expressed in communication. Ideology is organised thought — complements of values, orientations, and predispositions forming ideational perspectives expressed through technologically mediated, and interpersonal. communication. Ideologies may or may not be grounded in historically or empirically verifiable fact. (Lull, 1995: 6) Ideology is a suitable expression to describe the values and public agenda of nations, religious groups, political candidates and movements, business organisations, schools,

labour unions, even professional sporting teams and rock bands. But the term most often refers to the relationship between information and social power in large-scale, political-economic contexts. In this sense, selected ways of thinking are advocated through a variety of channels by those in society who have political and economic power. The ongoing manipulation of public information and imagery constructs a potent dominant ideology, which helps sustain the material and cultural interests of its creators. Fabricators of dominant ideologies become an '*information elite*'. Their power, or dominance, stems directly from their ability to publicly articulate their preferred systems of ideas. Ideology has force, therefore, when it can be represented and communicates. (Lull, 1995: 7) Raymond Williams calls ideology '*the set of ideas which arises from a given set of material interests or, more broadly, from a definite class or group*' (Williams, 1976: 156) John B. Thompson insists that ideology can only properly be understood as '*dominant ideology*' wherein symbolic forms are used by those with power to '*establish and sustain relations of asymmetrical social domination*' (Thompson, 1990: 58). The socio-economic elites are able to saturate society with their preferred ideological agenda because they control the institutions that dispense symbolic forms of communication. The expressions '*capitalist ideology*' and '*socialist ideology*' can be used synonymously with '*capitalism*' and '*socialism*' to refer to the fundamental theoretical principles that underlie the two political-economic-cultural systems. (Lull, 1995: 8)

Media-transmitted ideology in any political-economic-cultural context is represented partly in language and articulated and interpreted through language and other highly elaborated codes and modes — including visual forms and music — which are then further interpreted and used by people in routine social interaction. These processes are all part of an ideological effect. Just as language and other communication codes are learned and reinforced in the context of everyday social interaction, ideology is likewise made familiar and normal in routine social intercourse. These are the processes of social mediation. Mass media's ideological representations are recognised, interpreted, edited and used in audience members' social construction of daily life. (Lull, 1995: 9–21) In a totalitarian society, mass media was used to create different political and social constructions in the auditorium (society, public). The mass media were used as an instrument of propaganda that produced effects that do not exist in a democratic society. Even seemingly trivial extracts from TV, news, entertainment programs, and movies take on tremendous ideological force when they are circulated socially. J.B. Thompson (1990) calls this the '*discursive elaboration*' of ideology. Ideological image systems cannot confer meaning. The consequences of communication do not always fulfil message senders' objectives. (Lull, 1995: 21) This reveals the difference between the approaches of totalitarian and democratic ideologies: in a totalitarian society people did not have a choice between different constructions and politically led ideological discourses consciously moulded the ideas of the auditorium.

Organisations in the communist society could not have their own ideology. A hegemony of ideologies dominated in this system, with all orga-

nisations expected to follow a politically unified communist ideology. Therefore the political aspect is closely tied to the past and to communist ideology in a post-communist context. This gives us a situation where the dominant ideology is an expression of the collective stakeholders' worldview of reality. Often the personal worldview of a member of an organisation differed from the general and social worldview and this again gave rise to the syndrome of 'deep language'[1]. But people with communist experience were, and still are, influenced by communist ideas and values. It is important to point out that the breakthrough from communism to a transition society was faster and more sudden in practice than in the minds and behaviour of people.

The analysis of ideologies and cultural forms of organisation from communist society has been an innovative approach to understanding the peculiarities of [organisational] culture in a transition society. Ideology in the present context refers to the system of views and ideas through which people are aware of their relations with reality. Trice and Beyer stress the fact that convictions are connected to supportive emotional attitudes in ideology by presenting the following definition: ideology is rather harmonic and a set of convictions in emotional shades, values and norms, that unites people and helps them to understand the surrounding world (Trice&Beyer, 1993: 33). Ideologies make social situations comparable and valuable. People tend to simplify experiences, and ideology is one method of simplification (Trice& Beyer, 1993: 45). The content of ideology is formed by convictions that are amplified by emotions. These influence the extent to which people are eager to follow their convictions. Usually those convictions that are ripe for understanding are understood, and then new convictions find their place among others. Convictions in ideology are not only in the minds of people, but are also represented by social actors. Therefore, we can state that organisational cultures in some periods are very vivid due to especially annoying factors. Various contrasts are sensed in unification, failures, and in accepting people with new convictions into organisations. (Siimon & Vadi, 1999: 154). We can state that the Estonian Telephone Company (ET) in 1992 experienced a cultural and ideological shock: an organisation of communist cultural experience had to adjust immediately to a democratic organisational culture, because the process of change involved foreign investors from Finland and Sweden. Due to this the whole organisation was turned upside down. In terms of public relations, this can be considered a positive factor, because the new organisation structure was copied from Finland and Sweden, so ET acquired the structure to start public relations functions effectively. The problem was that the function could not work, because ET lacked staff with necessary qualifications. As mentioned previously, there was no public relations function in the communist society. It took years for ET to put the structure into operation — the media survey implemented in 1997 showed an increase in communication, but in fact it was still one-way asymmetrical communication. Only within the last three years has ET dealt with the inner climate of the organisation, its culture and communication.

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[1]   'Deep language' concept is analysed in chapter 2.5.2.

An organisation's external environment is considered to be the main source for new ideologies by Trice and Beyer (1993). New views and systems of ideas arrive in the organisation through various channels: international movements, in which different political and religious views dominate in different periods. Principles of economic use of the environment, etc. are also typical. When the public accepts new convictions, organisations should co-ordinate their ideologies according to these convictions. Organisations such as EE and ET should have accepted the movement of Estonia towards democracy as an inevitable process.

National culture influences organisations, too, but only a few surveys have been conducted in this field. Very often people concentrate on some speculative regularity and it is common practice to oppose East and West: for example, the opposition of the Russian staff in EE and in ET in the present case studies. Convictions resulting from local peculiarities quicken the input into an organisation. Local convictions usually have greater appeal than global tendencies. For example, consider the specific workers' union ideology of Ida-Virumaa in the EE case. Ideologies of activities also shape the ideology of an organisation, because the logical sequence of activities shapes the set of convictions. Convictions spread with activities, as suitable strategic ways of acting, and to grasp these requires acceptance of the ideology. In the EE and ET cases it could be seen in a technocratic way of thinking and a specific so-called 'communist worldview', which in reality caused problems for communication managers.

Relations with stakeholders or important groups of organisations who have expectations and visions of teamwork might be conducive to activities of an organisation, but also hinder them. Therefore, it is important to also consider ideology. There was no ideology of stakeholders in the Soviet Union — there was only one state ideology, and this is why organisations coming out of a communist environment cannot deal with a new type of ideology oriented to relations with stakeholders, typical of a market economy ideology. This can also be seen in the activities and behaviour of the subjects in the present study. The failures and even bankruptcies of organisations might have been caused by denying the ideologies of journalists, court representatives, competitors, customers and target groups.

The ideologies of various professions prevail when the concentration of their representatives reaches a certain level in the organisation. For example, requirements of medicine and science may shape the ideology of the organisation. The research subjects of the present study deal with the ideologies of electrical and telecommunications engineering, which are conservative and narrow in their worldview. This means that the present research organisations had a double ideology that restricted adaptation of a new democratic worldview and ideology; that restriction followed changes in society in a 'normal' way and avoided problems in relations and communication.

Ideologies are abstract. Trice and Beyer analyse the visible parts of organisational culture through the notion of cultural forms, and present four main cultural forms: symbols, language, stories and customs (Trice&Beyer, 1993:78).

Practical cultural forms of EE and ET came out in the communication analyses of the survey.

Terrance E. Deal and Allan R. Kennedy consider organisational culture the main source of success (Deal & Kennedy, 1982:18). Deal and Kennedy see strong enterprise culture as a sign of success in business (the 'new' old rule), and they stress that the main function of an organisational culture is to produce excellent results. Peters and Waterman (1982) think that the most basic characteristic of very good organisations is that they demand high productivity from the average worker.

Today, it is widely accepted that the particular economy, location, and history of a nation will influence the practice of public relations and that culture is linked both internally and externally to the practice of public relations. Corporate culture, as an internal organisational variable, has a direct and indirect effect on the public relations practice of an organisation. Culture as an external factor also influences communication messages, relationships, and national approaches to public relations.

2.4   The role of worldview in different stakeholder systems

In order to provide a more thorough explanation of the ideological aspect, special attention is dedicated to the aspect of worldview. Firstly, discourse on worldview held an important place in communist ideology and in everyday experience in the communist period. Most of the processes in communist society were marked by the cultivation and improvement of the communist worldview. Secondly, the worldview aspect also holds an important place in the theoretical consideration of public relations, mainly developed by a representative of the American school, James Grunig (1992).

The change from a communist society and communist way of thinking to a transition society and then to a democratic society and a democratic way of thinking is the key to all other changes dealt with in the present study.

The central problem of this study, a change in organisational communication, was initiated and influenced by changes in context and culture, in worldview, in ideology and in stakeholder system. In practice it refers to changes in the way people think, behave and decide, which in turn influence people's decisions as members of organisations and societies. This is also where the biggest conflict for the empirical research objectives of the present study lies: the organisations studied had to initiate changes because their environment was changing. This meant changes in their worldview in order to survive in new circumstances and to find new meaning for their existence. And this is the level at which the greatest problems occurred, in relations as well as communication. Although at first glance, conflicts do not seem to occur in a worldview, but rather in instances of everyday life, for example, in pricing policies or assessments of the quality of their services, the discourse analysis

applied in the present study provides an outcome that also proves that conflict occurs on the worldview level.

In communist society there was no choice but to follow the communist worldview, which was strongly asymmetrical compared to the worldview of a democratic society. One reason for asymmetry was the intensive use of propaganda. Party leaders and control apparatuses of communist society applied extreme pressure to adherence to a communist worldview: '*We have established a new society that humankind has never seen before. This is a society without crises, with a growing economy and improved socialist relations — a society of true freedom. This is a society where a scientific-materialist worldview is prevalent. This is a society truly convinced of the future, of bright communist perspectives. Horizons of unlimited and diverse progress are open. The other main result of this road is our Soviet way of life. An atmosphere of true collectivism and comradeship, the strengthening friendship and monolithic nature of our country's nations and nationalities, healthy decency that makes us strong and resistant. (Long applause)*' (Brezhnev, 1977: 570). The dominance of such discourse and such rhetoric in an everyday context set the tone for the everyday behaviour of organisations. The communist world-view was to be followed at every step, both in work and private life.

When societal changes started in 1989, and organisational changes with them, changing their worldviews became one of the greatest problems for people. Different stakeholders had different worldviews. It would be too much to ask that historical influences be erased from people's memories immediately. Quite often the prevalence of communist collective memory can be spotted in today's Estonian society, especially the aspects that were vitally important for ordinary people (free phone service, free medical services, special privileges for the working class, a derisory attitude towards business and money-making, etc). It would be wise for organisations and people coming from democratic societies to consider the effect of memories of communism and dreams of democracy on worldview in a transition society.

Worldview can be described on the basis of ethics. Vroom reported that writers on religion have mentioned love as a criterion or the ability of a worldview to '*help people find a right relationship to themselves, their neighbour, and the universe*' (Vroom 1989: 96). Torrance said that science should look for the 'good' as well as the 'orderly' and suggested that the 'good' is that which produces a 'reunified human culture' (Torrance 1989: 82).

The general theory of excellence in communication management and its contribution to organisational effectiveness begins at the level of worldview — the way that people and organisations think about and define public relations. From this Grunig and White conclude that an excellent worldview for public relations would be one that is logical, coherent, unified, and orderly — the internal criteria. It should also be effective in solving organisational and human problems, as judged by relatively neutral research or by history — the external criterion. Finally, it should be ethical in that it helps organisations build caring — even loving — relationships with other individuals and groups they affect in a society or the world. To study different practitioners Grunig and White consider the dominant worldview in public relations, which is an

asymmetrical view, in which public relations is a way of getting what an organisation wants without changing its behaviour and without compromising. In their opinion this is not an effective way to practice communications and relations management. They believe that excellent public relations departments adopt the more realistic view that public relations is a symmetrical process of compromise and negotiation and not a war for power. In the long run, the symmetrical view is more effective: organisations get more of what they want when they give up some of what they want. (Grunig and White 1992: 38–39) According to Grunig, public relations is artificial when considered on the basis of a symmetrical worldview: it is idealistic, critical and managed (Grunig and White, 1992: 31). Grunig has described symmetry and asymmetry of worldview from a public relations perspective, but in the context of the present study this approach is insufficient, since the organisations in the present study came out of a totalitarian society, where symmetrical communication and worldview did not exist. In addition, the asymmetry was also considerably different from that described by Grunig.

Modules created by Grunig and his colleagues are also referred to in the present survey because these modules deal with the ideological aspect, which is especially important in communications and in management when we have organisations and people used to different social orders. According to Grunig, public relations is artificial when it is considered on the basis of an asymmetric worldview that is idealistic, critical and managed. (Grunig, 1992: 31)

It is important to remember that the roots of the differences between communist and democratic societies exist at the philosophical and ideological levels. This is an important aspect of the present survey. According to Grunig, skilful communications management and its contribution to effective organisation lies at the ideological level — what people and organisations think about public relations and how they define public relations. The present survey requires the ideological aspect to be raised to the level of society and its context, and only then can it be dealt with in the field of public relations and communications management.

The concept of worldview appears in literature throughout the humanities and social sciences, although under many names. Kearney (1984: 10) defined worldview as *'a set of images and assumptions about the world'*. Kearney (1984) also referred to worldview as *'macro thought'*. Macro thought is a useful term for the schema concept that is popular in cognitive and social psychology.

Once we realize that worldviews — or schemas — are theories of a sort, we can look to recent thinking about theories in the philosophy of science to help understand and evaluate the different worldviews that influence the study and practice of public relations. Kuhn (1970: 175) applied the definition for worldview that is used most often in science. He described worldview as a *'paradigm'* — a *'disciplinary matrix that stands for the entire constellation of beliefs, values, techniques, and so on shared by the members of a given community'*.

Grunig´s ideological approach (Grunig 1992) deals with both the symmetric and asymmetric aspects of worldview. It is very important to note in the present survey that the asymmetry that characterises rather closed organi-

sations in a democratic society is different from the asymmetry that is important for a communist society.

Organisations originating in a totalitarian society express the asymmetric worldview differently than do organizations in a democratic society (Table 2.4):

Table 2.4 Characteristics of an asymmetric worldview in a totalitarian society (based on Grunig's categorisation of asymmetry) (Tampere 1999):

Category of asymmetry	Description
Internal orientation	Members of the organisation see it only as an entity in itself without analysing its relations with the outside environment
Closed system	Information does not flow at all, neither inside out, nor outside in (except commands and decrees) — this is the 'secret' organisation
Efficiency	Since in the totalitarian society the economy and governing of the state are united, there is no efficiency in the market economy sense (control of costs), thus the efficiency is only an illusion and the control of costs is at the service of propaganda ('victories of work', achievements of 5-year programs etc)
Elitism	The cult of the leader is primary. This does not depend on the level of his/her knowledge, but on the worldview and loyalty to the totalitarian society. Organisations function as if they have all the knowledge and the public has none.
Conservatism	Changes are only seeming and at the service of propaganda, information from outside (i.e. from a different political system) about change is considered subversive because change is produced by enemies, changes are only seemingly useful, information from outside about the necessity of change undermines the system, changes are provoked and produced by enemies.
Tradition	Tradition is at the service of propaganda, it is used to manipulate people and their emotions.
Central authority	The politicians and/or technocrats hold power, whereas 'good working people' are honored and put on a pedestal for the sake of propaganda. Actually the management of an organisation is dependent on the ruling party and organisations are led by the official ideology.

The asymmetric worldview in communist society was unique — a mix of propaganda, power, hierarchy, public lie etc. All aspects of communist society can be understood only in the context of knowledge about the hierarchical system of political control in the Soviet Union. This asymmetric worldview describes a very closed/secret approach to a stakeholder system and is characteristic of organisations coming out of a communist society. There are questions about canonisation and total control, questions about secrets, 'closedness' and openness.

Peter Vihalemm (2001) built up a theoretical description in which five levels of control and ideological canonisation can be distinguished in the Soviet

media. *The first, and the highest, level of control* was exercised every day over the production of all texts, which were highly canonised. It concerned the All-Union party press, primarily the newspaper *Pravda* (Truth) and all Russian-language party press in the Union republics (in the case of Estonia it was the newspaper *Sovetskaya Estonia*). The main source of information on this level was the news agency TASS, which in reality was a department of the Central Committee of the Communist Party and functioned as an Orwellian Ministry of Truth, not a journalistic institution. The production of TASS was anonymous; the majority of the identified authors on this level were leading officials of the Communist Party and journalists with special status.

The *second level of control* included the Communist Party press in the national languages, news broadcasts in the electronic media, and coverage of local ideological, political and historical themes as well as economics, in which, during the Khrushev thaw, it was possible to express some criticism in analytical commentaries. On this level, a strict ideological control was implemented more flexibly: certain local variances of interpretations and modulations of canonical texts were permitted and not all texts were carefully controlled.

An important feature of Soviet-era Estonian journalism was the permanent struggle to widen the borders of publicly permitted topics and journalistic forms. This struggle had visible results on the *third, medium, level of control,* which was specific for the local press on one hand and for the specialised magazines and journals on the other hand. Here, the external control was looser and the duties of internal censorship were assigned to the chief editors. The extent of their courage determined the extent to which the limits of canonisation and standardisation could be broadened. Many Estonian editors and journalists actively used these opportunities.

More freedom of expression was allowed in the cultural press. This could be considered the *fourth, and lowest, level of control* in the hierarchy of the legal press. On cultural pages, journalists used complicated forms of indirect expression: metaphors, analogies, allusions and parodies. Readers learned to read between the lines, to catch hints and draw parallels. Critical ideas about Soviet reality were often expressed in the form of art criticism.

In the censored and ideologically edited version of reality described by the Soviet official media, people did not recognise their own experiences. A remarkable proportion of real problems and events were never reflected in the media content because they did not correlate with the approved positive standard (see e.g., Manaev 1989 cited in Vihalemm 2001b). For example, open resistance to the system, poverty, crime and other social delinquencies, even diseases and accidents, could not exist under Soviet conditions. These 'forbidden topics' could be found only in the alternative, underground or foreign media channels. These channels can be viewed as *the fifth level of media hierarchy*, which existed out of the reach of Soviet censors. (Vihalemm 2001b)

The same kind of control hierarchy also functioned for scientific activities and this kind of hierarchical model we can utilise in the present study for organisations in a communist society (Table 2.5).

TABLE 2.5 Hierarchies of political control and ideological canonisation for economic organisations in the Soviet Union

Level of control and canonisation	Organisation type	Leadership	Topical areas	Scale of area
1. Total control, military production, totally closed, secret systems	Strategic organisations located all around the Soviet Union in which output served the military system (different construction offices, factories for secret details etc) or government organisations, political-ideological organisations etc	Mostly guided from Moscow, from ministries and Communist Party directly, local leaders were thoroughly controlled by KGB	Ideology, Party politics, All-Union government, foreign policy and international affairs, military, militia etc.	International, All-Union
2. Strong control, variation of exclusion, mostly secret systems	Infrastructure companies, mining, transport (railway, aviation)	Local nomenclature, guided from Moscow, Communist Party membership necessary	Economy, statistics, local organisations, local governments, soviets, telecommunications, energy, transport etc.	Republican
3. Medium control, institutionalised, only closed and ideologically regulated systems	Theatres, clubs, educational institutions (universities, schools etc), agricultural enterprises (collective farms, State farms), manufacturing, Food factories	Ideologically correct people, with 'right persons in family' under control of local Communist Party ideologies, Communist Party membership necessary	Culture, Education, Entertainment, Agriculture	Local
4. Low level of official control, in-group control, possibilities for speculation	Primary services, trade, services, markets, medicine	Ordinary people, Communist Party membership not necessary	Everyday life	Professional community
5. Absence of official control, 'wild' rules	Alternative business, black market	Black market businessmen	Critiques of the Soviet economic system and official ideology	Underground, 'mafia'

To consider the practice of an asymmetric worldview in communist society we can define the openness and exclusiveness of organisations. The two case study organisations in the present study were situated in a comparatively high position in this hierarchy, at level 2. They were part of Soviet power, and as a result, asymmetry in these organisations was very strong and amplified. Their managers were strongly controlled and they were typical communist regime organisations. Their communication processes during the communist period, and continuing in the post-communist period, were conducted in a style characterised by control and canonisation levels and an asymmetric worldview.

2.5   The role of communication in stakeholder thinking

Communication in communist and post-communist societies was rather peculiar, and differed from democratic society communication. Communist society influences dominated an organisation's communications at the beginning of the transition period in the early 90s and even 10 years later. The author found examples of a communist style organisation's communication in organisational communication research. The general characteristics of post-communist organisational communication were:
– a chaotic character, not strategically planned
– fear of telling the truth
– dominant professional language in public communication (lawyers, medical specialists, telecommunications specialists etc. used professional language in public communications situations because it was safe — not many people could understand the message)
– real message was concealed
– unethical propaganda elements

In the transition situation, changes in communication were necessary because the rules of society had changed. For a democratic society, which was the dream of post-communist countries, other values were important and a different communication style was expected. In society different types of ideologies dominated. For organisational communication in a democratic society, the important characteristics (according to different authors in the public relations and organisational communications fields, Grunig, Cutlip, White, Moss, Sharpe etc.) are:
– honesty
– clear and understandable communication
– dialogical communication
– research based public relations activities

2.5.1 Communication practice in communist society

Stakeholders' relations in communist society were based on power. The most important stakeholders were the communist leaders. In the rhetoric of the Party, what was important was the so-called 'narod' ('nation' in Russian). It is important to approach this critically, as it was a typical example of propaganda. Organisations reported their successes to society and party leaders via the media. Positive reports from work collectives were prominent on TV programmes and in newspapers. Considering Marju Lauristin's and Peeter Vihalemm's research (Vihalemm & Lauristin 2001) on media and communications in the Soviet Union, it is possible to say that journalism served public relations and communication management functions in the Soviet Union: there were no free media in communist society. This action was a one-way asymmetrical communication — an ideological, political struggle for an abstract 'better communist future'. In this process the roots were holy and ideological. After a few years, developments changed the ideology: it separated from Marx's concept and started to serve the 'Nomenclature'. (Høyer, Lauk, Vihalemm 1993: 176) The treatment of communism based on Lenin's doctrine looked upon journalism as a major part of the political system. To quote a well-known saying by Lenin, journalism had to be and in fact was, *'Not only a collective propagandist and a collective agitator, but also collective organiser'* (V. Lenin, *The Tasks of the Soviet Power Next in Turn*). Lenin drew a parallel between journalism and the scaffolding around a building; journalism should serve as a means of communication between different groups of the Party and the people, thus fostering joint construction of the edifice of communism. The Russian Bolshevik Party under Lenin's guidance, and dozens of other communist parties, viewed culture and communication pragmatically, discerning in them Machiavellian means of gaining power. In its treatment of journalism, Leninist-Communist doctrine rested upon the following logic (Høyer, Lauk, Vihalemm 1993: 177):

– history is the struggle between classes
– every person must inevitably take sides with one or the other class in society
– spontaneous movement and the natural evolution of events can only lead to the domination of bourgeois ideology
– in order to defeat bourgeois ideology, it is necessary to arouse the workers' class-consciousness, to organise and discipline them, thus changing them from a class in itself to a class for itself
– the above goals can be realised by the Party that uses journalism for this purpose

The party principle governing journalism was absolute. The party principle was also acknowledged as the underlying principle of activity for all cultural and social institutions. (Høyer, Lauk, Vihalemm 1993: 177) *'Journalism must serve as an instrument of socialist construction, giving detailed reviews of model communist achievements, disclosing the reasons why they are successful and what economic methods they use. But at the same time, journalism must pillory those communists who obstinately continue maintaining 'capitalist traditions', i.e. anarchy, idleness, disorder, speculation.'* (V. Lenin, *The Tasks of the Soviet Power Next in Turn*)

2.5.2 'Deep language' [2]

Communication is a cultural practice: it is about what people actually do. According to Bourdieu, every communication practice constitutes an additional part of cultural maps. Communication can be understood as the practice of producing meanings and the way in which participants in a culture negotiate the system of meanings. Culture can be understood as the totality of communication practices and systems of meaning. (Bourdieu 1990) Communication and culture are not separate entities or areas. Both are produced through a dynamic relationship with the other.

