

## The secret ingredient of organizational longterm success? Adapt to public expectations

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New research from BYU public relations professors Christopher Wilson and Devin Knighton found that when an organization's mission or actions are out of line with what people who have a stake in that organization expect, the legitimacy of the organization is called into question. Credit: Nate Edwards/BYU Photo



Recent reports from the Edelman Trust Barometer indicate that trust is declining around the world—only one-third of Americans say they trust their government to "do what is right," and trust in organizations decreased by 10% between 2019 and 2020.

Why are organizations losing trust at such an alarming rate?

According to new research from BYU public relations professors Christopher Wilson and Devin Knighton, one reason may be that organizations are failing to adapt and adjust to changing <u>social norms</u> and public expectations. When an organization's mission or actions are out of line with what people who have a stake in that organization expect, the legitimacy of the organization is called into question. This lack of legitimacy causes an organization's stakeholders to perceive it as self-centered and untrustworthy.

"Losing legitimacy has always been a big threat to organizations," said Wilson. "Once an organization is seen to be operating outside expected societal norms, loses the trust of its stakeholders and stops being responsive to them, there is a good chance that organization won't be around for very long."

According to Wilson, a recent example is Ringling Bros. and Barnum & Bailey Circus. "Social norms about animal welfare in the U.S. drastically changed in the 146 years since the "Greatest Show on Earth' first set up its big top. But the circus didn't change, it fell out of step with the <u>animal</u> welfare expectations of its stakeholders, and it packed up its big top for good in 2017."

The research, published in *Corporate Communications: An International Journal*, presented an online experiment to over 400 participants in which they were randomly assigned to one of four conditions. In two of the conditions, participants read a fictional news story a local zoo. In the



other two conditions, participants read a fictional news story about a local amusement park. The stories detailed how each organization was dealing with a recent animal death caused by the its own negligence. One version of each of the two stories positioned the organization as stubborn and unwilling to change procedures to ensure animal safety. The other version positioned the organization as actively engaged in changing behaviors that were harmful to animals.

The results of the experiment found that the organizations described in the news stories as acting in their own self-interest and ignoring community norms were perceived to be operating with little accountability to the public and were likely to have a low rating on trust. Conversely, organizations that were described as acting in the public interest and adapting to community norms were perceived to be accountable to the public and were likely to have a high trust rating.

## **Responding to core business-related issues**

The study noted that organizations shouldn't react to every change in public opinion or respond to issues unrelated to its core <u>business</u>, but it does highlight the need for organizations to be aware of shifts in societal norms on issues related to their central mission and purpose.

"When an organization faces questions about its legitimacy because of seismic changes in its business environment, the best-case scenario is for that organization to be open to change and responsive to its stakeholders on issues related to its core business," said Wilson. "The worst-case scenario is for an organization to refuse to change and disregard stakeholder concerns on issues related to its core business."

## Earning and maintaining trust



Can organizations maintain <u>trust</u> in today's world of ever-changing <u>societal norms</u> and opinions? Knighton says the answer is yes, but it requires a concerted effort in the competitive, profit-driven, report-focused landscape that most businesses exist in.

"It's a principle we all learned while we were in elementary school, but when the stakes are high and there's lots of money on the line and egos get wrapped up in decision making, people tend to forget the basic norms of human interaction that result in good relationships."

Creating and maintaining these good relationships starts with listening. Like a submarine crew uses sonar to scan the watery depths to get a picture of the environment surrounding the ship, organizations today should utilize what Wilson, Knighton and other public relations experts call environmental scanning—regularly surveying the social, political and cultural environment so they can adapt and adjust to maintain legitimacy.

"Hear what the public has to say. Understand what they want and expect of your organization," says Knighton. "Care about what the public thinks and be willing to change or accommodate if such issues are directed at your core business. The only way to survive in the long term is to adjust and adapt to changes in the environment in which the organization operates."

**More information:** Christopher Wilson et al, Legitimacy, autonomy and trust: a recipe for organizations to operate in the public interest, *Corporate Communications: An International Journal* (2021). DOI: 10.1108/CCIJ-03-2021-0029

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