The definition of communication in a communist society can be derived from its cultural context. Communist ideology created its own communication style, referred to as 'deep language'. (Radzinski 2000) This refers to a style of utterances, both orally and in written texts. Lenin initiated its use during the revolution. The whole process was clandestine and people were called to violent resistance with sentences such as 'We hope that it will be a peaceful demonstration' — in fact an appeal for a very bloody demonstration. 'Deep language' was also systematically developed by Stalin. For example, Stalin's statement announcing the promotion of a comrade in reality was his/her death sentence. 'Deep language' was preserved in the language use of subsequent state leaders in different forms, depending on the activity of the Party and the personality of the leader. Over time it was ingrained in the whole society because people understood that it was safer and more beneficial to use the same style as the leaders. This style was characterised by a 'syndrome of lies', which meant that in order to understand the actual content of information one had to read 'between the lines' and have a critical attitude towards texts. This style was born at the same time as the practice of communist ideology and it was typical of the whole period in many respects. It was one of the instruments of the Communist Party for controlling and influencing people. In order to understand and analyse this kind of 'deep language' in texts it is necessary to use Fairclough's discourse analysis. In the present study most of the research objects, media texts and interviews contain elements of 'deep language'. Organisations in communist society used the 'deep language' style mixed with very specific technical language that obstructed their communication with the public and gave birth to a lot of the communication problems analysed in the present study.

2.5.3 Ungovernable (chaotic) asymmetric communication model

The author of the present study analysed the remnants and influences of communist culture and ideology on the transition society. Communication as an expression of the culture has some peculiarities. These can be described

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[2]   In some contexts the term 'double speech' has been used, but this is similar to what Radzhinski called 'deep language'

using the ungovernable (by nature this model is chaotic) asymmetric communication model that can be illustrated by the syndrome of misunderstood intercommunication. (Tampere, 1999: 17). According to this model, dialogue does exist, as well as feedback to the public, because the media allow people to express their opinions, but communication is not understood, and therefore the processes are chaotic, asymmetrical and ungovernable. In other words both sides present their truth and their message, and there is no receiver of the real message on either end. (Figure 2.4).

FIGURE 2.4 Ungovernable (chaotic) asymmetric communication model (UCAC) communication flow and relations in transition society
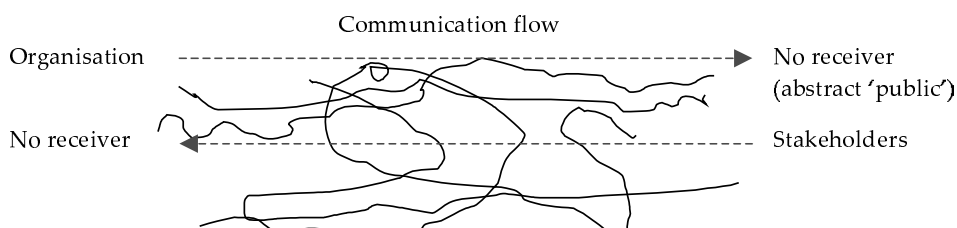
According to this model, an organisation sends its message to a so-called abstract and anonymous 'public' in the environment and it is not received because it is not clear to stakeholders (it is often delivered in specific technocratic wording and lacks a defined message. Stakeholders send their messages to organisations, but their messages remain unheard, because there is nobody in the organisation interested in the stakeholders' opinions. During the Soviet era, organisations were like small, closed and independent systems, with the aim of operating only for themselves and for some stakeholders group in government (Communist Party leaders, KGB, technical managers in Moscow etc), so in fact the messages did make some sense in context. This model illustrates very clearly the style of sending messages in the Soviet period, and the communication influences of communist society on all processes. There was no clear sense to messages and nobody heard the messages because communist propaganda made people passive and apathetic. People had some kind of immunity to information, and organisations as a rule didn't send information to the public, because customers and citizens were not key stakeholders at this time. This special model can be found in the communication analyses of Estonian companies — organisations sent some messages to the public via newspapers, and the public also sent some messages to organisations at the beginning of the change processes in Estonian society during 1989–1992. But their messages did not 'meet each other'. It was like a traditional family comedy: all family members talking at once and nobody listening, nobody wanting to receive information from the others.

Information flow in UCAC is independent, chaotic and 'living its personal life'. One legitimate aspect of this chaotic process is that messages arise even when organisations do nothing in the communication and relations fields. Organisations and societies thus seek continuously to reconfirm themselves, which leads to a selective use of information and a dangerous narrowing of perception (De Greene 1991). The evolution of new knowledge systems can be stifled in the search for continued equilibrium. The economy, for example, aims for a state of equilibrium dominated by confirmation. Predictability is thought, by increasingly conservative mainstream policy-makers and decision makers, to be enhanced by attempts to restructure and therefore to control the overall environment and to maintain a static security.

2.6   Role of public relations in democratic society

An understanding of present research and studied processes makes clear the necessity of public relations in a democratic society. In the context of the present research, public relations is the key to solutions. All problems analysed in the present study were the results of faulty strategies and tactics in the communications and relations fields.

Public relations is a phenomenon of a democratic society. Many give credit to public relations for heightened attention to social and public responsibilities among government administrators and business executives. They also point out the role that public relations plays in making organisations responsive to public (stakeholder) interests. Others note public relation's essential contribution to the public information system, through which democratic society functions. Public relations also helps organisations anticipate and react to significant public perceptions and opinions, new values and life-styles in the marketplace, power shifts among the electorate and within legislative bodies, and other changes in the social, economic, technological, and political environment. Without the public relations function, organisations would become dysfunctional due to their insensitivity to change. Public relations helps make organisations responsive to others by monitoring their needs and interests, interpreting those needs in light of organisational decisions and actions, and providing feedback and counsel to management. This contributes to making the democratic process more effective. Another social utility of public relations is the facilitation of the democratic process by making information available. Public relations serves society by mediating conflict and by building relationships essential to the dynamic consensus upon which social order is based. 'The ultimate outcome of public relations is the adjustment and maintenance of the social system that provides for physical and social needs (Cutlip 1985: 17–20). As all social decisions are finally tried in the court of public opinion, public relations plays a major role in resolving cases of competing interests in society. Its social function is served when it replaces ignorance,

coercion, and intransigence with knowledge, compromise, and adjustment. Public relations has an impact on individual, organisational, and social behaviour. Those professionally engaged in helping organisations identify, establish, and maintain mutually beneficial relationships with their stakeholders perform an essential management function that has an impact on the larger society. This social responsibility motivates the increasing interest in public relations and the growing recognition of its essentiality. Social responsibility drives development of the body of knowledge underpinning public relations practice. 'Public relations responds to social needs, not special interests' (Cutlip 1985: 20).

The Bled Manifesto describes four characteristics of European public relations: reflective, managerial, operational and educational.

- Reflective: to analyse changing standards and values and standpoints in society and discuss these with members of the organisation, in order to adjust the standards and values/standpoints of the organisation accordingly. This role is concerned with organisational standards, values and views and aimed at the development of the mission and organisational strategies.

- Managerial: to develop plans to communicate and maintain relationships with public groups (in this study: stakeholders), in order to gain public trust and/or mutual understanding. This role is concerned with commercial and other (internal and external) public groups (stakeholders) and with public opinion as a whole and is aimed at the execution of the organisational mission and strategies.

- Operational: to prepare means of communication for the organisation (and its members) in order to help the organisation formulate its communications. This role is concerned with services and is aimed at the execution of the communication plans developed by others.

- Educational: to help all the members of the organisation become communicatively competent in order to respond to societal demands. This role is concerned with the mentality and behaviour of the members of the organisation and is aimed at internal public groups (stakeholders). (Van Ruler & Vercic 2002: 14)

2.6.1 Public relations in post-communist society

The role of public relations and communication management in a transition society is unique. Firstly, this is due to the relationship between propaganda and communication, a very sensitive cultural context for all communication processes in new situations that a transition society has to face. The second important reason is definitely the fact that the countries of Central and Eastern Europe and of the former Soviet Union are undergoing a breakthrough stage in their transition from centrally planned to market economies. Due to such remarkable social and economic changes, it is very appropriate to add a transitional public relations aspect to the public relations and communication management that emerged in the new market economy context.

According to Ryszard Ławniczak, the task of public relations during the first stage of the transition is to build up an image of 'capitalism with a human face' in order to secure public acceptance for ongoing economic reforms. The second task is to create public awareness of the wide range of possible alternative market economy models, by promoting value systems and lifestyles with products and services, and by keeping in mind that in the formerly socialist countries a struggle is currently under way to determine the final shape of the market economy. And thirdly, its task is to facilitate effective functioning of the market economy. (Ławniczak 2001: 15) His central idea is that transition public relations is an instrument for systemic transformation in Central and Eastern Europe: "*To achieve such desirable transformations in social consciousness within the shortest time possible, one should make optimal use of new effective instruments. Those best suited for and most commonly known and used in market economies include marketing, modern management methods, human resource management and computerisation. Meanwhile, another instrument essential in shaping market economies, namely public relations, is still in its infancy*". (Ławniczak 2001: 7)

Based on the empirical section and discourse analysis of this study, it can be concluded that public relations also performs **a pedagogical role** in a transition society. Public relations should be on the frontline of managing changes, as an agent of increasing knowledge and a follower of ethical operations principles. In this way a mutual understanding of the ongoing economic, as well as more specific, processes can be achieved.

As an outcome of the EBOK project, 'Bled Manifesto', Van Ruler & Vercic (2002) highlight the educational aspect, which is to help members of organisations become communicatively competent in order to respond to societal demands. This function has to do with the behaviour of the members of the organisation. But the pedagogical aspect concerns educating the public and stakeholder groups of the organisation in order to help people change together with society and adapt to new cultural, philosophical and economic conditions. In turn, a system of knowledge will emerge as a basis for better mutual understanding, trust and relations in society as a whole and between the organisation and its different stakeholders.

Also it is possible to suppose that the pedagogical role is similar to the reflective role of Van Ruler & Vercic (2002) because both of them describe organisational relations with society. The reflective aspect makes it possible to talk about the organisation in society, so that the organisation can become socially responsible. This function has to do with organisational values and norms, and can be seen as a developing function of public relations, as part of the discussion on socially responsible behaviour of organisations. (Van Ruler & Vercic 2002) In the present author's opinion, the pedagogical role is not the same as the reflective role, because the reflective role is based on dialogue, discussion and social responsibility. In a transition society, discussion has not yet emerged, communication is asymmetric and chaotic, and there is no real social responsibility at the very early stages of a transition society.

Public relations' pedagogical role is particularly important at the very early stages of transition society, especially at the beginning of fundamental social and economic changes. From a pedagogical perspective, adaptation of the different sides in changing situations is much more dynamic, because decisions and strategies are based on special knowledge. An ethically realised pedagogical role helps organisations to learn about new worldviews in society, to learn how to start to live in a new type of society. And on the other hand, public relations' pedagogical role can help citizens in society to understood organisations' behaviour in a new type of society. For example, citizens can come to understand why there was free phone service in communist times while clients must pay for services in a market economy. The pedagogical role is mostly a one-way communication, based on ethics and tolerance. Putting a pedagogical role into practice, it is important to get systematic feedback and to correct procedures based on reactions of stakeholders.

According to Ławniczak transitional public relations fulfil an additional fifth role (after the managerial, reflective, educational, and operational roles of Van Ruler) as an effective instrument for systemic transformation. (Ławniczak 2001: 17) Although Ławniczak agrees with Sriramesh and Vercic's postulate (2000) that there are certain 'generic principles of public relations applicable in every economic system', he argues that public relations practitioners in Central and Eastern Europe need to account for the influence of political and economic systems (one of the five specific variables, according to Vercic, Grunig and Grunig (1996)) to a much larger extent. The legacy of a former socialist system, as reflected in ways of thinking, the structure of the economy, and the mechanism for resource allocation, creates a unique combination of constraints on the application of the universal principles of public relations. For this reason we can speak of transitional public relations. (Ławniczak 2001: 17)

The present author would suggest one additional role of public relations, the **integrative role**: in the European context it is very important to discover opportunities for cooperation. The last ten years have been revolutionary in Europe — more than half of the European territory changed its basic values at a very fundamental level. As a result, more than half of Europe is still experiencing the stress of change. In Europe we have encountered problems arising from encountering different national cultures and religious worldviews. In addition, there have been problems with economic, political, ideological, ethical and cultural differences, which are much more complicated aspects than mere differences in nationality. In the present author's opinion, it is possible to find opportunities to integrate the experiences of different economic systems and different societies. To do this it is necessary to have special skills and tolerance, along with good and ethical pedagogical practice. Together with public relations' integrative role, it is possible to find new dimensions in the actions of public relations practitioners: they will be in a much more diplomatic position, like translators between different approaches to existence.

3 STUDY OF ORGANISATIONS

3.1 Data collection and methods

In the present study the relations and communication of selected Estonian organisations in communist and post-communist societies are analysed from different points of view.

The 'heart' of the empirical section of the present study is based on two case studies: communication and relations analyses in different life cycles of the Estonian Telephone Company and the Estonian Energy Company.

The Estonian Telephone Company case study is based on media text analyses (texts from more than 400 daily newspapers from the years 1989–1992 and 1997 were considered), key person interviews (ET change process leaders, the Estonian Prime Minister in 1992), observation, personal experience and analyses of documents. Many problems were encountered in this data collection process: many documents had disappeared due to the change process and many documents were classified as 'secret materials'; as a result, ordinary workers of the Estonian Telephone Company, who would have been valuable sources of information for this study, were afraid to talk about these materials. In general there was a reluctance to talk, and it was possible only to gather a few field-notes from informal interviews.

The Estonian Energy Company case study is based on interviews, observation, personal experience and on journalists' opinions. A questionnaire for Estonian journalists (225 respondents among journalists of radio, press, TV and news offices) was implemented in spring 2001 (March–April). Earlier surveys studied by the present author from the years 1996, 1998 and 1999 have also been taken into account.

The two case study organisations were analysed in comparison with other state-owned enterprises. Journalist opinion research, implemented in 2001, was also used in this study.

In order to generalise conclusions and case study research results, the present author studied materials from over 300 organisations and enterprises in

Estonia from 1996 to 2002, and 1980 organisations were questioned in a special phone survey in May 2001.

The author used the macro level discourse analysis method in the present study and combined this method with normal text analyses and media text content analyses. The present author decided to analyse language and messages together with social action. Discourse, according to Fairclough (1999), is a social behaviour, that appears in language, and by which social reality is created. The reality is interpreted and fixed through words within the process of creation. The analysis of discourse concentrates on the construction of a social reality. The aim of the discourse analysis is to prove general suppositions on natural matters hidden in the language. Through text analysis, discourse analysis tries to find contradictory components, hidden in the text, that are not directly revealed, but still exist. Fairclough's attempt at drawing together language analysis and social theory centres upon a combination of this more social-theoretical sense of 'discourse' with the 'text-and-interaction' sense in linguistically-oriented discourse analyses. This concept of discourse analysis is three-dimensional. The discursive 'event' is seen as being simultaneously a piece of text, an instance of discursive practice, and an instance of social practice. The 'text' dimension attends to language analysis of texts. The 'discursive practice' dimension, such as 'interaction' in the 'text-and-interaction' view of discourse, specifies the nature of processes of text production and interpretation, for example which types of discourse (including 'discourses' in the more social-theoretical sense) are drawn upon and how they are combined. The 'social practice' dimension attends to issues of concern in social analysis such as the institutional and organisational circumstances of the discursive event and how that shapes the nature of the discursive practice, and the constitutive/ constructive effects of discourse referred to above (Fairclough 1999). This approach is effective for the analysis of communication in the new social and cultural situation, because much more conservative and traditional combinations of methods are not as exhaustive and do not provide the possibility of seeing social and cultural influences as deeply and specifically as required by the present author. Discourse analysis is a good method for studying 'deep language' and the syndrome of 'lies', because this technique makes it possible to read 'between the lines' of texts and meta-texts.

A special methodological approach in the present study was the integration of qualitative observation with the personal experience method. Morris defines observation as 'the act of noting a phenomenon' (Morris 1973: 906) Observation consists of gathering impressions of the surrounding world through all relevant human faculties and researchers must actively witness the phenomena they are studying in action. Qualitative observation is fundamentally naturalistic in essence; it occurs in the natural context, among the actors who would naturally be participating in the interaction, and follows the natural stream of everyday life. As such, it enjoys the advantage of drawing the observer into the phenomenological complexity of the world, where connections, correlations, and causes can be witnessed as they unfold.

Qualitative observers are free to search for concepts or categories that appear meaningful to subjects. (Adler & Adler 1998: 81) The present author intentionally and systematically observed Estonian transition society from 1989–2003 and Estonia in a communist society from 1979–1989. The author's personal experience in a communist and transition society is from 1962 to the present. The author has personal work experience in both case study organisations: as a journalist (from 1991–1994), a press officer in the Estonian Telephone Company (1994–1997) and Public Relations Manager in the Estonian Energy Company (1998–1999). The author compiled field notes, stories, oral history, autobiographical writing and conversations. For larger environment analyses, the author collected more than 100 stories from different people dealing with their experience of communism. These stories were collected ethnographically from 1979 to 2003. The social sciences are concerned with people and their relations with each other and their environments, and, as such, the social sciences are founded on the study of experience. Experience is, therefore, the starting point and key term for all social science inquiry (Clandinin & Connelly 1998: 153). Following Dewey (1916, 1934, 1938 cited in Clandinin & Connelly 1998: 154), the study of experience is the study of life, for example, the study of epiphanies, rituals, routines, metaphors, and everyday action. Clandinin & Connelly see the personal experience method as a way to permit researchers to enter into and participate in the social world in ways that allow the possibility of transformations and growth. Personal experience methods offer all of us the opportunity to create a middle ground where there is a conversation among people with different life experiences. Personal experience methods inevitably are relationship methods. It is in the research relationships among participants and researchers, and among researchers and audiences, using research texts, that we see the possibility for individual and social change. (Clandinin & Connelly 1998: 176) In the present author's opinion, the methodology used in the present study is a bit too motley, a combination of different approaches and paradigms, a combination of the qualitative and quantitative approach, and in some respects this may be a weakness of the present study. On the other hand, a motley methodology is a strength of the present study, because the research object and context have a multitude of dimensions and peculiarities, and research results can't be credible in the present situation without research from different perspectives.

3.2   General hypothesis and research questions

The main research questions in the present study are:
1)   What kind of problems did the organisations meet in the period of funda-mental changes in society?
2)   In what way did organisations change their stakeholder systems due to social changes?

3) What role did communication play in the stakeholder system change process?

4) What are the differences in public relations and communication management in a communist, post-communist/transition and democratic society?

5) What role did public relations play in the organisational and stakeholder system change process?

6) How did the public relations function arise in the post-communist situation?

7) How is it possible to use public relations and communication models and theories, developed in a market economy situation, in post-communist society?

8) How did the stakeholder theory and public relations concept 'work together' in a transition society?

I propose that if, in society, fundamental changes take place at political, economic, social and cultural levels, relations between organisations and their stakeholders may change. In this process, organisations will change their relations systems and orientations, worldviews, cultures and ideologies. I propose that these changes in relationships are more dynamic and successful if organisations use the public relations function strategically in this process.

4 ESTONIAN TELEPHONE COMPANY (*EESTI TELEFON*) CASE STUDY

4.1 The telephone company story

This section of the study is based on an analysis of the communication and relations of one of the largest infrastructure enterprises of post-communist Estonia — the Estonian Telephone Company (ET). This organisation had a great deal of power during the Soviet era as it supported the totalitarian regime in its efforts to block Soviet citizens' communication possibilities by keeping the number of phone lines small and society continuously in a phone deficit situation. ET helped the totalitarian regime to control citizens by offering the possibility of monitoring phone calls. This role made ET a strong and secret system which 'thought technically' and 'acted in secret' and which had good relationships with key stakeholders in Moscow, at the top of the Communist Party.

ET did not like to talk about itself. Company executives thought that it was not necessary to talk about the organisation and its actions and were sure that the public and stakeholders who had no special telecommunications education could not understand the ET phenomenon anyway. ET's goal of building up a new telecommunications infrastructure and raising the Estonian telecommunications field to a technically high level was fundamentally important for development processes in the general Estonian economy and was important in providing ordinary people the opportunity for a comfortable life. But telecommunications managers did not promote this to stakeholders in Estonian society. ET got the reputation of being a 'bad monopoly' in Estonian society and did not find its identity for a long time after the transition began, which created a lot of problems for years thereafter. ET's plans and procedures were good, but society did not recognise them.

During the survey period, ET was renamed and cultural-ideological changes took place in the organisation: out of the Ministry of Telecommunications and Post was born Estonian Telephone, Ltd. At the beginning of the 90s, ET changed from being an organisation supported by communist ideology to

one of the first organisations in Estonia to adopt the market economy ideology and to develop partnerships in the West.

According to ET's official position, the process of change was not primarily intended to effectuate changes in the organisation, but rather to solve technical problems of the company and of the telecommunications field generally in Estonia. Changes in ET organisation were structural rather than being oriented to internal and organisational ideology and culture. The Ministry of Telecommunications existed up to 24 January 1991, with two main functions: the provision of postal and of telecommunications services. Based on the decree of 24 January 1991 passed by the Estonian Government, the Ministry of Transport and Communication was established, and two state enterprises were formed: Estonian Post and Estonian Telecom. Respondents said that this was an important move mainly in order to develop a more effective telecommunications sector. Development of postal communications was considered of secondary importance. (Ulman 1998, Sõmera 1998). An important step was made in the telecommunications field in Estonia on 16 December 1992 when Estonian Telephone Company Ltd (ETC) and the Republic of Estonia concluded a concession agreement that defined the priorities for building up the infrastructure of the country. The agreement specified development trends such as providing basic services, developing basic service in the rural areas and improving the quality of basic services. This concession agreement was one of the key factors in the conflict between the Estonian Telephone Company and the Estonian public. Stakeholders in Estonian society blamed ET for the poor quality of phone service, for the steep rise in prices, for the lack of phone lines and accused it of being a malevolent monopoly insensitive to Estonians. During the Soviet times, ET had focused on the interests of Moscow and the Communist Party and now in the free Estonian Republic the focus was on important company owners in Finland and Sweden. Considering the rhetoric of public opinion, it was clear that ET was accused of always supporting enemies and never serving ordinary phone users' interests in Estonia.

Eesti Telefon posted its mission statement on the web: to be a preferred and reliable partner that benefits people in the info-society and creates a competitive edge through offering complete communication and IT solutions. Eesti Telefon's core values were to be customer-centred, reliable and innovative. Eesti Telefon's market difference would be its ability to offer the highest quality and widest range of telecommunications products, services and new technologies in Estonia. (www.et.ee)

It is clear that conflicts existed in ET's communications with stakeholders, its identity and self-representation, and its clients' opinions and expectations. ET had good goals and plans and year after year very good economic results, too, but none of this helped to build a good relationship with stakeholders in Estonian society.

From 1993 to 2000 Eesti Telefon saw the number of its main lines increase by 150% — to 519,000 from 350,000 — and digitalisation grow by a factor of

13 — to 71% from 5.4%. Telephone line penetration per 100 inhabitants was 35.9 at the end of 2000 versus 23.2 at the end of 1993.

Telecommunications services have developed considerably since Eesti Telefon began operations and the firm's priorities have changed too. In parallel with traditional fixed-line services, Eesti Telefon considers it increasingly important to offer quality data communications and Internet services, as well as integral voice and data communications options.

Eesti Telefon's net sales in 2000 were 2.506 billion kroons, and net profit was 417 million kroons. In 2000, Eesti Telefon invested 863 million kroons to develop telecommunications. Eesti Telefon's share capital was 666.9 million kroons at the end of 2000. Total assets were worth 2.798 billion kroons. The average number of employees in 2000 was 2535.

Yet stakeholders in Estonian society are still critical, and still consider ET a monopoly.

The process of change for ET started during the Singing Revolution in 1988–89, as we can see from the interviews conducted for the purpose of this research. At that point, ET had developed relations with stakeholders mainly in Moscow; the preliminary agreements of the process of change were granted by Moscow, and were called 'Licence no. 1' (Ulman, 1998). Communication with Estonian society had been very shallow during the Soviet period — for the most part it was incomprehensible to both clients and stakeholders. Also postal service, which operated together with phone communications, caused dissatisfaction among the population, as it was often characterised by slow delivery and lost letters. All this helps to explain why a negative attitude towards telecommunications services existed.

The majority of people were biased against those who owned phones — they were very clearly connected with the totalitarian regime. In July–August 1990, the newspaper *Edasi* published a discussion on the topic of whether the results of phone interviews were valid or not. And the main argument was that the phone owners did not represent the Estonian population, but rather people more loyal to the Communist Party (NLKP). The article also presented the structure of phone ownership — home phones were owned by 65% of the members of NLKP, 45% of non-members, 49% of Estonians and 45% of non-Estonians; 43% of non-members were non-Estonians, and 55% of communists were non-Estonians. According to the data in the article, non-Estonians, in spite of the short period they had lived in Estonia, had more or less the same number of home phones in comparison with local people. And the members of NLKP had more phones in this period than the population as a whole (*Edasi* 21.08.90).

Another aspect that definitely helped to shape the attitude towards the newly established company was the company's connection with security structures (KGB) in the Soviet era. In 1992 the newspaper *Edasi* presented an interview with the Director of ET's Tartu unit, Jaak Üprus, where Üprus stated that ET had no official connection with security units (*Edasi*, 20.02.92). But unofficial discussions with and observation of the employees of the company revealed very clearly that only people with a certain controlled background

could get a job in the company. Moreover, 'strange men' (referring to KGB agents) with special licences could enter every phone station freely. The employees of the station did not know what the function of these men was and they had no right to control or stop them.

The third aspect, which also defined the attitude of the stakeholders in Estonian society towards the newly established company, was the quality of phone communications. But people were happy to get any kind of phone communication after such a long waiting period.

Employees themselves were very critical of the situation in phone communications. The only article dealing with the telecommunications theme was written in 1989 in the newspaper *Noorte Hääl* by Heino Vimberg, a telecommunications electrician from Kohtla-Järve district: *"Even the IME (Independently Economising Estonia) engine has been shown a yellowish green light in Moscow and the innovative train, which previously had only whistled and throbbed, is now ready to move on. I do not know about the situation of other staff, but one carriage by the name of Ministry of Telecommunication is still in deadlock. This can be illustrated by the fact of endless complaints to various institutions on the poor organisation of postal communications, thousands of refused phone applications and the low quality of phone communications, which has become the target of citizens and the mass media."* (*Noorte Hääl*, 26.08.1989). The story of the everyday life of a telecommunications electrician is a good example of the situation in phone communications in 1989. This situation illustrates the reason for the attitude towards telecommunications activities. However, interviews implemented with leading staff revealed that already in 1989 the preliminary work for system modernisation and for improving the situation had commenced. But nobody knew about it, neither the Estonian public nor ET employees. Mr. Heino Vimberg continues: '*The situation in phone communication is rather well known to the employees. We are also aware of the reasons that have caused the situation. We can only wonder at the fact that no senior official has even tried to inform the public about either the present situation or future prospects*' (*Noorte Hääl*, 26.08.1989). This gives a clear hint of communications inside the organisation and of the attitude towards stakeholders. Several interviews revealed that quite a lot of communication took place in Moscow to achieve the settled aims. But nothing took place in Estonia, nor inside ET.

At the same time, the Estonian National Front Council (*Eestimaa Rahvarinde Rahvavolikogu*) spoke very critically about postal and phone communications in the pages of *Edasi* on March 18, 1989, but ET communications officials did not respond. In the author's opinion this kind of behaviour is characteristic of an unmanaged (chaotic) asymmetrical communication model (Tampere 1999) in an early transition society.

The Estonian telecommunications field developed very rapidly in the 1990s. In 1990 there were 363 000 phones in Estonia, in 1991 the number was already 373 000, and in 1993 409 000, of which 21 000 were new digital phones.

(*Äripäev*, 20.08.92, Annual Report of ET in 1993).[3] The number of main phone-lines had increased to 438 811 in 1996, and 27% had been connected to digital stations. At this time there were 29.8 phones per one hundred Estonians (Annual Report of ET, 1996). In comparison, according to experts, in developed Western countries the number of phones was 40 phones per one hundred people.

The main problem with ET was that major technical changes started with the construction of infrastructure and main lines. It was also important to physically get rid of the Russian phone network and start to operate directly with the Western world. These activities were technically very important, but caused long queues for phones, and people who had waited for a phone for 40–50 years had not seen any progress in their own lives. ET did not explain its change priorities to stakeholders either. Therefore, in spite of the positive change programme in the company, one newspaper still published a nasty article titled '40 Years in Line for a Phone'.

4.2   Establishment of public relations function in the organisation structure

ET's foreign partners also focused on organisational developments and the new director from Sweden very quickly organised western-style management at Eesti Telefon. He suggested establishing a marketing and information office in the new company. Beginning in 1993, the office was led by the Press and Advertising Manager, whose team was comprised of an assistant, the editor of the company's newsletter and a designer.

This was the structure in ET at the beginning of the introduction of the public relations function in the company in January 1993. The main task of the advertising department within the marketing and information office was to inform the public, and it operated in a mostly reactive manner. It was also the beginning of preparing a corporate identity and logo, and the company's newsletter introduced inner communication processes. Unfortunately the whole public relations process was unplanned and followed only spontaneous ideas — an idea was generated and then implemented. Many things were put into practice only thanks to the enthusiasm of the implementers. Nobody had any public relations training or knowledge at Eesti Telefon at this time. In general, nobody at Eesti Telefon knew anything about modern management theories and processes, except for some top managers from Sweden and Finland.

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[3]   The Estonian population remained at approximately 1.5 million people during the transition years.

In 1997, the organisation had shown some progress and there were two different parts of the public relations team: an advertising manager and a public relations specialist. The advertising manager was responsible for marketing and advertising, and the Marketing Director supervised his work. Public relations was an independent department within the marketing office, managed by the Deputy Marketing Director. The Deputy Marketing Director supervised public relations specialists, an assistant, the editor of the company's newsletter, and a WWW designer. The designer worked for marketing as well as for public relations.

Soon it was clear that the public relations department should be a separate office under the administration of a Managing Director, and in 1997 it was so arranged.

There were no strategic documents on public relations at Eesti Telefon in 1997 — only the principles of media communication were fixed (Tampere 1999). General public relations activities followed operational needs and were still mostly reactive. There were plans to develop proactive communication in public relations in order to inform the public, especially of malfunctions, and other unpleasant situations for the company. The main aim of the communication department was to achieve maximum openness and fairness. The public relations department applied an educational approach (Van Ruler 2002) intensively inside the organisation. The company as a whole remained closed and secret. The workers with Soviet-era experience could not accept the new ideology overnight and the process, designed to open up the company, was mostly forced. In 1997 there was still discussion about secret documents in ET; for example, the size of investments and statistics were considered highly secret and the press officer got these facts only with the help of the General Director's written orders.

Media communication developed mainly in the years 1997–1998, when strategic image planning and the maximum efficiency principle of communication of the organisation were introduced. Message discipline was introduced and public relations training was implemented for the managers. Communication analysis was also started in this period.

Communication crises due to the rate of changes in winter 1999 resulted in a change of public relations Director. After that the whole public relations system in ET started to develop actively, including strategic planning and professional presentation of information.

Today's public relations system in ET has developed into one of the best among Estonian enterprises, meeting the requirements of a quoted enterprise very effectively. But ET still has image problems: part of the Estonian public views Eesti Telefon as an 'evil monopoly' and even a systematic public relations approach can't repair the mistakes made in the past as effectively as desired.

4.3   Estonian Telephone in media texts in 1989–1992 and in 1997

A content analysis was conducted in order to get a general picture based on articles published in Estonian daily newspapers during this period. The important line in this survey is the message sent by the organisation to society, which did not meet society's expectations. At the same time a message was sent by society to the organisation that did not meet the expectation of the organisation. This caused a conflict between the organisation and society. The author refers to this as a syndrome of mutual miscommunication (Tampere 1999).

A very vivid difference in ET's public relations in the two study periods can be seen in the analysis of newspaper articles. The total number of articles was considerably smaller in the four-year period of 1989–1992 than in the year 1997. (Figure 4.1)

**FIGURE 4.1**   The number of articles on ET in Estonian daily newspapers
n= 311
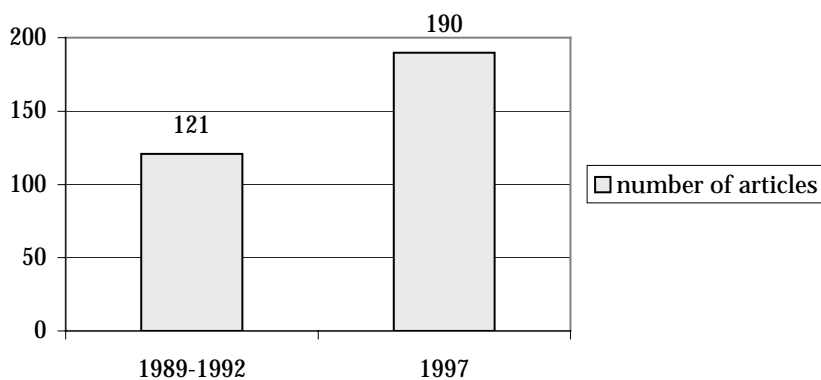
One hundred and twenty-one articles on ET were published during the period of 1989–1992 in the four all-Estonian daily newspapers. In 1997 the number was 190. These data show that communication activity increased more than 50% after four years of systematic public relations work in ET.

The most active channel to publish telecommunications field information in the years 1989–1992 and also in 1997 was *Edasi/Postimees* (ED/PM)[4], where the corresponding numbers of articles were 46 and 57. The second biggest number of articles (36) was published in *Rahva Hääl/Sõnumileht* (RH/SL) in 1989–1992.

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[4]   Newspapers changed their names due to social change processes and the author has given both old and new names in the present study.

Noorte Hääl/Päevaleht (NH/PL) published 24 articles and *Äripäev* (ÄP) 15 articles. The number of articles was also dependent on the characteristics of the channel. For example, when going through various newspapers for the content analysis it was noticed that *Edasi/Postimees* was rather individual-centred and critical of society. *Noorte Hääl/Eesti Päevaleht* was quite political, removed from everyday life and partly too idealistic in 1989–1992. *Rahva Hääl/Sõnumileht* published various articles for workers, and many articles were on politics and the process of change in society. The small number of articles in *Äripäev* results from the fact that in 1989 only one edition of *Äripäev* was published, and in the following years it was published only twice or thrice a week. In 1997 *Äripäev* became a daily newspaper. The style of *Äripäev* was totally new in the post-communist situation, and the articles published in *Äripäev* were pioneers of economics journalism. From the start *Äripäev* was severely critical of anything that might cause the slightest problem for the Estonian economy or political life. The biggest growth in the number of articles was in *Äripäev* — in 1989 there were no articles on telecommunication, in 1992 there were 10 and in 1997 the number was 48. This increase was typical of other newspapers as well (figure 4.2).

FIGURE 4.2 Growth in the number of articles in various newspapers n=311

number of articles
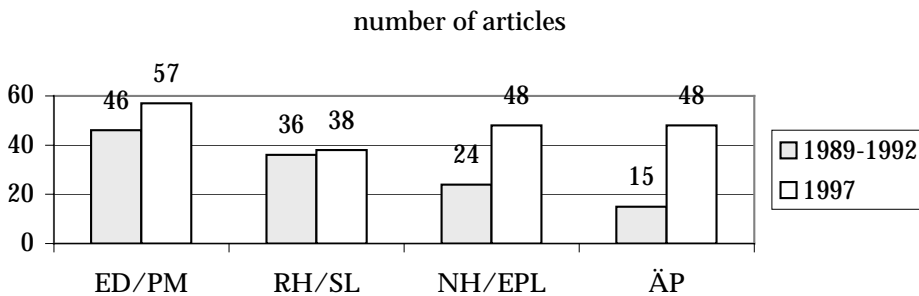
The division of communication subjects into sub-topics varied to a great extent during the study periods (table 4.1).

The subject of postal services was totally absent in later publications, because after the reforms in the Ministry of Telecommunication in 1991, phone and postal communication were separated. It is interesting to note that in each period the subject of development was listed as being most important. Postal communications and problems were followed in the media in 1989–1992, but in 1997 newspapers covered only privatisation and monopoly, with minor coverage of faults in telecommunications. Fourteen new or specified sub-topics were added in 1997.

The above-mentioned list shows the change in the scale and topics of communication clearly. Changes in both quality and quantity occurred remarkably quickly between the two time periods. This development took place

during a period of changing and activating communication processes in ET, when several new topics entered the discussion. These political topics were not discussed during the earlier period. Consider the topic of 'faults' — it was not polite to talk about bad things during the Soviet period, because the state ideology had already revealed the 'right Soviet style'[5]. Soviet ideology stated that everything was all right and there were no problems in communist society (no mistakes, no accidents, no invalids, no poor people etc). The same applied to financial figures and other statistics — in the Soviet period all real figures were secret, but already in 1997 accurate figures were presented regularly in the media.

Discussion on the technical possibilities of phone stations and solutions in 1997 was quite innovative, because this topic had also been secret in the Soviet period.

TABLE 4.1   Communication subjects per sub-topics during the study periods

The list of subjects:

| 1997	1989–1992
1. Development (42 times)	1. Development (24 times)
2. Postal communication (20)	2. Privatisation (18)
3. Problems (14)	3. Monopoly (17)
4. Price (8)	4. Faults (15)
5. Communication policy (8)	5. Phone booths (14)
6. Individuals (7)	6. Price (12)
7. Other subjects (5)	7. Problems with communication (10)
8. Data (2)	8. Accountancy (8)
9. Phone books (2)	9. Changes in numbers (6)
10. Communications economy (1)	10. Loans (5)
11. Phone booths (1)	11. Communications economy (5)
12. Services (5)	
13. Other subjects (5)	
14. Service (4)	
15. Sponsorship (4)	
16. Phone books (4)	
17. Telegrams (4)	
18. Procedures, communication with other phone companies (4)	
19. Persons (4)	
20. Dialling rules (4)	
21. Phone jacks (2)	
22. Data (2)	
23. Communication policy (2)	
24. Phone stations (2)	
25. Debtors (1)	

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[5]   This is a clear example of 'deep language'.

Articles on privatisation and monopoly, as well as articles on loans, were quite innovative in 1997. Discussions on topics connected to phone communications resulted from the changes in society and the economy. New terms and notions were created, and they were difficult for ordinary people to understand. This, in turn, resulted in misunderstandings and distance between ET as an organisation and its environment.

It was a positive facet of ET communication that the number of publications increased and the scope of various topics expanded. But still these actions did not meet the requirements of ET's stakeholders in society. ET released messages in accordance with its procedure and intentions, and its stakeholders sent their messages through the media (letters from readers, personal opinions etc), but these two processes did not meet. This resulted in unmanaged asymmetrical communication as presented in the theoretical part of the present survey, where messages were sent on both sides, but no messages were received on either side — neither in the environment nor in the organisation.

Informative articles dominate among the articles under study — 119 articles. These were followed by critical articles (68) and positive articles (57), whereas the informative articles dominated both in the period of 1989–1992 as well as in 1997. It is remarkable that during the period of 1989–1992 no neutral texts were published — all texts had some kind of slant. But in 1997 a simple informative text was quite common (Figure 4.3) This can be explained by the rise in quality in the profession of journalism, and by the use of innovative text principles at the faculty of Journalism and Communication of the University of Tartu.

FIGURE 4.3   Features of articles in the study period n=304

the feature of articles
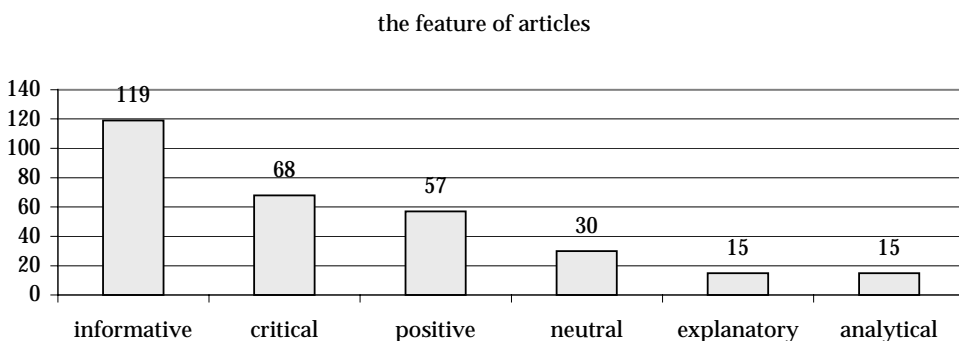
The number of critical articles was stable during both periods. The rise in the number of positive and informative articles, decline in critical articles and the appearance of neutral texts in newspapers in 1997 can be considered to be results of planned public relations activities. The main goal of the principles of ET's media relations in 1997 was to present informative material and to talk

about things in a neutral way. That was the reason why some negative messages delivered by the company were seen as more positive by the public — for example in the case where builders accidentally cut some phone cables and many people did not have phone connection for a long time. If ET had not sent the message proactively, the whole blame would have been on ET — as it had been earlier.

In order to better characterise the communication of ET, the importance of articles on the real process of change in the organisation in 1989–1992 should be considered (Figure 4.4).

Out of 26 articles, only one article was published about the process of change in 1989: an interview with Mr. Toomas Sõmera in *Rahva Hääl* on 17 September. The title was 'Direct Dialling of Long Distance Calls Abroad'. The main thrust of the discussion was the problem that long distance calls were very complicated and difficult to make, and Mr. Toomas Sõmera hoped that soon there would be 'better times for phone communication'. Mr. Sõmera's rhetoric was typically Soviet — containing 'deep language' elements, no information on general developments, and no information about the main subject.

Again only one article out of 45 dealt with planned changes in the field of telecommunications in 1990: *Äripäev* on 20 June discussed the contract concluded between the Baltic States and Sweden based on permission from Moscow to handle communications problems independently. This information was sent to *Äripäev* by Sweden via foreign news agencies.

However, many articles were published concerning radiophones and market development, and the supplying of technology by Western telecommunication firms Alcatel and Ericsson. In order to promote Ericsson, Jaak Ulman, the Deputy Minister of Telecommunications personally wrote an article in *Päevaleht*. Ericsson's logo was printed in the article — an unbelievable act, which would be condemned in today's media, as logos can only be used in connection with marketing and advertising, and ministries cannot promote any foreign companies. But nothing else was said about the changes in the Estonian telecommunications field during that period.

The number of articles in 1991 in comparison with other years was smaller, but already seven of eighteen articles concentrated on the changes in the telecommunications field: three articles on the preliminary contract of establishing ET, two articles on the liquidation of the Ministry of Telecommunications, two articles on the rise in quality of telecommunications lines and on other plans.

In 1992, nine articles of 32 were about organisational changes in ET during the establishment process and nine articles concentrated on technical changes.

FIGURE 4.4 Articles on the process of change in the preparation of a new company 1989–1992; n=121
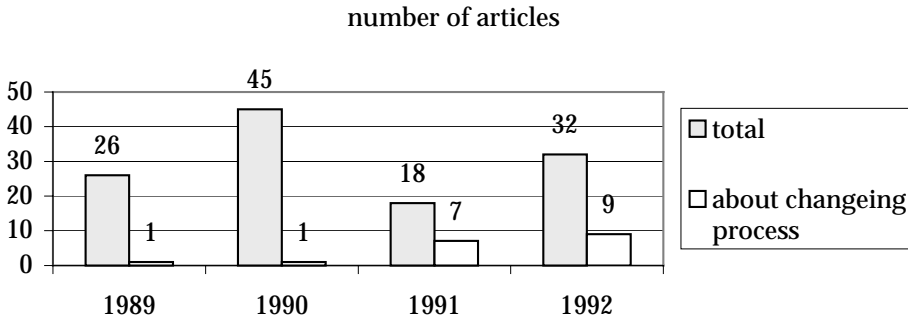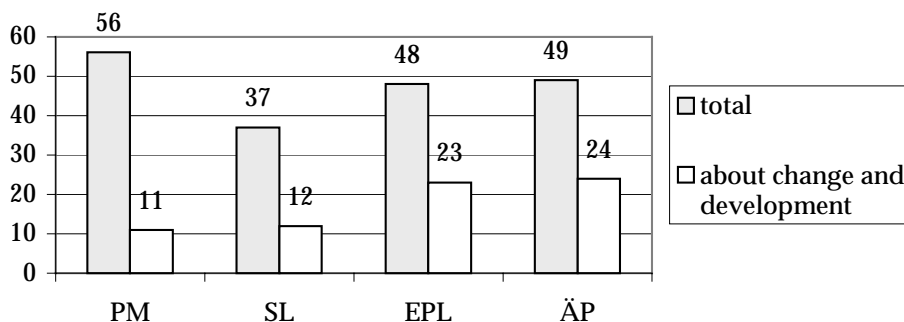
number of articles

Figure 4.4 shows that during the first years nothing was mentioned about the changes in Estonian telecommunications systems. In 1991, slightly less than half of all articles were about the change process, but in 1992 the amount was only one third of all articles. Based on this fact it can be said that ET′s communication was insufficient and resulted in misunderstandings in the context of organisational changes among various stakeholders. Here also lies the answer to the ET conflict between *Äripäev* and the new cabinet of ministries that emerged during the signing process of the concession agreement in 1992. Interviews with Prime Minister Mart Laar and Mr. Toomas Sõmera corroborated this. At the same Toomas Sõmera and Jaak Ulman started to demonstrate their openness to this process and they said that '*several interviews were held every week*', and that the public and ET employees were informed about the processes (Ulman 1998, Sõmera 1998). But interviews with Prime Minister Mart Laar indicate that this was untrue.

Articles on the positive programmes of ET and its trailblazing role as a constructor of infrastructure within the whole communication process in 1997 were analysed. These articles justified the changes that took place in 1989–1992, and these changes were a logical follow-up to the fact that the subjects had not been covered in the period of 1989–1992 (Figure 4.4).

The selection of articles on development and positive plans also includes articles on communications innovations, privatisation, monopolies, competition, the communication process, new technology, phone stations, new communications channels, phone connection in rural areas, changes in numbers and new service centres.

FIGURE 4.5 Articles on development and changes published in various news-
papers in 1997 n=190

The process of change was reflected in the various channels as follows: *Posti-mees* (PM) — 11; *Sõnumileht* (SL) — 12; *Päevaleht* (PL) — 23; *Äripäev* (ÄP) — 24; a total of 70 articles among 190 (Figure 4.5).

Also in the year 1997 the number of articles on changes and development was rather modest in comparison with the total number of articles, although answers to the questions of various stakeholders about the availability and quality of phone communications service groups were presented. However, the communication was still rather asymmetrical, typical of a closed system, although it was a relatively managed and planned process. It was intended to change the opinions, behaviour and viewpoints of its environment and stake-holders, but it did not result from the wishes of the stakeholders. Also the style of press releases characterised the system as a closed one. It was far from being an idealistic symmetrical two-way communication (Grunig 1984), where an organisation is ready to change due to stakeholder pressure.

4.1.1 Change in Estonian Telephone orientation to relations with stakeholders

All topics dealt with in the articles can be divided into four groups (figure 4.6):
- Problems in connection with the inner changes of the organisation (O)
- Problems of customer relations (K)
- Phone system relations with a wider public, including authorities and politicians (P)
- Technical problems (T)

FIGURE 4.6 Differences in the topics of articles published during the study period n=311
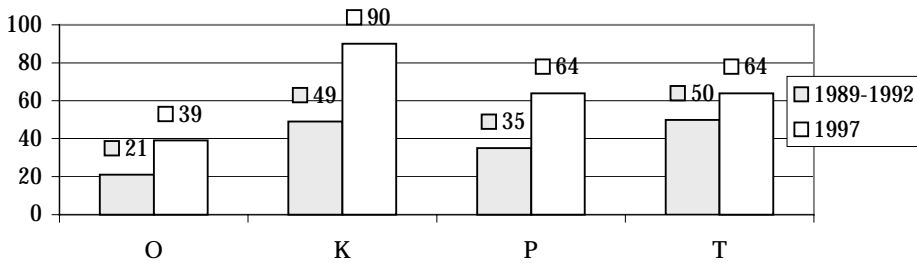

Figure 4.6 demonstrates that in 1989–1992 the articles on technical topics (T) predominate, followed by customer relations (K) and relations of ET with the general public. The same topics predominate in 1997, but their order was different — the majority of articles were on customer relations, followed by technical topics and the public. In comparison with other topics, the presentation of inner topics of the organisation was very modest in both periods. Analysis of topics shows that the approach to stakeholder priorities changed: in the earlier period ET was predominantly oriented to technical stakeholders, and client orientation was connected with technical problems. In 1997, the organisation's orientation to stakeholder attention was changed and customers, as stakeholders, had a dominant position in the stakeholder system.

The inner changes of the organisation in 1997 were reflected in the following topics of articles: changes in the management of ET, changes in the structure, new service centres, plans for improving communication, the use of financial resources, organisation effectiveness and reasonable economising, profitability of the company and the scale of the company in Estonia and in the world. But in 1989–1992 the problems of change were reflected in innovative plans, the establishment of ET, the liquidation of the Ministry of Communication, the license given by Moscow, and work heroes. It is important to state that all change plans were mentioned in very general terms, and no details were presented. It is also important to note that the presentation of ET's internal topics in the two periods was very different. This may also be one reason for the opposition to the establishment of ET — the process was incomprehensible, the signing of a concession contract was a surprise to the stakeholders and also to authorities, and this overshadowed the positive technical side of the whole process, and created distrust.

The system's relations with public stakeholders were dealt with more in 1997 than in 1989–1992. The following subjects were dealt with in 1997:

- ET as a sponsor
- Relationship between ET and the government regarding the business plan of ET — its refusal and the attempt by the government to participate in the management of the company in order to show its power over the monopoly

- Explanations by ET on how it followed the provisions of the concession contract and how it developed communications
- Privatisation plans of ET
- Monopoly as an obstacle for development

In 1989–1992 only the innovation plans for Estonian communications and reforms of the Ministry of Communications were discussed, and only in a very general context.

This shows clearly that communication implemented in 1989–1992 did not present actual information to stakeholders about the changes that had taken place, and therefore key stakeholders were not informed about the on-going processes. Mart Laar confirmed this in his interview (Laar 1999).

There were a great number of articles on customer relations in both periods, and the customer relations topic predominated over other problems. But the subjects in this field were rather similar in both periods — poor quality of phone communication, long queues, etc. A quite innovative trend in 1997 was the publication of articles on customer training, where ET tried to inform stakeholders and encourage them to communicate with the company. In comparison with the period from 1989–1992, it was an important change in the company's communication model — the unmanaged asymmetrical communication characteristic of organisations in a totalitarian society developed into asymmetrical two-way communication (Grunig 1984) — the needs of the stakeholders were recognised, and it was understood that there was something wrong in this field.[6] That was why messages were sent more intensively to the stakeholders in 1997, with the hope of changing stakeholders' attitudes. But the company had not yet reached a stakeholder system, or an effective method of communication (in the author's opinion the company has not reached this level today, although it is a quoted enterprise that requires total openness).

The importance of technical topics was much greater in 1989–1992. This could be explained by the fact that the preliminary aim of the company was to change technically. This could also be explained by the fact that the poor technical level constantly caused problems, and now it was possible to talk about it freely, because newspapers had become democratic. It is interesting to read articles on technical issues from 1989–1992 — there is direct criticism of the communications problems of Estonia, but the technical solutions are presented very vaguely — with the aid of presenting achievements of French communications, of the establishment of Estonian mobile phone connections, the arrival of Ericsson and Alcatel in Estonia, etc. A new communications technique instituted in Estonia was also mentioned, although very vaguely. And no precise answers were given to the customer question: 'When will I get my phone after 40 years of waiting?' At the same time stakeholders from client groups were writing a lot of letters about bad connections, calls routed through Moscow, etc

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[6]   Analysis of ET's stakeholder system shows that clients as stakeholders were totally left out of the system in the Soviet time.

in newspapers. Stakeholders quite actively sent their messages to ET via newspapers. And the communication officials in ET gave no answers.

In conclusion it can be said that the communication by ET in 1989–1992 was superficial and did not adequately inform the stakeholders about the ongoing processes. The technocratic and specialised terminology used in these few articles also made the communication process more complicated. All messages sent by clients and published in newspapers remained unanswered.

ET started to examine the wishes of its stakeholders in 1997. One opinion survey had been conducted — about the satisfaction of the customer/phone user. However, there was still no trust between ET and its stakeholders, and clients' self-rating was 'not satisfied'.

4.2.1 Emotions in stakeholder relationships

The opinion of the stakeholders and the emotional background of the letters and articles in newspapers often influenced the attitudes of readers. Therefore it would also be wise to examine the headings of articles about ET (figure 4.7).

All headings were divided into three groups: positive, negative and neutral. Often the emotional background of the article and its heading varied — a negative heading was often followed by a neutral or even positive article and a heading that at first seemed positive would be followed by a neutral or negative article.

Figure 4.7 shows that in 1997 the emotional tone of the articles was equally positive, negative and neutral, but in 1989–1992 negative articles predominated. This may be explained by the fact that stakeholders at the beginning of re-independence were more critical, and after the silence of the totalitarian regime, or after the so-called Soviet optimism in newspapers, they could express their negative emotions. At the same time, in 1989–1992 there were quite a few articles with positive headings. In 1997 the number of positive and negative headings was equal.

FIGURE 4.7 Differences in the emotional background of the headings during the study period n=311
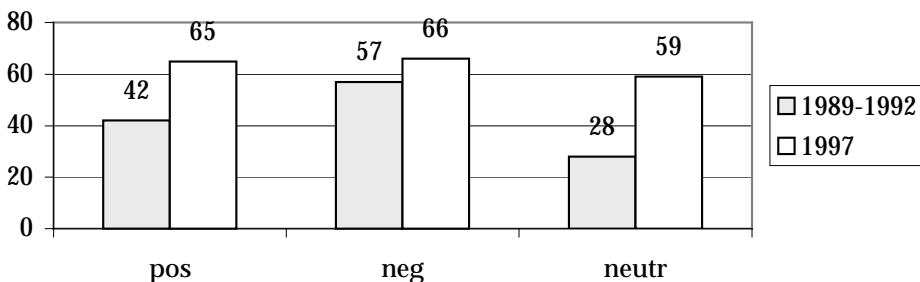
As the content analysis showed, ET's communication was unmanaged and asymmetrical in 1989–1992. Some articles reflected planned changes, but these articles were superficial and they did not reveal complete information about the on-going processes.

Mr. Toomas Sõmera and Mr. Jaak Ulman confirmed this: '*T. Sõmera and I (later also Mr. H. Leismann) gave several interviews every week*'. In some ways this statement is correct — newspapers covered the division of the ministry and the establishment of ET. But it seemed that the messages presented by the officials were not what the public and new stakeholders expected. The officials stated that soon everything would change for the better, but clients and potential clients had problems getting their own phones, and they expected better connection quality, and solutions to other every day problems.

But it would be too much to ask of an organisation coming out of a state of stagnation to have an ideally managed, critical and two-way communication in the years 1989–1992. Moreover, there was no effective public relations function yet. But any kind of planning would have supported the process of change, and probably would have avoided some misunderstandings. Jaak Ulman says in his interview: '*We did not have any special strategies for communication with the public. We did not even have a press representative. The main work was carried out via newspapers, and newspapers were very interested in our work.*' (Ulman 1998). To the question about programmes for informing the stakeholders in Estonian society, Toomas Sõmera answered: '*No, we did not have any programmes. This was the time of very few programmes in general. There was only the so-called survival programme in 1988–1992. This meant that before the formation of a joint enterprise, there should be something to join. In fact in 1989–1992 we did not have anything. The Russian rouble fell, we did not get much equipment, and the so-called half-digital technology produced in Russia was stopped…*' Mr. Jaak Ulman remembered that 'newspapers were very much interested'. Mr. Sõmera stressed that nobody had any time to deal with communication and other problems, because the technical problem was so huge. It would have been much better for the company to talk about these serious problems with the new stakeholders in Estonian society, and not just try to heroically solve the problems inside its own environment.

Another aspect that came out of the interview with Mr. Sõmera was that all communications employees held the opinion that the public was not capable of understanding the communications process: '*We tried to inform people with the help of newspapers about the fact that we had established teamwork with the Swedes in order to establish a joint enterprise. But the general public could not understand this. They only grasped that something was going on, but what their part of the pie was, they did not understand.*' (Sõmera 1998).

This was a typical attitude in the environment where ET started to develop — public opinion and stakeholder opinion was not considered competent and they were not taken into account. Also, the officials could not understand their tasks of training the public and stakeholders, and they did not bother to clarify and simplify their messages. This was contrary to the approach of democratic organisations that precisely feel their bond with the environment

and with stakeholder groups, and that clearly understand that without the support of the environment it is not possible to achieve success. Organisations in a totalitarian society could exist perfectly well without the support of the environment — co-operation with the authorities was sufficient to survive in this environment. But when the society became more open, and the previous partner and stakeholder system changed, the organisation was isolated, and moved even farther from the environment.

Mr. Ulman says: '*In general, we (Telekom) were rather free to act; however a lot of lobby work had to be carried out with authorities.*' (Ulman 1998). This sentence proves the fact that the process of change of the system was implemented in isolation. The Soviet style characterised the whole process — communication took place only with the authorities. The main problem for ET officials was that the authorities also changed very quickly in the changing society, and the politicians who had been influenced by the officials had been replaced by others from among the general public (Mart Laar and his first government). Probably they would have been more positive and friendlier towards the changes in communications if they had had more information.

Still, everything needed had been received from Moscow, from the licence up to total technical independence. T. Noorkõiv says in his interview: '*Of course we tried to please a lot at every level. Managers were offered feasts … Pärnu phone station had been prepared for the managers from Moscow. This phone station was shown to them. It was a place where they were offered a feast and other activities.*" (Noorkõiv 1998). A. Poolgas said: '*When an inspection brigade arrived here, the sauna was heated, and the table was covered with all the best available in the special shop…*". (Poolgas 1998). In fact the organisation was communicating with its stakeholders, but these stakeholders changed too quickly for the organisation. Much more quickly than the organisation realised, the positions had changed, and now decisions were made by those who had earlier not been noticed at all. The effectiveness of the change process in ET would have been quicker if the organisation had also changed faster and if the changes had included the communication process. But as the priorities were technical, other aspects were left behind.

4.3.1 Internal communication in a period of change

Mistakes were also made in communicating with ET's own employees — the misunderstandings among the organisation's employees caused misunderstandings in society. A. Poolgas said: '*Only a very limited group of people knew about the on-going changes. For a long time people did not even know the name of the organisation they worked for, the owners etc.*' (Poolgas 1998). This misunderstanding caused additional problems in communication in 1997 — especially in connection with loyalty and motivation of the employees. Correct information for employers was not a custom of a totalitarian organisation, unlike democratic organisations, which believed that a well-informed employee could be even

more valuable to the organisation than an uninformed one. This was supplemented by various rumours — as might be expected with uninformed employees, they misinformed their friends about the change process, and in this way helped to establish a negative attitude. A. Poolgas: *'Many employees from the headquarters were made redundant, others trembled and followed some stupid rules…'* (Poolgas 1998). Mr. Noorkõiv was not as negative about the inner climate of the organisation. He said that people had positive attitudes, for they were positively compensated. Also Mr. Toomas Sõmera mentions the positive side of informing people. However, the informal discussions with communications employees show that the attitude was negative, and the reason for this negative attitude was salary — the Swedish people who came to work for the company were paid much higher salaries than Estonians for the same jobs. Also the fringe benefits given to the employees caused some negative misunderstandings — there were many complaints about cars received from Sweden as well as old computers.

All interviewees declared that information management in the Soviet system was rather secret. Hence we may consider that the change process took place much faster than people could adjust to, and reasons for the conflict were the differences in the development of the organisation and its environment, and little or no communication between ET and its stakeholders.

Mr. T. Noorkõiv presented an interesting argument in explaining the lack of communication with new stakeholders: *'Communication with the Estonian public in the pre-establishment period of ET was rather modest and wary. People were taught that capitalism was not good, and that co-operation with capitalists was practically a criminal deed. Luckily there were far more important problems than the activities and future of phone communications. Therefore we managed to work in peace. The public was not informed about the status of the development. More active and innovative persons wrote some articles, which were published in newspapers in order to explain the importance of involving foreign investors and to smooth the path to the future. As far as I remember activities were not co-ordinated and systematic'* (Noorkõiv 1998). This could explain another aspect — public reaction was feared, and in order to survive no communication took place. The leaders of the process (Sõmera and Ulman) were afraid to confirm this. They said that the opinions of the public and the employees were not important for the process. The process itself was important, but its effects on other processes and systems were not considered important. This attitude supported technocratic thinking, and Toomas Sõmera in his interview proved the existence of this way of thinking. Only very good public relations specialists could have helped the whole process, because the people inside the process could not examine the processes critically from a distance. Therefore the activity of ET in that period can be considered logical and understandable.

4.4 The message of Estonian Telephone to Estonian politicians

In addition to messages published in newspapers, the group of people changing the telecommunications system also sent one justification to Estonian politicians, which was titled 'The Development Concept of the Republic of Estonia Public Telecommunications Network and its Conditions'. Unfortunately this document lacks a date of issue, but relying on the facts in the document it could be guessed that it was written at the beginning of 1992. The justification gave an overview of the work done so far and explained the importance of co-operation with sources of foreign capital. This document is full of technocratic and complicated terminology. Moreover, facts about the preferences in digital communication were presented in very general terms and without arguments: *the establishment of a joint stock company would naturally increasingly help to improve the quality of the old network. The new uniform digital network will naturally meet international standards and bring along a bit higher rates on services (in the near future prices will be considerably lower than world market prices).'* So the most common argument of ET was contained in the word 'naturally', as well as the phrase 'increasingly improve the quality of the network', and the unknown phrase in that period 'digital network' would 'naturally meet international standards'. There were no explanations and no reasons given concerning how and why the process would be implemented. The whole text was presented in an emotional style, and the only argument used was 'the practice used throughout the world'. Also, there were references to the opinion of world experts.

This three-page justification is insufficient from the point of view of communication, if we consider the scale and real value of changes in Estonian society as a whole. On the other hand it is a good example of the organisation's behaviour in that situation, and the superficial style stresses once again the fact that ET was distant from Estonian society, from the politicians as well as from the people. The wording and terminology of the reformers were very vague, and there were even grammar mistakes.

4.5 Public attitude towards Estonian Telephone

The public attitude towards ET at that period can be seen in the letters to the editor sections in newspapers. The interview with Prime Minister Mart Laar also provided some insights into the situation.

Sixteen letters from readers were published in the media surveyed in the period 1989–1992, and all of them were critical. Sixteen is a misleading number, because many articles published in newspapers were written by people in

support of public opinion — this style dated from the Soviet period, where each proper newspaper also had writers from rural areas, in order to properly reflect the life and work of the Soviet people. Each newspaper had a letters to the editor section.

All critical letters from readers in 1989–1992 complained about the faults of the phone system — bad connections, phone deficits, high prices, etc. However, only one letter received an answer in the whole period of 1989–1992 — an ordinary postal administrator explained to people why letters move so slowly and what the problems of postal workers in serving people were. The managers did not waste their time on explanations, and all the other questions presented in the newspapers remained unanswered.

In 1997, there were 26 readers' letters. As a proportion of the total number of publications, the number of readers' letters dropped considerably in 1997. But again public opinion was negative. In 1997, people wrote on the following topics:

- A person's right to keep his number secret — phone companies had listed the numbers without owners' permission
- The general opinion that ET lied
- Dissatisfaction with service and quality
- Phone supplies lower than expected, and people still in line to get phones
- Phone companies blamed for wasting taxpayers' money
- Criticism about phone rates
- Bad connections
- High prices for phone services and insufficient availability

It is important to note that the content of the messages sent by the public in 1997 had not changed; only the number of problems had increased. This could be explained by the fact that ET had not understood the messages sent by the public. However, developments and changes had taken place inside the company. These developments and changes had taken place without considering the wishes of the stakeholders. This meant that the organisation had not relied on its environment.

This context reveals very vividly the contradictions in the company's communications — on one hand the amount of communication as well as the number of topics under discussion had increased over the years, but on the other hand there had been no real communication, for people had not heard convincing arguments about the matters they were interested in. For example, one reader in the title of his letter declares a 'mess in ET', which very clearly characterises the atmosphere of unreliability between the company and its stakeholders. ET did not use the public relations team to its advantage.

Also the interview with Prime Minister Mart Laar in 1998 proves that the conflict between the government and ET started in 1992 due to the concession contract. The joint company controversy continued in 1998: '*I am still very critical of the above-mentioned contract, and I think that Estonian development in the field of telecommunications would have been much faster without the contract.*' (Laar

1998). Mart Laar blames himself and his government for not having acted more radically in 1992: '*We believed for nearly one year that Minister A. Meister could control Telekom. When it came out that it was not possible, we started to liquidate Telekom, but then it was already too late and the new Vähi government cancelled all our attempts. The monopoly remained alive.*'

It turned out that Mart Laar's government was also not informed about the ongoing processes after the establishment of ET in 1992, which resulted in a communication crisis. This can again be explained by the separation of ET from its environment, and by the opinion that nobody could comprehend the ongoing processes. That was the reason why the government was not informed. Typical of Estonian politics at that time was the situation where the new Prime Minister (Tiit Vähi, who in fact was the target of the lobby work in the establishment of ET, had to refuse the position in favour of Mart Laar just before the establishment of ET) was a little bit better informed and ET was again able to continue its development. It could also be assumed that ET did not communicate with Estonian politicians because previously the communication partner had been Moscow. But as there was no need to communicate with Moscow any longer, ET was not able to re-orient to a new environment and to new partners.

Mart Laar mentions in his interview that the establishers of ET had not presented adequate information to the public and only a very small group of people knew about the on-going processes and future plans: '*Information about the planned contract came mainly from newspapers and from the Ministry of Foreign Affairs, but the fact that things had developed so far was a great surprise. Managers of telecommunications did not try to contact anybody. They only said that the Prime Minister had to go and conclude a contract on that date. I asked for the contract and I had many questions about its monopolistic character.*' (Laar 1998). Mart Laar refers in his interview to the faults of ET's communication and behaviour. In 1992, due to this incomplete and inadequate communication, the prepared project might have been ruined, which would have caused failure to achieve the technical aims of the company. Here we can see that a company cannot manage its communication if it does not plan its activities and does not care about the interests of its environment and target groups. As a result, the effectiveness of the whole organisation suffers.

After the conflict with Laar´s cabinet in 1992, ET did not intensify its communication with Estonian politicians, and also its communication with the public remained rather reactive and asymmetrical. This was probably caused by the fact that the public relations specialist who was hired in 1993 had no professional training and public relations was considered unimportant inside the company. Still, several years had to pass before the public relations function was raised to the position where the specialist could participate in the formulation of strategies.

4.6   Epilogue: campaign of price changes in 1999

Another ET communication crisis took place in the winter of 1998–1999. This time it was connected with informing the public about the tax charged at the start of a phone call. Sulev Vedler from Eesti Ekspress wrote that it was '*a fault of marketing and public relations*', (Eesti Ekspress, 21.03.1999).

ET decided to conduct a campaign to inform the public about the necessity for a start-of-call tax. Also the necessity of additional revenue for the financial activities of the enterprise was publicised. Mr. Jaan Männik even declared in public that all customers who paid less than 150 kroons per month were detrimental to the company. Mr. Männik also stated that Estonians had received phones nearly free of charge and the start-of-call tax existed also 'in our country Sweden'. The last statement produced very painful reactions from the public and it resulted in the so-called 'open war' between the media and ET. In fact, communications with the public also involved one positive aspect — the prices for other services were reduced to a great extent. But this aspect was not brought out powerfully enough. The whole information campaign was built on the justification of the start-of-call tax, which in fact caused a collapse inside the public relations department of the company. The positive aspect for the public, as well as for the image of the company, was missed again, and people in the environment of ET received a new piece of negative experience and information.

Examining ET's communication process with the public from the study period up to 1999, it is clear that, despite all efforts to manage the communication process, it was still unsuccessful. There are probably many reasons, and many of the reasons are not directly connected with the subject of the present paper. However, we can still draw conclusions, for these reasons are connected with the material of the present study. These conclusions will be presented as different discourses of ET's communication process.

4.7   Estonian Telephone relations and communication discourses

The above-mentioned analysis can be summarised in terms of macro discourses, of which the first three are organisation-centred and the last four are environmental discourses of ET:

First Discourse: priorities are technical solutions
This discourse dominated in all texts in the study period of 1989–1992 — in newspaper articles, interviews and documents. All articles on phone issues in newspapers were about the technical side. This can be explained by the fact that the phone deficit could not be reduced without technical solutions. But the problematic feature is that the technical plans were explained rather vaguely, and therefore the message to the person wanting a phone remained quite distant and incomprehensible. All presentations of the plans for technical changes were very general and loosely connected to the development of Estonian communications as a whole.

The priority of technical solutions was also stressed by an article in *Päevaleht* where First Deputy of the Minister of Communication Ulman personally represented Ericsson (Päevaleht, 18.04.09). Also the interview with Mr. Toomas Sõmera in *Äripäev,* where Mr. Sõmera informed readers that Estonia would soon belong to the world communication network, shows vividly the priority of technical solutions. But again no solutions for local problems were offered.

Mr. Toomas Sõmera confirmed in his interview that ʹeven today we have the problem of being too technical/…/ our men think that cables or equipment will solve any problem, and the customer is forgotten.ʹ (Sõmera, 1998).

Other interviews also mentioned technocratic thinking, the best example being the justification sent to the government (mentioned also in Mr. Jaak Ulman´s interview).

Second Discourse: the public is stupid and not worth informing
This discourse appeared most often in interviews with the managers of ET. Mr. Toomas Sõmera said directly in his interview that, in his opinion, people ʹdo not understand this communication stuffʹ (Sõmera, 1998).

Mr. Arvo Poolgas replied, in his interview, to the question ʹhow was the information flow with the public arranged during the establishment of ET?, that ʹit was arranged in a very chaotic way, but probably there was no urgent need for information management — everybody just wanted a phone, queues were very long, and phones were often out of order — so what should we have marketed, what should we have talked about?ʹ (Poolgas, 1999).

Mr. Toomas Noorkõiv said that everything was carried out calmly and without interruption, and ʹthe public was not very well informed about the activitiesʹ (Noorkõiv, 1998).

It is quite clear that ET and its predecessors had not valued informative communication between the company and the public. Of course, we can doubt the necessity of this slightly arrogant attitude, but it can be explained by the philosophy of the Soviet period.

Third Discourse: the less information about the process, the better for its implementation

The real communication tactics of ET came out in the interviews — the intention was to provide less information to the public, because then there would be fewer obstacles to the implementation of the whole process.

Mr. Sõmera, Mr. Ulman and Mr. Noorkõiv mention in their interviews that 'they were left alone in their activities'. Therefore we can guess that the communication side was not important.

Fourth Discourse: communication officials who act secretly are national traitors

This discourse comes out in the interview with Mart Laar, as well as in articles published in Äripäev in December — January 1992. Äripäev was the only newspaper in 1992 that received a warning about the content of the concession contract and the danger of monopoly. Uncontrolled information about the transfer of Estonian communications to Swedes and the respective danger for state security were sent to the newspaper from the Ministry of Telecommunication. State security problems were also raised in the interview with Mart Laar — not especially in connection with communications, but in general.

Mr. Toomas Sõmera illustrates this approach in his interview: 'Newspapers produced articles about the concession contract in 1993, and they referred to this as a secret contract, which caused another absurd situation. It was Mr. Lippmaa who did not understand the special rights given to the company. He thought that the whole monopoly had been sold to the Swedes. And a very well-known economics professor, Mr. Janno Reiljan, wrote that all of the money went to Sweden, and only crumbs would come back.' (Sõmera 1998).

Although Mr. Sõmera thought that these stories were absurd, even in 1997 newspapers published various articles about the sale to Swedes. It could also be mentioned as an opposition to the communications concept that was headed in addition to Mr. Endel and Jaak Lippmaa also by Mr. Tõnis Palts from Ritabell, who was also interested in long distance connection services in the Estonian market. Therefore, we can say that the opposition had some financial interests in the process and their arguments should be viewed critically.

Fifth Discourse: monopoly is bad and destructive for the state

This discourse prevailed in Mart Laar´s interview, and it was also widespread in newspaper articles in 1997. Despite the change in public relations style in the organisation, there were still many complaints about monopolistic behaviour and about the monopoly in general. Somehow it seems that people had found a new enemy — the monopoly.

The syndrome of 'a bad monopoly' comes out in all readers' letters in 1997 (*Postimees*, 15.09.97, *Sõnumileht*, 22.09.97, *Postimees*, 23.09.99 etc). Also the attitude of the journalists towards ET as 'a bad monopoly' could be sensed. (*Postimees* 10.11.97).

Interest in both the conflict with the environment and the establishment of the public relations process can be seen very clearly in the articles published in 1997. News from ET was portrayed as positive arguments and the complaints from the opposition as 'monopolisation and betrayal'. Journalists were already quite neutral, and could present the views of both sides. This proves that professional public relations methods were not aimed at influencing media, but at presentation of the organisation's viewpoints. The professional standards of newspapers were important in presenting varied opinions.

Sixth Discourse: I have stood for so many years in queue for a phone and I still don't have any hope

This discourse is present in nearly all articles that were written by ordinary persons and published in the readers' column. This discourse reveals the biggest conflict between the organisation and its environment — people were waiting for a solution to one problem, but the messages sent by the organisation addressed other matters. (Edasi, 13.03.90 etc). One peculiarity of ET communication is that in 1997 the organisation started to inform rural areas about their phone connections. But this information created another reaction — 'when will our district get a phone connection?' Despite this genuine communication and strategic information flow, ET again received some negative reactions, because some had already received a phone and those who had not received a phone were even angrier.

Rather positive messages about phone connections were published in 1997 — a successful reflection of the phone campaign on the islands: *Postimees*, *Päevaleht*, *Äripäev*, *Sõnumileht* together with TV channels and radio stations delivered the positive news in November 1997 that the phone campaign on the islands was nearly finished. The success of this campaign is a result of public relations activity that was clearly managed and strategically well planned.

Seventh Discourse: the quality of phone connection is poor, in spite of the efforts of ET

Quality matters were subjects of discussion in nearly all texts examined in the present survey — including articles, interviews and existing documents. This aspect was pointed out in the messages sent by ET, and also in public reactions to these messages.

All discourses except the fifth and seventh emerged in the period of 1989–1992. Discourses 5 and 7 were more common to the year 1997. Whereas the first discourse (priorities are technical solutions) and that of the sixth (I have stood for so many years in queue for a phone and I still don't have any hope) were present in both periods.

As analysis shows, ET had major conflicts with its environment. A double conflict arose for ET: the conflict of ET with the government, and ET's conflict with the people. Only strategically well-planned and smart public relations activities could help to solve these conflicts. But management should provide full support to public relations activities. If these problems are not taken seriously, then after some years, due to the opening of the market and the end

of the monopoly, the organisation will collapse. Because of this conflict the environment will turn away from the organisation. In terms of the market economy this change should be stated in financial terms — the services presented by this organisation will not be bought any longer. Similar world examples can also be given in the field of communications — for example the reduction of the market share of Telia after the termination of the monopoly. Considering Estonian cultural, political, social and economic peculiarities, customers will buy communications services from other operators solely to avoid buying them from ET, and not because of receiving better quality or a wider choice of services. This behaviour can only be explained by the conflict referred to above, and the main reason for this conflict is the clumsy communication with the public.

It can be declared in conclusion that ET and its management have been in conflict with their environment for a long time. In spite of some attempts in the field of public relations and that of the employers to smooth this conflict, these attempts of the organisation have caused a continual negative reaction that, in turn, has caused a negative image and negative attitude towards the organisation. What is the main problem of ET and what is the solution?

4.8 Estonian Telephone Company stakeholder system

Communication analysis of the establishment of ET showed that an organisation from a totalitarian society might have problems in presenting its new role to the environment. System theorists declare that organisations have mutual relationships with their environments, which cause permanent change, for this is one premise for their survival. The example of ET proved that the relationship of a totalitarian organisation with its environment is in reality minimal. Also, members of a totalitarian organisation are not ready to change their behaviour. According to ET the main change should have taken place in technical aspects — and the initiators of the reform process thought that other aspects did not suit the system. Estonian society made the change process of ET even more complicated because, under conditions of such fast changes, this big organisation had problems defining its identity and behaviour.

4.8.1 Communication with stakeholders

The communications of an organisation undergoing changes, yet still within a totalitarian society, can be characterised as rather restricted and superficial, as following the aspect of secrecy typical of totalitarian organisations. Therefore the theoretical models used in a democratic society for opening closed systems are not appropriate — they won't work because the organisational environment, together with its political, economic, cultural and social context dictate

the rules. It is important to remember that secret systems from a totalitarian society change more slowly than the overall totalitarian society, whereas the development of the organisation leaves the society behind socially, culturally and politically. ET's attempts to develop its technical side were contradictory, because the company was not able to inform the public about these changes, and therefore the public thought that no changes had taken place. We can conclude that the lack of communication reduced the real technical and economic achievement of the organisation.

The communication of ET can be defined as unmanaged asymmetrical communication. But communication from the environment was the same — the environment was not able to reword, systematically and symmetrically, its message to the organisation. This is understandable in the case of an ordinary phone service consumer, but messages sent by politicians and leaders to the organisation should not have been unmanaged and asymmetrical. As the managers of ET stated: '*We were left in peace.*' And then suddenly, when it was realised that the change process of the organisation was out of control and had developed on its own, a conflict arose. This took place in December 1992, on the eve of signing the concession contract and establishing the company. Although the conflict was settled, neither side was satisfied, as is clear from the interviews with Mr. Mart Laar and Mr. Toomas Sõmera. Therefore, communication was ineffective in 1998 when the interviews took place. And it seemed communication would never work. This situation gave birth to new conflicts — the next conflict between the public and ET took place when the company stopped serving its customers free of charge and established the 'minute rate' for phone calls in 1994–1995. This situation even led to pickets in front of the headquarters of the company. A conflict with the government followed on approving the business plan of the company in 1996–1997 and the last big communication crisis took place in the winter of 1999, when the call tax was established. Even today, no trust exists between ET and its target groups in Estonia.

How did the relations between ET and the public change within the five years after the establishment of the company and after the inclusion of the public relations function in its activities? According to newspaper articles we may say that the relations with the public remained more or less the same — actions were still criticised and the same problems still existed as in 1989–1992. The image of the company was still rather poor. The biggest change in the organisation message was that in 1997 the public was informed in a more detailed way about the faults and plans than in the years 1989–1992. Also another new attempt was made to teach customers. The intensification of communication followed a plan, was quite well informed and was well managed. During the two periods under survey the organisation had moved from unmanaged asymmetrical communication to Grunig's one-way asymmetrical communication model. But the aims of communication were still not expressed.

There were also changes in style — the organisation had become fairer, and tried to word its messages in a clearer and simpler way. However, the

public did not have a positive attitude towards ET, as we can also see from the interview with Mr. Mart Laar, and every-day problems still existed. We can conclude that the partial and superficial communication during the establishment period ruined the relations with the environment and with the target groups, and five years is too short a time to improve relations, at least in conditions where the environment is also changing very rapidly.

The continuing unpopular actions of ET (permanent changes in price rates, the inability to eliminate phone queues, poor quality, etc) prevented an improvement in public opinion. So the management of the organisation continued to ignore the wishes of the environment and therefore no mutual understanding existed. Still there were misunderstandings about each other's messages, and neither side met the other's requirements, which can be explained by the fact that public relations was ignored inside the organisation. Public relations was not accepted in the strategic planning of the organisation nor in decision-making processes. Therefore a mutual understanding between the organisation and its environment was not possible.

It is true that an organisation from a totalitarian society cannot open up without the support of a public relations function, a lack which will result in the expropriation of the organisation from its target groups. This situation causes misunderstandings in the environment, and creates a poor image even if the organisation tries hard to improve the situation. Also the situation proves the fact that the communication of a totalitarian organisation is technocratic and not understood by its target groups. This can be explained by the characteristic features of the totalitarian society, which did not include relations of the organisation with its environment and target groups, but instead valued the role of the ideology of the state. Only communicational technical aspects were valued in the development of the organisation.

Despite its lack of experience, ET as an organisation started to change at the earliest possible moment. Therefore the statement presented by Miller about an organisation as a living system is valid. Even organisations that have been in stagnation for a long time start to change when conditions become more positive, and they preserve their natural development possibilities. Therefore, in this respect we can compare organisations to living systems.

4.8.2 Change in Estonian Telephone's stakeholder systems

ET has had different life cycles and according to stakeholder theory we can define the different stakeholder systems of ET at different stages. Depending on life cycles and stakeholder systems, organisations have different cultures — values, ideologies and communication — at every stage of change. In every new stakeholder system organisations build up new cultural relations and communication systems, but every new system and life cycle is influenced by the past. That means that at every stage an organisation changes values, ideologies and communication, but it can't erase collective memory. Changes were possible at the macro level (organisational changes in structure, mission

statement, leadership, etc.) but on the micro level (people's opinions and memories) it is not possible to make changes so fast and from above. The ET case shows that the relations system changes from government relations to public relations, together with the society's change from communism to democracy, can be considered macro level changes. This study shows that the relations and communication system of an organisation have the biggest influence on organisational behaviour. But tantamount in this case is the role of memory, and in people's opinions we cannot see as dramatic changes as in formal and organised society in general. Perhaps this is one reason why ET's image is still not very good and the organisation sometimes behaves in a style typical of the stakeholder system of the Soviet time presented in Figure 4.8.

According to the different life cycles of an organisation, we can develop ET's stakeholder systems in the present study. We can see how stakeholder systems change over the course of an organisation's life cycles and depend on environmental influences. This was a change from governmental relations to public relations. As presented in Figures 4.8, 4.9, 4.10, it is clear that a certain set of stakeholders is out of the stakeholder system in different periods. The communist stage and early transformation stage meant poor communication and relations systems with clients, local decision makers and opinion leaders. Figure 17 shows how these stakeholder groups, who were important in the communist period, are out of the system during the stock company stage.

In Figure 4.8 the stakeholder system is a bit different than it is during the other stages. In order to describe this life cycle's relation system, a fully-linked stakeholder map model (Key 1999) was used. This is a better way to describe the character of relations in the Soviet time: the KGB, public controllers, and Communist Party functionaries had strong relations, too. For example, if the public controllers found some ideological mistakes in a company, they informed the KGB or party functionaries and asked them to make more intensive inspection tours of the company. It is characteristic of the relations system in the communist period that this system was built up in a total control system. All important stakeholders were in a controlling role and informing was synonymous with reporting.

In Figure 4.9 and 4.10 a Freeman stakeholder map (Freeman 1984) is used and we can see that the relations system in the early change life cycle of ET was more primitive than in the communist period. The most important stakeholder groups (KGB and other control systems) were lost. Only one stakeholder group that supported ET technically originated in the past. When comparing figures in the theoretical part we can see that in the early change stage ET lost its old relations system and its communication activity was more passive than in the Soviet time. As we know from the interviews, ET's activities were focused on total technological change. In the author's opinion, ET made a mistake in the early change period that damaged their image for many years: ET did not start to build up a new relations system and lost the old one. ET took a very narrow technical approach at that time, and accomplished the biggest revolutionary change in ET's history. We can deduce from the ET case that complex change

management will reward organisational change processes. It is important to develop all organisational aspects and to continue systematic and planned work with different stakeholders during a change period. In the author's opinion, ET's communication style in the early change period was close to chaos (Aula 1999) in regard to public stakeholders, as ET used an unmanaged communication model (Tampere 1999) in this process.
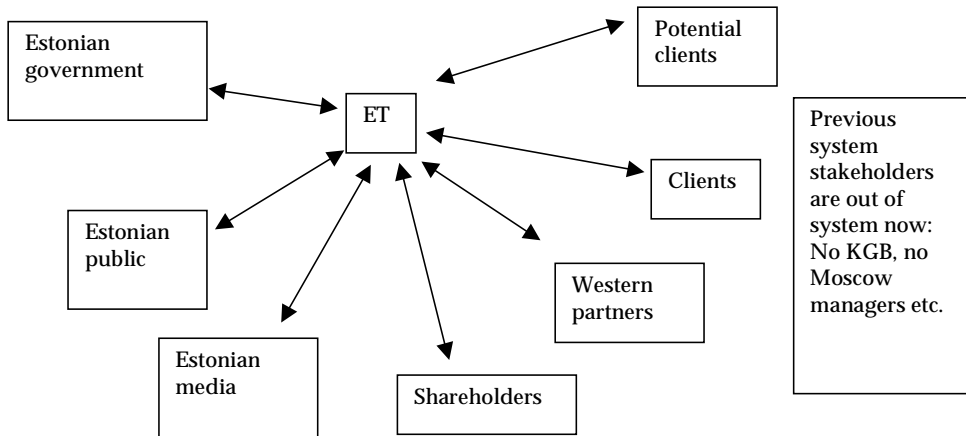
FIGURE 4.8 ET Secret system life cycle (communist period to 1989) stakeholder system 1
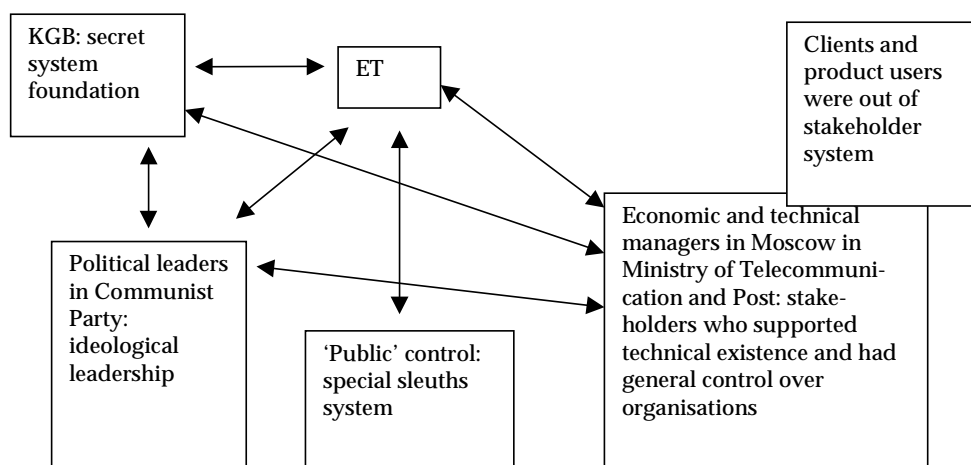
FIGURE 4.9 ET early change life cycle (acclimatisation with 'Western' partners 1989–1992) stakeholder system 2
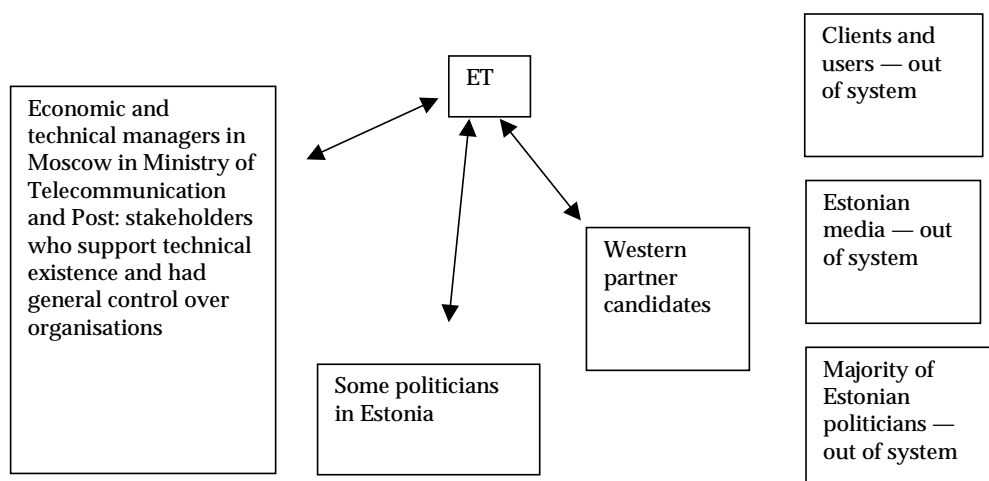
FIGURE 4.10 ET stock company life cycle (from 1993), stakeholder system 3

Here we have a third ET stock company life-cycle stakeholder system according to the Freeman model, because this kind of organisation's birth processes make organisations egoistic after such revolutionary changes: the company's self-cognition gave rise to strong discourse and workers were happy that they had accomplished these technical changes so well. This enhanced influences from the past and ET still did not think about its role and relations with society. The stakeholder system presented in Figure 17 was, in 1993, close to ideal and ET started to discover its new stakeholders. For example, clients in stakeholder roles were added quite artificially — the orientation to clients was introduced by Western partners, and workers with a communist past did not understand this. Another complication existed at the beginning of the stock company life cycle: ET got monopolistic rights and this made the organisation even more egoistic and made it possible to continue in the 'Soviet' style in some aspects. As a result, acclimatisation to capitalism and democracy was also more complicated.

In conclusion the author would like to say that the communication processes necessary to build up a new relations system with Estonian society and with important stakeholders within the last ten years, has not received adequate attention and commitment by ET, and the whole process has not been managed properly. ET, like many other large Estonian organisations, is conducting an inadequate public relations function. This is shown by the fact that despite the existence of public relations teams and consultants, the organisation has not totally understood the role of communication in an organisation. ET revises its financial position nearly every day, but it does not revise its communication at all. The financial activities are planned constantly, but communication is planned only by single acts or campaigns, usually in the midst of crises. In reality the company's managers cannot see the benefits of public relations, because at first sight only its expenses are apparent. ET has not yet realised that effective, planned, permanent and goal-oriented communication can help to save money.

The ability of public relations specialists is also a problem, and this explains their low status in the company — there are very few good specialists in the field, and very often public relations specialists perform only technical work.

The solution to the problems of ET has two levels:

1. General level — compiling a good and professional team, a goal which has nearly been realised.

2. Detailed level — the management of ET has to change its management philosophy, because without management support no public relations team can work effectively. And changes should follow the idea that the environment and its opinions are the most important factors for the survival of an organisation. All organisations are dependent on their environment, and on the stakeholders inside the environment. In other words, the only solution is to move towards a symmetrical two-way communication model (Grunig 1984). And this means that the organisation should not try to change the environment with its messages, but change itself according to the pressure of the environment and its messages.

4.13 Conclusion

Two different worldviews, two different philosophies, policies and societies collided in the case of ET. This provides a unique opportunity to investigate the aspect of public relations that in the 1930s separated democratic public relations from the processes of totalitarian society, a separation that continued for decades. Maybe now the time has come to examine public relations also in the context of totalitarian society.

In conclusion I would like to say that, in spite of its problems, ET has been a pioneer among the big enterprises originating in a totalitarian society, and today it is ahead of other big infrastructure enterprises. Despite its technocratic way of thinking, which still prevails in the company, a great deal of progress has been made in becoming a more client-oriented organisation and in improving phone connections.

The development of communication in this organisation provides a good lesson for others, and the attempt to ease the adjustment of a secret system to meet the needs of a democratic society through the assistance of public relations has been successful. Today ET has a very good and strong public relations team that also takes part in strategic decision making. In spite of its communication faults, the public relations team is developing the organisation's ability to communicate. It is important for the public relations team to create an even stronger partnership with the management of ET, in order to avoid future communication problems.

5. ESTONIAN ENERGY (*EESTI ENERGIA*) CASE STUDY

5.1 Estonian Energy Company history

The Estonian Energy (EE) Company was quite stable at the beginning of the transition process and during the total changes in Estonian society at the beginning of the 1990s. Unlike the Estonian Telephone Company, which started its change process in the telecommunications field together with changes in Estonian society, the Estonian Energy Company continued in a Soviet style of organisation and remained a totally closed and autocratic organisation at the same time society was opening up. Changes in Estonian Energy didn't start until 1998 when the company's owner, the Estonian state, 'woke up' and discovered this Soviet style organisation, like a foreign substance, inside a new society re-oriented to democratic values and following market economy principles.

EE started the transformation process ten years after Estonia regained its independence. Due to the total changes occurring in Estonian society at the beginning of the 90s, EE lived its 'personal life' independently, like a small state inside the Estonian state. The company was big, its strategic and electrical lines were still physically connected to and dependent on Russia, and the Estonian government was too young and weak to control all the sub-systems in society.

EE was a psychologically closed and secret system (Tampere 1999) and EE was a company of historically strategic importance for the totalitarian regime: one of the priorities of the Soviet Union from Lenin's time was electrification of the whole Soviet Union, which was meant to prove the well-being of a communist society[7]. Therefore the communist society favoured all energy companies. They were given more privileges, salaries were higher and

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[7] Lenin's idea of electrification throughout the Soviet Union was a pillar of the ideological foundation of communist society and represented Soviet society's development level and comfort conception (В. И. Ленин 'Полн.соч., т. 42', стр. 380).

they received other benefits. At the same time, control over these companies was much stricter, and the whole organisation had to propagate the ideology of the Communist Party. EE had a special totalitarian asymmetrical secret worldview within the company and was loyal to the regime. (Tampere 1999) Most of the specialists and leaders were under the control of the KGB, and everything was kept totally secret inside the company (Tampere 1999). EE was also corrupt: company leaders received gifts from their workers, leaders' family members had good positions in the company structure and informal relationships dominated. The most important factors in getting a good job or higher position was not professionalism but relationships with leaders or support at the state level, for example, when some relative had a good position in the Communist Party structure (Tampere 1999). As was typical for a communist regime, this informal relationship system was more important and powerful than were formal relationships.

The present author has analysed the Estonian Energy stakeholder system with the help of a Freeman (1984) map and found that, in the Soviet era, both Estonian Energy and Estonian Telephone had similar stakeholder systems because the companies had similar positions and roles in society.

The early transition stakeholder system in EE was similar to the ET stakeholder map (see pp. and Figure 5.1), but, in examining the map, we can see that EE had unofficial connections with Moscow in the early transition period. Relationships with clients were a bit more active than in ET and relationships with the Estonian media were quite active. The main difference between Estonian Energy and the Estonian Telephone Company lies in the fact that ET started an active change process and lost its old stakeholders in the process, but EE changed its old stakeholders mechanically and passively. EE depended on changes in society, essentially played a passive observer role, and attended only to its job in the energy field.

After the re-independence of Estonia at the beginning of the 90s, Moscow officially lost direct control over EE, because Estonia became an independent state. Russia continued spreading professional propaganda and tried to influence processes in Estonia indirectly via the workers' unions, which in totalitarian times played the role of 'puppets' in this 'communist theatre'[8]. In the 'new' political situation in Estonia after re-independence, the workers' unions in EE had a monopoly on information and directed unofficial opposition inside the organisation. This was possible because in Narva power stations in the northeast part of Estonia 99.9% of workers were Russians and this area was generally considered to be a Russian area, culturally, ethnographically and socially distinct from the rest of Estonia. The workers' unions played a dominant role in disseminating information. Their ability to assume this role was made easy by the fact that the official communication function in the EE

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[8]   Workers' unions were politically controlled organisations and were used as propaganda instruments. Lenin said: 'workers' unions are educational organisations, like schools for studying communist ideology' (В. И. Ленин 'Полн.соч., т. 32', стр. 2)

organisation did not work. In Estonian society in general, the Russian-speaking population were better informed. The Russian-language media interpreted processes in their own way and in the Russian-language public sphere there was a lot of speculation and inadequate information. Workers' union spokespersons in EE manipulated information and constructed their own picture of the situation in Estonia in general and about decisions and leadership in the Estonian Energy Company in particular. This was mixed communist-style propaganda with elements of a communist worldview in democratic forms: propaganda, manipulation, information management, and communication management.

FIGURE 5.1 Estonian Energy Company early transition stakeholder system
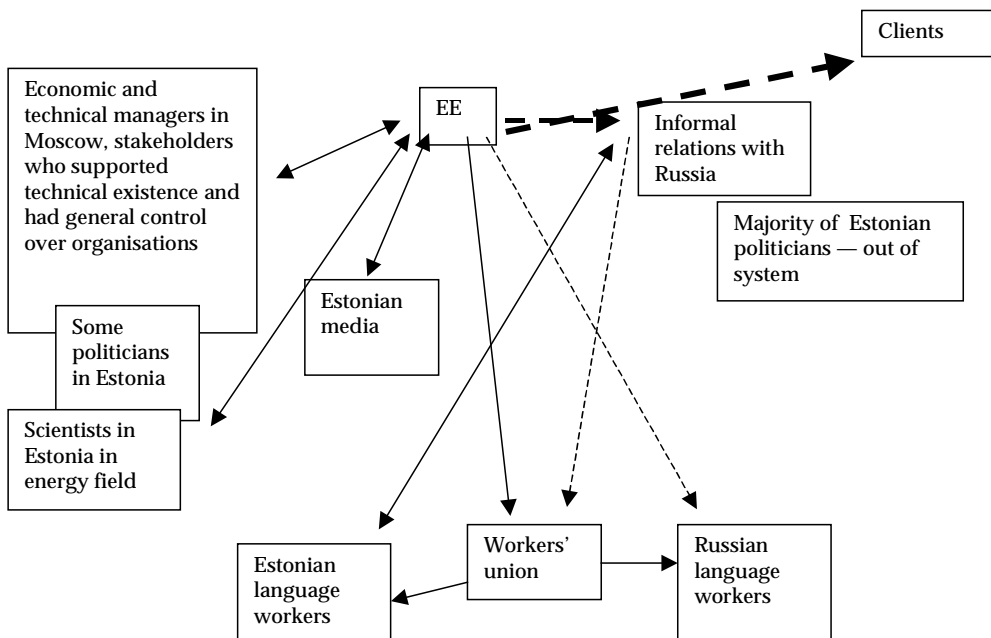
In 1998, when EE was under new management, conflict arose between workers' union leaders and the new management, because changes started by the new management team were not acceptable or understandable to workers' union leaders or the Russian-speaking workers in general.

The workers' union's argument in this conflict was that workers in the energy sector in Estonia must have the same privileges as in communist times and company leaders must preserve a Soviet-style corporate culture and working environment as in the 'old days'.[9] The biggest push from the workers'

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[9]   Many workers in Narva power plants still have the illusion that they bring 'culture and light' to Estonia. This is the biggest source of conflict between Esto-

union side was resistance to market economy principles. For a long time, EE's old management led the organisation independently, with some influences from the new changing society, but still in total secrecy and in a closed style. In the power stations in Narva, they accepted the workers' union approach and maintained a distance from the real situation in Estonia. This meant that in EE Estonian-style (language) managers (both, old and new management) were not accepted and were not as popular as the Russian-language workers' union leaders. The problem was particularly complex in the Narva power plants, but it also existed throughout Estonian Energy.

EE management preserved its closed system and secret worldview, the same organisational climate and behaviour, during the 10 years of social transition processes. In the present author's opinion this was one of the reasons why the Estonian government decided to change the management of EE and arranged a powerful management change process in 1998. EE and the Estonian government had different worldviews and different aims for development. It was really a 'last minute' move to take this strategically important company under Estonian government control.

Together with changes in the organisation in 1998, EE changed its stakeholder system totally as a result of changing its ideology and concepts. (Figure 5.2) The declaration regarding clients is important to mention, because here we can find the 'deep language' syndrome. In the declaration's rhetoric, researchers can find in EE, at the time of the introduction of new management in 1998, the statements that the 'client is the most important stakeholder', and 'our goals are good client service' etc. In reality, everything was still in the old style practiced historically in Soviet companies. In reality, EE in its decisions and actions exhibited the opposite approach (no client information, no client service system, difficulties with billing, lots of bureaucracy, etc). These conditions are interesting because they arose in the late transition period and when the organisation had already started a stock company, had accepted market economy principles, and had new management and a new ideology. The new management team's rhetoric was new but its practices were still old-fashioned, and caused problems in the general change process.

An active relationship with Estonian politicians was also established during the 1998 change process. Lobby work and personal influence were key ingredients employed by the new management group.

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nians and Russians today. Estonians are very proud of their long ethnic traditional culture and people coming to Estonia for communist ideological reason were 'aliens' who couldn't or wouldn't understand the local context.

FIGURE 5.2 EE stakeholders in late transition (stock company period) in 1999

The diagram shows "EE" at the center with arrows connecting to the following stakeholder boxes:

- EE Estonian language workers
- Workers' union
- EE Russian language workers
- Previous system stakeholders are out of system now: No KGB, no Moscow managers etc.
- Estonian government
- Potential clients
- Estonian public
- Clients
- Estonian media
- Western partners (banks, etc)
- Scientists in Estonia in energy field

5.2   Changes in Estonian Energy

Changes in EE started in February 1998. The first step was naturally to change leaders. When the new management team started, one of their ideas was to include a public relations and communication manager in the management team. During the old management period, EE had a press officer and editors of a monthly specialist magazine. There were no strategic or tactical plans. The press officer worked on a case-by-case basis, mostly reactively. His position was not strategic in the organisation's management. His job was to sell news and information to media channels. Editors worked on a specialist energy magazine, and they did not have any knowledge of communication management and public relations.

The new public relations and communication team started in May 1998. Their opportunities in the company were not restricted — the public relations manager was a member of the management group and had the freedom to build up a new and effective communication and relationship system and establish an effective public relations team. It was believed that, with the help of public relations strategies, tactics and techniques, the organisation could achieve success and change faster and more effectively.

Today the Estonian Energy Company is a sophisticated system with the Narva oil shale power plants, the Iru Thermal Power Plant, wind generators and restored hydro power plants operating together. EE is interconnected with the power systems of Russia, Latvia and Lithuania, and errors in one system affect others in terms of control, technology, environmental protection, etc. In 1998, the implementation of a new dispatch control and data acquisition system started, aimed at modernising control systems. With a view to reducing pollution, stacks of the Narva power plants would be equipped with electrostatic precipitators to trap flue gases and ash; nature-friendly substations, well suited to the environment, would be built; an ash field water treatment plant was to be completed at the Baltic Power Plant in early 1999, etc.

Eesti Energia AS (Ltd) is a 100 per cent state-owned vertically integrated public limited company, engaged in power production, transmission, distribution and sales as well as other power-related services. The economic activity is carried out mainly in the territory of the Republic of Estonia. Eesti Energia AS(Ltd) as a market economy oriented company was officially established on 1 April 1998 on the basis of the 'old style' state enterprise Eesti Energia and its subsidiaries. Eesti Energia AS group's turnover in the financial year 2000/2001 was more than 5 billion EEK and it had almost 15 billion EEK worth of assets and about 10 000 employees. (www.energia.ee)

5.4   Goals in public relations

At a philosophical level, in 1998 EE's goal was to design a new, effective and strategically well-planned organisation according to management theories. Including the public relations function in this process was a logical step. The present author had the opportunity to take part in this project and observe the EE change process from May 1998 to May 1999.

In public relations practise, the major goals of EE in 1998 were the following (according to EE communication strategy 1998):

- Build up a communication system for the company
- Integrate workers into the new management group
- Integrate Russian-language workers in particular into the whole communication system of the company
- Start a new corporate culture project & new corporate design project
- Build up a communication system to connect with the public and with opinion leaders in Estonian society
- Focus all actions on different stakeholders instead of on an anonymous public
- Create an open and democratic style at all levels and in all situations in EE

In order to realise the goals for practical public relations it was important to define the situation that the organisation wanted to reach as a result of its conscious and well-planned communication management. At the same time the public relations team planned changes at all levels of the organisation: it seemed cheapest and most effective to try to change all aspects at the same time in a radical way. At the beginning of the public relations project in EE, it was necessary to find some foothold to proceed from when analysing post-communist organisations, considering that public relations had never been practised in EE and there was no knowledge of communication management in EE.

Finally, all these public relations goals supported the transformation of the organisation to a democratic organisation with clear business goals and a sense of social responsibility.

5.3   Using the European public relations four-aspect model

To realize the goals the public relations team had worked out in 1998, it was necessary to do research in the public relations field and find out the best practices from throughout the world. Changes were needed and results had to be achieved quickly. To benchmark EE, the new public relations team analysed numerous case studies in the USA and Europe. They found that the American model was too naive for the real situation in Estonia, but good practical examples were found in Scandinavia and Germany. The Estonian Energy Company public relations team benchmarked their colleagues' experience and started their job. Independently they put into practice a similar approach reached at a theoretical level in EBOK research by Betteke van Ruler and Dejan Vercic. The result of the EBOK research project was the Bled Manifesto (Van Ruler & Vercic 2002) and four descriptive characteristics of European public relations: reflective, managerial, operational and educational.

The managerial aspect involves maintaining a relationship/managing communication processes with the public in order to gain public trust and/or mutual understanding. This function has to do with organisational strategies. In EE this managerial aspect was implemented to build up and maintain a relationship/manage communication processes with company workers and the public. Before the strategic communication/relationship plan was designed and implemented, EE conducted a communication audit in three parts: question-naires and interviews inside the company and public opinion analysis with media texts. The research results provided helpful knowledge for making deci-sions and acting effectively and quickly in the public relations and communi-cation management fields. The audit showed that the biggest problem in communication management inside the company was the fact that real com-munication managers (workers' unions) were not interested in effective com-munication and they wanted to manipulate information and control managers

and workers. The result was that workers did not trust the organisation's leaders (neither the 'old' nor 'new' management team) and they did not understand the manager's decisions.

There were trust problems also with opinion leaders in Estonian society. The roots of this problem lay in history — some politicians favoured the 'old' managers, some supported the 'new' managers and both groups voiced their opinions in the mass media. There were trust problems also with clients. The main reason was the quality of electrical services: old lines, power plants needing investments, high price etc. Considering this key information, it was possible to build up a communication strategy for interior and public communication.

The reflective aspect (Van Ruler & Vercic 2002) makes it possible to talk about the organisation as a part of society, so that the organisation can become socially responsible. This function has to do with organisational values and norms, and can be seen as a developing function of public relations, as part of the discussion on socially responsible behaviour of organisations. This aspect was very important in EE's case — EE was a closed and secret system and there were no values and norms in the enduring 'old management era' acceptable to a democratic society. There were four public communication goals in EE after management reform in 1998: to start a new corporate culture and corporate design project, to build up a communication system with the abstract public via the media because all Estonian citizens were clients of EE[10], to start to work with different stakeholders and especially with opinion leaders, and to build open and democratic communication traditions at all levels and in all situations in EE.

The situation in EE was bad — Soviet style values and norms were rooted deeply in peoples' minds and their first reactions to changes were painful. The image of the organisation in society was very poor. This reaction was justified, considering that the organisation had no sense of social responsibility, and this was reflected in its actions.

The new public relations team, together with management, started to establish a new value system — a work group was formed and brainstorming exercises were carried out over a period of several months. As a result, new values and norms were formulated, and the foundation for new company behaviour was created. But a problem in implementing the new value system occurred. The first stage included the presentation of the new value system at the headquarters, and the Chairman of the Board implemented it personally. Then a book was published and distributed in the company, and heads of the substructures introduced the book to employees. The book was also translated into Russian. However, people could not change quickly; it took one year to gain acceptance of the new norms, and for people to start to adopt the new style. But the conflict of different values lasted for a long time; employees were caught between the attitudes and norms of the new employers and those of the old ones.

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[10]   EE is in a monopolistic situation in the Estonian energy market

The bilingual company newspaper, as well as the special Russian-language radio programme at the Narva power station, helped to promote new values and norms. The new radio programme was started by the new public relations team in 1998 in an effort to control propaganda from the workers' unions in power plant collectives and to balance the information workers got from the workers' union.

The second aspect also involved a process of justifying EE's activities to the public. The public formulates its attitudes and opinions only on the basis of the behaviour of an organisation. At first, numerous mistakes were made in changes in payment methods, the rise in electricity prices, closing client service centres etc. It was also necessary to prove to politicians that the old EE would change for the better due to the hard work of the new leaders. A media communication concept was prepared. In addition, a model of crisis communication was prepared, and a special newspaper for opinion leaders was published. This newspaper was sent to politicians, the government, people connected with energy, journalists, scientists etc. Also a customer newspaper was published.

In connection with the first two aspects, the implementation of a third aspect, the educational, was inevitable. The Bled Manifesto authors said that the role of the educational aspect was to help members of organisations become communicatively competent in order to respond to societal demands. This function has to do with the behaviour of the members of an organisation. (Van Ruler & Vercic 2002) The implementation of this aspect was especially important because the first two aspects are not as effective if not supported by the third — educational — aspect. It was important to monitor the behaviour and communication of the organisation, and to train the organisation to behave correctly, fairly and clearly, in the same way we teach children to behave properly.

In EE the situation was improved by preparing an integrated information system (both for inner and public use), and people were trained to communicate accordingly. In addition to written information channels, there were also training techniques, and special training sessions were conducted. At first the training on public presentation was given to all those who served as public spokespersons. Crisis simulations were started on the second level, because uncontrolled and spontaneous communication is likely to occur in a situation of crisis that might result in unpredictable situations and reactions by the public. It was also important to determine the process of distributing information — it had to be clear who would present the organisation to the public, when and regarding what subjects. The question of informal communication also had to be resolved: employees should talk positively about their organisation outside of work.

The establishment of the 'inner marketing system' — the motivation of employees — was also relevant, but this aspect remained rather modest. In the present author's opinion there were some critical aspects of the new manage-

ment team — they tried to depart radically from the old management philosophy and tried to demolish all that might reflect the 'old days'.

It is peculiar to the EE case that a move was made from the strategic level to the practical (to the operational level according to Van Ruler and Vercic (2002)): to execute action plans. This function has to do merely with execution. It is not supported as a view by public relations, but mentioned as a common role. The communication management tactical plan for one year was prepared by EE for the implementation of this aspect, and this was also the planning point for financial matters. An action plan, a detailed plan and technical solutions were prepared for each activity — both for the public and for inner communication.

The budget for public relations activities was approximately 1.5 million EEK — less than 100 000 USD. Positive results and small costs simultaneously created synergy in all four aspects used.

All four public relations models were practical, realistic and brought quick results in the public relations field of EE. In client relations EE was not as successful. The present author analysed the reasons that client relations developed less effectively and why there were problems in the client-company stakeholder system. Firstly, EE's new management group declared a client-centred orientation, but practically they had no power to realise this aspect very quickly or effectively. Secondly, managers were enthusiastic and educated but their worldview was still Soviet and monopolistic: they believed that an organisation's most important actions were technical (power stations, electric lines and other energy needs) and that the questions of how and for whom they were working were not yet important. They already had their clients who had no choice because EE had a monopoly in the energy field. Faced with the complexity of the problem, EE's new public relations team had no opportunity to build up good relationships with clients. The present author's opinion is that by using the pedagogical role in client-company relationships and stakeholder systems, it is easier to establish good relationships, because clients need to be educated about market economy rules and routines and a company like EE was unknown to them and distant from their everyday lives. Clients' experiences from the Soviet period were quite good: there were no classic client services in this relationship and the company's dominant (dictatorial) role in this situation was acceptable to clients because the price of electricity was low and there were no problems. In addition, client self-esteem was poor — Soviet ideology said that all was good in the Soviet Union and any personal experience in conflict with this ideology was not open to discussion. In the new society, clients did not understood why prices were high, why service quality was bad etc. These tendencies were similar to what Bourdieu called 'cultural comfort zones' — characteristic ways of acting learned through social experience (discussed theoretically in part 2.3 in the present study). In the present author's opinion, taking a pedagogical approach to public relations practice in client-organisation stakeholder systems would be successful because the causes of conflicts and bad relationships are lack of knowledge and different personal social expe-

riences. Similar problems in the client-company stakeholder system occurred in Estonian Telephone Company's case.

5.4 Journalists' opinions of public relations in Estonian Energy in different periods

The opinion of journalists, as one important stakeholder group in an organisation's public relations practice, was measured twice after the change process of the EE organisation in 1989/1999, the point at which EE developed strategic communication and its public relations function. Some earlier data from 1996 and 1998 on the image of EE's public relations among journalists were also used. One hundred eighty six journalists participated in the questionnaire in 1996, 160 journalists took part in the questionnaire in 1998, and in 2000 225 journalists responded to the questionnaire.

The results of the survey prove that the public relations activity of EE was well known among journalists in 2000, much better than in the year 1999 (Figure 5.3). Fifty two percent of the journalists (the previous year it was 44%) were aware of EE's public relations activity. The number increased especially among the journalists who responded 'very well'. This tendency shows that a year of systematic work in the implementation of a public relations function is enough to achieve good results. The recognition is considerably greater in comparison with the survey implemented in 1996, which vividly illustrates the effective operation of the public relations function in the organisation.

FIGURE 5.3 The recognition of public relations activity in EE among journalists (% of journalists)
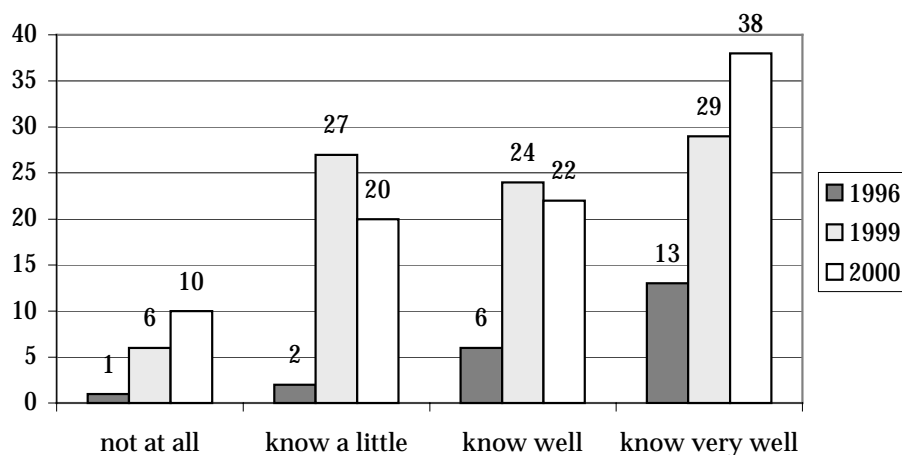
The mean for awareness of public relations work (including all aspects of public relations practice) of EE in the year 2000 was 6.34. In comparison with the year 1999, the number went down a little — in 1999 it was 6.53 (Figure 5.4). The formation of the average shows that the majority of the respondents (18%) ranked the public relations work of EE as 8 (on a 10-point scale). The score 'better than average' was given by people working in news offices and by journalists in Tallinn, as well as by editors in chief/executive editors, and people who write on 'other' topics (other than economics and politics). Newspaper readers and people living outside Tallinn gave the score 'less than average'.

FIGURE 5.4 Average rating for public relations in EE (journalists opinion on a 10-point scale)
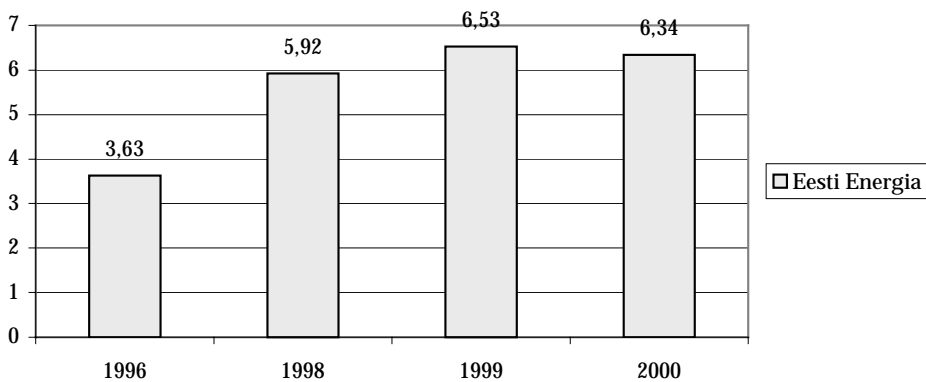
As we can see, the highest average rating was given especially in the years during and after the big reform in the company's public relations (1999) and after the acceptance of the European four-aspect module, when the organisation was deeply involved in the management of its communication.

The study proved that the ability of representatives to communicate with the media was assessed as the best in public relations work. Above average scores were given by news office employees, as well as by economics journalists, and journalists from Tallinn. Below average scores were given by newspaper journalists and journalists working outside of Tallinn. There were no big changes in the assessments during 2000 (in comparison with the year 1999). This is explained by the fact that the press officer was the same in EE, and systematic and stable strategic work provides good relations.

Also very positive responses were given to the question about the ability of public relations in EE, about whether the EE press officer was available to journalists 24 hours a day, and also about whether the communication of the organisation in various crisis situations had been very well arranged. Again, higher points were given by people from news offices, by economics journalists and by daily newspaper and TV journalists. Availability was considered poor by newspaper journalists and journalists outside Tallinn. But in comparison

with the previous year, the average dropped a bit, which shows that the public relations work, which commenced with enthusiasm, had become a bit boring. In the year 1999 the difference was really noticeable in comparison with other years, and this was also reflected in the assessments of journalists. But the public relations work was not seen as being as innovative by journalists in 2000, and it was not considered worth mentioning.

Ratings of the speed of informing and openness also dropped. Again the employees of news offices, economics journalists and journalists from Tallinn were more satisfied. And again people working outside Tallinn and newspaper journalists were not as satisfied with the speed of informing.

FIGURE 5.6 The openness of informing in EE (journalist's opinion %)
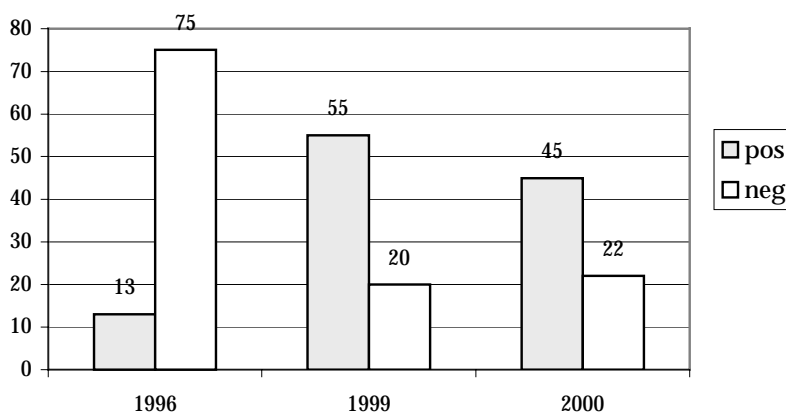
Comparison with the study implemented in 1996 shows major changes in ratings regarding increasing the effectiveness of communication in the organisation. The openness of the organisation is included here, and it was rated highly by journalists.

The rating of reliability of EE rose in 1999, after the introduction of new and fair principles of communication in the organisation. Although the rating of reliability declined (in comparison with the year 1999), the rating was still quite good in comparison with 1996. Again, most critical were newspaper journalists and journalists not living in Tallinn. And again, economics journalists and journalists of news offices gave higher ratings. The decline in the rating of reliability in 2000 probably resulted from the fact that EE was active in the privatisation process of the energy sector during that time, and this process resulted in contradictions and different solutions, and this, in turn, probably reduced the reliability of EE for some time.

FIGURE 5.7 The reliability of the information sent by EE to journalists
(journalist's opinion %)
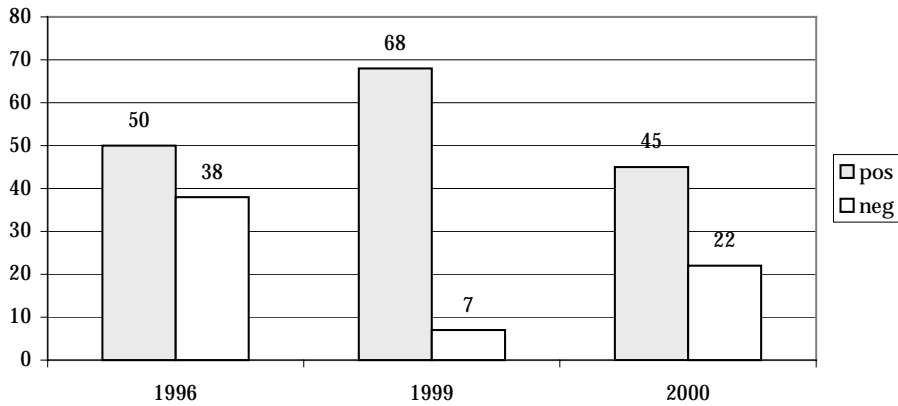
FIGURE 5.8 The promptness of the information sent by EE to journalists
(journalist's opinion %)
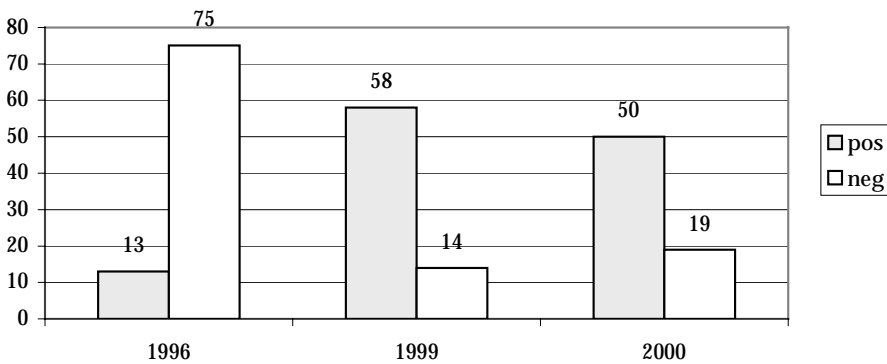
It turns out that the general rating of the overall image of the enterprise also declined. This was probably caused by hectic political and commercial interests due to the privatisation of EE. And again, image was more highly rated by economics journalists, by journalists working in news offices and those living in Tallinn. Below average ratings were given by journalists working for newspapers and by those working outside Tallinn.

FIGURE 5.9 General image of EE among journalists (journalist's opinion %)
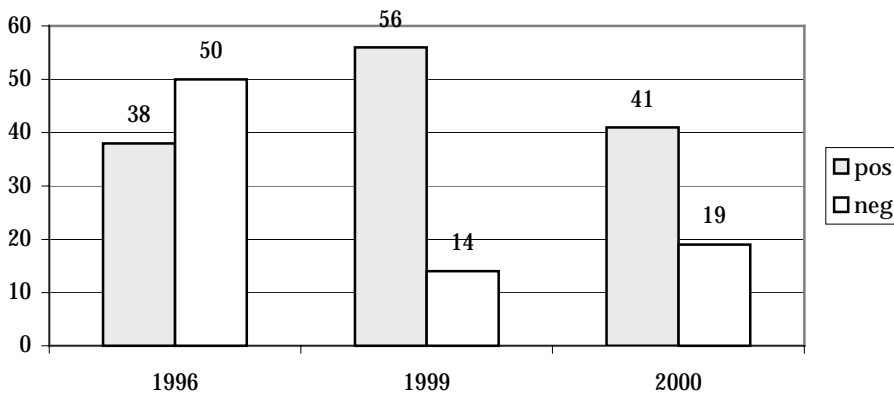
It is significant that after one year's hard public relations work there was a significant increase in the positive image of EE among journalists. This again proves that it is very important to involve professional communication management in the changes of an organisation. Results in 2000 are a little lower, because the new management team made some unpopular decisions in relation to the public (higher prices etc)

5.5   Conclusion

The case of EE clearly shows that it is very important for an organisation to involve communication management and public relations in the change process. The four-dimension model involved in the strategic planning of EE, according to Van Ruler, is a quick and effective device for change and for supporting the activities of an organisation. Each of the four dimensions has its particular background, strategies and methods, and its particular relationship with other organisational functions. (Van Ruler and Vercic 2002). The establishment of the public relations concept in EE proves that quick and aggressive communication was the best tool for opening and changing the secret organisations coming out of a post-communist society. It is also important to follow certain theoretical aspects or generalisations, as for example in this case the established four aspects of European public relations within the EBOK project. It is important to define the communication style of an organisation from the start, in order to avoid individual, and perhaps flawed, attempts to correct problems as they occur.

6. COMPARATIVE STUDY
OF ESTONIAN STATE-OWNED COMPANIES'
PUBLIC RELATIONS IN 2001

To compare public relations job quality in the Estonian Telephone Company and Estonian Energy Company with other state-owned and former communist organisations (Estonian Railway, Estonian Post, Estonian Telekom, Estonian Lottery) the present author conducted a comparative study in 2001. The categories studied were: openness, reliability, availability, proficiency and general image. These categories are important in shaping the reputations of organisations and we can measure changes in organisations' public relations processes via these categories. Organisations coming out of a totalitarian regime started to open up and build up new types of relationships with stakeholders. In this aspect these characteristics were specific and showed positive tendencies, typical of those in a new democratic society. These tendencies were also reflected in the organisations' change processes in general.

One hundred ninety-four journalists from all Estonian media outlets (TV, radio, local and national newspapers, and magazines) responded to the questionnaire. Forty-six percent of all respondents declared that public relations specialists' ability to communicate with the media had improved, but 37% were of the opinion that the reaction speed of public relations specialists was still too slow: it was stated that public relations specialists delayed their answers too often, and the information could be obtained more quickly by calling the mobile phone numbers of managers. Also the journalists were rather sceptical of the reliability of the information provided by the specialists — nearly 65% were of the opinion that the information provided by press representatives or public relations specialists was not always reliable: "*it would be nice if the press representative had more specific information*" and "*it seems that organisations send their press representatives to waffle in front of the public*" were the main complaints in connection with reliability. Nearly 50% of respondents said that Estonian organisations and enterprises were too bureaucratic and closed. Here it is important to also stress the fact that 4% thought that public relations specialists hid information and/or were not aware of the activities of the organisation.

About 70% of respondents thought that the general working culture and proficiency of public relations specialists were too low. It was also thought that

public relations specialists were not able to write press releases, and were not able to present news messages regarding their organisations.

The positive aspects of the work of Estonian Energy press representatives mentioned by journalists were connected with fast responses, which may be due to the public relations reform in 1998 and the reorganisation of work at Estonian Energy in anticipation of 24-hour press service. The peculiarities of the Estonian energy system meant that often the system did not work properly (electric line quality was bad, equipment was old etc) and due to technical problems the organisation was forced to constantly inform the public of various flaws. Important goals in EE's public relations reform were flexibility, openness and effectiveness of the press officer's work. It seems that this openness and willingness to inform the public produced positive results and a rather positive attitude among journalists.

6.1   Openness

Journalists revealed their opinions on the problem of the organisation's openness and 'closedness' as follows (figure 6.1):

–   45% of the respondents considered Estonian Energy to be an open organisation and 22% considered it closed. 28% of all respondents considered Estonian Telephone to be an open organisation and 37% considered it closed. In comparison with the two enterprises under survey the author also asked journalists about other Estonian state enterprises:

–   32% thought that Estonian Post (Eesti Post) was an open organisation, and 33% considered it closed. 32% thought that Estonian Railway (Eesti Raudtee) was an open system, and 29% considered it closed. The journalists mainly relied on their own working experience in answering questions regarding how they had received information from various organisations, what had been the main obstacles and problems in gathering information, how they had been treated by these organisations etc. Based on these results we can say that larger state enterprises are not very open yet.

It should be mentioned that Estonian Energy was analysed as a case in which public relations was applied consciously and strategically. The results were very positive in the context of the comparative study. Estonian Telephone still had problems in 2001 with openness and establishing a positive image among journalists, as did its holding company Eesti Telekom, which was the representative of the Estonian state in the Estonian Telephone Company owners' group. Similar openness existed in Eesti Loto (Estonian Lottery) according to journalists. This company has worked diligently on its image in recent years and the manager is a young woman with a Ph.D in Business Administration, which is quite rare in the Estonian business landscape.

FIGURE 6.1 Journalists' opinions of openness and 'closedness' of Estonian state enterprises (% of respondents)
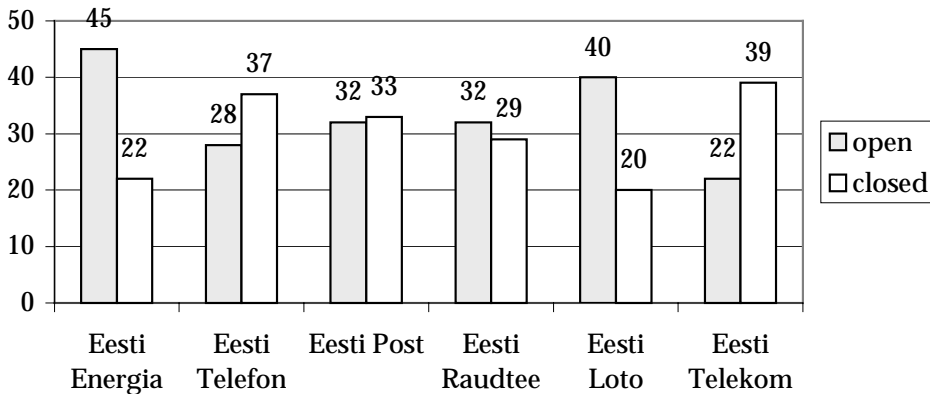
6.2 Reliability

The main organisations in the present research, Estonian Telephone and Estonian Energy were, according to journalists, more reliable than unreliable in disseminating information: 37% of respondents thought that the messages sent out by Estonian Telephone were reliable, and 23% thought that the messages were unreliable. One factor that reduced the reliability rate was the campaign to introduce an increase in phone rates. According to journalists, they did not receive sufficiently reliable information. More positive opinions were given for Estonian Energy: 47% considered the information sent out by the company reliable, and 19% considered it unreliable. In comparison with other state entreprises the indices are more or less the same in regard to reliabilty (Figure 6.2)

FIGURE 6.2 Journalists' opinions of the reliability of Estonian state enterprises (% of respondents)
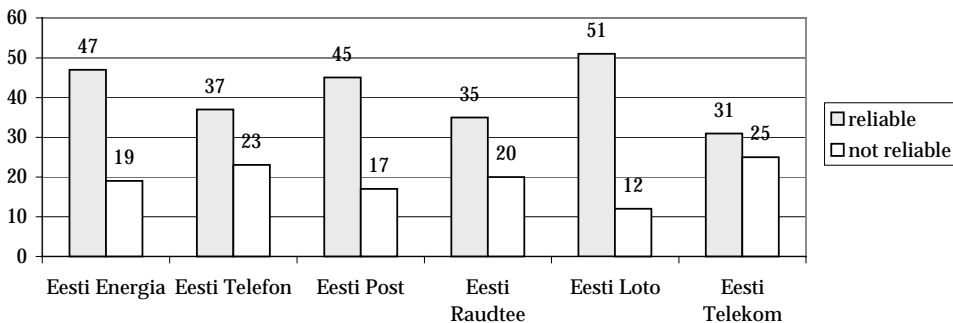
The ratings given on the reliability and openness of organisations showed that Estonian Lottery (Eesti Loto) was considered to be highly reliable and open, as indicated in figure 6.2. The reasons for this lie in the fact that Estonian Lottery has continuous communication with the public due to its weekly drawings and shows on TV. Also, Estonian Lottery has not raised its prices and the quality of their services does not affect people's everyday lives. Estonian Lottery has not had any scandals and its image has been relatively stable for a long time.

Estonian Railway (Eesti Raudtee), a company with a very unique organisational culture, received the lowest reliability rating. In Estonian Railway, major influences still linger from the communist past and Russians still hold dominant positions in the workers' national structures. This low rating is not surprising, considering that Estonian Railway had lots of scandals during the privatisation process and a very specific general image left over from the Soviet era. The Soviet-era folk saying 'where the railway begins, common sense ends' is still alive.

6.3 Availability

In connection with the organisational work of public relations, the present author asked journalists about the availability of public relations specialists, and in this context Estonian Energy clearly dominated: 55% of the respondents considered the availability of the public relations specialists in this company good. The availability of the public relations specialists of Estonian Telephone was considered good by 37% of respondents (figure 6.3).

**FIGURE 6.3** Journalists' opinions of availability in Estonian state enterprises (% of respondents)
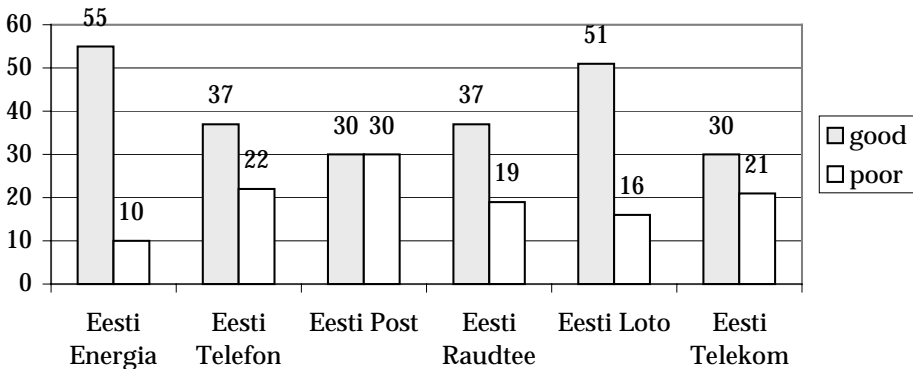
The reason for the high ratings of availability of Estonian Energy is its powerful public relations campaign in 1998–99, mentioned in the case study of EE in the present study. During that period, EE's press representative had to be available 24 hours a day, since the equipment was outdated and electricity cuts occurred quite often. The ratings given by journalists prove that systematic and strategically planned behaviour in crisis situations produces positive outcomes. EE's messages were mostly negative: higher prices, electricity cuts, and scandals related to privatisation. Still, the rating of EE public relations specialists by journalists is very high. This proves that communication has to be open, even when messages are negative and unpopular.

6.4   Proficiency

The public relations specialists of Estonian Energy and Estonian Telephone received positive ratings in comparison with other state enterprises. (figure 6.4)

FIGURE 6.4   Journalists' opinions of public relations proficiency of Estonian state enterprises (% of respondents)
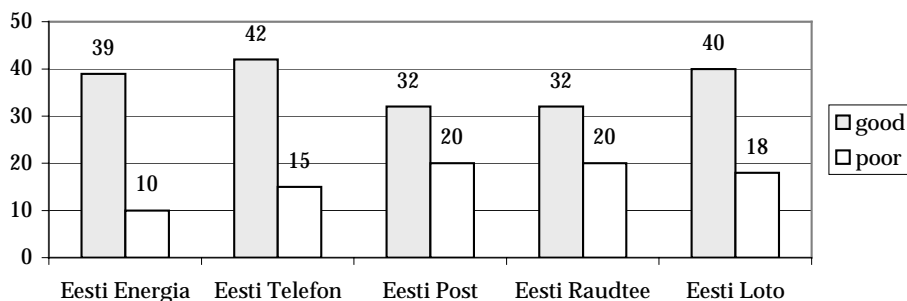
The main tests for proficiency were general communication ability, ability to react in a crisis, ability to design press releases, to formulate messages, to arrange press events etc. It is clear that the press specialists of Estonian Energy received rather high ratings because in their everyday work, due to old and poor electric lines, they have to constantly communicate with the media, be ready for extraordinary situations in which most of the state has no electricity due to storms etc.

The highest rating (42% positive opinion) was received by Estonian Telephone Company public relations specialists. In the present author's opinion, this is due to a long public relations tradition, self-criticism in critical situations which were not handled successfully, and ET's efforts to transform and develop. In 1999 ET changed its public relations team and started to

operate more strategically in the communication and public relations fields. In the present author's opinion, this step made the ET public relations team more popular among journalists.

The high rating of Estonian Lottery is not surprising, for the reasons discussed above: together with professional management Eesti Loto has had no crises or scandals in the public sphere, and their services have been pleasant for clients.

The low ratings that Eesti Raudtee and Eesti Post public relations professionals received from journalists are not surprising either, because both organisations are still heavily influenced by their communist past. In addition, the public relations role in these organisations is not clear and they are faced with constant scandals.

6.5   General image

In spite of the rather high ratings of public relations work, the general image of state entreprises among journalists is rather mixed (Figure 6.5). The relative unpopularity of state entreprises is probably connected with their messages to the public: both Estonian Telephone and Estonian Energy have raised prices in Estonia recently, and that kind of unpopular decision negatively impacts image. Both enterprises have received a lot of publicity in connection with privatisation and share sales related to decisions unpopular with the public. Big state enterprises have technical problems, which cause an imbalance between price and quality; this is a very important factor in influencing the public´s opinion. Another problem is that big state enterprises have made only modest efforts in customer service, and, as a result, people´s everyday experience with the companies has a negative impact on the images of the companies: *"Estonian Telephone referred to the price increase, all examples were predictable and the arguments were weak, and there was lots of waffling. Estonian Energy did not even bother to inform people through the media about the wrong number caused by a computer error, and this confused people."* (interview, 18.04.2001).

It is interesting to note that the image of Estonian Telephone is still more negative than positive. On one hand, this probably reflects recent efforts made by the company, but on the other hand it is also connected with the mistakes in the fields of public relations and communication that were made in 1989–1992, during the company's process of change. During that time period, the Estonian public was not informed about the on-going changes, and this resulted in the 'triple conflict' between the Estonian public (stakeholders), the Estonian government and Estonian Telephone (Tampere 1999). On the other hand, this tendency shows that, in some aspects, image in general is not dependent on the public relations profession (see figure on public relations proficiency), because in the late transition period, in 2001 when the present survey was conducted, ET had a very professional public relations staff and a strategic public relations

concept. In the present author's opinion, the roots of this problem lie in stakeholder system changes. The general image of ET is shaped by the deepest relationship level, in which ideology and fundamental culture play key roles and worldviews determine opinions.

FIGURE 6.5 Journalists' opinions of Estonian state enterprises' image (% of respondents)
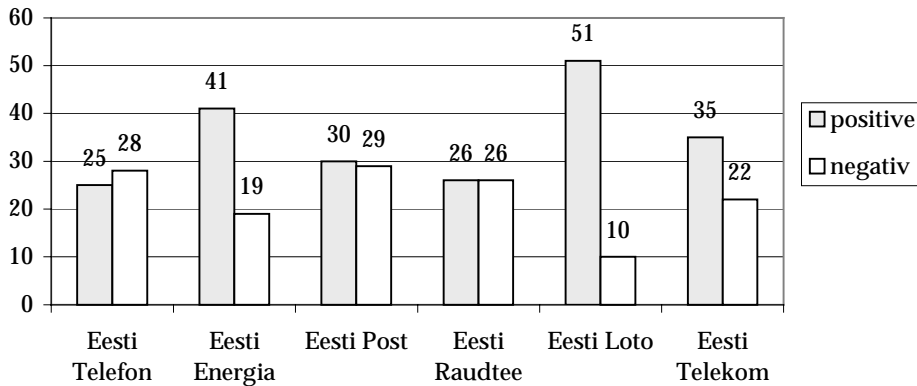
It is remarkable that, in spite of its negative actions, Estonian Energy's general image is still rather positive. In the present author's opinion, this is due to the fact that EE did not make the mistakes in the stakeholder change process that ET made in the period 1989–1992. EE's changes were planned, quick and compact, but ET followed a process of silence and chaos in its approach to stakeholders during the period of important changes. Of course the time factor played a role here too — EE changes occurred approximately 10 years later. A lot of changes took place in the Estonian public sphere during this time: by 1998 stakeholders had become much more knowledgeable about democratic society and ideological changes had taken place in all aspects of society.

In conclusion it can be said that the journalists' opinions were quite objective: if it can be seen that a public relations team is working hard and doing its best, then, at least with journalists, relations will be good. This has an important effect on the messages which reach the public. Often journalists also express their personal opinions in articles and this also greatly influences the public.

7.   THE GENERAL SITUATION IN PUBLIC RELATIONS IN ESTONIA

Research on the development of public relations and its usage in Estonian organisations was conducted in May 2001 by the present author. Information from the Estonian credit database shows that 35 000 active enterprises/ organisations were listed in Estonia. The present researcher studied 262 of these companies, and found that only one had a public relations department. In the second round of the research these companies were questioned about the ways they had advertised their services in telephone directories. One thousand nine hundred and eighty organisations were questioned — business enterprises, government agencies, NGOs, educational and cultural institutions etc. Only 31, or 1.6%, of those questioned had an active public relations function — either the service was bought from some outside consultancy company or the organisation itself had hired a press representative, public relations specialist or an adviser. Sixty out of 1980, or about 3%, mainly used marketing communication services and advertising.

More attention was paid to the self-presentation of big enterprises and state enterprises, which made up 95% of all who had implemented a public relations function. Public relations was used more in those organisations that had some foreign partnership, or that were Estonian branches of some foreign company — 87% of public relations users had a foreign partnership or were branches of foreign companies.

The majority of the companies that had a public relations and marketing communication function thought that one, or at most two, persons were enough for the implementation of public relations work and 90% of the companies with a public relations function did not consider it necessary to establish a public relations team. Only 10% of the organisations using public relations used it strategically, developing various sub-departments (media relations, crisis communication etc.) and teamwork.

Communication analyses of various Estonian organisations, over 400 analyses in 1996–2001, focused on public communication through media texts, observation, ethnographic study, discourse analyses and interviews.

Important discourses in the communication of these organisations appeared in surveys of Estonian organisations in the years 1996–2001:

1. Managers are interested in presenting themselves through the media — the quality of public relations of an organisation is evaluated based on how powerful the public relations specialist is in promoting management and in presenting it in newspapers. Usually this is implemented in the style of 'shirt staffing' as mentioned in world public relations literature (Cutlip 1984). This has resulted in a poor image for public relations specialists, and a sceptical attitude in editorials towards the information presented by public relations specialists. This attitude is heavily influenced by the communist past in which the syndrome of 'one big leader' was important and mostly organisations (and also the Communist Party itself) demonstrated their power via the influence of their leaders.

2. Organisations use very little strategic planning and use a minimal amount of survey-based information in the management of communication and public relations — activities are based on 'action methods'[11], and are predominantly reactive. Various surveys prove that this is the most wide-spread method of public relations practice, both in the field of human resources and in the financial field. Media monitoring is the most wide-spread type of survey in Estonia. In recent years the importance of internal communication analyses and, to a lesser extent, surveys of public opinion have also increased. However, communication audits are still considered useless by many Estonian enterprises. In some ways, this tendency is connected with financial problems, because organisations consider conducting a survey to be too expensive and producing no direct profit. In the early stage of the Estonian transition process, at the beginning of the 1990s, the communication of organisations was chaotic, because most of them had started to change their values and orientations from those of a planned economy to those of a market economy; communication and relations management were not considered important because they hadn't been important in the Soviet era. It seemed safer, when considering possible stakeholder reactions, to keep things the way they had always been during the Soviet era. The special communication model used in the early transition period is presented on page 50 in the theoretical section of this study.

3. Organisations' lack of an integrated approach to communication, and inability to connect communication with the whole activity of an organisation — organisations were not able to fit the public relations function into their structures, and were not able to grant public relations its proper role or the freedom to act. Organisations could not quantify the activity of public relations, and

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[11]   In the present author's opinion, in the post-communist situation, 'action method' meant that organisations merely acted without planning. This is due to the fact that people coming out of the Soviet system hated planning — the planned economy was the object of anti-Soviet humour and there was scorn at the stupidity of Soviet-managed business organisations. The lack of planning also reflects inexperience in the methods of market economy planning, vital in the face of the destruction of the Communist Party planning system.

thus did not accept it sufficiently. Organisations did not involve public relations in the decison-making process or in strategic planning. A 'decathlete-style' public relations officer was peculiar to a transition society, and this style resulted in a situation where one person was not able to handle all public relations work and so public relations was effectively absent.

4. The role of an organisation's internal communication is not yet important in Estonia — internal communication in Estonian enterprises involves only dull, formal newsletters, and perhaps, in some enterprises, the internet. Very seldom does it involve radio and TV; mostly this part of public relations is not included in an organisation's strategic communication goals. It is also very typical of Estonian organisations' internal communication that these channels are not attractive and they lack a systematic and direct approach. Enterprises lack the skill and knowledge to motivate workers through communication, to create an organisational culture, to value well-informed employees as effective added resources of the organisation.

The existence of this discourse also creates an important problem in the public communication of an organisation, because poorly managed internal communication sooner or later has a strong negative impact on external communication, leading to serious crises for an organisation. A characteristic example was the internal crisis of Estonian Energy in 1998, where, for a long period, employees did not receive enough information about decisions and activities of the management team, and as a result there was a discrepancy between employee and management interpretation of some decisions. A serious conflict arose when the employees began picketing the company. The media and general public became involved when they expressed support for the employees' action.

This kind of transformation of internal crisis into external crisis occurred more frequently during the period under survey: in the reform process of Tartu Brewery, the reorganisation of Estonian oil shale etc. It is not surprising that these situations occurred more often in the active period of development.

5. Organisations are unable to precisely and correctly formulate their messages — when trying to express themselves regarding 'company issues', organisations seem to fear simple and clear language. Language used in official documents is highly specialised. Very often the spokesperson of an organisation tries to manipulate journalists as well as the public by leading them away from important information. In this discourse, Soviet-style communication was evident: so called 'deep-language' mixed with jargon. This discourse of specialised language is analysed in the theoretical section of this study.

6. Organisations do not consider journalists to be partners — organisations react with panic towards journalists' interest in an organisation, no comments are given, and the refusal to comment is not explained (even in cases where the refusal to comment is justified). Quite often organisations refuse to comment when there is no reason to refuse, contrary to what is expected in a democratic

society. Moreover, journalists are generally disliked and distrusted, and organisations often do not understand that mistakes appearing in newspapers are very often due to unprofessional communication management and faulty formulation of a message by the organisation.

7. Organisations are not able to define important stakeholders — this is the biggest problem of organisations in the field of communication. As a rule, everybody should receive similar information and there should be as much information as possible. However, in practice, the content of the message and who should receive it are often unclear. Partly this can be explained by a desire to control expenses, and therefore the choice is made to present the message through the media as news. Many organisations still consider direct mail and target group campaigns to be too expensive.

8. Organisations are not able to use academic know-how — science is considered something impractical, remote, and not applicable in the real world. Organisations do not use academic, systematised ideas to create additional value for their organisations. This attitude can be explained especially on the basis of attitudes towards surveys and analysis, which in Western and democratic societies form the foundation of communication management processes.

9. Fair communication and simple and transparent activities do not prevail in organisations — often Estonian organisations are presented in the media under the spotlight of scandal. Comments and arguments presented in such a situation are comical, illogical and contradictory. This discourse has probably been created as a result of the customs and rules of the past totalitarian regime, where the use of 'deep language' was very typical. 'Deep language' involves lying, manipulating information and messages etc.

10. Organisations are afraid of negative messages in newspapers — the leaders of organisations fear presenting negative news in newspapers, and they prefer to hide all problems. In fact it is possible that by properly presenting negative news the spokesperson can proactively change negative news to positive news; as a rule honest admission of fault is followed by milder punishment, and arguments presented first are often more powerful. The communist ideological background of this discourse is that in Soviet times organisations could present only the positive results of their everyday activities. The overall concept in the Soviet Union was that there were no economic problems, no poor or unhappy people, no invalids or ill people, no negative attitudes etc. A very positive and idealistic (illusioned) discourse was dominant in politically correct behaviour.

7.1   Conclusion

Today in Estonia we have public relations or media relations departments in nearly every government ministry, institution and big business firm. The Estonian public relations market is dominated by five large agencies: Hill & Knowlton Eesti, KPMS & Partners, Corpore, Avalike Suhete Agentuur (Public Relations Agency) and Rull & Rumm. The market for public relations services grew a great deal in 2001. In the opinion of service providers, public relations is very strongly a local business in the Baltic area. The biggest clients of Estonian public relations firms are telecommunications firms, transit trade companies and health care and pharmaceutical industries. The Estonian *Daily Business* newspaper publishes rankings for public relations firms every year: first in 2001 was Corpore whose biggest project was the privatisation of Estonian Railway.

The biggest public relations companies by turnover in 2001 (Äripäev, 20.03.2002) were:

–   Hill&Knowlton Estonia   13.5 million EEK
–   KPMS&Partners   10.1 million EEK

The smallest companies' turnover is under 200 000 EEK and these companies are mostly 'one-man shows' in different organisations which sometimes need public relations know-how, mostly as personal consultation for the organisations' leaders.

According to the data of Estonian public relations companies, the most wide-spread public relations services in Estonia are as follows:

–   Media relations
–   Marketing communication
–   Arrangement of events
–   Lobbying and political public relations
–   Crisis communication
–   Sponsorships

Year after year public relations and communication management become more popular in different organisations in Estonia, because organisations' leaders are ready to learn and be innovative and they can see some additional profit in public relations activities. As presented in the research survey of May 2001, in Estonia we have the opportunity to develop the public relations market and to establish and employ the public relations function in organisations operating in Estonia.

Problems in today's Estonian public relations field are similar to problems all over the world: ethics, qualification standards, relations with journalists, 'closedness' and asymmetry in organisational communication, social responsibility, the use of propaganda etc. In the present author's opinion, transition societies have done a very good job during the last ten years and they have used a great deal of benchmarking to get the most from the old democracies in the public relations and communication management fields, as well as from other fields, in order to move towards democracy. This experience could be a beneficial example for old and conservative democratic societies also — how to execute fundamental changes, to develop quickly, to be innovative and ready to learn, and to routinely improve results.

8   DISCUSSION

In the present study the author has tried to determine and describe important aspects of stakeholder system change processes in a transition society and discover the influences and factors of the environment (communist influences and transition society peculiarities) in this process that played important roles and that determined the final results in stakeholder system changes. Some of the key aspects connected with stakeholder system changes in the present study were:

–   openness and inclusion of organisations which were based on different political and cultural ideologies
–   the role of communication in relationship building processes, mostly via media text research
–   conflicts between the communist worldview and democratic worldview in a transition society
–   changes in the thinking of organisations' members and leaders at a personal and collective level
–   stress arising from changes in society in general, in working collectives, and in people's personal lives

The hypotheses of the present study were confirmed and answers to the research questions made possible both general and specific conclusions.

8.1   Dialogue with stakeholders in different life cycles

The heart of the present survey covers the relationship system of monopolistic organisations with their stakeholders in various periods of Estonian society. This system of relations relies on the changes in responsibilities of an organisation, on the changes in the roles of an organisation and on changes in the public interest. All the material of the present survey is presented on an historical axis, various stages of post-communist Estonian transition periods, so that both the entire process and particular aspects of organisational paradigms of change can be seen from an historical point of view.

Important aspects of the present work are changes in organisations and in stakeholders, following various components, in terms of symmetrical and asymmetrical worldviews of communication and organisations, as well as the aspect of the changing role of media — both the professionalism of journalists and their expectations and attitudes towards public relations. Naturally there have been changes in the relations between organisations and the state. At the beginning of the change process of Estonian Telephone in 1989–1992, the main problem was that the Estonian government, as well as important stakeholders, were poorly informed about on-going processes, while the Ministry of Tele-communications of the Soviet Union in Moscow was very well informed. However, in 1998 during the process of change in Estonian Energy, the Estonian government was totally involved in the new processes: in taking Estonian Telephone into the international stock market and in privatising Estonian Energy.

Great changes have also taken place in the market during the period covered by this research — the market economy has developed strongly, and consumers and competitors as stakeholders have assumed their roles. Estonia has successfully passed through the development stage on its way to becoming a market economy.

In comparison with the beginning years of the transition society, the state has come a long way and today it is able to take effective and necessary legal action in various processes.

Democratic standards have developed in communications and in relations within society. Although the understanding of the general public about democracy is somewhat utopian and practical experience of democracy is rather limited, democracy is firmly established. This trend is also supported by the establishment of professional media, which can be seen in media involvement in social processes, more transparency in society etc.

The Law on Public Information is also important in Estonian social development: since January 2001 it has been a powerful device for fighting the tendency toward secrecy common in the communist system. This law, in conjunction with communication management, has reoriented society and its organisations towards democratic principles.

Globalisation has also had a powerful influence on Estonian society, helping small but innovative Estonia to achieve strong development. The uniqueness of its transition society enabled Estonia to develop gradually, by skipping some stages that were important to old democratic societies, and as a result, reaching international standards in different fields, including public relations and communication management.
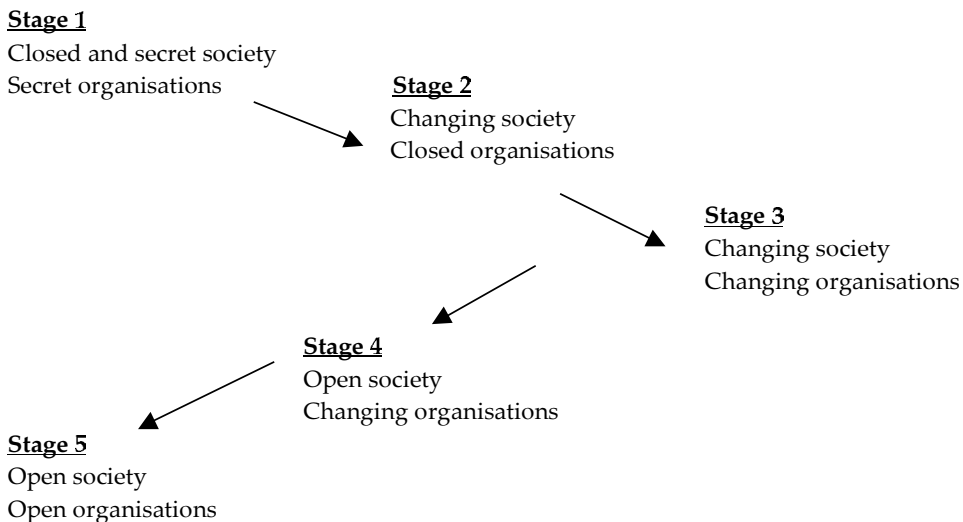
General changes in culture are reflected in Estonian organisations because in fact what occurred was the replacement of one social order with another, the replacement of one ideology with another. Changes in national culture and political culture in Estonia have been critical. During the period of re-establishing independence, the national identity was dramatically strengthened, but at the same time there was a need for democratic tolerance

towards non-Estonians who were viewed by Estonians as representatives of a totalitarian state. It has become a true Estonian ideal to integrate with Russians, the last vestiges of the communist era in Estonia.

8.2   Open and closed organisations and societies

Society as a whole has developed and opened up faster than have organisations within the society and therefore we can see a relatively large misunderstanding between the two, although both are developing at great speed and in the same direction. (Tampere 1999) This discrepancy between the phases of change of the two systems is illustrated in Figure 8.1.

FIGURE 8.1 Stages of the opening up of a totalitarian society and its organisations

Stage 1
Closed and secret society
Secret organisations

        Stage 2
        Changing society
        Closed organisations

        Stage 3
        Changing society
        Changing organisations

Stage 4
Open society
Changing organisations

Stage 5
Open society
Open organisations

In the post-communist society, particularly at the early stages of transition, the public communication of an organisation took place according to the old Soviet traditions — a 'secret' worldview dominated and actual communication was minimal. (Tampere 1999: 72) If a message was sent to the public it was usually propagandistic, not very honest and served the interests of management, giving an inadequate representation of what was actually happening in the organisation. In addition, the post-communist organisation's attitude towards the general public and specific stakeholders was technocratic. This determined the style of communication — complicated technical issues were discussed

using complicated technical terminology, which was not understood by ordinary laymen. These organisations viewed their environment (including stakeholders) as irrelevant, stupid and sometimes even disturbing, and they saw spitefulness, ill will and misunderstanding everywhere. It was impossible for such an (ex-Soviet) organisation to do anything to improve its relations with its environment and stakeholders, or to be flexible and ready to change in response to pressure from the environment.

As mentioned above, public relations and communication management have proven themselves in democratic societies. The present research shows that ex-Soviet organisations, which today are in the process of great transition, also need conscious and well-planned communication management. At the same time such societies and such organisations do not yet have well-established habits and routines of a democratic society. It also appears that such post-communist phenomena need to be viewed in terms of their own theoretical background in order to account for the processes under way. The opportunities and tools developed during the relatively long history of public relations in democratic societies are quite limited in the context of totally new social phenomena. This creates a number of theoretical and practical problems in the general development of public relations and communication management as a field.

Events during recent years in Estonia prove that organisational communication developed quickly and today many organisations are open, communicating honestly and clearly in a truly democratic manner. The Estonian Telephone Company, as well as many other organisations, have developed very quickly and their main public relations goal has been to rid themselves of their historical baggage.

In the first stage of the process, the society was closed and some organisations were more closed than others. These could even be called 'secret' organisations. During the second stage, when the society had started changing, the organisations were still closed. Organisations had experienced a slight shift though — from secret organisations to closed organisations. Such an intermediate stage did not exist in the change process of a closed society to a changing society. Meanwhile, the change processes of organisations and society met. However, the period was very brief, because an open society emerged earlier than did open organisations.

It is interesting to note that organisations always lagged a step behind society, and the same people who played an important role in the development of the society could not fulfil the same task as effectively in the organisations they worked for. The participants in the process had conflicting roles and, as a result, the organisation was the loser: public knowledge about it was heavily influenced by previous experience, its activity and changes were less visible than the changes in society in general and there was no conscious and planned communication management in the organisation yet.

A philosophical discussion about open and closed societies is brilliantly presented in Karl Popper's book *Open Society and its Enemies* (Popper 1992). In

the analysis of Estonian organisations, the present author proceeded from the account of open and closed societies given by Popper, adding the concept of a 'secret organisation' based on the peculiarities of the post-communist environment. The notion of a closed organisation encountered in a democratic society was not completely adequate to express the extent of 'closedness' characteristic of totalitarian regimes in the organisations the present author analysed. Many organisations originating in totalitarian societies had a level of 'closedness' that could be characterised as 'secret' (Tampere 1999).

Public relations functions produced professional results in transition society very quickly — mostly at the same time the state was born. However, public relations and communication management had a special character in transition, similar to public relations in America in the 19th century, in which truth was not important, an asymmetrical worldview was dominant, and public relations was mostly practiced by amateurs rather than professionals. Public relations practice contains many elements of propaganda, and persuasion is not always honest and ethical. The Estonian public had its dreams of democracy but reality didn't always match the dreams. The public became very sceptical and unreceptive to information. Asymmetrical communication management existed in communist society too, only it was not called public relations. In the present author's opinion, however, it was nonetheless some kind of public relations and it is not possible to totally dismiss totalitarian societies' communication processes just because the content of propaganda was not the same as in a democratic society. It is important to analyse all communication management styles and relations in the world and differentiate existing possibilities. As mentioned previously, in a post-communist society, an unmanaged chaotic communication model is typical for post-communist organisations. This model contains clear propaganda elements and deep language. Nobody was interested in reality. Each participant in this communication process had his/her viewpoint, which was expressed to anonymous stakeholders. It was irrelevant that there were no real receivers in this process, because people were used to not receiving information. Information was false and it was routine to dig for real messages between the lines, the 'deep language'. In democratic societies stakeholders are more active. They know their rights and they have a tradition of demanding their rights. Communist stakeholders were more passive and too shy to request information, because communist philosophy taught them that they should be more altruistic and think collectively. People were more intimidated and closed in post-communist society. As a result, communication management and public relations processes couldn't develop in the same manner as in a democratic society.

8.3 Developments in public relations and communication management

The public relations function has historically developed through various cultures and societies. According to the above-mentioned communication model, public relations and propaganda have been considered as one unit starting from early civilisations. Nearly all cultures and societies have examples of situations that can be considered as predecessors of contemporary public relations and communication management.

Public relations itself has been considered a phenomenon of a democratic society for years (Cutlip 1985, Harrison 1995). Totalitarian regimes in Europe at the beginning of the 20th century (from revolutionary changes in Russia in 1917 to World War II, totalitarian regimes in Russia, Germany, Italy, etc) strongly influenced the development of communication management. According to Harrison (1995: 7), Goebbels provided a definition for propaganda in the 30s that changed the meaning of propaganda to a great extent — mainly devaluing its meaning. Today, public relations specialists have distanced themselves from the communication processes of a totalitarian society (Harrison 1995).

Looking at the social developments at the end of the 20th century, it seems that the time has come to re-examine the pillars of public relations and communication management as organisational activities of crucial importance, and also to accept the development of public relations in the environment of a post-communist society. Public relations history in the democratic world, in the present author's opinion, took on a new dimension in 1989, and we can call this period the **opening period**, which would become the cradle for the systematic public relations function in post-communist states and the beginning of new developments in European public relations. This was the beginning of the process of opening up of totalitarian states and the time when a large part of Europe changed its social order, worldview, style, culture, values etc. This is the period when transition societies were formed and developed, and the period when public relations and communication management were established in post-communist transition societies. The length of the period of opening was about 10 years. Since 2000 communication management and public relations processes have taken place in the **global networking and net communication period** (public relations on the net), because both in post-communist and in old democracies, as well as in Asian cultures, there has been a very rapid development of internet and info technology. This communication trend has very clearly followed the net society trend and McLuhan's ideas of the Global Village. This period can also be characterised as one of strong integration of different cultures, worldviews and philosophies, and of different functions and activities.

Although there have been many odd developments in public relations and communication management in post-communist society, two processes have been occurring simultaneously: a very rapid adaptation of modern

technology and network concepts, and interference from the communist past. The ethical aspects of public relations and communication in post-communist states can be compared to the first years of public relations and communication management development, influenced by the ethical values, double speech and propaganda influences of a communist society.

8.4   Illusions of interactive communication

In the 20th century the world could be characterised as being divided into two poles — one part of the world existed in democracy, the other in communism. How societies developed, and how life went on in one or another society was deeply influenced by political power and by the cultural background of different environments. As we know, communication is one very important form of culture, a cultural practice. As stated by Bourdieu in the theoretical section of the present study: how we speak to each other, how we behave, how we think etc — all this is our culture, or we can also say that all this results from our childhood, where we were born, and grew up. Most importantly, communication has been the indicator to show the real face of a society. We can state various viewpoints, but the analysis of communication processes reveals reality and hidden attitudes.

Another key word here is 'system': in the sense that society is a system, but also in the wider sense that a system involves thinking, understanding, behaviour, culture etc. A human being is a system and an organisation is a system. According to J. Miller (Miller 1978), it is important for systems, in order to survive, to change permanently. Miller is right in that the stagnation of the communist system led to its destruction. If we consider an ordinary person, we can easily come to the conclusion that if a person does not develop himself, he will ruin himself both physically and mentally. The change process, involving society, organisations and people, is important in the present survey. This is a separate paradigm because all processes are considered to be in a process of very quick, unique and constant change. The situation is also unique — one part of the world, which previously thought that it could develop through communism, simply collapsed and created a totally new situation. The rest of the world did not know what to do with the renewed part. For many years the two parts had developed along different paths, and it was difficult to recognise and accept such a drastic change. Theorists in sociology have named this new phenomenon 'a transition society'.

Public relations and communication management have generally developed in democratic societies. The inhibition of communication processes and spreading of political propaganda has characterised totalitarian societies. Various books on public relations have stressed the idea that it is possible to speak about public relations only in democratic states. Honest and fair communication management follows only democratic principles. But what is real demo-

cracy? People who have lived in a democratic society see things one way, and people who have no personal democratic experience see things differently. Various surveys implemented for this work prove that, in reality, people coming from a communist society have illusions about democracy and these illusions influence their everyday activities. Therefore they have different requirements of communication and communication management. Could this be regarded as a peculiarity of a transition society? Probably so, because reaching an understanding of democracy in such a society is very intense, involving all the pains and difficulties that in old democratic societies took place over a period of eighty years. However, we cannot exactly recreate the world of eighty years ago. In terms of communication a new context was created, and the context is that of a communist society. Therefore people in a transition society were influenced by the memory of communism and their illusions about democracy, given that they had no practical experience with democracy. On the other hand, reality has created a situation where people are not satisfied with the democratic reality in Estonian society. Surveys on public opinion in Estonia in 2001 revealed big crises — government and political leaders are moving away from people, people are not interested in public issues and they have lost their enthusiasm for the state. Is this the first step in the breaking down of ideals? What are the possibilities for overcoming the problem? In fact the patterns of the syndrome of dangerous disappointment can be found all over the previous Soviet territory, for example in Belarus, Ukraine, the Caucasus and central Asia. Now, after our presidential election, the syndrome seems to exist in Estonia, too. One aspect of the disappointment in democracy can be illustrated by the fact that, after a period of democracy in some states, communist and left wing representatives once again have come into power. Why is it that one part of the world has lived nearly one century in a democracy and the other part cannot find its place in the democratic world? In our part of the world neither communism nor democracy seems to work. Why is it so difficult for states moving from a totalitarian society to democracy to adjust to the new, supposedly better, system?

Important texts on communication management suggest that adequate, fair and clear communication is beneficial. But how does it work, and is it possible to communicate according to these principles in a society which is strongly influenced by its historical heritage, and in which lying, hiding and information manipulation have dominated?

Communication management theory has many models that help communication processes operate in a democratic society, but these models are not suitable for a transition society, for a society that has different values, customs and views. The American public relations theorist J. Grunig (Grunig 1984) suggests a two-way symmetric model for the most effective communication management. His colleagues call it utopian and criticise it in different articles (L'Etang 1996). One of the most commonly voiced criticisms of the symmetrical model is that it denies the legitimacy of advocacy. In the course of this study, the present author assumed that the two–way symmetrical model

offered real opportunities for people in transition to realise their dreams of democracy, that it was a model for a transition society where the Estonian public could expect honest communication from its leaders. The Estonian public is not so much interested in information as in the opportunity to influence state governing processes, to take part and feel a part of real democracy in practice. This attitude hearkens back to the communist legacy, where for a long time people were influenced by the illusion that the state existed for workers and peasants, where every citizen was entitled to take part in the governing process. The ideology stressed the idea that all decisions and actions were in the interests of the working class. The real situation involved strong control and repression of people's activities and participation in state processes. Now this ideological experience influences the dream of democracy. The dream has little in common with the reality of democracy. Estonians always look for opportunities to start dialogues with various institutions and to take part in the decision-making process, in order to participate in the same way as they did during the Singing Revolution, in the Baltic Chain, and in other activities during the first years of re-independence. They have a special need for symmetry and two-way open communication, because they have no possibility of realising their amplified dreams of freedom and democracy. On the other hand, the attempts made by the state to communicate with citizens, according to democratic principles, do not work because older people and the young generation leaders in Estonia have different understandings of democracy.

The present survey does not deal with communication and public relations and its management at the level of society, but rather at the organisational level. Society here is considered only in the context of studying organisational communication. Organisations coming out of a totalitarian society have found themselves in a difficult situation because they have changed fundamentally — from economics and finance, to management and ideology, to changes in employees' attitudes and thinking. This multiple change has resulted in a very complicated solution, a change in values, culture, ideology, system and structure.

The situation is even more complicated due to the fact that one-third of Estonian society is made up of immigrants who came during the Soviet period. This complication was very clear in the Estonian Energy case. A very quick and strong strategy for changing the communication and culture in Estonian Energy was developed because Russian-speaking people dominated in northeast power plants and they had a very strong communist worldview still in 1998. On this level, the author again found conflict between Estonians' dreams of symmetry in communication in a democratic style, and Russian speakers' dreams of a communist-style workers' government.

In the present study, Grunig's approach involving symmetry and worldview has been used to find descriptions for transition society citizens' dreams and illusions. The present survey revealed to the author one important fact: some objectives which are impossible in a democratic society are possible

in a transition society, and objectives possible in a totalitarian society are also found in a transition society. This leads to problems in the present situation: conflicts at different levels, and different relationships in society which probably will make the future easier but will be present in Estonia and other post-communist countries for many years.

8.5 Conclusion

The present study dealt with two main concepts: the public relations function and the relationships systems with stakeholders that result from professional communication and public relations. The present author hypothesised that, if in society fundamental changes take place at political, economic, social and cultural levels, relations between organisations and their stakeholders may change. In this process, organisations will change their relations systems and orientations, worldviews, cultures and ideologies. The author hypothesised that these changes in relationships are more dynamic and successful if organisations use the public relations function strategically in this process.

To support the research hypotheses, the author asked some research questions at the beginning of the study:

– What kinds of problems did organisations have during the period of fundamental changes in society?
The answer to this question can be found in the Estonian Telephone case study. We found that organisations coming out of a communist past have a lot of communist-style elements in their behaviour and decisions, which create problems for a new society. These problems are mostly and dominantly at the worldview level. Organisations tried to be 'good' — they tried to develop according to expectations in the new society. This was clear from interviews the present author conducted with ET change process leaders. However, the result of these changes was not very 'good' because the organisation's knowledge level was low and communist routines were strong. ET had an effective plan to develop the Estonian telecommunications sector, build up new infrastructure and make it possible for clients to communicate at a high level. This process was technologically perfect, but the price of this process was that the company's image was still bad 10 years after fundamental changes had taken place in ET. Just to mention a few of the mistakes ET managers made: they did not communicate with the right stakeholders, their communication dealt only with technological improvements, and their communication was in overly complex language, which made their plans incomprehensible to the Estonian public.

– In what way did organisations change their stakeholder systems due to the influence of social changes?

The answer to this question lies in the theoretical section and in both case studies. Both case study organisations changed their stakeholder systems due to fundamental changes in society. In the communist period both of them had similar stakeholder systems. Similar stakeholder systems in other state-owned companies were also analysed in comparative study in the present research. Differences started in the transition period and in this fluid social situation every stable old-fashioned company tried to establish its own suitable relationships. A problem, in the present author's opinion, was the fact that the organisations studied in the present research did not plan these stakeholder changes and they followed unmanaged processes. To describe and analyse this situation, the present author suggests a chaotic, unmanaged communication model, which can explain the studied organisations' behaviour in terms of relations building. In the present author's opinion, this tendency drained a great deal of energy from organisations, made processes uneconomical and ineffective, and led to many mistakes being made.

– What role did communication play in the stakeholder system change process?

Communication played a key role in the present study: through communication organisations were able to build up good relationships with different stakeholders. Through planned and intelligent communication, it was possible to build up trust and trusted organisations could act more effectively, and of course, increase profits. As may be seen in the media text analyses in the present study, a lack of communication and bad reputations strongly influenced the organisations. In the opinion of journalists questioned in the present study, credibility, professionalism and a good image lead to an organisation's success, and are fundamental for good relationships with stakeholders. If organisations can communicate proactively and honestly, they can be successful in every type of society. Certainly, different cultural influences are important to attend to in this process and it is important to take into consideration national peculiarities, too. The style used in communication processes is important: what is acceptable to Russians won't always be acceptable to Estonians and vice versa. Cultural practices vary and professional communication managers must be aware of this.

– What differences exist in public relations and communication management in different types of societies (communist, post-communist/transition and democratic society)?

The character of communication management and public relations functions in different types of societies is quite different. In the communist period, there was no public relations function and the communication manager's role was that of a journalist. The communication manager was a propagandist who presented Communist Party ideology, made it possible to manipulate people and lied to the public if necessary and when demanded by Party managers.

There was no objective information in the public sphere in the communist period. Relations were based on power and personal influence. People received too much information in Soviet times and mostly this involved lies, manipulations and double-talk. This made people very sceptical. In transition society, organisations at first knew nothing about public relations and communication management. The first organisations to use these functions did not know how to use them and public relations job quality was not very high at first. Public opinion was quite sceptical and often public relations people were called propagandists, which had a particularly bad connotation in the Estonian context because of the communist past. In the late transition period, the reputation of public relations developed and successful implementation created situations where public relations and communication management were seen as necessary in crisis situations. Today, in the present author's opinion, it is possible to talk about a strategic approach in public relations, but it exists only in a small number of organisations and is in limited use. In rural Estonia, public relations is poorly developed and the price for public relations services is too high for most organisations to afford. As shown in this study, only 1.6% of organisations have a public relations function today. In a democratic society, public relations and communication management functions play a dynamic role in organisations and no existential problems arise in these processes. In a democratic society, organisations can accept their stakeholders' opinions and can be more tolerant than in a transition society. Democratic societies have different cultural practices and different worldviews, and as a result organisations have no need to manipulate or lie. In a transition society, the communist past influences most processes at the society level, the organisation level and in people's minds. The most recent presidential elections in Estonia showed that having a former communist as president is not a problem for Estonians — what was important was his good character and friendly face. Post-communist experience made the public a little bit passive, with public initiative somewhat repressed. Public knowledge is different from public knowledge in a democratic society. In the present research, the author has recommended a pedagogical role for public relations in a transition society, because understanding a new society with its new terms and new situations can be difficult for citizens educated in a communist system. In 1997 Estonian Telephone had problems with business journalists in Estonia after publishing the company's profit statement. ET said in a press conference that profits would be reinvested in Estonian telecommunications infrastructure and the next day newspapers wrote that ET foreign owners 'take money and send it to rich Sweden and Finland' This text had, 'between the lines' (double speech), a connotation of 'enemies and bad capitalists', a clear vestige of the communist past. In this situation a pedagogical role was extremely necessary, but the public relations function in ET was not ready to play this role. The present author collected many such 'anecdotes' from different organisations during the study period.

– How was the public relations function born in the post-communist situation?

The birth of public relations in the post-communist situation was quite painful. Of course, foreign investors and companies' new owners from the west brought public relations traditions to Estonia too. Certainly Estonia's new and more democratic governments used press officers. This process was painful because communist communication traditions were different from democratic traditions and this difference created problems for the public relations function. In addition, knowledge was poor.

– How is it possible to use public relations and communication models and theories developed in a market economy situation in a post-communist society?

In the present author's opinion, western models and theories are good, but their use in a transition situation is problematic because the environment is different, values and worldviews are different, and traditions and cultural influences are different. Grunig's idealistic model of symmetrical communication is, in the present author's opinion, quite useful in a post-communist situation because stakeholder expectations in post-communist society are idealistic too, and this model is in practical use today in Estonia — people's needs for democracy are so great that they have illusions about democracy and organisations in Estonia must accept different stakeholder expectations. For example, in Estonia we have numerous public discussion sites on the internet and organisations are very sensitive to opinions written on these sites. The Estonian government created the portal 'Today I can make decisions' (in the Estonian language TOM)

– Where citizens can express their opinions and ideas about state and government performance and they can take part virtually in different processes of society (laws, government decisions, etc).

In the present author's opinion, the situation in Estonia is quite unique and organisational communication processes have peculiarities in Estonia. New theories are not needed, but developments in old theories and models are necessary. European public relations research shows that techniques used throughout Europe are possible and, in fact, exist in Estonia in the post-communist situation, although it is important to keep in mind some individual Estonian aspects (the pedagogical role and cultural diversities).

– How do the stakeholder theory and public relations concepts 'work together' in a transition society?

In the present author's opinion, stakeholder theory shows organisations' dependencies very clearly and this instrument was effective in describing organisations' different life cycles (different types of societies) and relationships in this contexts. In the present author's opinion, stakeholder theory has great potential to develop in the public relations theoretical field. It was especially

useful for the present research to combine stakeholder theory with system theory's 'live organisms concept'. The 'live organisms' concept shows how important it is to exchange information and change system borders in different situations. Stakeholder theory shows the results of communication and information transforming processes, the kind of relationship systems organisations can build up, and the building process itself, if organisations are passive and overly self-centred.

Finally, it was interesting to find answers to these questions. Maybe some answers are subjective, because the author used the personal experience method; observation and qualitative research is always a bit more subjective than quantitative research. In the present study's quantitative section, which brought some concrete numbers to the study, there were media texts analyses, but there was also analysis via text content, and again subjective factors may have arisen here. It was particularly interesting to do discourse analyses, because this method revealed information between the lines. It is not easy to dig information out of deep language, manipulations and propaganda. The author is sure that the personal experience method, together with discourse analyses, was a good combination for reading messages between the lines and discovering the problems the studied organisations encountered in their stakeholder relation systems. Media text analyses gave a clear picture of the concrete communication process and observation made it possible to generalise from the research results.

The author is happy to finish this complicated project, which has stretched over the last eight years. As the reader can see, this study contains eight chapters and there are still a lot of ideas and questions in the author's mind suitable for future study, because the situation is unique and the processes described are ongoing.

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